Better Energy Impact K/S

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

CVR No. 41680768

Annual Report 2023

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 25 April 2024

Mark Augustenborg Ødum
Chair of the Annual General Meeting

Contents

Company details

Company	Better Energy Impact K/S C/O Better Energy A/S Gammel Kongevej 60, 14th Floor 1850 Frederiksberg C
CVR No.	41680768
Date of formation	16 September 2020
Financial year	1 January 2023 - 31 December 2023
Board of directors	Mark Augustenborg Ødum (Chairman) Mikkel Allen Kjærsgaard Jan Dybdahl Østergaard Rasmus Lildholdt Kjær
Executive Board	Nikolaj Kristian Qvade Rasmusen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Egtved Allé 4 6000 Kolding CVR-no.: 33963556

Management's Statement

Today, the Supervisory Board and the Executive Board have considered and adopted the Annual Report of Better Energy Impact K/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 Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Group's and the Company's operations and the Group's cash flows 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, 25 April 2024

Executive Board

Nikolaj Kristian Qvade Rasmusen
Director

Board of directors

Mark Augustenborg Ødum
Chairman

Mikkel Allen Kjærsgaard
Board member

Jan Dybdahl Østergaard
Board member

Rasmus Lildholdt Kjær
Board member

Independent Auditors' Report

To the shareholders of Better Energy Impact K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Better Energy Impact K/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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, consolidated financial statements and the financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2023 and of the results of their operations and the consolidated cash flows 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 responsibility for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 responsibility for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

Independent Auditors’ Report

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 Group's and the Entity's internal control.

* 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the Management's Review
Management is responsible for the management's review.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent 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 commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and the parent 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.

Independent Auditors' Report

Kolding, 25 April 2024

Deloitte Statsautoriseret Revisionspartnerselskab
CVR-no. 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
mne26771

Management's Review

The Group's principal activities
The Group and Better Energy Impact K/S principal activities consist of directly or indirectly buying, owning, and operating solar parks.

Development in activities and the financial situation
The Group's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a gross profit for the period of tDKK 290,128 and a profit before tax of tDKK 45,816. The Balance Sheet of the Group at 31 December 2023 amounts to tDKK 4,832,191 and an equity of tDKK 1,057,299.

During the financial period the Group has connected three solar parks to the grid amounting to an increase of 176 MWp in the Group's operational capacity. This has increased the Group's gross profit for the year. However, the decrease in commodity prices during the year, had a negative impact on the gross profit for the year.

The increase in interests rates during the year, has resulted in an increase in financial expenses and a decrease in the profit before tax.

Management considers the profit for the year acceptable.

Risk management
Financial risk covers risk of shrinking revenues, financial losses and limitations in access to capital on sound commercial terms. It also covers risk of incorrect VAT/tax handling in the markets the Group operates in.

Regulatory changes, including changes in public subsidies, potential power price caps and potential power market reform, may impact the marginal revenue and the financial viability of projects and operational assets.

Changes in commodity prices, interest rates, currency fluctuations and general market volatility may impact the liquidity and bankability of assets and the Group's financial standing. This includes credit risks, which may impact the finances, budgets and capital structure of the Group.

The Group's main exposure to commodities is the price on power sales. This is managed primarily via power purchase agreements (PPAs) securing a high certainty on the value of the power sales. The counterpart risk is reduced by spreading the power sales on the PPAs across multiple companies, with the majority being “blue chip” or “utility” companies in the Group's home market.

Interest rate risk is reduced by utilising long-term fixed interest loans on the final project financing.

Liquidity is managed by recurring internal forecasting for future expenses, sales and financing. Access to financing on sound commercial terms is done utilising diverse funding sources.

Long-term financing of existing plants is secured with fixed term loans. Combined with the PPAs, this ensures liquidity in the operating entities.

Impact on the external environment
The Group acknowledges the critical role in mitigating climate risks and supporting biodiversity recovery. Many of the Group's largest projects have large land plots dedicated to making space for nature and recreational initiatives, enabling both renewable energy production and ecological conservation.

We strive to curtail the unsustainable consumption of resources. Our operational philosophy integrates the regenerative use of land and aims to diminish our dependence on fossil fuels. We are committed to safeguarding land, air, and water quality, thereby preventing pollution and fostering planetary health.

Events after the reporting period
No significant events have occurred after end of the reporting period of the Group.

