



**BETTER ENERGY**  
ANNUAL REPORT 2021

# MESSAGE FROM THE CHAIR

## A RENEWABLE ELECTRICITY ERA IS RISING

It is really just a question of time. Eventually, world economies will break their current addiction to fossil fuels and become more energy independent. However, how quickly we reach this point is not inconsequential. We are currently on a trajectory that entails surpassing 1.5 degrees of global warming within the next decade and close to 3 degrees by the end of this century.

The difference between these two thresholds is not trivial. The risk of floods, droughts, sea level rise, heat waves and other climate changes skyrockets the closer we get to 3 degrees. According to the United Nations, the average length of a drought is likely to increase by two months with 1.5 degrees of warming – and by 10 months at 3 degrees of warming. The human costs in these scenarios are indescribable and it is a moral imperative to do what we can to avoid them turning into reality.

The business model of the Better Energy Group (Better Energy) is designed to make an impact that matters. Together with our partners – grid operators, landowners, municipalities, investors and many others – we continued to build additional renewable capacity in 2021 and reached significant milestones, like installing the largest share of land-based renewable power capacity in Denmark. This progress is also reflected in our strong key figures.

Solar power has already proven to be the most inexpensive source of electricity. The next steps include scaling production and replacing fossil fuels with electricity or power-to-X products.

Our employees' dedication and competencies are Better Energy's most important assets. We will need even more talented and purpose-driven colleagues in order to achieve our targets in the coming years.

On behalf of the Board of Directors, I would like to offer my sincere gratitude to all employees and management for their commitment and hard work and to all our stakeholders for their continued support. We are truly committed to demonstrating that the world can be powered by renewable energy.

Time is truly of the essence.

**Christian Motzfeldt**  
Chair of the Board of Directors



# LETTER FROM THE CEO



## SCALING UP EFFORTS

The impact of global warming is becoming alarmingly apparent. Glaciers and coral reefs are disappearing before our eyes and all-time heat records are becoming an uncomfortable new normal.

The COVID-19 pandemic has clearly demonstrated that governments can act swiftly and boldly when needed. Unfortunately, recovery packages have primarily focused on existing industries rather than new, renewable investments which could have accelerated climate action. The climate conference in Glasgow, COP26, unfortunately also fell short of delivering on the climate action we need. Consequently, large-scale action from private companies and innovative organisations has rarely been more urgent.

Our climate targets are not easily achieved and currently, we are not on the right trajectory. One important consolation is that a broad range of cleaner products, such as heat pumps, are becoming increasingly available. Renewable energy production is also gaining ground and displacing fossil fuels. Through our integrated value chain, designed to deliver the greatest amount of green energy at the lowest possible cost, we are positioned to accelerate and scale up additional renewable energy capacity.

The global need for more renewable energy is massive. That is why it is critical that governments, companies, cities and energy traders focus on additionality. Additionality is the key requirement if climate targets are to be met. Fortunately, entering a power purchase agreement (PPA) that ensures additionality no longer requires paying a premium or government subsidies. It simply needs a willingness to demand it.

## RESULTS IN 2021

This year marked several milestones for Better Energy. For the first time, we provided the largest share of renewable capacity

on land in Denmark. We also connected the largest solar park in Northern Europe to the transmission grid and constructed a total capacity of 450 MW of renewable energy.

By choosing to demand additional renewable electricity, a broad range of companies also decided to lead by example. Few things are more important in our common fight against climate change than adding new affordable and renewable energy to the electricity grid – which is exactly what our PPA customers made possible. Their corporate demand for renewable electricity and our close partnerships will bring new solar parks to the grid.

We also concluded the first subsidy-free, utility-based PPA in Poland together with Statkraft. The new solar park, located in Resko in the western part of Poland, cements the central role of solar power in the future European energy mix. It is expected to start production in 2023.

During 2021, we also concluded a 10-year PPA with Centrica Energy Trading. This particular PPA marks an important milestone for the broader market-driven transition, as it is no longer solely end users who demand renewable energy but energy trading houses as well.

We do not merely want to take responsibility for providing additional green energy. We want to go above and beyond the standards of the industry. We take full responsibility for the land we use and seek to improve the environmental quality of our parks. As we increase the number of solar parks, we also improve our capacity to do good on and under the land we manage.

One example can be found in Svendborg, Denmark, where the location of our solar park was chosen together with local authorities as a way to protect the groundwater. Our park is kept free

from fertilisers and pesticides. This example demonstrates that it is possible to move beyond trying to sustain damaged ecosystems and start working to restore and regenerate them instead.

2021 was also the year we joined the Future-Fit Foundation Development Council. This is something I am very proud of. The Future-Fit Business Benchmark uses a methodology that reflects our thoughts and ambitions for leaving a positive mark where we can. In our opinion, Future-Fit allows us to define the world we want and identify the steps we need to take to create it. Instead of simply building on past experiences or comparing progress with last year's developments, we believe that it is more responsible and intellectually honest to think the other way around. We can increase the pace of progress by imagining better ways of doing things and by mobilising the resources needed to make them happen. Future-Fit helps us facilitate this process.

Through 2021, we also increased our revenue to DKK 1,551 million and achieved an operating profit of DKK 157 million.

## LOOKING AHEAD

From day one, we have had a clear idea of where we are going. The first challenge was making renewable energy production commercially viable without relying on government subsidies. A few years ago, we demonstrated that subsidy-free solar energy was possible in Denmark and Northern Europe faster than anyone expected. The next step was to make our activities scalable and finally integrate our business into other areas where we could make an impact. Last year, we finalised our journey from being a project developer constructing solar parks to becoming an integrated renewable energy company – providing additional green energy to sustainable energy consumers.

Going forward, renewable energy will need to be scaled up significantly and integrated in transport, heating and hard-to-abate sectors if we want to reach our climate targets. In 2022, we will continue our focus on forming partnerships with visionary companies who choose to purchase additional subsidy-free green electricity.

A key trend we are likely to see in Europe in the near future is that rising electricity demand will outpace new electricity supply. New data centres, electric vehicles, heat pumps, electrolysers and many other new forms of electricity demand are likely to outpace new electricity production. If true, this leaves us with a couple of questions: where is the electricity supposed to come from and how long will fossil fuels continue to drive up energy prices? To make matters worse, the Russian invasion of Ukraine has yet again demonstrated the vulnerability of being dependent on fossil fuel imports. The invasion has aggravated the security of supply situation and driven energy prices to unprecedented levels. We will do our part to scale up renewable capacity and accelerate the transition to a clean energy future. Renewables are the solution to both the climate crisis and the energy crisis.

## WE ARE PURPOSE DRIVEN

From the very beginning, our business has had a purpose. We want to lead the way and find solutions that benefit people and our planet. Our cause is, in a great measure, the cause of all humankind. Every day, we make a difference – and every day, we have to decide what kind of difference we want to make.

Better Energy disrupted the energy industry and led the way with large-scale solar. Bringing together the right people, technology and insights, we engineered our own systems to make solar power more commercially attractive, scalable and integrable.

Better Energy was founded with the purpose of driving the transition to renewable energy sources. As we reach our milestones and write down our stories, we will continue to explore new opportunities. We will continue to lead the way and find solutions that benefit nature and people.

This past year has been unlike any other and we have reached significant milestones together. Thank you to the entire Better Energy team for your hard work and commitment. I am so proud to be part of this fantastic team. Together, we can do much more than what we otherwise could do individually. Together, we make an impact that matters!

**Rasmus Lildholdt Kjær**  
Chief Executive Officer



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# IMPACT THAT MATTERS





## OUR BUSINESS

### PURPOSE

Better Energy was founded to accelerate the transition to renewable energy sources. Our vision is to improve people's lives by producing affordable renewable energy while benefitting ecosystems and biodiversity.

### WHAT WE DO

Better Energy is a renewable energy company that builds additional green energy capacity. We develop, build, own and operate solar parks that generate clean electricity. Individual businesses can purchase clean power directly from Better Energy through power purchase agreements (PPAs).



## LAND

THOUSANDS OF HECTARES LAND

 DEVELOPMENT

- Market research & analysis
- Land acquisition or leasing
- Licences, permits & approvals
- Yield & production assessment
- Business & financial structuring

THOUSANDS OF MWp SOLAR CAPACITY

 CONSTRUCTION

- Technical design & system
- Manufacturing & procurement
- Logistics & supply management
- Construction management
- Grid connection & commissioning

MILLIONS OF MWh GREEN ENERGY

 OPERATION

- Commercial management
- Operations & maintenance
- Power sales & balancing
- Stakeholder management
- Controlling & reporting

## GREEN ENERGY

### DRIVING THE GREEN TRANSITION

The transition to renewable energy sources can only be achieved through electrification and by adding new, additional and inexpensive renewable energy to our energy system. Renewable electricity is the lifeblood of the transition.

Until recently, most renewable energy generation was supported by government subsidies and support schemes. However, in most places, new solar power installations are cheaper than fossil fuel-driven alternatives and do not need government support. As a result, the energy industry is undergoing a profound change from being subsidy driven to market driven.

Corporate demand for renewable electricity can have the effect of additionality because companies can directly help new parks get built through power purchase agreements (PPA). PPAs with additionality are a critical tool in adding more renewable electricity to the grid and phasing out fossil fuels in our energy system. Companies need to make a change – and a choice – to make a difference.

### LEADING BY EXAMPLE

Companies choosing to buy power from Better Energy enable us to build renewable power plants that add new green energy to the European energy mix. Guided by our mission statement, we aim to accelerate the transition to renewable energy as rapidly as possible and at the lowest cost possible.

We want to lead the way and show others how to shape our energy future so that we can phase out fossil fuels and benefit biodiversity and ecosystems.

Through our partnership with Habitats, a biodiversity consultancy, we continue to refine our work to improve biodiversity. We have started to document the regenerative effect of solar parks. If we can regenerate land and biodiversity, we will.

### INTEGRATED VALUE CHAIN

Our business model and operations are structured to deliver on our purpose. Better Energy's integrated value chain seamlessly blends each phase of development and construction, including selection of land, grid, local support, power purchase agreements and finance.

We take a lean and industrial approach to renewable energy deployment. Our business model is highly scalable and enables us to deliver a continuous stream of large-scale projects in several countries in one end-to-end process. Vertical integration enables us to optimise work processes, reduce costs and create more value for stakeholders across all aspects of the value chain. We have the freedom and flexibility to innovate and apply new technologies and efficiencies immediately in our solar parks.

Better Energy's vision, solutions and vertically-integrated business model drive the transition towards a clean energy economy.

# STAKEHOLDER PLATFORM

## SIX ELEMENTS

Delivering large-scale solar projects in a subsidy-free environment requires detailed knowledge and dedicated partners. We have identified six essential elements that underpin our ability to deliver impact: technology, land, grid, energy, capital and people.

We work to form partnerships and positive relationships with our stakeholders in all critical areas to ensure effective operations and to accelerate the large-scale transformation of our energy system.

## TECHNOLOGY

Our technologically-advanced solar energy systems are essential for us to deliver affordable green energy. Our solar system engineering and design is the result of several years of experience and continual development and optimisation. Partnerships and good relationships with key suppliers in the industry ensure high quality, delivery security, access to capacity and the latest technologies.

