

Better Energy Hoby P/S

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 40769927

Annual Report 2022

The annual report was presented and
adopted at the Annual General Meeting
on 28 April 2023

Ho Kei Au
Chair of the Annual General Meeting

Better Energy Hoby P/S

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Better Energy Hoby P/S

Company information

Company	Better Energy Hoby P/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business Registration No.: 40769927 Date of formation: 4 September 2019
Board of Directors	Mark Augustenborg Ødum Rasmus Lildholdt Kjær Ho Kei Au
Executive Board	Anders Knokgaard Nielsen, Director
General Partner	Better Energy Komplementar DK I ApS
Auditors	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 Hoby 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 Hoby 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, 28 April 2023

Executive Board

Anders Knokgaard Nielsen
Director

Board of Directors

Mark Augustenborg Ødum
Chairman

Rasmus Lildholdt Kjær
Board member

Ho Kei Au
Board member

Independent Auditors' Report

To the shareholders of Better Energy Hoby P/S

Opinion

We have audited the financial statements of Better Energy Hoby P/S for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 responsibility 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 considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.

Independent Auditors' Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Kolding, 28 April 2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Lars Ørum Nielsen

State Authorised Public Accountant

mne26771

Management's review

The company's main activities

The main activities of Better Energy Hoby 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 Hoby P/S' income statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -199,263 and the balance sheet at 31 December 2022 a balance sheet total of DKK 8,153,959 and an equity of DKK 196,521.

During 2022 progress was made in developing the future solar park. Capitalised expenses up until 31 December 2022 amount to DKK 7,385,122.

Expectations for the future

Better Energy Hoby P/S has lost more than 50% of its contributed capital. Group enterprises will continue to finance the company. The Executive Board and the Board of Directors expect that the share capital can be reestablished through operational profits.

Better Energy Hoby P/S

Income statement

	Note	2022 DKK	2021 DKK
Gross profit		-25,500	-3,296
Operating profit		<u>-25,500</u>	<u>-3,296</u>
Financial income	1	17	1,113
Finance expenses	2	<u>-173,780</u>	<u>-2,176</u>
Profit from ordinary activities before tax		-199,263	-4,359
Tax on profit for the year	3	<u>0</u>	<u>-244</u>
Profit		<u>-199,263</u>	<u>-4,603</u>
Proposed distribution of results			
Retained earnings		<u>-199,263</u>	<u>-4,603</u>
Distribution of profit		<u>-199,263</u>	<u>-4,603</u>

Better Energy Hoby P/S

Balance sheet as of 31 December

	Note	2022 DKK	2021 DKK
Assets			
Property, plant and equipment in progress	4	7,385,122	4,327,960
Property, plant and equipment		7,385,122	4,327,960
Fixed assets		7,385,122	4,327,960
Other receivables		760,203	1,081,990
Receivables		760,203	1,081,990
Cash and cash equivalents		8,634	642
Current assets		768,837	1,082,632
Assets		8,153,959	5,410,592

Balance sheet as of 31 December

	Note	2022 DKK	2021 DKK
Liabilities and equity			
Contributed capital		400,000	400,000
Retained earnings		-203,479	-4,216
Equity		196,521	395,784
Trade payables		8,500	3,000
Payables to group enterprises		7,948,938	5,011,808
Short-term liabilities other than provisions		7,957,438	5,014,808
Liabilities other than provisions		7,957,438	5,014,808
Equity and liabilities		8,153,959	5,410,592
Significant events occurring after end of reporting period	5		
Contingent liabilities	6		
Group relations	7		
Unrecognised rental and lease commitments	8		

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	400,000	-4,216	395,784
Profit/loss for the year	0	-199,263	-199,263
Equity 31 December 2022	400,000	-203,479	196,521

The company was established on 4 September 2019 with a contributed capital of DKK 40,000.

On 4 November 2021 the contributed capital was increased by DKK 360,000 to a total of DKK 400,000.

Notes

	2022	2021
1. Financial income		
Financial income from group enterprises	0	1,113
Other financial income	17	0
	17	1,113

	2022	2021
2. Financial expenses		
Financial expenses from group enterprises	170,513	2,138
Other financial expenses	1,352	38
Exchange rate losses	1,915	0
	173,780	2,176

	2022	2021
3. Tax on profit for the year		
Current tax for the year	0	244
	0	244

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
4. Property, plant and equipment in progress		
Cost at the beginning of the year	4,327,960	0
Additions for the year	3,057,162	4,327,960
Cost at the end of the year	7,385,122	4,327,960
Carrying amount at the end of the year	7,385,122	4,327,960

5. 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.

6. Contingent liabilities

The company has engaged in conditional agreements regarding neighbour compensations and bonuses for a total of DKK 0.3 million. In addition, the company is exposed to pay compensation or buy properties located within 200 meters of the solar park (Danish renewable energy legislation).

The company has entered into a long-term physical contracts to deliver power at a fixed price. The contract terms are 5-10 years from 01.10.2023 and covers approx. 40% of the volume.

7. 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.

Notes

8. Unrecognised rental and lease commitments

	2022	2021
Liabilities under rental or lease agreements until maturity in total	27,725,625	0

Accounting policies

Reporting class

The annual report of Better Energy Hoby 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 other external expenses.

Other external expenses

Other external expenses include expenses for operation and administration.

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.

Accounting policies

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 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.

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.

Equity

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.

Accounting policies

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.