Management's Review

Financial outlook
The Group's gross profit for 2024 is expected to increase to DKK 325 - 375 million and profit before tax is expected to be DKK 30 - 50 million. The main driver behind the increase in gross profit, is due to the plan to connect additional solar parks to the grid throughout the coming year.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2023	2022	2020/21
Gross profit	290,128	191,737	44,626
Operating profit/loss	150,109	122,072	10,451
Net financials	-104,293	-40,774	-26,029
Profit/loss for the year	34,040	83,948	-52,214
Total assets	4,831,366	4,724,180	2,084,255
Investment in property, plant and equipment	282,818	3,006,289	1,488,164
Total equity	1,057,299	683,110	118,773
Return on equity (%)	3.91	20.94	-87.92
Return on assets (%)	3.14	3.59	1.00
Current ratio (%)	119.67	47.98	233.03
Solvency ratio (%)	21.88	14.46	5.70

Definitions of key ratios:

Return on equity (%):
(Profit/loss for the year) / (Avg. equity)

Return on assets (%):
((Operating profit X 100) / (Avg. assets)

Acid test ratio I:
(Total current assets) / (Short-term liabilities)

Equity ratio (%):
(Total equity X 100) / Total liabilities

Income Statement

	Note	Group 2023 tDKK	Group 2022 tDKK	Parent 2023 tDKK	Parent 2022 tDKK
Gross profit		**290,128**	**191,737**	**-1,269**	**-425**
Depreciation, amortisation and impairment losses		-140,019	-69,665	0	0
Operating profit		**150,109**	**122,072**	**-1,269**	**-425**
Income from investments in group enterprises and associates		0	0	21,865	74,007
Finance income	1	14,606	14,245	57,229	30,041
Finance expenses	2	-118,074	-55,019	-43,785	-19,675
Profit before tax		**46,641**	**81,298**	**34,040**	**83,948**
Tax on profit for the year	3	-12,601	2,650	0	0
Profit	4	**34,040**	**83,948**	**34,040**	**83,948**

Balance Sheet as of 31 December

	Note	Group 2023 tDKK	Group 2022 tDKK	Parent 2023 tDKK	Parent 2022 tDKK
Assets					
Land and buildings		104,291	90,378	0	0
Solar parks		4,458,857	3,709,042	0	0
Solar parks under construction		7,962	648,689	0	0
Property, plant and equipment	5	**4,571,110**	**4,448,109**	**0**	**0**
Investments in group enterprises		0	0	1,062,939	972,728
Long-term receivables from group enterprises		0	0	1,346,179	1,297,299
Investments	6, 7	**0**	**0**	**2,409,118**	**2,270,026**
Fixed assets		**4,571,110**	**4,448,109**	**2,409,118**	**2,270,026**
Trade receivables		15,649	7,638	0	0
Current deferred tax	8	4,787	6,649	0	0
Corporate tax receivable		4,083	687	0	0
Other receivables	9	22,429	91,767	40	29
Prepayments	10	3,816	2,324	0	0
Receivables		**50,764**	**109,065**	**40**	**29**
Cash and cash equivalents		**210,317**	**167,006**	**19,230**	**2,720**
Current assets		**261,081**	**276,071**	**19,270**	**2,749**
Assets		**4,832,191**	**4,724,180**	**2,428,388**	**2,272,775**

Balance Sheet as of 31 December

	Note	Group 2023 tDKK	Group 2022 tDKK	Parent 2023 tDKK	Parent 2022 tDKK
Liabilities and equity					
Contributed capital	11	1,065,311	877,027	1,065,311	877,027
Reserve for net revaluation according to equity method		0	0	0	74,007
Retained earnings		-8,012	-193,917	-8,012	-216,987
Equity		**1,057,299**	**683,110**	**1,057,299**	**734,047**
Provisions for deferred tax	12	33,062	38,236	0	0
Other provisions	13	86,947	133,559	0	0
Provisions		**120,009**	**171,795**	**0**	**0**
Mortgage debt		1,879,255	1,639,916	0	0
Payables to shareholders and management		1,370,920	1,426,600	1,370,920	1,425,906
Derivatives	14	199,445	267,125	0	0
Long-term liabilities other than provisions	15	**3,449,620**	**3,333,641**	**1,370,920**	**1,425,906**
Current portion of mortgage debt	15	92,901	45,067	0	0
Trade payables		39,522	392,671	162	25
Payables to group enterprises		0	0	4	57,632
Corporate tax payable		552	15	0	0
Other payables		20,377	37,748	3	55,165
Derivatives	14, 15	51,911	60,133	0	0
Short-term liabilities other than provisions		**205,263**	**535,634**	**169**	**112,822**
Liabilities other than provisions		**3,654,883**	**3,869,275**	**1,371,089**	**1,538,728**
Equity and liabilities		**4,832,191**	**4,724,180**	**2,428,388**	**2,272,775**
Staff costs	16				
Significant events occurring after end of reporting period	17				
Contingent liabilities	18				
Assets charged and collateral	19				
Unrecognised rental and lease commitments	20				
Related parties	21				

