

Better Energy Væggerløse P/S

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 40391797

Annual Report 2021

The annual report was presented and
adopted at the Annual General Meeting
on 25 April 2022



Ho Kei Au
Chair of the Annual General Meeting

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Better Energy Væggerløse P/S

Company information

Company	Better Energy Væggerløse P/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business Registration No.: 40391797 Date of formation: 29 March 2019
Board of Directors	Mark Augustenborg Ødum Rasmus Lildholdt Kjær Ho Kei Au
Executive Board	Kevin Ross Wilkinson, Managing director
General Partner	Better Energy Impact Komplementar I ApS
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Egtved Allé 4 6000 Kolding Business Registration No.: 33963556

Better Energy Væggerløse P/S

Management's statement

Today, the Executive Board and the Board of Directors have considered and adopted the annual report of Better Energy Væggerløse P/S for the financial year 1 January 2021 - 31 December 2021.

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 Væggerløse P/S at 31 December 2021 and of the results of the company's operations for the financial year 1 January 2021 - 31 December 2021.

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, 25 April 2022

Executive Board

Kevin Ross Wilkinson
Managing 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 Væggerløse P/S

Opinion

We have audited the financial statements of Better Energy Væggerløse P/S for the financial year 1 January 2021 - 31 December 2021, 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 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 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, 25 April 2022

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No. 33963556



Lars Ørum Nielsen

State Authorised Public Accountant

mne26771

Management's Review

The company's principal activities

The purpose of Better Energy Væggerløse P/S is directly or indirectly to acquire, own and operate solar parks as well as related activities.

Development in activities and financial matters

Better Energy Væggerløse P/S's income statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK -535.934 and the balance sheet at 31 December 2021 a balance sheet total of DKK 177.305.606 and an equity of DKK -4.919.771.

The company was transformed into a partner company by resolution adopted 27 January 2021. The registration was completed 28 January 2021. As a result, the name was changed from Better Energy Væggerløse A/S to Better Energy Væggerløse P/S.

Expectations for the future

Better Energy Væggerløse P/S has lost more than 50% of its share equity. The Executive Board and the Board of Directors expect, that the share capital can be reestablished through operational profit.

Better Energy Væggerløse P/S**Income Statement**

	Note	2021 DKK	2020 DKK
Gross profit		522.959	-19.438
Depreciation, amortisation and impairment losses		-752.453	0
Operating profit		-229.494	-19.438
Financial income	1	259	0
Financial expenses	2	-306.149	-1.271
Profit from ordinary activities before tax		-535.384	-20.709
Tax for the year	3	-550	4.556
Profit		-535.934	-16.153
Proposed distribution of results			
Retained earnings		-535.934	-16.153
Distribution of profit		-535.934	-16.153

Better Energy Væggerløse P/S

Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
Assets			
Solar parks	4	139.781.866	0
Property, plant and equipment in progress	5	0	4.059.144
Property, plant and equipment		139.781.866	4.059.144
Fixed assets		139.781.866	4.059.144
Trade receivables		403.219	0
Tax receivables from group enterprises		0	4.556
Other receivables		34.093.122	0
Receivables		34.496.341	4.556
Cash and cash equivalents		3.027.399	397.322
Current assets		37.523.740	401.878
Assets		177.305.606	4.461.022

Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
Liabilities and equity			
Contributed capital		400.000	400.000
Reserve for current value of hedging		-4.817.684	0
Retained earnings		-502.087	33.847
Equity		-4.919.771	433.847
Asset retirement obligations		5.255.350	0
Provisions		5.255.350	0
Mortgage debt		81.004.504	0
Long-term liabilities other than provisions	6	81.004.504	0
Current portion of long-term liabilities other than provisions		3.771.107	0
Trade payables		129.828	3.802.500
Payables to group enterprises		53.524.115	224.675
Payables to associates		33.722.789	0
Derivatives	7	4.817.684	0
Short-term liabilities other than provisions		95.965.523	4.027.175
Liabilities other than provisions		176.970.027	4.027.175
Liabilities and equity		177.305.606	4.461.022
Significant events occurring after end of reporting period	8		
Contingent liabilities	9		
Assets charged and collateral	10		
Group relations	11		
Unrecognised rental and lease commitments	12		

Statement of changes in equity

	Contributed capital	Retained earnings	Reserve for current value of hedging	Total
Equity 1 January 2021	400.000	33.847	0	433.847
Profit (loss)		-535.934		-535.934
Adjustments of hedging instruments at fair value			-4.817.684	-4.817.684
Equity 31 December 2021	400.000	-502.087	-4.817.684	-4.919.771

The company was established 29 March 2019 with a capital of DKK 1.

18 December 2020 the capital was increased by DKK 39.999.

18 December 2020 the capital was increased by DKK 360.000.

Notes

	2021	2020
1. Financial income		
Financial income from group enterprise	259	0
	<u>259</u>	<u>0</u>
2. Financial expenses		
Financial expenses from group enterprises	290.682	1.175
Other financial expenses	15.397	96
Exchange losses	70	0
	<u>306.149</u>	<u>1.271</u>
3. Tax for the year		
Current tax for the year	550	-4.556
	<u>550</u>	<u>-4.556</u>

The company has in 2021 been transformed from an A/S to a partnership ("Partnerselskab") which is transparent for tax purposes. Expensed tax is related to the period before transformation.

	2021	2020
4. Solar parks		
Additions for the year	6.415.530	0
Transfers from property, plant and equipment in progress	134.118.789	0
Cost at the end of the year	<u>140.534.319</u>	<u>0</u>
Depreciations for the year	-752.453	0
Depreciations at the end of the year	<u>-752.453</u>	<u>0</u>
Carrying amount at the end of the year	<u>139.781.866</u>	<u>0</u>
5. Property, plant and equipment in progress		
Cost at the beginning of the year	4.059.144	0
Additions for the year	130.059.645	4.059.144
Transfers during the year to other items	-134.118.789	0
Cost at the end of the year	<u>0</u>	<u>4.059.144</u>
Carrying amount at the end of the year	<u>0</u>	<u>4.059.144</u>

Notes

6. Long-term liabilities other than provisions

	Due after 1 year	Due within 1-5 years	Due after 5 years
Debt to credit institutions	81.004.504	15.453.130	65.551.374
	81.004.504	15.453.130	65.551.374

7. Derivatives

Better Energy Væggerløse 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 2021, the fair value of the contract is DKK -4.817.684. 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 by an expert 3rd party.

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 entity has engaged in conditional agreements regarding neighbour compensations and bonuses for a total of DKK 660 thousand. In addition, the entity is exposed to pay compensation or buy properties located within 200 meters of a solar park (Danish renewable energy legislation).

10. Assets charged and collateral

On 31 December 2021, the value of assets charged and collateral is DKK 139,8 million. The carrying amount of mortgaged assets is DKK 86,0 million.

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

11. Group relations

No parent company submits consolidated financial statements.

12. Unrecognised rental and lease commitments

	2021	2020
Liabilities under rental or lease agreements until maturity in total	18.211.036	16.258.556

Accounting Policies

Reporting class

The annual report of Better Energy Væggerløse P/S for 2021 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 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.

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

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.

Current assets

Receivables

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

Accounting Policies

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 usually corresponding to nominal value, less writedowns 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.

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.