

# **Better Energy Mejls P/S**

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 40167706

## **Annual Report 2022**

The annual report was presented and  
adopted at the Annual General Meeting  
on 21 April 2023

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Ho Kei Au  
Chair of the Annual General Meeting

## Better Energy Mejls P/S

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## Better Energy Mejls P/S

### Company information

<b>Company</b>	Better Energy Mejls P/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business Registration No.: 40167706 Date of formation: 2 January 2019
<b>Board of Directors</b>	Mark Augustenborg Ødum Ho Kei Au Rasmus Lildholdt Kjær
<b>Executive Board</b>	Kevin Ross Wilkinson, Director
<b>General Partner</b>	Better Energy Impact Komplementar I ApS
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Egtved Allé 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 Mejls P/S for the financial year 1 January 2022 - 31 December 2022.

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 Mejls P/S at 31 December 2022 and of the results of the company's operations for the financial year 1 January 2022 - 31 December 2022.

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, 21 April 2023

### **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 Mejls P/S**

#### **Opinion**

We have audited the financial statements of Better Energy Mejls P/S for the financial year 1 January 2022 - 31 December 2022, 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 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 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 Company 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.

#### **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.

## **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 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, 21 April 2023

### **Deloitte**

**Statsautoriseret Revisionspartnerselskab**

Business Registration No. 33963556

Lars Ørum Nielsen

State Authorised Public Accountant

mne26771

## **Better Energy Mejls P/S**

### **Management's review**

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

The main activities of Better Energy Mejls P/S are directly or indirectly to acquire, own and operate solar parks as well as related activities.

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

Better Energy Mejls P/S' income statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 40,792,712 and the balance sheet at 31 December 2022 a balance sheet total of DKK 335,507,368 and an equity of DKK -58,729,980.

During 2022 the establishment of the solar park was finalised and production of power commenced. Total capitalised expenses until grid connection amounts to DKK 298,637,730.

#### **Expectations for the future**

Better Energy Mejls P/S has lost its contributed capital. Group enterprises will continue to finance the company. The Executive Board and the Board of Directors expect that the capital can be reestablished through operational profits.

## Better Energy Mejls P/S

### Income statement

	Note	2022 DKK	2021 DKK
<b>Gross profit</b>		<b>54,026,989</b>	<b>-214,946</b>
Depreciation, amortisation and impairment losses		-9,097,032	0
<b>Operating profit</b>		<b>44,929,957</b>	<b>-214,946</b>
Financial income	1	576,093	0
Finance expenses	2	-4,713,338	-511,816
<b>Profit from ordinary activities before tax</b>		<b>40,792,712</b>	<b>-726,762</b>
Tax expense on ordinary activities	3	0	-550
<b>Profit</b>		<b>40,792,712</b>	<b>-727,312</b>
<b>Proposed distribution of results</b>			
Retained earnings		40,792,712	-727,312
<b>Distribution of profit</b>		<b>40,792,712</b>	<b>-727,312</b>



Balance sheet as of 31 December

	Note	2022 DKK	2021 DKK
<b>Assets</b>			
Land and buildings	4	19,019,785	17,097,590
Solar parks	5	270,520,913	0
Property, plant and equipment in progress	6	0	278,901,538
<b>Property, plant and equipment</b>		<b>289,540,698</b>	<b>295,999,128</b>
<b>Fixed assets</b>		<b>289,540,698</b>	<b>295,999,128</b>
Trade receivables		451,316	0
Short-term receivables from group enterprises		36,524,600	0
Other receivables		1,031,979	64,893,533
<b>Receivables</b>		<b>38,007,895</b>	<b>64,893,533</b>
<b>Cash and cash equivalents</b>		<b>7,958,775</b>	<b>2,776,824</b>
<b>Current assets</b>		<b>45,966,670</b>	<b>67,670,357</b>
<b>Assets</b>		<b>335,507,368</b>	<b>363,669,485</b>

Balance sheet as of 31 December

	Note	2022 DKK	2021 DKK
<b>Liabilities and equity</b>			
Contributed capital		400,000	400,000
Reserve for current value of hedging		-221,203,350	-35,954,373
Retained earnings		162,073,370	121,280,658
<b>Equity</b>		<b>-58,729,980</b>	<b>85,726,285</b>
Asset retirement obligations		10,512,782	10,460,480
<b>Provisions</b>		<b>10,512,782</b>	<b>10,460,480</b>
Mortgage debt		154,641,445	0
<b>Long-term liabilities other than provisions</b>	7	<b>154,641,445</b>	<b>0</b>
Current portion of mortgage debt		6,749,479	158,925,800
Trade payables		1,128,154	26,400
Payables to group enterprises		2,138	142
Payables to associates		0	72,576,005
Derivatives	8	221,203,350	35,954,373
<b>Short-term liabilities other than provisions</b>		<b>229,083,121</b>	<b>267,482,720</b>
<b>Liabilities other than provisions</b>		<b>383,724,566</b>	<b>267,482,720</b>
<b>Equity and liabilities</b>		<b>335,507,368</b>	<b>363,669,485</b>
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Statement of changes in equity