Statement of changes in Equity

Parent

	Contributed capital	Retained earnings	Reserve for net revaluation according to equity method	Total
Equity 1 January 2023	877,027	-142,980	0	734,047
Increase of capital	188,284	0	0	188,284
Change of investments through net exchange differences	0	0	39,235	39,235
Value adjustments of equity	0	0	-50,936	-50,936
Other adjustments of equity		105,793	-105,793	0
Profit (loss)		12,175	21,865	34,040
Dividends from treasury shares	0		-17,000	0
Adjustments of hedging instruments at fair value	0	0	112,629	112,629
Equity 31 December 2023	**1,065,311**	**-8,012**	**0**	**1,057,299**

The company was established 16 September 2020 with a share capital of DKK 1,000.
On 6 December 2021 the capital was increased by DKK 101,676,192 to DKK 101,677,192.
On 16 March 2022 the capital was incresed by DKK 110,049,600 to DKK 211,726,792.
On 2 June 2022 the capital was incresed by DKK 230,083,636 to DKK 441,810,428.
On 5 September 2022 the capital was increased by DKK 28,002,532 to DKK 469,812,960.
On 1 November 2022 the capital was increased by DKK 172,405,112 to DKK 642,218,072.
On 20 December 2022 the capital was increased by DKK 234,808,686 to DKK 877,026,758.
On 7 March 2023 the capital was increased by DKK 88,742,522 to DKK 965,769,280.
On 29 June 2023 the capital was increased by DKK 44,186,190 to DKK 1,009,955,470.
On 22 September 2023 the capital was increased by DKK 50,566,074 to DKK 1,060,521,544.
On 21 December 2023 the capital was increased by 4,789,196 to DKK 1,065,310,740.

Group

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	877,027	-193,917	683,110
Increase of capital	188,284	0	188,284
Profit (loss)	0	34,040	34,040
Adjustments of hedging instruments at fair value	0	112,629	112,629
Exchange rate adjustments	0	39,236	39,236
Equity 31 December 2023	**1,065,311**	**-8,012**	**1,057,299**

Cash Flow Statement

Cash flow statement is prepared for the group.

	2023 tDKK	2022 tDKK
Profit	34,040	83,948
Adjustments	256,088	107,789
Decrease (increase) in receivables	56,184	116,351
Decrease (increase) in trade payables	-333,507	-164,588
Cash flow from operating activities before financial items	**12,805**	**143,500**
Interest received	4,567	6,389
Interest paid	-112,915	-37,850
Cash flow from ordinary operating activities	**-95,543**	**112,039**
Income taxes paid	-17,624	-2,261
Cash flows from operating activities	**-113,167**	**109,778**
Purchase of property, plant and equipment	-274,644	-1,414,746
Acquisition of other company	0	-896,442
Other components of cash flows from investing activities	3,651	-19,087
Cash flows from investing activities	**-270,993**	**-2,330,275**
Proceeds from long-term liabilities	467,472	1,838,207
Repayments of long-term liabilities	-55,681	-241,414
Repayment of debt to credit institutions	-180,547	-27,831
Cash capital increase	188,284	775,350
Cash flows from financing activities	**419,528**	**2,344,312**
Net increase (decrease) in cash and cash equivalents	**35,368**	**123,815**
Cash and cash equivalents, beginning balance	167,006	43,200
Exchange rate adjustments	7,943	-9
Cash and cash equivalents, ending balance	**210,317**	**167,006**

