



Better Energy Denmark A/S

Gammel Kongevej 60, 14.
1850 Frederiksberg C
CVR No. 39069482

Annual report 2019

The annual general meeting adopted the annual report on 28.04.2020

Ho Kei Au

Chairman of the general meeting

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Entity details

Entity

Better Energy Denmark A/S

Gammel Kongevej 60, 14.

1850 Frederiksberg C

CVR No.: 39069482

Registered office: Frederiksberg

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Rasmus Lildholdt Kjær, Chairman

Ho Kei Au, Board member

Annette Egede Nylander, Board member

Executive Board

Anders Knokgaard Nielsen, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Better Energy Denmark A/S for the financial year 01.01.2019 - 31.12.2019.

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 entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the annual general meeting.

Frederiksberg, 15.04.2020

Executive Board

Anders Knokgaard Nielsen

Director

Board of Directors

Rasmus Lildholdt Kjær

Chairman

Ho Kei Au

Board member

Annette Egede Nylander

Board member

Independent auditor's report

To the shareholders of Better Energy Denmark A/S

Opinion

We have audited the financial statements of Better Energy Denmark A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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 responsibilities 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 determines is 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent 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 that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Kolding, 15.04.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Ørum Nielsen

State Authorised Public Accountant
Identification No (MNE) mne26771

Management commentary

Primary activities

The main activity of the company is to own shares in subsidiaries and to provide loans to these subsidiaries.

Development in activities and finances

The income statement of the company for 2018/19 shows a profit of DKK 9,278,070 and at 31 December 2019 the balance sheet of the company shows an equity of DKK 13,227,527.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(35,004)	(19)
Income from investments in group enterprises		10,693,998	5,223,229
Other financial income	2	1,836,033	674,830
Other financial expenses	3	(3,616,321)	(2,114,471)
Profit/loss before tax		8,878,706	3,783,569
Tax on profit/loss for the year	4	399,364	345,875
Profit/loss for the year		9,278,070	4,129,444
Proposed distribution of profit and loss			
Retained earnings		9,278,070	4,129,444
Proposed distribution of profit and loss		9,278,070	4,129,444

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		50,153,738	39,289,549
Other financial assets	5	50,153,738	39,289,549
Fixed assets		50,153,738	39,289,549
Receivables from group enterprises		38,666,490	30,506,784
Other receivables		3,750	0
Income tax receivable		399,364	346,221
Receivables		39,069,604	30,853,005
Cash		1,540	2,754
Current assets		39,071,144	30,855,759
Assets		89,224,882	70,145,308

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		500,000	500,000
Unpaid contributed capital		0	(375,000)
Reserve for net revaluation according to the equity method		15,646,977	4,827,777
Retained earnings		(2,919,450)	(1,378,932)
Equity		13,227,527	3,573,845
Trade payables		20,000	0
Payables to group enterprises		75,977,355	66,571,463
Current liabilities other than provisions		75,997,355	66,571,463
Liabilities other than provisions		75,997,355	66,571,463
Equity and liabilities		89,224,882	70,145,308
Events after the balance sheet date	1		
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Group relations	8		

Statement of changes in equity for 2019

	Contributed capital DKK	Unpaid contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	(375,000)	4,827,777	(1,378,932)	3,573,845
Share capital receivable, paid	0	375,000	0	0	375,000
Exchange rate adjustments	0	0	612	0	612
Profit/loss for the year	0	0	10,818,588	(1,540,518)	9,278,070
Equity end of year	500,000	0	15,646,977	(2,919,450)	13,227,527

Notes

1 Events after the balance sheet date

The Executive Board believes that in the short term, the coronavirus (COVID-19) will not have a material adverse effect on Better Energy.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Other financial income

	2019	2018
	DKK	DKK
Financial income from group enterprises	1,836,033	674,484
Interest regarding tax paid on account	0	346
	1,836,033	674,830

3 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	3,616,295	2,114,309
Other interest expenses	26	162
	3,616,321	2,114,471

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	(399,364)	(345,695)
Change in deferred tax	0	(180)
	(399,364)	(345,875)

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	34,461,772
Additions	49,986
Cost end of year	34,511,758
Revaluations beginning of year	4,827,777
Exchange rate adjustments	612
Share of profit/loss for the year	10,694,084
Investments with negative equity value depreciated over receivables	272,588
Other adjustments	(153,081)
Revaluations end of year	15,641,980
Carrying amount end of year	50,153,738

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Selskabet af 29.11.2016 A/S	Frederiksberg	A/S	98,2
Better Energy Holding	Frederiksberg	A/S	100
Better Energy Estate	Frederiksberg	A/S	100
Better Energy Estate I	Frederiksberg	ApS	100
Better Energy Estate II	Frederiksberg	IVS	100
Better Energy Estate III	Frederiksberg	ApS	100
Better Energy Partner DK	Frederiksberg	ApS	100

6 Contingent liabilities

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.

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. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7 Assets charged and collateral

Shares in a group enterprise is placed as collateral for the group enterprises debt to bank. The carrying amount of pledged shares is DKK 1,383k.

Shares in a group enterprise is placed as collateral for debt to Proventus Capital Partners IV AB. The carrying amount of pledged shares is DKK 2,334k.

8 Group relations

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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 entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the entity 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 entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected 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.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the entity's ordinary activities, including expenses for stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss 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 entity is jointly taxed with all Danish group enterprises. 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**Investments in group enterprises**

Investments in group enterprises 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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises 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.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises of bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.