## LAND

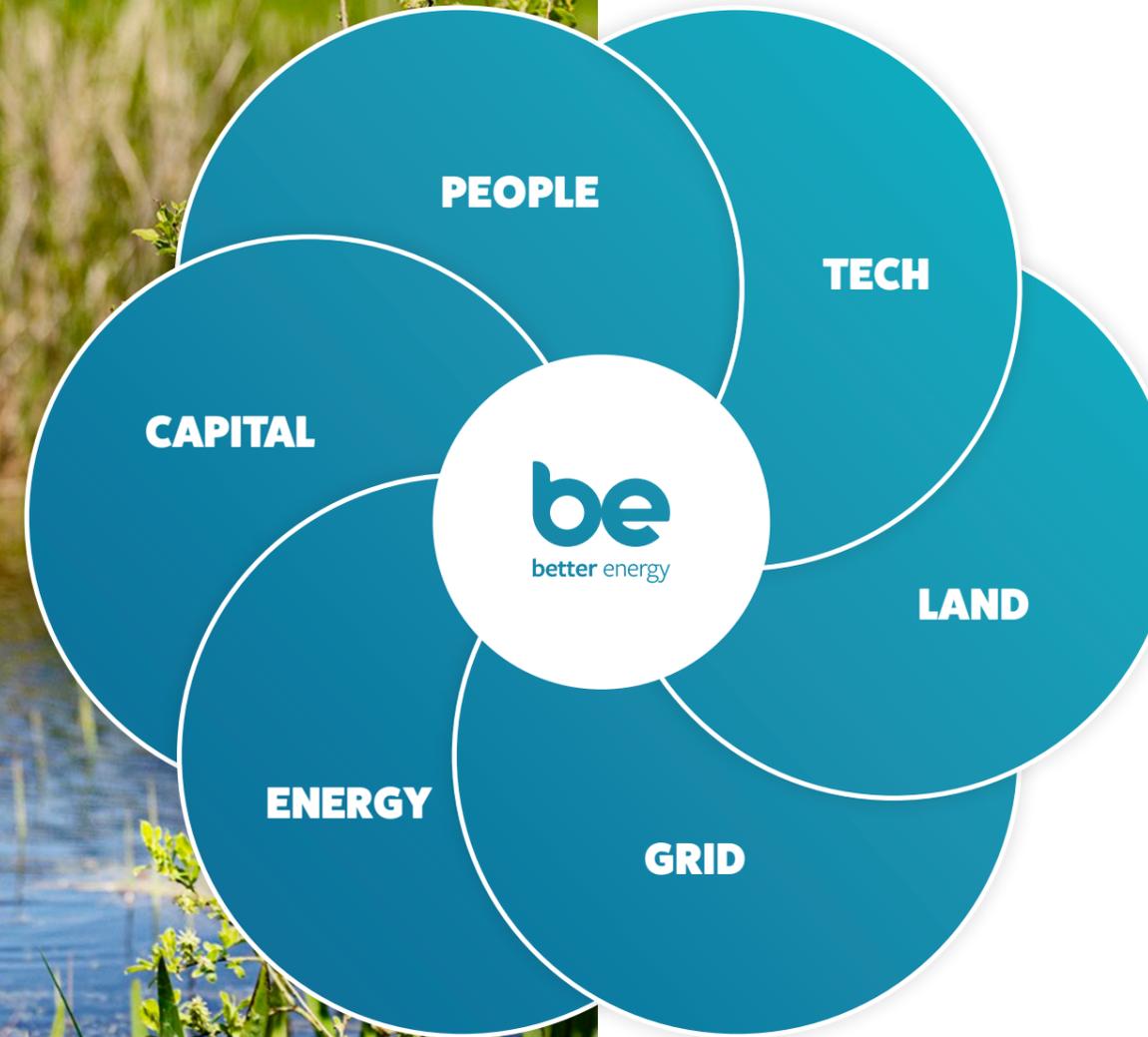
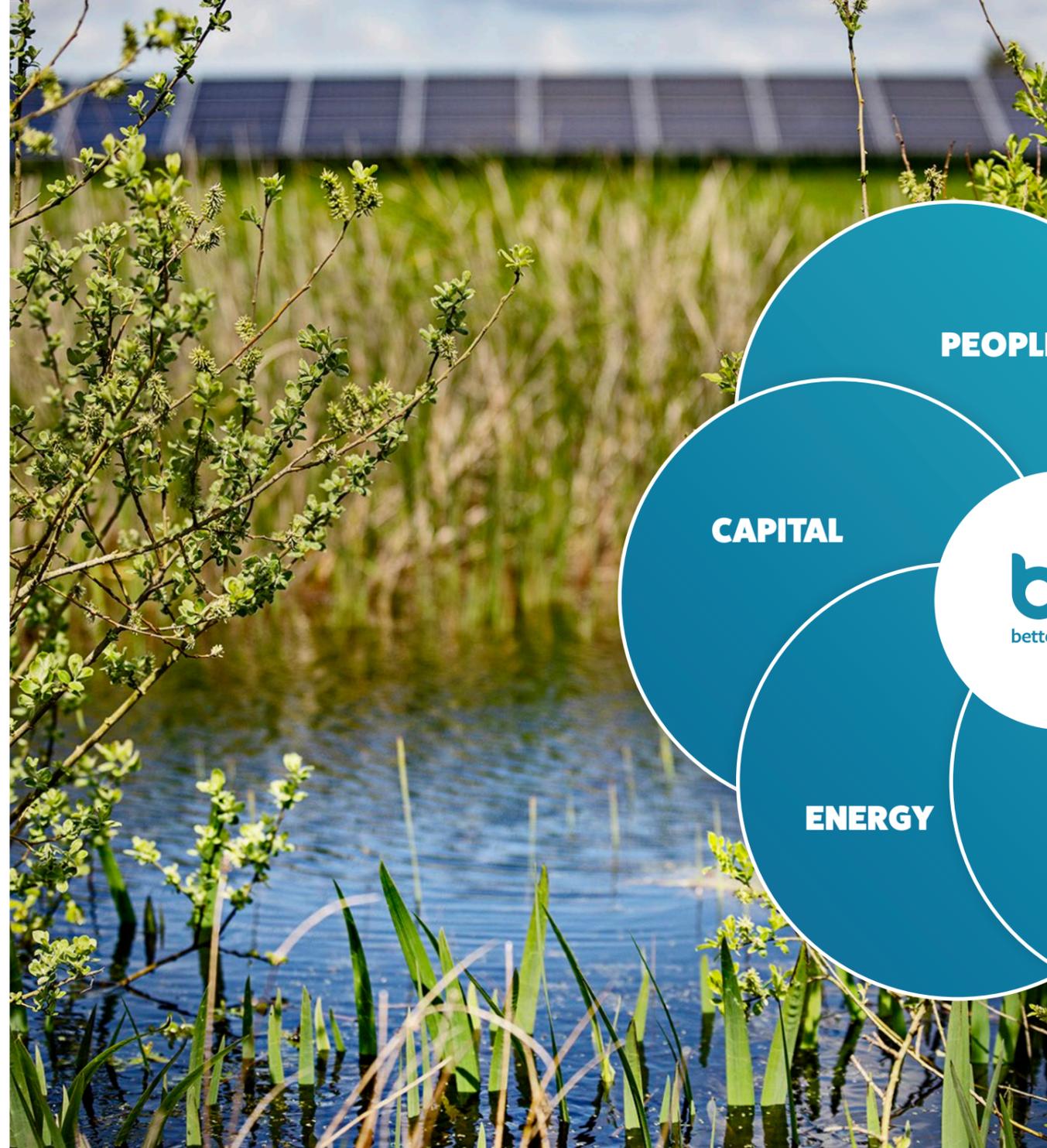
The continued increase in renewable energy capacity can only be achieved with local support. Securing local support is fundamental to solar park project development.

To address local concerns and secure local support, we set up community meetings early on in each project. We do our utmost to share information, address concerns and accommodate local ideas wherever it is possible. Genuine interest in protecting soil and groundwater, improving biodiversity and including neighbours in an honest and transparent process from start to finish help us achieve local support.

## GRID

The electricity grid is essential for delivering green electricity from our solar parks to consumers. Developing and integrating solar parks must go hand in hand with the development, technical upgrade, extension and modernisation of electricity grids.

Cooperation with local utilities and grid operators is critical to successfully scaling green energy supply. Close cooperation allows us to make long-term plans along with realistic resource evaluations and timing to ensure grid connection for our solar parks. Our in-house technical specialists enable us to anticipate and respond to each project's specific grid requirements. Understanding the requirements for designing and properly specifying the equipment is central to utilising grid capacity optimally.



## ENERGY

After decades of being supported by governments, a significant part of the green transition will soon be entirely driven by market demand alone. Going forward, our ability to sell new green energy to companies and large consumers will drive the green transition.

By entering a power purchase agreement with Better Energy, companies can make a world of difference by adding new green energy to the grid. For us, it is all about additionality and the fact that new renewable energy capacity gets built and added to the grid either through a PPA or sales through the merchant market.

## CAPITAL

As we scale up operations and grow as an independent power producer, we are always looking to optimise our capital structure. Corporate debt and equity and project finance are important to executing our corporate strategy. We have a clearly defined development roadmap, and we closely align business, financial and investor plans to optimise returns and fund our growth.

## PEOPLE

Progress is never a straight line and real progress depends on real people. Better Energy is a group of talented, dedicated, mission-driven individuals who are eager to accelerate the green transition. A sustainable future can only be realised if dedicated people in government, municipalities, local communities, companies, financial institutions and NGOs work together. We all have a responsibility to avert climate change and we prioritise partners who share our vision.

# KEY FIGURES

**148**  
Employees

**103**  
Established power plants

**6.6** GW  
Project pipeline

**775** MW  
Established solar capacity

**1,551** DKK million  
Revenue

**212** DKK million  
Gross profit

**379** DKK million  
Equity

# FINANCIAL HIGHLIGHTS

Key figures DKK '000	2021	2020	2019	2018	2017
<b>Income statement</b>					
Revenue	1,550,540	1,066,053	527,545	424,422	342,017
Gross profit	212,062	192,220	36,730	118,282	98,754
EBITDA	166,521	162,544	20,698	103,619	90,894
Operating profit	157,448	149,229	15,756	101,439	89,907
Income from investments in associates	-109,246	-102,504	9,862	-16,347	-502
Net financials	-8,129	-15,010	-3,280	-1,654	1,821
Profit for the year	32,495	19,694	20,697	64,972	77,539
<b>Balance sheet</b>					
Balance sheet total	1,898,475	884,063	884,848	365,524	221,148
Inventories	281,635	337,590	216,674	31,246	29,478
Equity	378,532	381,865	370,493	128,126	86,646
<b>Ratios</b>					
Gross profit margin	14%	18%	7%	28%	29%
EBITDA margin	11%	15%	4%	24%	27%
Profit margin	2%	2%	4%	15%	23%
Return on equity	9%	5%	8%	60%	139%
Solvency ratio	20%	43%	42%	35%	39%

Financial highlights are defined and calculated in accordance with the current version of 'Recommendations & Ratios' issued by CFA Society Denmark. Please see the *Financial Highlights* section in the *Basis of preparation* for definitions of financial ratios.

# GOVERNANCE



# GOVERNANCE

Better Energy's corporate governance consists of the following elements: management, corporate culture, corporate policies, risk management and audits, disclosure and communications.

Better Energy has a two-tier management structure consisting of the Board of Directors and the Executive Board.

## BOARD OF DIRECTORS

The Board of Directors consists of Chair Christian Motzfeldt and Board members Michael Pollan, Mark Augustenborg Ødum, Mikkel Dau Jacobsen, Michael Vater, Annette Egede Nylander and Rasmus Lildholdt Kjær. The Board of Directors includes two independent, non-executive directors: former Chief Executive Officer of the Danish Growth Fund, Christian Motzfeldt, and Michael Pollan from Omnes Capital.

On behalf of the shareholders, the Board of Directors is responsible for the overall and strategic management of the company. All major decisions concerning investments, partnerships, risk management and operational matters are taken by the Board of Directors. The Board of Directors also monitors progress related to sustainability and financial targets.

## EXECUTIVE BOARD

The Executive Board consists of Chief Executive Officer Rasmus Lildholdt Kjær (registered director), Chief Financial Officer Annette Egede Nylander (registered director), Chief Legal Officer Ho Kei Au (registered director), Chief Operating Officer Kevin Wilkinson, Chief Technology Officer Mikkel Dau Jacobsen,

Chief Development Officer Michael Vater and Chief Investment Officer Mark Augustenborg Ødum. The Chief Executive Officer is responsible for the day-to-day management of the company. The other members of the Executive Board manage their own areas of responsibility.

Together with the Board of Directors, the Executive Board ensures that the capital resources and liquidity of the company are always adequate and appropriate considering Better Energy's financial position and business prospects. The Executive Board also ensures corporate strategy gets implemented looking towards long-term value creation and sustainability.

The Executive Board ensures that the company has an efficient organisational structure with effective lines of communication and reporting, that the necessary dedicated and skilled human resources are always present and that clear instructions on roles and responsibilities are given to all members of the management team. The Executive Board usually meets twice a month or as requested by the Chief Executive Officer or another member of the Executive Board.

## CORPORATE CULTURE

Better Energy is a values-driven company. Ethics and integrity are embedded in our Manifesto and Code of Conduct. Our Manifesto describes our vision, mission, strategy, guiding principles and values – the foundation of our business. The Code of Conduct provides policy statements outlining how we conduct our business and is regularly reviewed and updated as necessary.

## CORPORATE POLICIES

In addition to our Manifesto and Code of Conduct, the Board of Directors and Executive Board have adopted a set of policies and procedures to govern our business. Policies and procedures outline the rule of conduct for our company and instructions for making decisions.

## RISK MANAGEMENT AND AUDITS

Risk management and audits are handled by the Board of Directors, the Executive Board and our Finance, Legal and Project Management Office teams. They identify and manage risks and ensure financial integrity, transparency and accountability in line with efficiency and effectiveness.

## DISCLOSURE AND COMMUNICATIONS

This annual report is available for download on [www.betterenergy.com](http://www.betterenergy.com).



**CHRISTIAN MOTZFELDT**  
CHAIR OF THE BOARD OF DIRECTORS



**RASMUS LILDHOLDT KJÆR**  
BOARD MEMBER



**ANNETTE EGED E NYLANDER**  
BOARD MEMBER



**MARK AUGUSTENBORG ØDUM**  
BOARD MEMBER



**MIKKEL DAU JACOBSEN**  
BOARD MEMBER



**MICHAEL VATER**  
BOARD MEMBER



**MICHAEL POLLAN**  
BOARD MEMBER

# PEOPLE

IMPACT THAT MATTERS  
GOVERNANCE  
**PEOPLE**  
TRENDS  
PERFORMANCE & OUTLOOK  
RISK MANAGEMENT  
SUSTAINABILITY & REGENERATION  
ASSURANCE STATEMENTS  
FINANCIAL STATEMENTS





## OUR PEOPLE MATTER

### OUR COMMITMENT

Purpose is not just a word – it is a commitment. Our business is built on the commitment to bring additional renewable energy into existence. We do so by pioneering an integrated value chain, designed to deliver the greatest amount of green energy at the lowest cost possible.

