

# **Better Energy Danish Solar I A/S**

C/O Better Energy A/S  
Gammel Kongevej 60, 14th floor  
1850 Frederiksberg C

Business Registration No. 39929139

## **Annual Report 2023**

The annual report was presented and  
adopted at the Annual General Meeting  
on 26 April 2024

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Ho Kei Au  
Chair of the Annual General Meeting

## Better Energy Danish Solar I A/S

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## Better Energy Danish Solar I A/S

### Company information

<b>Company</b>	Better Energy Danish Solar I A/S C/O Better Energy A/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business Registration No.: 39929139 Date of formation: 2 October 2018
<b>Board of Directors</b>	Mark Augustenborg Ødum Rasmus Lildholdt Kjær Ho Kei Au
<b>Executive Board</b>	Martin Brobæk Madsen, Director
<b>Auditors</b>	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 Danish Solar I A/S for the financial year 1 January 2023 - 31 December 2023.

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 Danish Solar I A/S at 31 December 2023 and of the results of the company's operations for the financial year 1 January 2023 - 31 December 2023.

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 2024

### **Executive Board**

Martin Brobæk Madsen  
Director

### **Board of Directors**

Mark Augustenborg Ødum  
Chairman

Rasmus Lildholdt Kjær  
Board member

Ho Kei Au  
Board member

## **Independent auditor's report**

### **To the shareholders of Better Energy Danish Solar I A/S**

#### **Opinion**

We have audited the financial statements of Better Energy Danish Solar I A/S for the financial year 1 January 2023 - 31 December 2023, 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 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 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 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

## **Independent auditor's report**

- \* 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 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by the relevant law and regulations.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the Management's Review.

Kolding, 26 April 2024

### **Deloitte Statsautoriseret Revisionspartnerselskab**

Business Registration No. 33963556

Lars Ørum Nielsen

State Authorised Public Accountant

mne26771

## **Management's review**

### **The company's main activities**

The main activities of Better Energy Danish Solar I A/S are directly or indirectly to acquire, own and operate solar parks and related activities.

### **Development in activities and financial matters**

Better Energy Danish Solar I A/S' income statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 1,502,987 and the balance sheet at 31 December 2023 a balance sheet total of DKK 33,732,738 and an equity of DKK 4,350,191.

## Better Energy Danish Solar I A/S

### Income statement

	Note	2023 DKK	2022 DKK
<b>Gross profit</b>		<b>3,775,203</b>	<b>12,048,934</b>
Depreciation, amortisation and impairment losses		-1,008,568	-1,006,963
<b>Operating profit</b>		<b>2,766,635</b>	<b>11,041,971</b>
Financial income	1	8,633	487
Financial expenses	2	-916,142	-867,359
<b>Profit from ordinary activities before tax</b>		<b>1,859,126</b>	<b>10,175,099</b>
Tax on profit for the year	3	-356,139	-2,260,119
<b>Profit</b>		<b>1,502,987</b>	<b>7,914,980</b>
<b>Proposed distribution of results</b>			
Proposed dividend recognised in equity		0	8,500,000
Retained earnings		1,502,987	-585,020
<b>Distribution of profit</b>		<b>1,502,987</b>	<b>7,914,980</b>



Better Energy Danish Solar I A/S

Balance sheet as of 31 December

	Note	2023 DKK	2022 DKK
<b>Assets</b>			
Land and buildings	4	3,684,031	3,684,031
Solar parks	5	27,646,207	29,053,196
<b>Property, plant and equipment</b>		<b>31,330,238</b>	<b>32,737,227</b>
<b>Fixed assets</b>		<b>31,330,238</b>	<b>32,737,227</b>
Trade receivables		477,236	333,449
Receivables from group enterprises		0	176,103
Derivatives		1,670,056	2,641,520
Joint taxation receivables		193,447	0
Other receivables		38,135	44,296
<b>Receivables</b>		<b>2,378,874</b>	<b>3,195,368</b>
<b>Cash and cash equivalents</b>		<b>23,626</b>	<b>6,814,795</b>
<b>Current assets</b>		<b>2,402,500</b>	<b>10,010,163</b>
<b>Assets</b>		<b>33,732,738</b>	<b>42,747,390</b>

Balance sheet as of 31 December

	Note	2023 DKK	2022 DKK
<b>Liabilities and equity</b>			
Contributed capital		400,000	400,000
Reserve for current value of hedging		1,302,644	2,060,386
Retained earnings		2,647,547	1,144,560
Proposed dividend recognised in equity		0	8,500,000
<b>Equity</b>		<b>4,350,191</b>	<b>12,104,946</b>
Deferred tax		1,933,022	1,597,158
Asset retirement obligations		735,774	1,128,553
<b>Provisions</b>		<b>2,668,796</b>	<b>2,725,711</b>
Mortgage debt		22,612,500	23,962,500
Payables to group enterprises		323,257	183,549
<b>Long-term liabilities other than provisions</b>	6	<b>22,935,757</b>	<b>24,146,049</b>
Current portion of mortgage debt		1,350,000	1,350,000
Trade payables		117,380	110,070
Payables to group enterprises		2,310,614	0
Joint tax payables		0	2,310,614
Derivatives	7	0	0
<b>Short-term liabilities other than provisions</b>		<b>3,777,994</b>	<b>3,770,684</b>
<b>Liabilities other than provisions</b>		<b>26,713,751</b>	<b>27,916,733</b>
<b>Equity and liabilities</b>		<b>33,732,738</b>	<b>42,747,390</b>
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**Statement of changes in equity**

	Contributed capital	Retained earnings	Reserve for current value of hedging	Proposed dividend recognised in equity	Total
Equity 1 January 2023	400,000	1,144,560	2,060,386	8,500,000	12,104,946
Dividend paid	0	0	0	-8,500,000	-8,500,000
Profit (loss)	0	1,502,987	0	0	1,502,987
Adjustments of hedging instruments at fair value	0	0	-757,742	0	-757,742
<b>Equity 31 December 2023</b>	<b>400,000</b>	<b>2,647,547</b>	<b>1,302,644</b>	<b>0</b>	<b>4,350,191</b>

The company was established on 2 October 2018 with a share capital DKK 1.