Notes

1. Finance income

	Group		Parent	
	2023	**2022**	**2023**	**2022**
Other finance income	4,567	6,389	343	4
Currency gains	10,039	7,856	1,107	153
Finance income from group enterprises	0	0	55,779	29,884
	14,606	**14,245**	**57,229**	**30,041**

2. Finance expenses

Other finance expenses	115,045	48,727	40,415	18,471
Currency losses	3,029	6,292	41	379
Finance expenses to group enterprises	0	0	3,329	825
	118,074	**55,019**	**43,785**	**19,675**

3. Tax expense

Tax on profit for the year	-13,589	-1,048	0	0
Deferred tax adjustment for the year	1,730	4,953	0	0
Withholding tax for the year	-339	0	0	0
Tax adjustments, prior years	-403	-1,255	0	0
	-12,601	**2,650**	**0**	**0**

4. Distribution of profit

Reserve for net revaluation according to equity method	0	0	21,865	74,007
Retained earnings	34,040	83,948	12,175	9,940
	34,040	**83,948**	**34,040**	**83,947**

Notes

5. Property, plant and equipment

Group

	Land and buildings	Solar parks	Solar parks under construction
Cost at the beginning of the year	90,378	3,812,906	648,689
Change due to a foreign currency translation adjustment	0	65,583	0
Addition during the year, incl. improvements	13,913	272,944	5,501
Disposal during the year	0	-57,248	-36,268
Transfers during the year to other items	0	609,960	-609,960
Cost at the end of the year	**104,291**	**4,704,145**	**7,962**
Depreciation and amortisation at the beginning of the year	0	-103,864	0
Change due to foreign currency translation adjustment	0	-584	0
Amortisation for the year	0	-140,855	0
Reversal of impairment losses and amortisation of disposed assets	0	15	0
Impairment losses and amortisation at the end of the year	**0**	**-245,288**	**0**
Carrying amount at the end of the year	**104,291**	**4,458,857**	**7,962**
Interest included in cost of assets	0	21,640	0
Residual value	0	95,629	0

Notes

6. Investments

Parent

	Investments in group enterprises	Receivables from group enterprises
Cost at the beginning of the year	1,253,000	1,315,571
Change due to a foreign currency translation adjustment	0	2,369
Addition during the year, incl. improvements	0	251,746
Disposal during the year	-3,186	-217,630
Cost at the end of the year	**1,249,814**	**1,352,056**
Revaluations at the beginning of the year	-280,273	0
Valueadjustment of hedging instruments	112,629	0
Change due to a foreign currency translation adjustment	39,235	0
Revaluations for the year	21,865	0
Dividend received	-17,000	0
Reversal of prior revaluations	-63,331	0
Revaluations at the end of the year	**-186,875**	**0**
Depreciation and amortisation at the beginning of the year	0	-18,272
Reversal of prior years' impairment losses and amortisation	0	12,395
Impairment losses and amortisation at the end of the year	**0**	**-5,877**
Carrying amount at the end of the year	**1,062,939**	**1,346,179**

Additional purchase price of DKK -3,186 thousand is recognised during the financial year. The carrying amount of additional purchase price is DKK 417,080 thousand as per 31 December 2023.

Notes

7. Disclosure of Investments in group enterprises

Parent

Group enterprises

Name	Registered office	Share held in %
Better Energy Slagelse P/S	Frederiksberg C, Denmark	100.00
Better Energy Rejstrup P/S	Frederiksberg C, Denmark	100.00
Better Energy Gimminge P/S	Frederiksberg C, Denmark	100.00
Better Energy Norddjurs P/S	Frederiksberg C, Denmark	100.00
Better Energy Næstved P/S	Frederiksberg C, Denmark	100.00
Better Energy Impact Komplementar I ApS	Frederiksberg C, Denmark	100.00
Better Energy Impact Komplementar II ApS	Frederiksberg C, Denmark	100.00
Better Energy Væggerløse P/S	Frederiksberg C, Denmark	100.00
Better Energy Navnsø P/S	Frederiksberg C, Denmark	100.00
Better Energy Mejls P/S	Frederiksberg C, Denmark	100.00
Better Energy Svendborg P/S	Frederiksberg C, Denmark	100.00
Better Energy Impact Komplementar III ApS	Frederiksberg C, Denmark	100.00
Better Energy Impact International A/S	Frederiksberg C, Denmark	100.00
Better Energy Bjerndrup P/S	Frederiksberg C, Denmark	100.00
Better Energy Nørre Aaby P/S	Frederiksberg C, Denmark	100.00
Better Energy Ebberup P/S	Frederiksberg C, Denmark	100.00
Better Energy Ådum P/S	Frederiksberg C, Denmark	100.00
Better Energy Stoholm P/S	Frederiksberg C, Denmark	100.00
Better Energy Stevning P/S	Frederiksberg C, Denmark	100.00
Better Energy Voldby P/S	Frederiksberg C, Denmark	100.00
Better Energy Solar Park 81 sp. z.o.o.	Gdansk, Poland	100.00
Better Energy Solar Park 82 sp. z.o.o.	Gdansk, Poland	100.00
Better Energy Sadlogosz Estate Sp. z.o.o.	Gdansk, Poland	100.00
Better Energy Wierzchowo sp. z.o.o.	Gdansk, Poland	100.00
Better Energy Solar Park 80 sp. z.o.o.	Gdansk, Poland	100.00