Our operations are structured to deliver on our purpose and each phase – from building local support, development and construction to power purchase agreements and finance – is designed to ensure a lean and industrial approach to renewable energy deployment. Our business model is highly scalable and enables us to deliver a continuous stream of large-scale projects in one end-to-end process.

### OUR ULTIMATE ADVANTAGE

Purpose only works if you live by it. Our ultimate advantage is our strong group of people who are agile and can adapt to change. Whether we succeed in reaching our targets depends on the people who define us. We look for the best and the brightest – but the key to making an impact is not just

having the right skills. Better Energy is composed of a group of talented, dedicated, mission-driven individuals who are eager to collaborate to find new pathways and better solutions.

### DRIVERS OF A RENEWABLE ENERGY REVOLUTION

We work firsthand with all aspects of a renewable energy plant life cycle – legally, technically and financially. That requires people from different backgrounds and disciplines, so our job opportunities invite and prioritise diversity.

In 2021, our organisation developed on all fronts, with outstanding talents joining our development, construction, grid, finance and legal teams. With our Project Management Office, Better Energy has matured into a gigawatt scale developer, constructor and operator within each of our core markets.

Our head office is located in Frederiksberg, Denmark and our core markets are Denmark, Poland and Sweden. We are also active in other Northern European countries. At the end of 2021, we had a total of 148 employees in both full- and part-time positions.

INTERVIEW

# LINE SØRENSEN

Document Manager

**Why did you choose a job in the energy sector?**

I actually ended up in the energy sector by coincidence. I had previously worked with energy-related questions but never as a central theme. I was recommended to apply for a job at Better Energy in 2019 and I really liked the people at the interview. Luckily, they also liked me.

I did not know much about solar parks to begin with, but early in the hiring process, it was emphasised that personality and grit were more important than knowing all the ins and outs. I guess I got lucky.

**What do you do at Better Energy?**

I am Document Manager in our Project Management Office, which means I am responsible for structuring our data flows, making sure that all the relevant data requirements are met and streamlining our processes.

I also implemented a documentation management system. These tasks are essential for ensuring the specific data flows for each park, but they also ensure that our operations are scalable. In short, I am a point of contact regarding documentation and I do a lot of due diligence. My work is really about making life easier



“ We still have an entrepreneurial spirit and the distance from thought to action is short. ”

for other parts of the organisation. But I have not always worked as a Document Manager. I began as a Project Coordinator in our Construction department – but after nine months, I was offered this position. I like structure and order, so it is a perfect fit.

**How would you describe the culture at BE?**

I love the culture. I love coming to work. I actually prefer coming to work than working from home, and it is not because of the canteen. If I had to describe the culture, I would call it helpful.

We all support each other and there is a clear feeling that we are all playing for the same team, going in the same direction. It is also a very diverse place. It is a great environment for learning more about energy and it is very rewarding to work with people who are this motivated. I also really enjoy our holistic approach to things, such as our biodiversity initiatives at the solar parks.

**What kinds of biodiversity initiatives?**

With the help of Habitats, a biodiversity consultancy, we've invested in several initiatives that can improve biodiversity. This

includes everything from adding huge stones for insects and planting forests to creating different landscapes for various animals and plants. I am no biodiversity expert, but we try to improve habitats for wildlife and endangered species. My personal favourites are the sheep. They help graze the grass and are extremely cute. My heart melts when I see them running around. The sheep also help keep the grass low, so we do not need to cut it with machines. That way we save resources and the sheep get to graze for free. It is a win-win for both.

**Why become a part of Better Energy?**

Even though Better Energy is one of the Danish energy companies that installs the most renewable energy, it is still a fairly young company. We have two large offices in Copenhagen and Sønderborg, and a new office in Malmö, Sweden – but just a handful of years ago, the company consisted of only a few dozen people. That means we still have an entrepreneurial spirit and the distance from thought to action is short. I love that I have the opportunity to build something from scratch and can partake on this journey.

**What has surprised you most about the journey?**

The speed of everything! The other day, I had coffee with some colleagues who told me one of our solar parks had just been built. It seems like it was last month that work began on that project. The pace of progress has taken me by surprise.

The first time I visited a solar park was also eye-opening. The size was enormous and the renewable energy production was equally impressive. Most people probably don't consider the Nordic countries as obvious places for solar parks, but they actually are. And to reach our climate targets, nothing can really compete with solar power, at least in the short term.

Our solar parks don't need state subsidies. Obviously, there are no silver bullets in the green transition, but solar parks come pretty close.

# TRENDS



# TRENDS

## GREEN SHOOTS

Close to 290 gigawatts (GW) of new renewable power were commissioned in 2021. This is 3% more than what we saw during 2020's already exceptional growth. This is also despite global supply chain disruptions and temporary market movements driven by the COVID-19 pandemic. According to the International Energy Agency (IEA), solar power alone accounted for more than half of all renewable power expansion in 2021, followed by wind and hydropower. Higher energy prices also improve wind and solar's competitiveness. During 2021, we observed that fixed-price renewable power purchase agreements served as hedges against higher spot prices for fossil fuels. The IEA expects the annual average renewable capacity additions to reach 305 GW – 58% higher than the figure for the last five years.

## ELECTRIFYING HEAVY TRANSPORT AND INDUSTRY

Emission reductions are usually more costly in the so-called hard-to-abate sectors because fossil fuel-free technologies are still more expensive than conventional technologies. Power-to-X (PtX) is a term for various processes that convert electricity into other energy products such as hydrogen, ammonia or synthetic fuels. Power-to-X can be used to store surplus power from renewable energy sources which cannot otherwise be efficiently added to the electricity grid.

By October 2021, the electrolyser project pipeline had reached over 260 GW globally. The IEA estimates that this could bring an additional 475 GW of wind and solar PV capacity, one-third of total installed variable renewables today, dedicated mostly to green hydrogen production. The majority of planned projects consider hybrid wind, solar PV and battery storage plants for hydrogen production.

Europe has the most significant electrolysis and associated renewable capacity planned globally – mostly from offshore wind and solar PV. This is driven by the European Union's green hydrogen targets and associated funding, with the goal of scaling up production to decarbonise hard-to-abate sectors. With excellent wind and solar resource availability, Australia has the second largest pipeline after Europe. The country aims to export green hydrogen and ammonia.

## MORE POWER-TO-POWER GRIDS

Global grid-connected electricity demand is likely to grow by 2.5% annually over the next 30 years. World transmission lines will increase from just over six million circuit-kilometres today to almost 12 million by 2050, according to DNV. Distribution lines will more than double throughout this period, reaching about 180 million circuit-kilometres globally. Although total grid investments have been hovering at around \$250 billion and 300 billion per

year in the past decade, post-COVID recovery and renewable power expansion will ensure a steady increase in grid investments until the 2030s. We will reach levels of \$400-500 billion per year, according to DNV Energy Transition Outlook 2021.

## INVESTMENTS REQUIRED

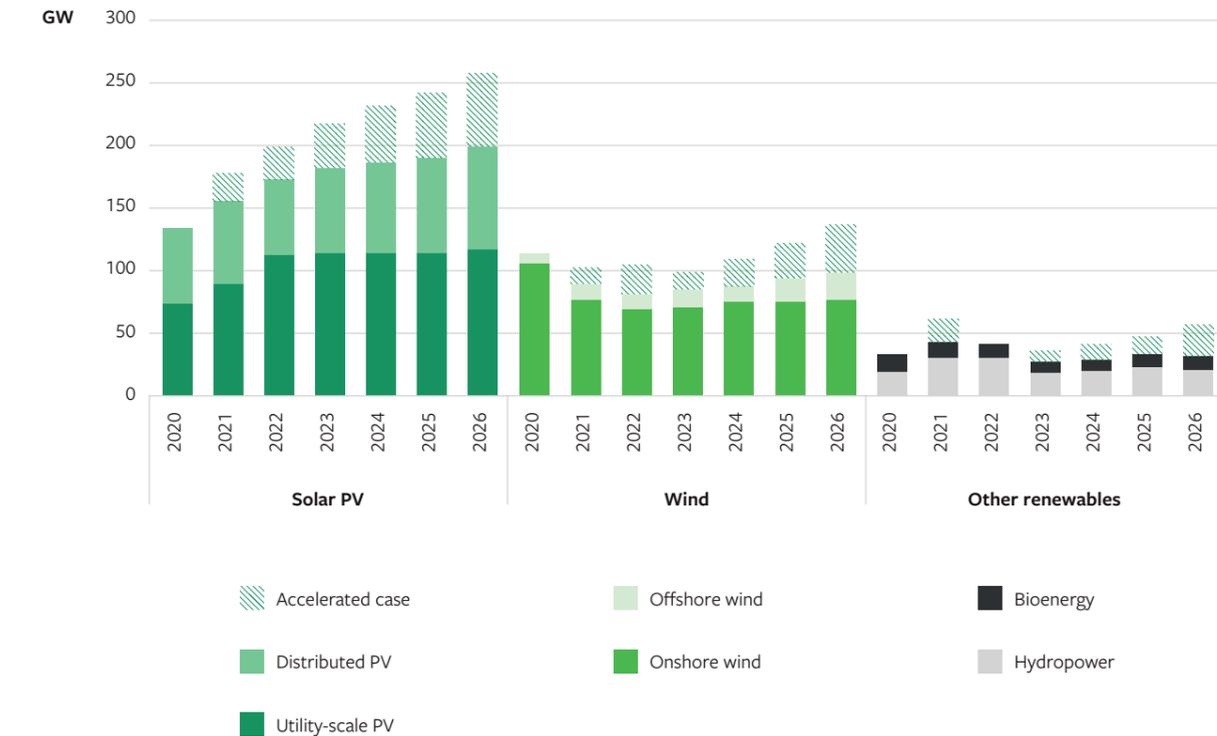
The energy transition requires large investments in energy infrastructure. Capital flows need to be redirected from fossil fuels towards clean power and other climate solutions. BloombergNEF estimates an investment need of between \$92 trillion and \$173 trillion over the next three decades in energy supply and infrastructure. To achieve this, annual investment will need to more than double – from around \$1.7 trillion per year to between \$3.1 trillion and \$5.8 trillion per year on average over the next three decades.

## FROM BEST PRACTICE TO NECESSARY PRACTICE

Biodiversity loss is accelerating. The global rate of species extinction today is orders of magnitude higher than the average rate over the past 10 million years. The average abundance of native species in most major land-based habitats has fallen by at least 20%, according to the United Nations. This challenge requires that we not only seek out the best practises available but also ask ourselves how we can do our part in helping overcome this challenge.

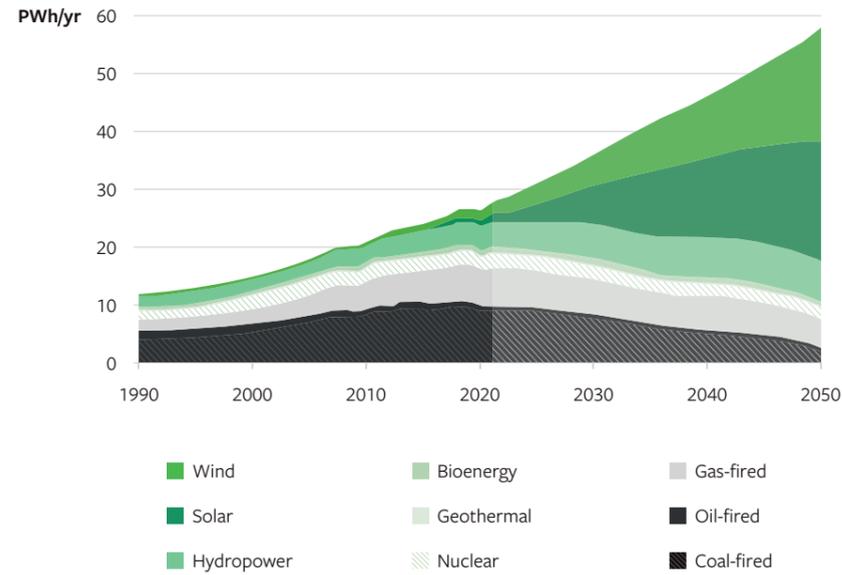
## ANNUAL CAPACITY ADDITIONS OF SOLAR PV, WIND AND OTHER RENEWABLES, MAIN AND ACCELERATED CASES 2020-2026

Source: International Energy Agency (IEA)



