



Better Energy Estate II IVS

Gammel Kongevej 60
1850 Frederiksberg C
CVR No. 39272695

Annual report 2019

The annual general meeting adopted the annual report on 28.04.2020

Ho Kei Au

Chairman of the general meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2019	7
Balance sheet at 31.12.2019	8
Statement of changes in equity for 2019	10
Notes	11
Accounting policies	13

Entity details

Entity

Better Energy Estate II IVS

Gammel Kongevej 60

1850 Frederiksberg C

CVR No.: 39272695

Registered office: Frederiksberg

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Peter Munck Sørensen, Director

Rasmus Lildholdt Kjær, Director

Ho Kei Au, Director

Christoffer Fruergaard Larsen, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Executive Board have today considered and approved the annual report of Better Energy Estate II IVS 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

Peter Munck Sørensen
Director

Rasmus Lildholdt Kjær
Director

Ho Kei Au
Director

Christoffer Fruergaard Larsen
Director

Independent auditor's extended review report

To the shareholders of Better Energy Estate II IVS

Conclusion

We have performed an extended review of the financial statements of Better Energy Estate II IVS 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

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 entity is to directly or indirectly acquire, own, develop, construct and operate solar parks.

Development in activities and finances

The income statement of the entity for 2019 shows a gain of DKK 2,486,872

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(57,560)	(9)
Other operating expenses		(40,000)	0
Operating profit/loss		(97,560)	(9)
Income from investments in group enterprises		2,660,605	(148,018)
Other financial income from group enterprises		958,318	67,421
Financial expenses from group enterprises		(967,311)	(73,644)
Other financial expenses		(116,181)	(148)
Profit/loss before tax		2,437,871	(154,398)
Tax on profit/loss for the year	1	49,001	1,404
Profit/loss for the year		2,486,872	(152,994)
Proposed distribution of profit and loss			
Retained earnings		2,486,872	(152,994)
Proposed distribution of profit and loss		2,486,872	(152,994)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		2,749,300	127,031
Receivables from group enterprises		18,254,799	12,847,852
Other financial assets	2	21,004,099	12,974,883
Fixed assets		21,004,099	12,974,883
Trade receivables		7,402	0
Other receivables		10,000	0
Joint taxation contribution receivable		49,001	1,405
Receivables		66,403	1,405
Cash		32,823	1,218,743
Current assets		99,226	1,220,148
Assets		21,103,325	14,195,031

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		1	1
Retained earnings		2,333,608	(152,994)
Equity		2,333,609	(152,993)
Trade payables		32,500	0
Payables to group enterprises		18,737,216	14,104,024
Other payables		0	244,000
Current liabilities other than provisions		18,769,716	14,348,024
Liabilities other than provisions		18,769,716	14,348,024
Equity and liabilities		21,103,325	14,195,031
Contingent liabilities	3		
Assets charged and collateral	4		
Group relations	5		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1	(152,994)	(152,993)
Exchange rate adjustments	0	(270)	(270)
Profit/loss for the year	0	2,486,872	2,486,872
Equity end of year	1	2,333,608	2,333,609

Notes

1 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	(49,001)	(1,404)
	(49,001)	(1,404)

2 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	150,022
Additions	3,316,017
Disposals	(200,003)
Cost end of year	3,266,036
Impairment losses beginning of year	(22,991)
Exchange rate adjustments	(270)
Share of profit/loss for the year	(1,903,660)
Investments with negative equity value depreciated over receivables	1,331,813
Other adjustments	78,356
Reversal regarding disposals	16
Impairment losses end of year	(516,736)
Carrying amount end of year	2,749,300

3 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.

4 Assets charged and collateral

Assets charged and collateral - Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

Collateral provided for group enterprises

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.

Shares in Group Enterprises is provided as collateral for the above mentioned debt to Proventus Capital Partners IV AB. The carrying amount of the pledged shares is DKK 622.

5 Group relations

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

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 revenue and other external expenses.

Other external expenses

Other external expenses include expenses relating to the entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after depreciation off goodwill.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including 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 Better Energy World A/S and their 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).

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 intragroup 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 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 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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises bank deposits.

Other financial liabilities

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