8. Current deferred tax

Deferred tax assets relates to losses carried forward.

	Group		**Parent**	
	2023	**2022**	**2023**	**2022**
Deferred tax assets at 1 January	6,649	0	0	0
Recognised in the income statement	-2,555	4,953	0	0
Tax adjustments, prior year	686	1,696		
Balance at the end of the year	**4,787**	**6,649**	**0**	**0**

Notes

9. Other receivables

	Group		Parent	
	2023	2022	2023	2022
Other receivables	22,429	91,767	40	29
	22,429	**91,767**	**40**	**29**

Of the the total receivables for Group, tDKK 15,436 falls due more than 12 months after the balance sheet date.

10. Prepayments

Prepayments comprise prepaid land & premises, insurance and rent.

11. Share capital

Analysis of the share capital:

No. of shares	Description	Nominal value	2023	2022
1.065.310.740	A shares of DKK	1	1,065,311	877,027
			1,065,311	**877,027**

Each share carries one voting right.

12. Provision for deferred tax

Deferred tax comprises deferred tax regarding solar parks.

	Group		Parent	
	2023	2022	2023	2022
Deferred tax at 1 January	38,236	6,333	0	0
Deferred tax, regarding purchase price of solar parks	-5,999	31,903	0	0
Deferred tax, for the year	825	0	0	0
Deferred tax at 31 December	**33,062**	**38,236**	**0**	**0**

13. Other provisions

Other provisions copmrises expected future costs for decommissioning and reestablishing areas in relation to solar parks. Other provisions are expected to be long term.

Notes

14. Derivatives

The Group has entered into financial hedging contracts in order to reduce risks related to fluctuations in the price of electricity.

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.

Changes in fair value	**Derivates**
Fair value beginning of the period	364,270
Value adjustments recognised in income statement	0
Changes, recognised in equity	112,629

15. Long term liabilities

Group

	Due after 1 year	**Due within 1 year**	**Due after 5 years**
Debt to credit institutions	1,972,156	92,901	1,503,157
Payables to shareholders and management	1,370,920	0	1,370,920
Derivative financial instruments	251,356	51,911	199,445
	3,594,432	**144,812**	**3,073,522**

Parent

	Due after 1 year	**Due within 1 year**	**Due after 5 years**
Payables to shareholders and management	1,370,920	0	1,370,920
	1,370,920	**0**	**1,370,920**

16. Staff costs

The Group has no employees and the management has not received any remuneration.

The Parent Company has no employees and the management has not received any remuneration.

17. Significant events occurring after end of reporting period

No significant events have occurred after end of the reporting period of the Group and Parent Company.

Notes

18. Contingent liabilities

Group

The Group has engaged in conditional agreements regarding purchase of land and neighbour compensations (Danish renewable energy legislation) for a total of tDKK 900.
Furthermore the Group is exposed to buy properties located within 200 meters of a Better Energy solar park if claimed through the assessment authorities.

The Group’s banks have issued performance guarantees of tDKK 6,667 and tDKK 9,500 regarding the fulfillment of its obligations under power purchase agreeements (PPA) and issued reestablishment guarantees of tDKK 3,023 regarding the fulfillment of its obligations under the land lease contract.

The Group has entered into long-term physical contracts to deliver power at a fixed price. The contract term is 3-12 years from 01.05.2020 and covers approx. 61-90% of the annual volume.