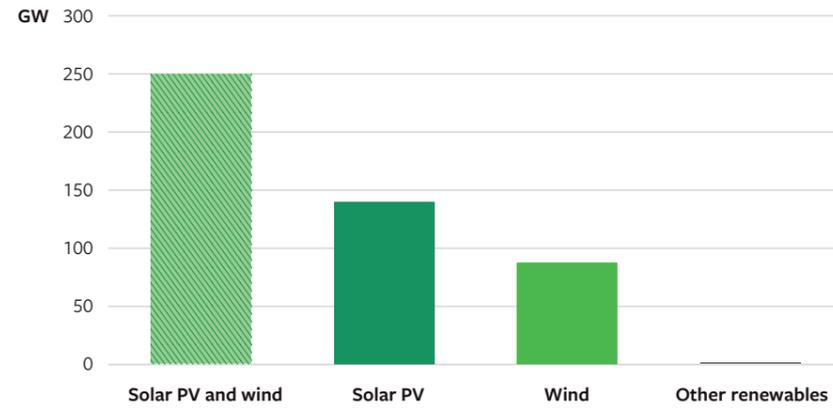
### WORLD GRID-CONNECTED ELECTRICITY GENERATION BY POWER STATION TYPE

Source: DNV Energy Transition Outlook 2021



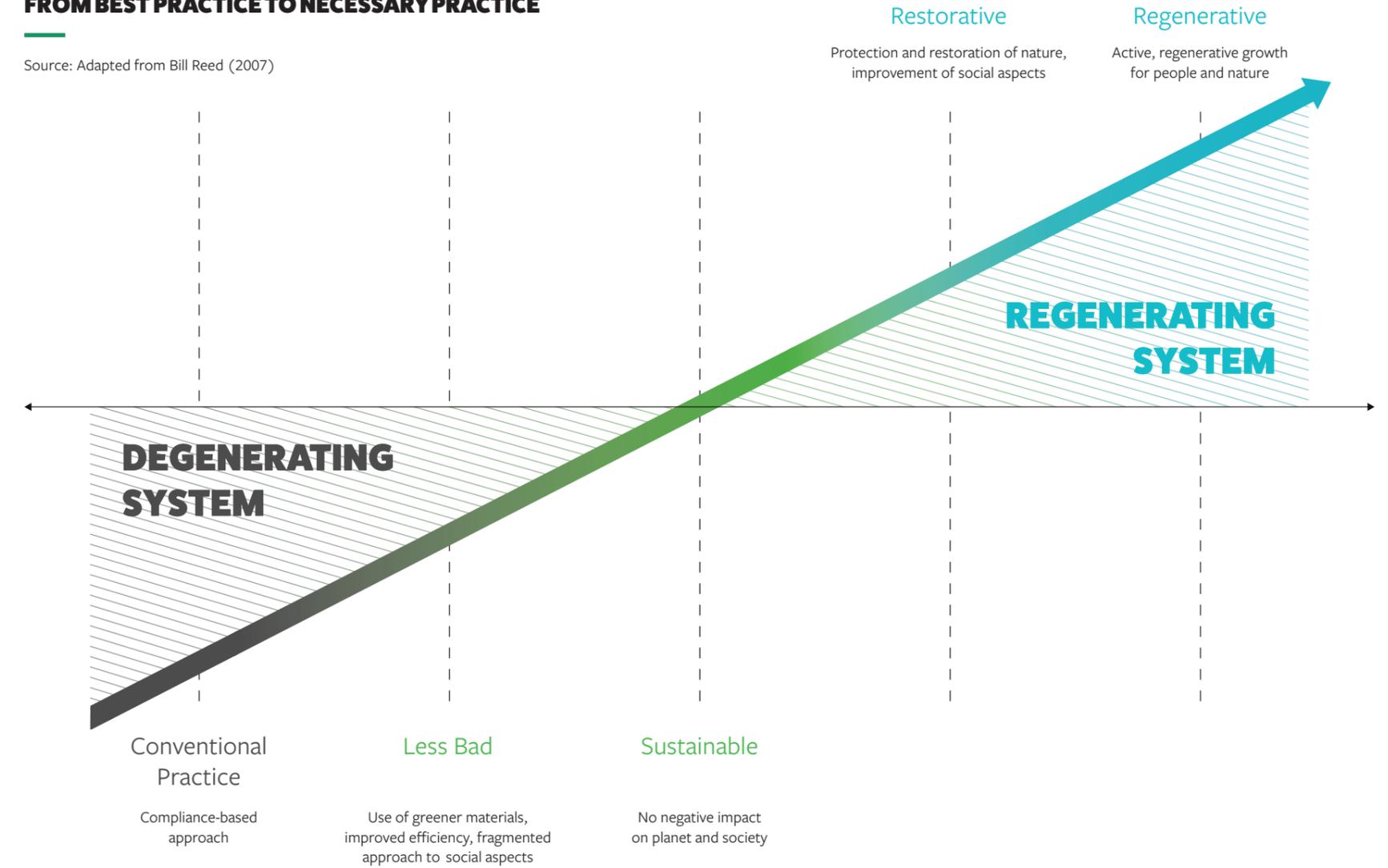
### ADDITIONAL RENEWABLE CAPACITY ACCORDING TO PLANNED AND ANNOUNCED GREEN HYDROGEN PROJECTS

Source: IEA analysis based on IEA (2021), Hydrogen Projects Database



### FROM BEST PRACTICE TO NECESSARY PRACTICE

Source: Adapted from Bill Reed (2007)



# PERFORMANCE & OUTLOOK



# ACTIVITIES IN 2021

## OVERVIEW

In 2021, solar power cemented its position as the cheapest source of new renewable energy across Europe and began to scale. Through our commercial partnerships, we continued to deliver green energy to leading businesses – such as ATP Real Estate and TDC NET – and a broad range of banks and financial institutions.

We reached several milestones. Better Energy provided the largest share of renewable capacity on land in Denmark in 2021 and finished the first two large-scale solar parks in Poland. What is more, Better Energy constructed a total of 450 MW subsidy-free renewable power.

Despite global supply chain disruptions, our fully integrated value chain continued to deliver solid results and our structured and industrial approach to large-scale deployment proved robust. Our pipeline of development projects expanded to 6.6 GW, ensuring a steady flow of diversified projects for years to come and allowing more companies to play a larger role in the green transition.

During 2021, we began constructing eight solar parks with a total capacity of over 400 MW. At the end of 2021, Better Energy had an ownership stake in 272 MW of operational assets. Better Energy's asset management expertise is applied to each of these projects.

To make an impact that matters, we also decided to join the Future-Fit Foundation Development Council. The Future-Fit Foundation envisions creating a Future-Fit Society by being environmentally restorative, socially just and economically inclusive. The Future-Fit Business Benchmark helps us imagine better ways of doing things and be open and transparent about our impacts.

As we scale our power production capacity, we will be able to deliver green energy to even more companies and consumers of electricity.



The following businesses added new green energy to the electricity grid through PPAs in 2021:

- Centrica**
- TDC NET**
- ATP Real Estate**
- Energia**
- Nykredit**
- Faster Andelskasse**
- Lollands Bank**
- Sparekassen for Nørre Nebel and Omegn**
- Spar Nord Bank**
- JN Data**
- Merkur Klimafond**
- Merkur Andelskasse**
- Statkraft**
- Energi Danmark**
- GN Group**
- Bravida**
- Scan Global Logistics**
- PA Savværk and Wiking Gulve**
- Tempur Sealy**
- Labelco**
- Scanpan**
- Malte Haaning Plastic**
- Petersen Tegl**
- Blue Energy**
- Polyprint**
- Egmont**
- Arla**

## DENMARK

Better Energy made significant contributions to the green transition in 2021. We added the largest solar park in Northern Europe to the transmission grid. We also added the largest share of renewable energy capacity on land.

In 2021, we further expanded the number of companies adding new and renewable energy to the electricity grid through power purchase agreements (PPAs). Organisations signed individually or through innovative partnerships in which multiple organisations joined forces and entered into a PPA together.

As our production capacity increases, so does our ability to regenerate the natural environment and counter threats from habitat loss, pollution, unsustainable use of land and climate change. The larger the area we manage, the greater the impact we can make. One example of this can be found in Svendborg. In Svendborg Municipality, solar parks' protective capabilities over groundwater played a central role in the location choice.

As Svendborg Municipality points out in the local zoning plan: 'Solar parks protect groundwater health because the sites are taken from agricultural production, laid out with grass and kept free from fertilisers and pesticides.' We are dedicated to ensuring these valuable synergies when choosing solar park sites. Since Better Energy's inception, we have been driven to create solar parks that work in harmony with the environment.

Our sites are home to thousands of sheep grazing on our organic land. They are pesticide and chemical free and serve to protect groundwater and soil regeneration for the future.

Better Energy is developing landscaping plans for solar parks that are specifically designed to incorporate areas of rich and wild nature. The initial data suggests that this makes it possible to significantly improve the natural quality of the land. By using the Biological Diversity Protocol, Habitats, a biodiversity consultancy, estimates that the share of biodiversity increases from point zero before the construction of the solar park to about 20% after construction, approximately 25% after five years and at best up to 60% over 30 years.

During 2021, we increased our pipeline of projects in Denmark to around 4.7 GW of capacity by year end.

**POLAND**

In 2021, we constructed our two large-scale projects, Postomino and Polanow, each with a capacity of 30 MW. Our asset management in Poland – combining our operations and maintenance services with our commercial management expertise – was validated with performance above expectations and will be further developed as we work on new, large-scale projects.

Renewable energy producer Statkraft signed a 10-year PPA with Better Energy for a utility-scale, subsidy-free solar park that will be built in Poland, the first of its kind in the country.

During 2021, we increased our pipeline of projects in Poland to around 1.3 GW of capacity by year end. Better Energy’s commitment to help Poland reduce its reliance on coal is stronger than ever.



**SWEDEN**

We continued to develop our pipeline of development opportunities. We opened an office in Malmö and increased our in-house expertise to facilitate a rapid expansion into this market. We spent a significant portion of our resources on establishing a team of highly talented and dedicated people with relevant experience from grid companies, county boards and technology specialties.

We also initiated several environmental permits and grid connection processes, and continued to focus on building long-term relationships with like-minded organisations that help us with environmental permits and reports. We also joined the Swedish Solar Association. During 2021, we developed our pipeline of projects in Sweden to around 0.6 GW of capacity by year end.

**OPERATIONAL ASSETS – OTHER MARKETS**

Better Energy owns the operational Ganska solar PV park in Ukraine together with the Danish Investment Fund for Developing Countries (IFU). This 19 MW asset was constructed by Better Energy in 2018. The war in Ukraine has had a negative impact on the Ukrainian electricity market, but this will not have a discernible effect on our overall activities.

Better Energy retains a 9% ownership stake in the operational Valsneset wind farm project in Norway with three Vestas V117 4.2 MW turbines. The wind project had a total production of 40.7 GWh in 2021.

**FUTURE TECHNOLOGY**

We strive to optimise our construction projects with the latest technology and have excellent relationships with the industry’s most renowned suppliers, always keeping us at the forefront of the industry. A full green transition will require not only competitive renewable energy but also the highest level of innovation to integrate renewable energy into future grid solutions.

# FINANCIAL PERFORMANCE

## OVERVIEW

Our long-term strategy has been to become an independent power producer supported by annual recurring revenues. Such long-term returns are higher than the short-term returns from the divestment of solar parks.

Better Energy has now transformed into an energy company that owns and operates solar parks. These parks generate electricity that is sold through power purchase agreements (PPAs) or sold directly on the wholesale merchant market, thereby generating annual recurring revenues. The benefits of annual recurring revenues are that over time they increase revenue and reduce costs, stabilise cash flow and increase profits. Investment in solar parks is capital intensive, and transformative business growth requires rigorous planning and liquidity.

Renewable power assets are in great demand. The market value of our solar parks is shown at cost price in the balance sheet, which does not adequately reflect the market value in the financial statements. Our focus during the past years and in coming years will be on increasing long-term value creation and profitability rather than increasing short-term revenues and profits.

In the annual report for 2021, we show the income statement by nature, as this better reflects our business. In the 2020 annual report, we specified the income statement by function.

## INCOME STATEMENT

### Revenue

Consolidated revenue reached DKK 1,551 million in 2021, up from DKK 1,066 million in 2020. This revenue was generated by divestment of solar parks, income from asset management, power sales and other revenues. In 2021, Better Energy's greatest source of revenue was from divestment of solar parks which amounted to DKK 1,518 million. Revenue was mainly generated in Denmark with DKK 1,255 million and DKK 292 million in Poland. Revenue from asset management amounted to DKK 14 million and power sales amounted to DKK 12 million.

### Gross profit

Gross profit increased slightly to DKK 212 million from DKK 192 million in 2020. This increase was mainly due to divestments of solar parks, which was offset by increased direct costs driven

by increases in steel prices and costs for solar panels, inverters and logistics, due to temporary market movements driven by the COVID-19 pandemic.

### Operating profit

Operating profit increased to DKK 157 million, up from DKK 149 million in 2020, mainly due to an increase in gross profit and partly offset by increased staff costs as the organisation is scaling up for the coming years.

### Income from investments in associates

Income from investments in associates came to DKK -109 million against DKK -103 million in 2020. This is primarily due to increase in divestment of solar parks of which we have chosen to keep 50%. For solar parks, our share of profit from the sale is eliminated in income from investments in associates due to our accounting policy.

**Financial income/expenses**

Net financial income came to DKK -8 million up from DKK -15 million in 2020. The decrease in net financial expenses is partly attributable to the fact that a larger share of financial expenses were attributed to projects under construction.

**Tax**

Tax on profit amounted to DKK 8 million, compared with DKK 12 million in 2020. The effective tax percentage in 2021 was 19%.