On 16 December 2020 the share capital was increased by DKK 39,999 to DKK 40,000.

On 17 December 2020 the share capital was increased by DKK 360,000 to DKK 400,000.

Notes

	2023 DKK	2022 DKK
<b>1. Financial income</b>		
Financial income from group enterprises	8,457	0
Other financial income	129	524
Exchange rate gains	47	-37
	<b>8,633</b>	<b>487</b>
	2023 DKK	2022 DKK
<b>2. Financial expenses</b>		
Financial expenses from group enterprises	0	126,170
Other financial expenses	915,768	741,152
Exchange rate losses	374	37
	<b>916,142</b>	<b>867,359</b>
	2023 DKK	2022 DKK
<b>3. Tax on profit for the year</b>		
Current tax for the year	-193,447	1,704,998
Change in deferred tax - Denmark	549,586	533,524
Adjustment of corporation tax, previous years	0	-2,885
Adjustment of deferred tax, previous years	0	24,482
	<b>356,139</b>	<b>2,260,119</b>
	2023 DKK	2022 DKK
<b>4. Land and buildings</b>		
Cost at the beginning of the year	3,684,031	3,684,031
<b>Cost at the end of the year</b>	<b>3,684,031</b>	<b>3,684,031</b>
<b>Carrying amount at the end of the year</b>	<b>3,684,031</b>	<b>3,684,031</b>
	2023 DKK	2022 DKK
<b>5. Solar parks</b>		
Cost at the beginning of the year	30,916,963	30,916,963
Disposal for the year	-398,421	0
<b>Cost at the end of the year</b>	<b>30,518,542</b>	<b>30,916,963</b>
Depreciation and amortisation at the beginning of the year	-1,863,767	-856,804
Depreciations for the year	-1,008,568	-1,006,963
<b>Depreciations and impairment losses at the end of the year</b>	<b>-2,872,335</b>	<b>-1,863,767</b>
<b>Carrying amount at the end of the year</b>	<b>27,646,207</b>	<b>29,053,196</b>

## Notes

### 6. Long-term liabilities

	Due after 1 year DKK	Due within 1-5 years DKK	Due after 5 years DKK
Mortgage debt	22,612,500	5,400,000	17,212,500
Payables to group enterprises	323,257	0	323,257
	<u>22,935,757</u>	<u>5,400,000</u>	<u>17,535,757</u>

### 7. Derivatives

Better Energy Danish Solar I A/S has entered into a financial hedging contract in order to reduce risks related to fluctuations in the variable interest rate.

On 31 December 2023, the fair value of the contract is DKK 1,670,056. The contract is considered a cash flow hedge and is recognized in equity.

The calculation of the fair value of the financial contract is subject to uncertainty, as contracts of this type are not traded in an efficient market. The calculation of fair value is made at market-compliant terms by the financial counterparty.

### 8. 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.

### 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.

### 10. Assets charged and collateral

The operational and technical agreements and all existing and future receivables from Better Energy A/S for the projects Nysted, Bylderup and Højslev have been pledged as collateral to a bank.

Price surcharge and power production claims against Energistyrelsen and Energi Danmark A/S have been pledged as collateral to a bank.

All insurance receivables from HDI Global SE for Nysted, Bylderup and Højslev have been pledged as collateral to a bank.

### 11. 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.

## **Accounting policies**

### **Reporting class**

The annual report of Better Energy Danish Solar I A/S for 2023 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, except reclassification of payables to group enterprises from short to long term liabilities.

### **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 revenue and other external expenses.

### **Revenue**

Revenue from the sale of electricity is recognised in the income statement when delivery is made to the grid company.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Other external expenses**

Other external expenses include expenses for operation and administration.

## **Accounting policies**

### **Depreciation, amortisation and impairment of tangible and intangible assets**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### **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**

### **Property, plant and equipment**

Land and buildings, solar parks, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the manufacturing of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financial expenses are recognised in the income statement.

The present value of the expected costs of dismantling a solar park after the end of its useful life is included in the cost of the solar park.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings:	50 years
Solar parks:	30 years
Tools and equipment:	3-8 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## **Accounting policies**

### **Current assets**

#### **Receivables**

Receivables are measured at amortised cost, usually equaling nominal value, less write-downs for bad and doubtful debts.

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

#### **Other receivables**

Other receivables are measured at cost, usually corresponding to nominal value, less write-downs for bad and doubtful debts.

#### **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**

#### **Reserve for fair value of hedging instruments**

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of revenue/cost of the relevant financial statement items.

#### **Proposed dividend**

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.

### **Provisions**

#### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets within each legal entity.

#### **Asset retirement obligations**

Asset retirement obligations comprise the present value of the estimated expenses related to the retirement of solar parks at the end of their useful life. The provision is determined by discounting expected future cash flows.

#### **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.



**Accounting policies**

Derivatives are recognised at fair value on the balance date. The fair value is based on observable input to the extent possible. If relevant observable input is not available, non-observable input is used based on management's judgement.

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