

Better Energy Danish Solar I A/S


Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 39929139

Annual Report 2020

The annual report was presented and
adopted at the Annual General Meeting
on 28 April 2021



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

Company	Better Energy Danish Solar I A/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business Registration No.: 39929139 Date of formation: 2 October 2018
Board of Directors	Mark Augustenborg Ødum Ho Kei Au Rasmus Lildholdt Kjær
Executive Board	Kevin Ross Wilkinson, Director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Egtved Alle 4 6000 Kolding Business Registration No.: 33963556

Better Energy Danish Solar I A/S

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 2020 - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January 2020 - 31 December 2020.

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.

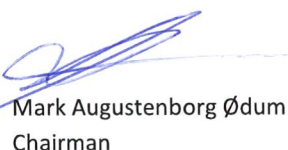
Frederiksberg, 28 April 2021

Executive Board



Kevin Ross Wilkinson
Director

Board of Directors



Mark Augustenborg Ødum
Chairman



Ho Kei Au
Board member



Rasmus Lildholdt Kjær
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 2020 - 31 December 2020, 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 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 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 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.

The 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

Independent auditor's report

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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's Review.

Kolding, 28 April 2021

Deloitte Statsautoriseret Revisionspartnerselskab

Business Registration No. 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
MNE No. mne26771

Better Energy Danish Solar I A/S

Management's review

The company's principal activities

The primary purpose of Better Energy Danish Solar I A/S is to rent, buy, own and operate real estate and related business.

Development in activities and financial matters

Better Energy Danish Solar I A/S's income statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK -151.000 and the balance sheet at 31 December 2020 a balance sheet total of DKK 35.512.445 and an equity of DKK 743.480.

On 16 December 2020, the company was transformed into a private limited company. In connection with this, the share capital was increased to DKK 40.000 and the name was changed from Better Energy Danish Solar I IVS to Better Energy Danish Solar I ApS.

On 17 December 2020, the company was transformed into a public limited company. In connection with this, the share capital was increased to DKK 400.000 and the name was changed from Better Energy Danish Solar I ApS to Better Energy Danish Solar I A/S.

Better Energy Danish Solar I A/S

Income statement

	Note	2020 DKK	2019 DKK
Gross profit		-32.192	-7.500
Depreciation, amortisation and impairment losses		-63.026	0
Operating profit		-95.218	-7.500
Financial income	1	0	6.739
Financial expenses	2	-98.372	-48.992
Profit from ordinary activities before tax		-193.590	-49.753
Tax on profit for the year	3	42.590	10.945
Profit		-151.000	-38.808
Proposed distribution of results			
Retained earnings		-151.000	-38.808
Distribution of profit		-151.000	-38.808

Better Energy Danish Solar I A/S

Balance sheet as of 31 December

	Note	2020 DKK	2019 DKK
Assets			
Land and buildings	4	3.684.031	0
Solar parks	5	11.961.821	0
Property, plant and equipment in progress	6	15.374.011	0
Property, plant and equipment		31.019.863	0
Fixed assets		31.019.863	0
Trade receivables		17.831	0
Receivables from group enterprises		270.456	3.130.103
Joint taxation receivables		392.361	10.945
Other receivables		2.850.447	0
Receivables		3.531.095	3.141.048
Cash		961.487	304.000
Current assets		4.492.582	3.445.048
Assets		35.512.445	3.445.048

Balance sheet as of 31 December

	Note	2020 DKK	2019 DKK
Equity and liabilities			
Contributed capital		400.000	1
Retained earnings		343.480	-45.521
Equity		743.480	-45.520
Deferred tax		342.544	0
Asset retirement obligations		280.000	0
Provisions		622.544	0
Bank debt		0	8.463
Trade payables		15.411.942	7.500
Payables to group enterprises		18.734.479	3.474.605
Short-term liabilities other than provisions		34.146.421	3.490.568
Liabilities other than provisions		34.146.421	3.490.568
Equity and liabilities		35.512.445	3.445.048
Significant events occurring after end of reporting period	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Group relations	10		

Better Energy Danish Solar I A/S

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	1	-45.521	-45.520
Increase of capital	399.999	540.001	940.000
Profit (loss)	0	-151.000	-151.000
Equity 31 December 2020	400.000	343.480	743.480

Notes

	2020	2019
1. Financial income		
Financial income from group enterprises	0	6.739
	<u>0</u>	<u>6.739</u>
2. Financial expenses		
Financial expenses from group enterprises	97.665	12.801
Other financial expenses	707	36.191
	<u>98.372</u>	<u>48.992</u>
3. Tax on profit for the year		
Current tax for the year	-383.756	-10.945
Deferred tax for the year	342.544	0
Adjustment of tax concerning previous years	-1.378	0
	<u>-42.590</u>	<u>-10.945</u>
4. Land and buildings		
Additions for the year	3.684.031	0
Cost at the end of the year	<u>3.684.031</u>	<u>0</u>
Carrying amount at the end of the year	<u>3.684.031</u>	<u>0</u>
5. Solar parks		
Additions for the year	12.024.847	0
Cost at the end of the year	<u>12.024.847</u>	<u>0</u>
Depreciations for the year	-63.026	0
Depreciations and impairment losses at the end of the year	<u>-63.026</u>	<u>0</u>
Carrying amount at the end of the year	<u>11.961.821</u>	<u>0</u>
6. Property, plant and equipment in progress		
Additions for the year	15.374.011	0
Cost at the end of the year	<u>15.374.011</u>	<u>0</u>
Carrying amount at the end of the year	<u>15.374.011</u>	<u>0</u>

Notes

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. Contingent liabilities

The company 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 40,0 million at 31 December 2020.

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.

Bank guarantees towards Energistyrelsen amount to DKK 276.000.

9. Assets charged and collateral

Cash amounting to DKK 304.000 has been pledged as collateral for a bank guarantee of DKK 304.000.

10. Group relations

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

Accounting policies

Reporting class

The annual report of Better Energy Danish Solar I A/S for 2020 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.

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.

For group-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labor costs.

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 equalling 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.

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.

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

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Lars Ørum Nielsen

Statsautoriseret revisor

På vegne af: Deloitte Statsautoriseret Revisionspart...

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