**Balance sheet**

Total assets increased significantly to DKK 1,898 million at the end of 2021 compared to DKK 884 million at the end of 2020. The increase in assets is mainly due to an increase in receivables from associates and increased cash balances at the end of the year offset by lower inventories. The increase in receivables from associates is due to increased loans to our 50/50 partnership with Industriens Pension to invest in new solar parks that we are building, and receivables from individual solar parks in the partnership pending finalisation and pay-out of project financing. The increase in bank balances is due to divestment of solar parks at the end of the year.

**Equity**

At the end of 2021, equity amounted to DKK 379 million compared with DKK 382 million at the end of 2020. This net decrease of DKK 3 million was mainly due to the profit for the year, which was more than off-set by reserve for cashflow hedges in our joint venture with Industriens Pension, due to the spike in electricity prices around the end of the year and purchase of own shares.

**Cash flow statement**

Cash flows from operating activities came to DKK -116 million in 2021 against DKK -71 million in 2020. This includes a negative change in net working capital of DKK 271 million. Cash flows from operating activities were highly affected by the activity level in 2021.

Cash flows from investing activities came to DKK -226 million in 2021 against DKK 6 million in 2020, mainly due to investment of DKK 216 million in our 50/50 partnership with Industriens Pension.

Cash flows from financing activities totalled DKK 652 million in 2021 against -30 million in 2020 due to proceeds from borrowing for project financing and other financing. The net increase of cash and cash equivalents amounted to DKK 310 million in 2021 compared with a decrease of DKK -95 million in 2020.

**CAPITAL MANAGEMENT**

Better Energy constantly monitors liquidity in order to mitigate any shortage of funds. At the end of 2021, the cash balance amounted to DKK 612 million of which DKK 122 million was free cash, DKK 423 million was cash available for use on specific projects and DKK 67 million was cash on accounts with special termination terms.

The Board of Directors and the Executive Board expect to be able to attract further funding for development opportunities, construction projects and long-term finance.



# LOOKING BACK, MOVING AHEAD

## OUR GOALS FROM 2020

The main focus in 2021 was to strengthen our activities in Northern Europe in order to develop our pipeline and ensure continued growth. Through stronger partnerships with our stakeholders, we continued to sharpen and advance our integrated business model and increase scalability, which is likely to benefit us in the long run and in new markets.

Before entering 2021, it was a strategic objective to continue to build our pipeline and ensure certainty regarding grid connection. As grid connections and local support are crucial for our success, strong partnerships with local communities and grid operators continued to be a top priority in 2021.

Our expectation for revenue and result for 2021 was an increase of 20-50% compared to 2020. This reflects our strong commitment to become an independent power producer, which consequently means lower results in the short term and better results in the long term.

## REACHED GOALS IN 2021

During 2021, our pipeline increased to 6.6 GW at year end, while we built up our presence in new markets. We continued to demon-

strate how solar power can be scaled up and accelerate the green transition to an affordable, low-carbon future. One example of this can be found in Denmark, where we installed the largest share of renewable energy on land.

In 2021, we constructed a total of 450 MW renewable energy. We also cemented our leading role in power purchase agreement (PPA) products for the renewable energy industry, as exemplified by our PPA with ATP Real Estate, TDC NET and a broad range of infrastructure and financial companies.

## LOOKING AHEAD TO 2022

Looking ahead, Better Energy will follow the stated course to retain our strong market leadership in the renewable energy sector. Our overall strategy has been to commercialise solar power, scale it, and then integrate it into other parts of the economy.

So far, we have successfully shown that solar power is competitive in Northern Europe as we continue to build large-scale parks on commercial terms without subsidies. In 2022, we expect to build new solar parks in Denmark and Poland equal to more than 500 MW.

Our current focus is on expanding our capabilities as a large-scale independent power producer with a long-term view of operational assets. The next step will be to integrate renewable electricity into the wider economy, for example, through power-to-X. As the market for PPAs with additionality grows larger, we expect to strengthen our role. We expect a higher activity level in 2022 compared to 2021 with revenue reaching DKK 1.8-2.3 billion. Due to our continued emphasis on investing in the green transition and retaining ownership shares in our own solar parks, we expect profit for the year to reach DKK 75-105 million.

However, both revenue and profit for the year depend on circumstances such as timing related to grid connections and the size of ownership share in our own solar parks. We do not believe that the COVID-19 pandemic, war in Ukraine or disruptions in supply chains will have any significant material adverse effect on Better Energy's operations in 2022.

## EVENTS AFTER THE REPORTING PERIOD

Please refer to Note 35 in the consolidated financial statements.



# RISK MANAGEMENT



# RISK MANAGEMENT

## OUR BUSINESS ENVIRONMENT

We operate in changing and growing energy markets. Balancing risk and opportunity is critical to business growth and success.

Risks are defined as factors that impact our ability to create long-term value and achieve our strategic targets. Some risks are relevant on a group level while others apply to certain phases of project life cycles. Many of these risks are associated with specific projects and isolated in special purpose vehicles.

We view risk management as a method to avoid risks or minimise their potential impacts while proactively seeking opportunities that can bring us competitive advantages. To identify risks and opportunities, we look beyond our own operations and try to include stakeholders' concerns and the market environments in which we operate. This approach helps us develop a broader view of the issues affecting our company and our ability to create value.

## OUR APPROACH

Better Energy takes a proactive approach to risk management across all business areas and we assess and manage risks on a continuous basis. Our approach to risk management follows a five-step process, drawing on internal expertise including financial, engineering, legal and compliance specialists. The five-step process begins with risk identification and takes place at business, project and operational levels.

During the risk assessment stage, we assess the severity and likelihood of risks occurring. A prioritised list of risks goes through risk analysis, risk tolerance and risk mitigation. The Board of Directors and Executive Board decide which risks are acceptable to the business and which risks need to be mitigated.

Having a structured way of assessing our risks throughout the organisation enables us to increase awareness around them. Keeping our main focus on high likelihood and high severity risks makes acceptance and mitigation efficient. Better Energy operates with

two types of risks: one type of business or project risk that can be mitigated through new actions – and another type of risk that is inherent to the business operations of our company. Inherent business risks cannot be fully mitigated, but we have undertaken actions to reduce their potential negative impacts.

In the following sections, we describe our six inherent risks identified as high priority.

### POWER PRICE UNCERTAINTY

Some of the income from our revenue streams is secured with fixed prices, for example, long-term contracts based on feed-in tariffs, asset management contracts and power purchase agreements. Since not all energy generated by our solar parks is sold under long-term agreements, our revenue depends on the fluctuating market price of electricity.

Short-term fluctuations in the power trading market are to be expected and can directly impact Better Energy's revenue.





Financial PPAs can also affect our capital due to short-term fluctuations in the power trading market.

To mitigate this risk, we have strengthened our asset management knowledge in power sales and grid balancing. We continue to develop diversified power products – supported by long-term innovation on power-to-X (PtX), grid support functionality and battery storage. Together, these elements enhance our ability to sell electricity at optimal times.

Geographic diversification across several different energy trading markets reduces the negative impact of price variations.

#### INTEREST RATES

Large renewable energy projects are capital intensive. The majority of capital raised through project finance is debt, making interest payments a significant expense and an important factor in the cost of renewable energy. In general, Better Energy has enjoyed a low interest environment, but this has the potential to rise in response to global events, which might have an impact on our earnings. If interest rates are not in line with power price inflation, capital costs will go up. Fluctuations in interest rates can also affect our corporate debt.

To mitigate this risk going forward, long-term fixed interest mortgage bonds will be used for Danish projects. For new projects, Better Energy uses commercial sensitivity analysis as part of the standard project financial modelling where a potential increase in interest rates is taken into account.

#### CURRENCY FLUCTUATIONS

We operate internationally and import a number of components that are paid in foreign currencies. There can be a difference in

currency between loans, engineering, procurement and construction invoices as well as sale of electricity generated by solar parks. Within these operations, currency exchange rates may vary. Our main currency exposure relates to fluctuations between USD, PLN, UAH, EUR, SEK and DKK.

Based on our currency hedging policy, Better Energy mitigates this risk by strictly controlling and monitoring currency exposure. We quantify exposure in line with project pipeline development.

#### CONSTRUCTION RISK

Construction relies on a wide number of local and international partners, suppliers and stakeholders. Components and materials make up a substantial portion of total solar power plant costs. With that in mind, cost fluctuations for components and materials we use to construct our plants may affect the profitability of the projects.

Other risk factors in the construction phase are issues with components and installation, or sudden weather challenges that could result in project delays. Delays and budget overruns can lead to a loss of power sales revenue, permitting and grid connection issues as well as a decrease in our gross profit.

Better Energy manages these risks with strong project management. We have a proven track record of delivering utility-scale projects on time and with outstanding technical standards. Additionally, forming partnership agreements with major Tier 1 suppliers and service providers allows us to influence price and payment terms.

When it comes to issues originating from poor weather conditions, we constantly monitor weather forecasting in the areas where our assets are located to reduce possible impacts. Better

Energy engineers its own systems to withstand extreme weather conditions and increase the lifetime, durability and resilience of our systems.

As we grow, we continue to standardise our approach to engineering, procurement and construction. We try to implement a culture of continuous learning based on our own experience and best industry practice.

#### IT SECURITY

According to recent cyber threat assessments, the Danish Centre for Cyber Security states that the threat level is increasingly high in the energy and utilities sectors as digitisation and dependence on cloud-based solutions increase. Hence, cybercrime and fraud attempts are potential risks to our business.

Our cloud-based solutions for daily business data storage, communication and energy generation control are potential cyberattack targets. If our systems are compromised, a loss of information and a lack of access to information can result in delays.

Fraud and malicious cyberattacks may also compromise Better Energy's activity and revenue. Attacks could ultimately result in us being forced to shut down plants.

At Better Energy, we have upgraded our IT hosting provider and developed bespoke in-house solutions to mitigate IT security-related risks. We continuously monitor our equipment for security issues by using internal and external IT specialists.

We develop contingency plans for our plants and will continue to do so as we build more plants and cover a greater share of energy consumption with our green solar energy.

#### LEGAL COMPLIANCE

Better Energy is subject to rules and regulations derived from law, commercial agreements and financial regulations, amongst others. Compliance with these conditions affects all areas of our business.

Failure to comply with various rules and regulations can result in serious fines, penalties and other legal actions.

We have created a Compliance Committee, headed by the Chief Legal Officer, to manage compliance-related matters. With reference to the Compliance Committee, the organisation continues to standardise the compliance mechanisms process.

Regulatory risks are identified by the Regulatory & Compliance team in the Legal department through ongoing risk assessments, regulatory horizon scanning, proactive monitoring and project participation. Identified regulatory risks are handled and documented through well-established compliance processes and integrated into each business unit, facilitated through ongoing group-wide risk assessments and monthly Compliance Committee meetings. Risks are reported to the Board of Directors and the Executive Board.

# SUSTAINABILITY & REGENERATION



# SUSTAINABILITY AND REGENERATION

## THE FUTURE WE WANT

Better Energy was founded to accelerate the green transition with better solutions and mass quantities of affordable clean energy. We are here to improve people's lives and the environment with power that is clean, reliable, safe and sustainable. We want to lead the way and show others how to shape our energy future to benefit biodiversity and ecosystems.

## Driving systems change

Growing our operations brings additional responsibility, complexity and opportunities to learn, develop and contribute more effectively. We are in a strong position to drive change and help countries, cities and companies meet the increasing demand for green energy. Our activities and operations help contribute to a better society and future.

## Regeneration

We know that simply doing no harm, maintaining or sustaining our land areas and communities is not good enough. Ecosystem quality is declining rapidly. In many places, nature has been degraded and needs us to help reverse its decline. We need to take active steps and add resources to regenerate ecosystems.

These steps include increasing local biodiversity and restoring healthy soil, groundwater, forests and wetlands.

## Collective impact

A single organisation, business leader or policy maker cannot change complex systems. We all have a role to play in the systems we want to change.