	Contributed capital	Retained earnings	Reserve for current value of hedging	Total
Equity 1 January 2022	400,000	121,280,658	-35,954,373	85,726,285
Profit (loss)		40,792,712		40,792,712
Adjustments of hedging instruments at fair value			-185,248,977	-185,248,977
<b>Equity 31 December 2022</b>	<b>400,000</b>	<b>162,073,370</b>	<b>-221,203,350</b>	<b>-58,729,980</b>

The company was established on 2 January 2019 with a capital of DKK 1.

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

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

Notes

	2022	2021
<b>1. Financial income</b>		
Financial income from group enterprises	524,600	0
Other financial income	51,493	0
	<u>576,093</u>	<u>0</u>

	2022	2021
<b>2. Financial expenses</b>		
Financial expenses from group enterprises	0	508,849
Other financial expenses	4,713,005	2,655
Exchange rate losses	333	312
	<u>4,713,338</u>	<u>511,816</u>

	2022	2021
<b>3. Tax on profit for the year</b>		
Current tax for the year	0	550
	<u>0</u>	<u>550</u>

The company was in 2021 transformed from a public limited company ("Aktieselskab") to a limited partnership company ("Partnerselskab") which is transparent for tax purposes.

Expensed tax is related to the period before transformation.

	2022	2021
<b>4. Land and buildings</b>		
Cost at the beginning of the year	17,097,590	0
Additions for the year	1,922,195	17,097,590
<b>Cost at the end of the year</b>	<u>19,019,785</u>	<u>17,097,590</u>
<b>Carrying amount at the end of the year</b>	<u>19,019,785</u>	<u>17,097,590</u>

	2022	2021
<b>5. Solar parks</b>		
Additions for the year	716,407	0
Transfers from property, plant and equipment in progress	278,901,538	0
<b>Cost at the end of the year</b>	<u>279,617,945</u>	<u>0</u>
Depreciations for the year	-9,097,032	0
<b>Depreciations at the end of the year</b>	<u>-9,097,032</u>	<u>0</u>
<b>Carrying amount at the end of the year</b>	<u>270,520,913</u>	<u>0</u>

Interests included in cost of assets	716,793	0
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## Notes

	2022	2021
<b>6. Property, plant and equipment in progress</b>		
Cost at the beginning of the year	278,901,538	8,300,000
Additions for the year	-278,901,538	270,601,538
<b>Cost at the end of the year</b>	<b>0</b>	<b>278,901,538</b>
<b>Carrying amount at the end of the year</b>	<b>0</b>	<b>278,901,538</b>

## 7. Long-term liabilities other than provisions

	Due after 1 year	Due within 1-5 years	Due after 5 years
Mortgage debt	154,641,445	27,912,105	126,729,340
	<b>154,641,445</b>	<b>27,912,105</b>	<b>126,729,340</b>

## 8. Derivatives

Better Energy Mejls P/S has entered into a financial hedging contract in order to reduce risks related to fluctuations in the price of electricity.

On 31 December 2022, the fair value of the contract is DKK -221,203,350. 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. In calculating fair value, management has therefore used some assumptions and estimates on, among other things, the future development of electricity spot prices and interest rates, which form the basis for the calculation of fair value.

## 9. 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.

## 10. Contingent liabilities

The entity has engaged in conditional agreements regarding VE bonus for a total of DKK 0.5 million. In addition, the entity is exposed to pay compensation or buy properties located within 200 meters of the solar park (Danish VE legislation).

## 11. Assets charged and collateral

On 31 December 2022, the value of assets charged as collateral is DKK 289.5 million. The debt to credit institutions secured by mortgaged assets was DKK 163.8 million.

In the event that the company defaults on its obligations regarding its mortgage loan, the right to collect income under a power purchasing agreement (PPA) is transferred to the lender.

Cash amounting to DKK 6.1 million is placed as collateral for banking facilities.

**Notes**

**12. Group relations**

No parent company submits consolidated financial statements.

## Better Energy Mejls P/S

### Accounting policies

#### Reporting class

The annual report of Better Energy Mejls P/S for 2022 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**

### **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.

## **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.

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.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

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

### **Other receivables**

Other receivables comprise non-financial assets, which are measured at cost.

### **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.



## **Accounting policies**

### **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 dividends**

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**

#### **Asset retirement obligations**

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

#### **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.

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.

#### **Off-balance sheet items**

Contingent liabilities comprise obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the company; or present obligations that arise from past events but are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

Lease commitments are measured at the nominal value of the remaining lease payments.