Parent

Better Energy Impact K/S has issued a guarantee to Better Energy Næstved P/S´s lender for Better Energy Næstved P/S´s fulfillment of the obligations under its loan agreement.

19. Assets charged and collaterals

Group

Debt to credit institutions of mDKK 1,972.2 is secured by capital interest in subsidiaries with net assets of DKK 996.3 million.

Cash totalling tDKK 30,466 is placed as collateral for banking facilities.

Parent

The Parent Company´s shares in Better Energy Næstved P/S, Better Energy Gimminge P/S, Better Energy Norddjurs P/S, Bettter Energy, Rejstrup P/S, Better Energy Slagelse P/S, Better Energy Væggerløse P/S, Better Energy Navnsø P/S, Better Energy Mejls P/S, Better Energy Svendborg P/S, Better Energy Nørre Aaby P/S, Better Energy Ebberup P/S, Better Energy Bjerndrup P/S, Better Energy Ådum P/S, Better Energy Stoholm P/S, Better Energy Stevning P/S, Better Energy Voldby P/S, Better Impact Komplementar I ApS and Better Energy Impact Komplementar II ApS and Better Energy Impact International A/S have been pledged as collateral to the lenders in the mentioned subsidiaries. The carrying amount of pledged shares is tDKK 1,053,143 at 31 December 2023.

In the event that one of the abovementioned subsidiaries defaults on its obligations regarding its mortgage loans, the rigth to any profits and dividends from the individual subsidiary is transferred to of one the lenders.

20. Liabilities under leases

Group

The Group has entered leasing agreements with a total nominal leasing value of tDKK 667,664.

21. Related parties

The group solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Accounting Policies

Reporting Class
The Annual Report of Better Energy Impact K/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Changes in accounting policies
Effective from the financial year 2023, the company has implemented the provisions in the Danish Financial Statements Act applying to reporting class C.

This change has not affected the profit for the year, the total assets or total equity and liabilities in either the current- or previous financial year. The change has only affected the presentation and information requirements in the annual report.

The accounting policies applied remain unchanged from last year, except reclassification of payables to group enterprises from short to long term liabilities and receivables from group enterprises from current assets to fixed assets.

Reporting currency
The Annual Report is presented in Danish kroner (DKK'000).

Consolidated Financial Statements
The Consolidated Financial Statements comprise the parent company Better Energy Impact K/S and subsidiaries in which Better Energy Impact K/S directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

General Information

Basis of recognition and measurement
Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Accounting Policies

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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.

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 comprise expenses regarding operation and administration.

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.

Income from investments in group enterprises
The items 'Income from investments in group enterprises in the income statement include the proportionate share of the profit or loss for the year and depreciation of the additional purchase price depreciated over a period of 30 years. Internal profits/losses are eliminated in full for subsidiaries.

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 as well as fair value adjustments of financial interests.

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 as well as fair value adjustments of financial interests.

Tax on net profit/loss for the year
Tax for the year which comprises the current corporation tax for the year and any changes in deferred tax, including as a consequence of a change to the tax rate, is recognised by the part attributable to the profit/loss for the year and directly in equity by the part attributable to items directly in equity.

Accounting Policies

Balance Sheet

Property, plant and equipment
Land, buildings and solar parks 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

The carrying amounts of intangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Investments in group enterprises
Investments in group enterprises are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill and additional purchase price, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at tDKK 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method under equity.

Investments in subsidiaries and associates are written down to the lower of recoverable amount and carrying amount

Accounting Policies

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

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

Prepayments
Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

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 net revaluation according to equity method
The reserve for revaluation according to the fair value method includes revaluations of equity interests in associated companies and equity interests in relation to cost. The reserve can be eliminated in case of losses, realization of equity interests, or changes in accounting estimates. The reserve cannot be recorded as a negative amount.

Provisions
Asset retirement obligations, 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.

Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

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.

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.

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

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.

Fair value
Fair value measurements assume that a transaction takes in the principal market, or in the absence of a principal market, the most advantageous market. The most advantageous market is the market that maximises the amount that would be received from selling the asset or minimises the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.

All assets or liabilities measured at fair value, or for which the fair value is disclosed, are categorised according to the fair value hierarchy described below:

Level 1:
Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2:
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:
Level 3 inputs are unobservable inputs for the asset or liability.

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.

Accounting Policies

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible-, tangible assets and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.