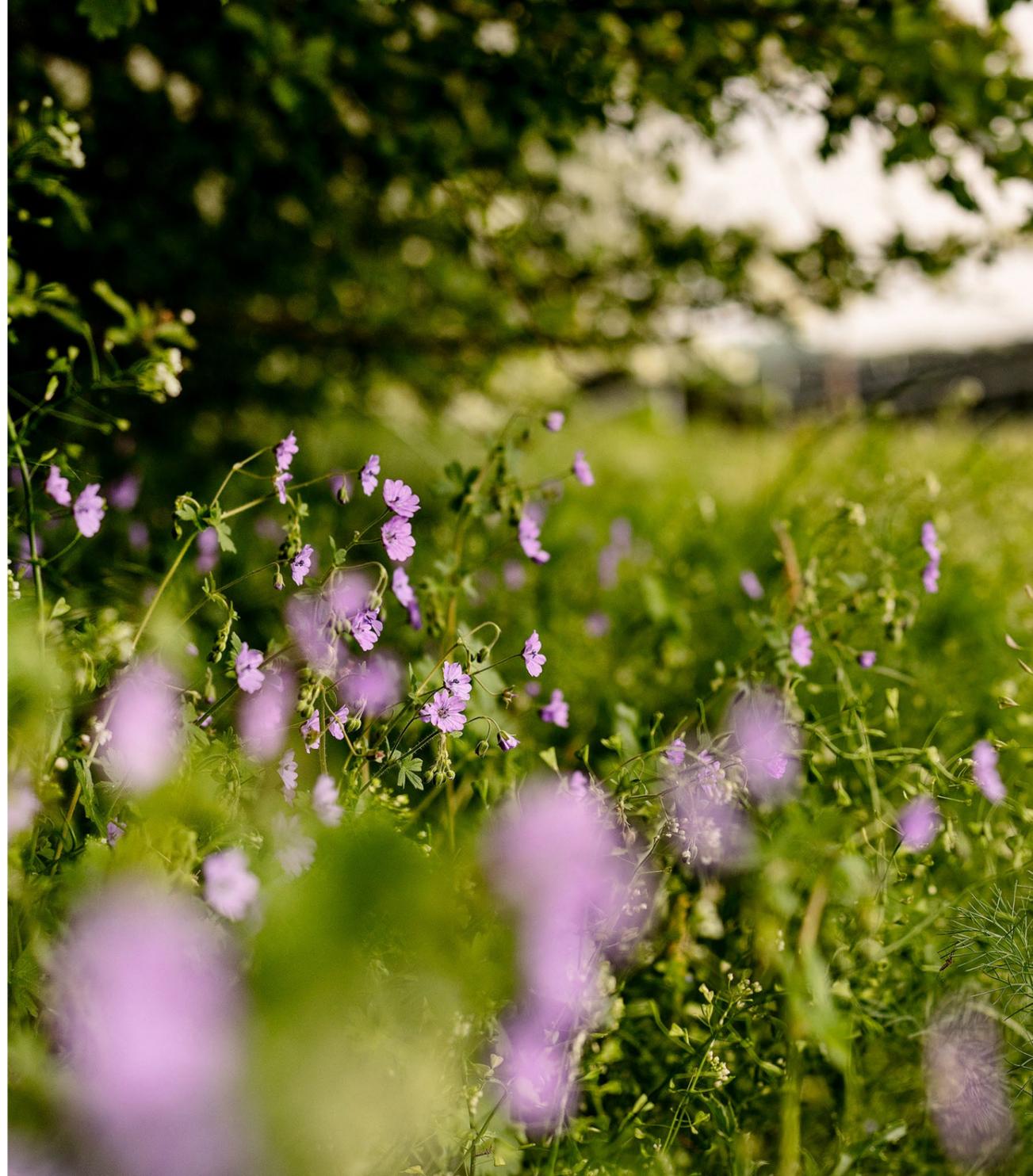
We do not have to find common ground with other stakeholders; it is already there. Climate change, loss of biodiversity and ecosystem degradation are all crises we all face in the places and spaces we share.

We are helping policy makers, financial institutions and businesses of all sizes deliver climate action in the real world by adding new green energy to our energy systems. We all need to step up with the will and resources to achieve our goals.

## OUR BUSINESS

### Purpose: Engineers of a sustainable future

A sustainable world is not possible without clean, renewable sources of power. We work to advance renewable energy



deployment as rapidly as possible and at the lowest possible cost. We exist to create impact and value for our communities and other stakeholders.

## Strategy: Impact that matters

We focus on large-scale solar energy capacity in Northern European markets where we can make the greatest difference in terms of impact and affordable prices.

This means taking a lean and industrial approach to renewable energy deployment. We prioritise depth over breadth and concentrate our efforts where we can achieve impact on a significant scale. Our purpose and vertically-integrated business model drive sustainable business growth and deliver positive environmental and social impact.

## POLICIES

### Framework: Manifesto and Code of Conduct

Better Energy is a values-driven company. Our approach to management and day-to-day business operations are guided by our Manifesto, Code of Conduct and commitment to becoming Future-Fit.

Our Manifesto describes our vision, mission, strategy, guiding principles and values. This policy forms the foundation of our business and the basis for proper conduct and respect for all individuals.

Our Code of Conduct builds on these ideas and values. It outlines a framework of policy statements and standards ensuring consistency across our business. Our Code of Conduct is integrated into the way we work at Better Energy and how we work with consultants, suppliers, partners and any other third parties acting on behalf of our company. The Code of Conduct is currently undergoing review to ensure it continues to meet the needs of the organisation and our commitments.

## OUR REPORTING

Our ESG Report (environmental, social and governance report) serves as our disclosure in accordance with sections 99a, 99b and 99d of the Danish Financial Statements Act. The ESG Report is available for download on [www.betterenergy.com](http://www.betterenergy.com).

# ASSURANCE STATEMENTS



## STATEMENT BY THE EXECUTIVE BOARD & THE BOARD OF DIRECTORS

The Executive Board and the Board of Directors have today considered and approved the annual report of Better Energy Holding A/S, Central Business Registration No. 31865883, for the financial year 1 January – 31 December 2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of Better Energy and the Parent Company's financial position at 31 December 2021 and of the results of Better Energy's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2021.

We believe that the management commentary contains a fair review of the development in Better Energy's and the Parent Company's affairs and conditions referred to therein.

We recommend the annual report be adopted at the Annual General Meeting.

Frederiksberg, 6 April 2022

### EXECUTIVE BOARD



Rasmus Lildholdt Kjær  
CEO



Annette Egede Nylander  
CFO



Ho Kei Au  
CLO

### BOARD OF DIRECTORS



Christian Motzfeldt  
Chair



Mikkel Dau Jacobsen



Mark Augustenborg Ødum



Rasmus Lildholdt Kjær



Michael Pollan



Annette Egede Nylander



Michael Vater

### FORWARD-LOOKING STATEMENTS

This annual report contains information related to future events. These statements are not guarantees of future performance.

Forward-looking statements necessarily involve risk and uncertainty as they relate to future circumstances that are outside of our control. These factors could cause actual results to differ materially from our expectations.

As such, readers are cautioned not to place undue reliance on these forward-looking statements and Better Energy disclaims any intention and assumes no obligation to update or revise any forward-looking statement.

### STATEMENT BY THE CHAIR OF THE ANNUAL GENERAL MEETING

Approved at the Annual General Meeting on 21 April 2022



Ho Kei Au  
Chair of the Annual General Meeting

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of Better Energy Holding A/S

## OPINION

We have audited the consolidated financial statements and the parent financial statements of Better Energy Holding A/S, Central Business Registration No. 31865883, for the financial year 01.01.2021 - 31.12.2021, 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 parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 RESPONSIBILITIES 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 Parent'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 Group or the Entity or to cease operations, or has no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES 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 these 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 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 Parent'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 Parent'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 sufficiently 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 COMMENTARY**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary 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 under the Danish Financial Statements Act.

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

Kolding, 6 April 2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

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# FINANCIAL STATEMENTS



# CONSOLIDATED FINANCIAL STATEMENTS

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## INCOME STATEMENT

For the period 1 January - 31 December

Note	DKK '000	2021	2020
1	Revenue	1,550,540	1,066,053
2	Direct costs	-1,315,250	-850,500
3, 4	Other external expenses	-23,228	-23,333
	<b>Gross profit</b>	<b>212,062</b>	<b>192,220</b>
5	Staff costs	-45,541	-29,676
	<b>EBITDA</b>	<b>166,521</b>	<b>162,544</b>
6	Depreciation and amortisation	-9,073	-13,315
	<b>Operating profit</b>	<b>157,448</b>	<b>149,229</b>
7	Income from investments in associates	-109,246	-102,504
8	Financial income	7,006	4,670
9	Financial expenses	-15,135	-19,680
	<b>Profit before tax</b>	<b>40,073</b>	<b>31,715</b>
10	Tax on profit for the year	-7,578	-12,021
11	<b>Profit for the year</b>	<b>32,495</b>	<b>19,694</b>

## BALANCE SHEET

### ASSETS

At 31 December

Note	DKK '000	2021	2020
	Goodwill	2,724	4,818
	Development cost	8,555	3,670
	Acquired patents and licences	706	713
12	<b>Intangible assets</b>	<b>11,985</b>	<b>9,201</b>
	Land and buildings	33,126	30,102
	Tools and equipment	3,867	4,398
	Leasehold improvements	103	143
13	<b>Property, plant and equipment</b>	<b>37,096</b>	<b>34,643</b>
	Investments in associates	43,417	34,119
	Other equity interests	10,077	10,284
	Deposits	923	985
	Securities	3,989	3,879
14	<b>Fixed asset investments</b>	<b>58,406</b>	<b>49,267</b>
	<b>Fixed assets</b>	<b>107,487</b>	<b>93,111</b>

## BALANCE SHEET

### ASSETS

At 31 December

Note	DKK '000	2021	2020
15	<b>Inventories</b>	<b>281,635</b>	<b>337,590</b>
	Trade receivables	26,708	14,955
16	Contract work in progress	5,138	31,626
	Receivables from associates	780,304	79,488
	Income taxes	0	52
17	Deferred tax assets	30,177	1
18	Other receivables	34,851	13,704
19	Prepayments	19,931	11,261
	<b>Receivables</b>	<b>897,109</b>	<b>151,087</b>
20	<b>Cash</b>	<b>612,244</b>	<b>302,275</b>
	<b>Current assets</b>	<b>1,790,988</b>	<b>790,952</b>
	<b>Assets</b>	<b>1,898,475</b>	<b>884,063</b>

## BALANCE SHEET

### EQUITY AND LIABILITIES

At 31 December

Note	DKK '000	2021	2020
21	Share capital	611	611
	Retained earnings	373,085	378,266
	<b>Equity attributable to shareholders of the Parent Company</b>	<b>373,696</b>	<b>378,877</b>
	Minority interests	4,836	2,988
	<b>Equity</b>	<b>378,532</b>	<b>381,865</b>
17	Deferred tax	0	1,689
22	Other provisions	3,085	1,625
	<b>Provisions</b>	<b>3,085</b>	<b>3,314</b>
	Bank & mortgage debt	277,350	65,104
	Bond debt	6,350	6,350
	Debt to credit institutions	731,995	289,610
	Other payables	5,173	5,003
23	<b>Long-term liabilities other than provisions</b>	<b>1,020,868</b>	<b>366,067</b>

## BALANCE SHEET

### EQUITY AND LIABILITIES

At 31 December

Note	DKK '000	2021	2020
23	Current portion of long-term liabilities other than provisions	13,929	5,282
16	Contract work in progress	22,068	0
	Trade payables	94,249	56,735
	Income taxes	47,159	19,404
24	Other payables	175,026	12,964
25	Deferred income	143,559	38,432
	<b>Short-term liabilities other than provisions</b>	<b>495,990</b>	<b>132,817</b>
	<b>Liabilities other than provisions</b>	<b>1,516,858</b>	<b>498,884</b>
	<b>Equity and liabilities</b>	<b>1,898,475</b>	<b>884,063</b>
29	Financial derivatives		
30	Unrecognised rental and lease commitments		
31	Contingent liabilities		
32	Assets charged and collateral		
33	Related parties		
34	List of companies		
35	Events after the reporting period		

## CASH FLOW STATEMENT

For the period 1 January - 31 December

Note	DKK '000	2021	2020
	Operating profit	157,448	149,229
26	Non-cash corrections to operating profit	2,735	-70,044
	Depreciation, amortisation and impairment losses	9,073	13,315
27	Working capital changes	-271,416	-152,110
	Cash flow from operating activities before financial income and expenses	-102,160	-59,610
	Financial income received	2,464	1,689
	Financial expenses paid	-12,212	-18,772
	Received dividends from associated companies	0	4,841
	Income taxes	-4,252	667
	<b>Cash flows from operating activities</b>	<b>-116,160</b>	<b>-71,185</b>
	Acquisition etc. of intangible assets	-5,416	-2,748
	Acquisition etc. of property, plant and equipment	-5,116	-2,230
	Sale of property, plant and equipment	17	10,317
28	Acquisition of subsidiaries	0	-6,773
	Acquisition of associates	-50,838	0
	Loans to associates	-164,798	0
	Acquisition etc. of other fixed asset investments	-34	-25
	Sale of other fixed asset investments	374	7,428
	<b>Cash flows from investing activities</b>	<b>-225,811</b>	<b>5,969</b>

**CASH FLOW STATEMENT (CONTINUED)**

For the period 1 January - 31 December

Note	DKK '000	2021	2020
	Proceeds from borrowings	667,168	5,772
	Repayment of bonds	0	-10,400
	Instalments on long-term liabilities other than provisions	-5,613	-13,103
	Purchase of own shares	-9,223	-11,771
	Dividend paid to minority interests	-392	0
	<b>Cash flows from financing activities</b>	<b>651,940</b>	<b>-29,502</b>
	<b>Increase/decrease in cash and cash equivalents</b>	<b>309,969</b>	<b>-94,718</b>
	Cash and cash equivalents at 1 January	302,275	396,993
	<b>Cash and cash equivalents at 31 December</b>	<b>612,244</b>	<b>302,275</b>

**STATEMENT OF CHANGES IN EQUITY**

For the period 1 January - 31 December

DKK '000	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January 2020	611	368,496	369,107	1,386	370,493
Profit for the year	0	19,364	19,364	330	19,694
Value adjustment of hedging instruments	0	-38	-38	0	-38
Tax of value adjustment of hedging instruments	0	9	9	0	9
Sale of own shares	0	4,267	4,267	0	4,267
Other adjustments	0	-4,267	-4,267	0	-4,267
Disposals in the year	0	0	0	907	907
Exchange rate adjustments	0	-9,565	-9,565	365	-9,200
<b>Equity at 31 December 2020</b>	<b>611</b>	<b>378,266</b>	<b>378,877</b>	<b>2,988</b>	<b>381,865</b>
<b>2021</b>					
Profit for the year	0	30,087	30,087	2,408	32,495
Value adjustment of hedging instruments	0	-38,516	-38,516	0	-38,516
Tax of value adjustment of hedging instruments	0	8,474	8,474	0	8,474
Purchase of own shares	0	-9,223	-9,223	0	-9,223
Sale of own shares	0	4,642	4,642	0	4,642
Other adjustments	0	-4,642	-4,642	-170	-4,812
Exchange rate adjustments	0	3,997	3,997	-390	3,607
<b>Equity at 31 December 2021</b>	<b>611</b>	<b>373,085</b>	<b>373,696</b>	<b>4,836</b>	<b>378,532</b>

# BASIS OF PREPARATION

## REPORTING CLASS

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

In the annual report for 2021, the income statement is presented by nature, as this better reflects our business. In the 2020 annual report, the income statement was presented by function. Comparative figures are adjusted accordingly. The change to presentation did not have an effect on the result for the year.

In addition to the accounting policies described below, accounting policies for specific financial statement items are described in the notes for the items in the consolidated financial statements and the parent financial statements.

## 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 Better Energy Group (Group), and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group 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

Group, 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.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise Better Energy Holding A/S (Parent Company) and the group enterprises (subsidiaries) that are controlled by the Parent Company. Control is achieved by the Parent Company, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Parent Company, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.



## BASIS OF CONSOLIDATION

The consolidated financial statements are prepared on the basis of the financial statements of Better Energy Holding A/S and its subsidiaries.

The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the accounting policies of the Group.

Financial statement items of not 100% owned subsidiaries are recognised in full in the consolidated financial statements.

Minority interests' proportionate share of profit/loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity. Consideration from transaction of interests in subsidiaries where the Group does not obtain or lose control is recognised directly in the equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

### BUSINESS COMBINATIONS AND ACQUISITION OF ASSOCIATES

Newly acquired or newly established businesses are recognised in the consolidated financial statements from the time of acquiring or establishing such businesses.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. Negative differences in amount (negative goodwill) are recognised in the income statement at the time of the acquisition.

The same method of accounting is applied for acquisition of interests in associated companies that are accounted for under the equity method.

### DIVESTMENT OF BUSINESSES AND ASSOCIATES

Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up. Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.



Upon sales of solar parks developed in consolidated project entities, profit or loss from the sale is presented gross in the income statement as revenue and the related costs. The carrying amount of the associates is reduced by eliminating profit, and if the elimination exceeds the carrying amount, the amount in excess is presented as deferred income under short-term liabilities.

### 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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### JUDGEMENT

The accounting treatment of power purchase agreements (PPAs) is dependent on whether the specific contract is considered a physical contract or a financial derivative. Contracts based on actual production and actual offtake are considered physical by nature if there is a clear link between the physical flow and the gross cash flows. Physical contracts are classified as executory contracts and the fair value is recognised as an off-balance sheet item. Contracts with other characteristics such as a fixed quantity, regardless of whether the solar park is actually producing the said quantity, are considered financial derivatives. When the conditions are met, the financial derivative is recognised as a cashflow hedge directly in equity.

PPAs are typically long-term contracts. Determining the fair value involves a significant portion of non-observable input, primarily related to forward power prices outside of the span quoted on Nasdaq Commodities for comparable contracts as well as risk-free interest rate.

## BALANCE SHEET

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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.

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Current tax receivables and liabilities are recognised in the balance sheet as the expected tax income or expense for the year adjusted for tax related to prior years and tax payments on account.



## CASH FLOW STATEMENT

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, interest and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the Parent's share capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

# FINANCIAL HIGHLIGHTS

The financial highlights include key figures and ratios for 2017-2021.

Financial highlights are defined and calculated in accordance with the current 'Recommendations & Ratios' issued by CFA Society Denmark.

Ratios		Calculation formula	Calculation formula effect
Gross profit margin (%)	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Group's operating gearing
Profit margin (%)	=	$\frac{\text{Profit for the year} \times 100}{\text{Revenue}}$	The Group's operating profitability
Return on equity (%)	=	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$	The Group's return on capital invested in the Group by the owners
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Group



## NOTE 1. REVENUE

DKK '000	2021	2020
<b>Revenue by activity:</b>		
Divestment of solar parks	1,518,110	1,039,143
Power sales	11,529	18,505
Sale from asset management	14,155	7,605
Other revenue	6,746	800
<b>Total revenue</b>	<b>1,550,540</b>	<b>1,066,053</b>
<b>Revenue by country:</b>		
Revenue in Denmark	1,255,256	1,002,907
Revenue in Poland	291,882	16,910
Revenue in Sweden	264	44,590
Revenue in other countries	3,138	1,646
<b>Total revenue</b>	<b>1,550,540</b>	<b>1,066,053</b>

### KEY ACCOUNTING ESTIMATE AND JUDGEMENT ON RECOGNITION AND MEASUREMENT OF REVENUE

Judgement is performed when determining whether a contract for the sale of a solar park involves one or more performance obligations. This is based on an assessment of whether each performance obligation is distinct, i.e. whether the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer (i.e. the goods or services are capable of being distinct) and the promise to transfer the goods or services to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the goods or services is distinct within the context of the contract).

Judgements are made when determining whether a project or service is recognised over time by applying the stage of completion method or at a point in time when control is transferred to the customer. This includes an assessment of whether the project or service has an alternative use to the Group (i.e. can the specific project or service be redirected to another customer) and the Group has an enforceable right to payment throughout the contractual term based on an analysis of the contract wording, legal entitlement and profit estimates.

The measurement of contract work in progress is based on the stage of completion method. This takes into account work already performed as well as an estimate of the total costs of the project, including the outcome of changes to the project.

### ACCOUNTING POLICY

Better Energy uses IFRS 15 for interpretation of the provisions set out in the Danish Financial Statements Act regarding recognition of revenue.

Contract works for solar systems and solar parks are divided in separate performance obligations to the extent that they are considered distinct, i.e. the customer can benefit from the goods or services on their own separately from other promises in the contract. This will from contract to contract include an assessment of the following phases, when applicable:

- Development
- Engineering
- Infrastructure
- Procurement
- Construction

The total contract price is then allocated on each identified performance obligation based on their relative stand-alone selling price.

Revenue from divestment of solar parks that are not sold prior to their completion is recognised in the income statement when control over the electricity or the solar parks has been transferred to the buyer being at the point the electricity or the solar parks are delivered to the customer, and it is probable that the income will be received.

In case a subsidiary that owns a solar park for sale constructed by Better Energy is divested to a third party, a total of 100% of the revenue and the costs from the divestment are included in the revenue and production costs. After the divestment, if the Group holds a share in the divested company as associate company or other equity interest, a part of the gain is eliminated in income from investments in associates or in net income from equity interests, corresponding to the share which the Group decides to keep.

Revenue from performance obligations under contract works with a high degree of individual adjustment, i.e. they create an asset with no alternative use, is recognised as revenue over time from the time an unconditional binding agreement with the customer has been obtained and provided that an enforceable right to payment for work performed at any time has been secured. When the outcome of contract works cannot be estimated reliably, the revenue is recognised only to the extent that costs incurred are likely to be recoverable.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Revenue from power sales is recognised in the income statement when delivery is made to the grid company.

Revenue from asset management is recognised concurrently with the supply of those services and when risk has passed to the buyer.

Revenue is measured at the amount the Group expects to be entitled to receive excluding VAT and taxes charged on behalf of third parties and is measured at fair value of the consideration fixed. All discounts granted are recognised in the revenue.

## NOTE 2. DIRECT COSTS

DKK '000	2021	2020
Raw materials and consumables used	937,286	607,833
Employee costs (See Note 5.)	30,411	12,040
Other costs	347,553	230,627
<b>Total direct costs</b>	<b>1,315,250</b>	<b>850,500</b>

### ACCOUNTING POLICY

Direct costs comprise goods and services as well as a proportionate share of staff costs incurred in the operations in the financial year adjusted for ordinary inventory write-downs.

## NOTE 3. OTHER EXTERNAL EXPENSES

### ACCOUNTING POLICY

Other external expenses include expenses relating to the Group's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

## NOTE 4. FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

DKK '000	2021	2020
Audit fee	839	1,065
Other assurance engagements	30	60
Tax advisory services	863	2,462
Non-audit services	301	537
<b>Total fee to auditors appointed at the general meeting</b>	<b>2,033</b>	<b>4,124</b>

### ACCOUNTING POLICY

According to §96(3) of the Danish Financial Statements Act, the audit fee for the Parent Company has not been disclosed.

## NOTE 5. STAFF COSTS

DKK '000	2021	2020
Wages and salaries	82,819	58,173
Pension costs	6,920	4,694
Other social security expenses	1,527	541
Other employee expenses	2,795	1,850
<b>Total employee costs</b>	<b>94,061</b>	<b>65,258</b>
Employee costs classified as direct costs	-30,411	-12,041
Employee costs classified as assets	-18,109	-23,541
<b>Total staff costs</b>	<b>45,541</b>	<b>29,676</b>
<b>Average number of employees</b>	<b>113</b>	<b>74</b>
Remuneration of management		
<b>Total remuneration for Board of Directors</b>	<b>500</b>	<b>500</b>
<b>Total remuneration for Executive Board</b>	<b>5,470</b>	<b>5,593</b>

Employees in the Better Energy Group including the Executive Board, have on equal terms participated in an employee share programme and have been allotted shares within a framework of up to 10% of the annual remuneration. The value of this share programme is included in the remuneration of the Executive Board.

### ACCOUNTING POLICY

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for Group staff.

## NOTE 6. DEPRECIATION AND AMORTISATION

DKK '000	2021	2020
Amortisation of goodwill	2,094	2,093
Amortisation of development costs	150	75
Amortisation of patents and licences	388	249
Depreciation of land and buildings	522	158
Depreciation of tools and equipment	2,105	1,790
Depreciation of leasehold improvements	40	36
Depreciation of inventory	3,774	8,914
<b>Total depreciation and amortisation</b>	<b>9,073</b>	<b>13,315</b>

### ACCOUNTING POLICY

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 as well as gains and losses from the sale of property, plant and equipment and intangible assets.

## NOTE 7. INCOME FROM INVESTMENTS IN ASSOCIATES

DKK '000	2021	2020
Income from associates	1,586	4,749
Elimination on internal gains	-110,832	-107,253
<b>Total income from investments in associates</b>	<b>-109,246</b>	<b>-102,504</b>

During the year, the Group has sold six solar parks to an associated company. A total of 100% of the revenue and cost from the divestment has been included in revenue and production costs and 50% of the gain is eliminated in income from investments in associates.

### ACCOUNTING POLICY

Income from investment in associates comprises the pro rata share of the individual associate's profit or loss after pro rata elimination of internal gains or losses.

## NOTE 8. FINANCIAL INCOME

DKK '000	2021	2020
Other financial income	313	208
Associates	4,371	273
Exchange gains	2,322	1,208
Fair value adjustments	0	2,981
<b>Total financial income</b>	<b>7,006</b>	<b>4,670</b>

### ACCOUNTING POLICY

Financial income comprises interest income, amortisation of financial assets, exchange gains on transactions in foreign currencies, fair value adjustments of financial interests as well as tax relief under the Danish Tax Prepayment Scheme etc.

## NOTE 9. FINANCIAL EXPENSES

DKK '000	2021	2020
Other financial expenses	12,357	14,015
Exchange losses	2,778	5,665
<b>Total financial expenses</b>	<b>15,135</b>	<b>19,680</b>

### ACCOUNTING POLICY

Financial expenses comprise interest expenses, amortisation of financial liabilities, exchange losses on transactions in foreign currencies, fair value adjustments of financial interests as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## NOTE 10. TAX ON PROFIT FOR THE YEAR

DKK '000	2021	2020
Current tax for the year	21,390	21,796
Deferred tax for the year	-13,656	-9,925
Adjustment of tax concerning previous years	9,607	824
Adjustment of deferred tax concerning previous years	-9,763	-674
<b>Total tax on profit for the year</b>	<b>7,578</b>	<b>12,021</b>

### ACCOUNTING POLICY

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.

## NOTE 11. PROPOSED APPROPRIATION OF PROFIT FOR THE YEAR

DKK '000	2021	2020
Minority interests' share of profit/loss of subsidiaries	2,408	330
Retained earnings	30,087	19,364
<b>Profit for the year</b>	<b>32,495</b>	<b>19,694</b>

## NOTE 12. INTANGIBLE ASSETS

DKK '000	Goodwill	Development costs	Patents and licences
Cost at 1 January 2021	10,543	3,745	1,164
Additions for the year	0	5,035	381
<b>Cost at 31 December 2021</b>	<b>10,543</b>	<b>8,780</b>	<b>1,545</b>
Amortisation and impairment losses at 1 January 2021	5,725	75	451
Amortisation for the year	2,094	150	388
<b>Amortisation and impairment losses at 31 December 2021</b>	<b>7,819</b>	<b>225</b>	<b>839</b>
<b>Carrying amount at 31 December 2021</b>	<b>2,724</b>	<b>8,555</b>	<b>706</b>

### ACCOUNTING POLICY

#### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The period of amortisation is usually five years, however, it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to give a better reflection of the benefit from the relevant resources. If it is not possible to measure the useful life of goodwill reliably, the useful life is set to ten years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Development costs

Clearly defined and identifiable development projects for which the technical feasibility, adequacy of resources and a potential market or internal utilisation can be demonstrated, and where it is intended to manufacture, market or utilise the project, are recognised in intangible assets, provided the costs can be reliably determined and there is adequate certainty that the future earnings or the net selling price can cover the cost of the development costs.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses. The costs include wages, and other direct costs relating to the individual development projects.

On completion of the development work, development projects are amortised on a straight-line basis over their estimated useful life from the date the asset is available for use. The amortisation period is 3-10 years. The basis of amortisations is reduced by impairment losses.

#### Acquired patents and licences

Acquired patents and licences comprise acquired licences. Licences acquired are measured at cost less accumulated amortisation. Licences are written down to the lower of recoverable amount and carrying amount. The period of amortisation is three years.

## NOTE 13. PROPERTY, PLANT AND EQUIPMENT

DKK '000	Land and buildings	Tools & equipment	Leasehold improvements
Cost at 1 January 2021	30,382	8,432	650
Additions for the year	3,546	1,569	0
Disposals for the year	0	-710	-458
Exchange rate adjustments	0	24	0
<b>Cost at 31 December 2021</b>	<b>33,928</b>	<b>9,315</b>	<b>192</b>
Depreciation and impairment losses at 1 January 2021	280	4,034	507
Depreciations for the year	522	2,105	40
Disposals for the year	0	-705	-458
Exchange rate adjustments	0	14	0
<b>Depreciation and impairment losses at 31 December 2021</b>	<b>802</b>	<b>5,448</b>	<b>89</b>
<b>Carrying amount at 31 December 2021</b>	<b>33,126</b>	<b>3,867</b>	<b>103</b>

### ACCOUNTING POLICY

Land and buildings, 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, services from subcontractors and labour costs.

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
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.

## NOTE 14. FIXED ASSET INVESTMENTS INVESTMENTS IN ASSOCIATES

DKK '000	Investments in associates
Cost at 1 January 2021	98,400
Additions for the year	50,838
Disposals for the year	-164
<b>Cost at 31 December 2021</b>	<b>149,074</b>
Net revaluation at 1 January 2021	-101,396
Net share of result for the year	-109,246
Exchange adjustments	3,690
Elimination of internal gain and losses	-279
Value adjustments for the year	-38,405
<b>Net revaluation at 31 December 2021</b>	<b>-245,636</b>
<b>Carrying amount at 31 December 2021</b>	<b>-96,562</b>
Investments in associates are presented as follows in the balance sheet:	
Investments in associates	43,417
Deferred income	-139,979
<b>Total investments in associates at 31 December 2021</b>	<b>-96,562</b>

### ACCOUNTING POLICY

#### Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised internal gains and losses.

The accounting policy for acquisition and divestment of associates is described above in the section for consolidated financial statements under basis of preparation.

Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

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

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

The right for selling parties to receive dividends in associates is measured at fair value and recognised as a part of investments in the associates. Changes in fair value of selling parties' right to receive dividends are recognised in the income statement.

## NOTE 14. FIXED ASSET INVESTMENTS OTHER EQUITY INTERESTS, DEPOSITS & SECURITIES

DKK '000	Other equity interests	Deposits	Securities
Cost at 1 January 2021	4,611	985	4,067
Additions for the year	0	0	151
Disposals for the year	-175	-62	-41
<b>Cost at 31 December 2021</b>	<b>4,436</b>	<b>923</b>	<b>4,177</b>
Net revaluation at 1 January 2021	5,673	0	-188
Value adjustments for the year in the Income Statement	-32	0	0
<b>Value adjustments at 31 December 2021</b>	<b>5,641</b>	<b>0</b>	<b>-188</b>
<b>Carrying amount at 31 December 2021</b>	<b>10,077</b>	<b>923</b>	<b>3,989</b>

### ACCOUNTING POLICY

#### Other fixed asset investments

Other fixed asset investments consist of other equity interests, deposits and securities. The securities consist of loans to parties with whom Better Energy has commercial relations.

Other equity interests are measured at fair value or cost if a fair value cannot be measured reliably. Deposits and securities are measured at amortised cost.

## NOTE 15. INVENTORIES

DKK '000	2021	2020
Raw materials and consumables used	4,682	3,472
Work in progress	169,817	246,637
Manufactured goods and goods for resale	107,136	87,481
<b>Inventories at 31 December</b>	<b>281,635</b>	<b>337,590</b>

### ACCOUNTING POLICY

Inventories are measured at the lower of cost using the FIFO (first in, first out) method and net realisable value.

Costs consists of purchase price plus delivery costs. Costs of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration, management and finance costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

The total amount of capitalised interests in inventories during the year is DKK 1.9 million.

## NOTE 16. CONTRACT WORK IN PROGRESS

DKK '000	2021	2020
Contract work in progress, liabilities	-22,068	0
Selling price of completed work	5,138	31,626
<b>Net contract work in progress</b>	<b>-16,930</b>	<b>31,626</b>

### KEY ACCOUNTING ESTIMATE AND MEASUREMENT OF CONTRACT WORK IN PROGRESS

Measurement of contract work in progress is based on stage of completion of the individual projects combined with the knowledge of the remaining completion of the contract, hereunder the outcome of future changes to the project. The evaluation of the state of completion and total economy, hereunder possible changes, is carried out by the project management together with the Executive Board on a project-by-project basis.

The evaluation of future possible changes is based on the knowledge obtained on the single projects and accumulated knowledge from other projects completed by the company. The company also receives advice from external advisors and uses this knowledge in the evaluation of the stage of completion.

Estimates attached to the future development of the projects and the remaining work to be done depend on a number of factors and can change in progress of the completion of project.

The actual result can therefore deviate significantly from the expected result.

### ACCOUNTING POLICY

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

## NOTE 17. DEFERRED TAX

DKK '000	2021	2020
Deferred tax is incumbent on the following financial statement items:		
Intangible assets	855	258
Property, plant and equipment	2,594	1,878
Investments in associates	-22,488	-10,592
Contract work in progress	-556	11,247
Hedging instruments	-8,482	-8
Long-term liabilities	-1,827	-1,095
Tax loss carryforwards	-273	0
<b>Deferred tax at 31 December</b>	<b>-30,177</b>	<b>1,688</b>

Better Energy expects to use the deferred tax asset in future operations.

### ACCOUNTING POLICY

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets within each jurisdiction or within each entity where applicable.

**NOTE 17. DEFERRED TAX (CONTINUED)**

DKK '000	2021	2020
Net value is recognised in the balance sheet as follows:		
Deferred tax assets	-30,177	-1
Deferred tax liabilities	0	1,689
<b>Deferred tax at 31 December</b>	<b>-30,177</b>	<b>1,688</b>
Deferred tax at 1 January	1,688	12,155
Adjustment concerning previous years	-9,763	-674
Exchange adjustments	28	129
Changes arising from acquisition/divestment of subsidiaries	0	11
Recognised in the equity	-8,474	-8
Recognised in the income statement	-13,656	-9,925
<b>Deferred tax at 31 December</b>	<b>-30,177</b>	<b>1,688</b>

**NOTE 18. OTHER RECEIVABLES**

DKK '000	2021	2020
Receivable VAT	33,834	13,005
Other receivables	1,017	699
<b>Other receivables at 31 December</b>	<b>34,851</b>	<b>13,704</b>

**ACCOUNTING POLICY**

Other receivables are measured at cost usually corresponding to nominal value, less write-downs for bad and doubtful debts.

**NOTE 19. PREPAYMENTS**

Prepayments consist of prepaid expenses related to 2022.

**ACCOUNTING POLICY**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

## NOTE 20. CASH

DKK '000	2021	2020
Free cash	122,182	188,866
Cash only available for use on specific projects	423,292	101,336
Cash on accounts with special termination terms	66,770	12,073
<b>Cash at 31 December</b>	<b>612,244</b>	<b>302,275</b>

### ACCOUNTING POLICY

Cash comprises bank deposits.

Cash only available for use on specific projects comprises unused cash drawn from a credit facility that can be utilised within a short period of time.

Cash on accounts with special termination terms comprises cash placed as collateral for banking facilities.

## NOTE 21. SHARE CAPITAL

The share capital consists of 61,109,800 shares at DKK 0.01.  
The shares have not been divided into classes.

Changes in share capital in the past five years	DKK '000
Share capital at 1 January 2016	500
Capital increase 18 December 2019	111
<b>Share capital at 31 December</b>	<b>611</b>

## NOTE 22. OTHER PROVISIONS

Other provisions consist of asset retirement obligations.

### ACCOUNTING POLICY

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

## NOTE 23. LONG-TERM LIABILITIES OTHER THAN PROVISIONS

DKK '000	2021	2020
Long-term portion of bank & mortgage debt	277,350	65,104
Current portion of bank & mortgage debt	13,929	5,282
<b>Total bank &amp; mortgage debt</b>	<b>291,279</b>	<b>70,386</b>
Long-term portion of bond debt	6,350	6,350
<b>Total bond debt</b>	<b>6,350</b>	<b>6,350</b>
Long-term portion of debt to credit institutions	731,995	289,610
<b>Total debt to credit institutions</b>	<b>731,995</b>	<b>289,610</b>
Long-term portion of other payables	5,173	5,003
<b>Total other payables</b>	<b>5,173</b>	<b>5,003</b>
<b>Total long-term liabilities</b>	<b>1,034,797</b>	<b>371,349</b>
Included in the balance sheet as:		
Long-term portion of long-term liabilities	1,020,868	366,067
Current portion of total long-term liabilities	13,929	5,282
Due after more than five years (amortised cost):		
Long-term bank debt	256,783	43,660
Long-term other payables	5,173	5,003
<b>Long-term debt due after more than five years at 31 December</b>	<b>261,956</b>	<b>48,663</b>

Nominal amount of total long-term liabilities other than provisions amounted to DKK 1,046,339 thousand compared to DKK 379,838 thousand last year.

### ACCOUNTING POLICY

Long term liabilities are measured at cost less transaction costs incurred.

## NOTE 24. OTHER PAYABLES

### SHORT-TERM LIABILITIES

DKK '000	2021	2020
Wages and salaries, personal income taxes, social security costs etc.	3,645	6,033
Holiday pay obligation	5,682	2,733
VAT and duties	151,245	4,016
Accrued interest expenses	14,283	167
Other costs payable	171	15
<b>Other payables at 31 December</b>	<b>175,026</b>	<b>12,964</b>

### ACCOUNTING POLICY

Other payables are measured at amortised cost, which usually corresponds to nominal value.

## NOTE 25. DEFERRED INCOME

DKK '000	2021	2020
Other deferred income	3,580	1,317
Investments in associates	139,979	37,115
<b>Deferred income at 31 December</b>	<b>143,559</b>	<b>38,432</b>

Deferred income consists of negative values related to investments in associates. The negative value arises from adjustments of internal profit from sales to associates.

### ACCOUNTING POLICY

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

## NOTE 26. NON-CASH CORRECTIONS TO OPERATING PROFIT

DKK '000	2021	2020
Adjustment for internal gains	0	-72,331
Non-cash corrections to operating profit	2,735	2,287
<b>Non-cash corrections to operating profit at 31 December</b>	<b>2,735</b>	<b>-70,044</b>

**NOTE 27. WORKING CAPITAL CHANGES**

DKK '000	2021	2020
Change in inventories	50,887	-66,916
Change in receivables	-521,916	-20,790
Change in payables	199,613	-64,404
<b>Total working capital changes</b>	<b>-271,416</b>	<b>-152,110</b>

**NOTE 28. ACQUISITIONS OF SUBSIDIARIES**

DKK '000	2021	2020
Inventories	0	46,635
Trade receivables	0	788
Prepayments	0	26
Cash	0	2,894
Other payables	0	-275
Minority interests	0	-3,623
Long-term bank debt	0	-36,778
<b>Acquired net assets at market price</b>	<b>0</b>	<b>9,667</b>
Of which cash	0	-2,894
<b>Paid purchase price</b>	<b>0</b>	<b>6,773</b>

## NOTE 29. FINANCIAL DERIVATIVES

DKK '000	2021	2020
Fair value of PPAs (cash flow hedge)	38,443	38
Fair value of interest rate swaps (cash flow hedge)	111	0
<b>Value at 31 December</b>	<b>38,554</b>	<b>38</b>
The fair value is recognised as:		
Investments in associates	-38,443	-38
Other payables	-111	0
<b>Value at 31 December</b>	<b>-38,554</b>	<b>-38</b>

The PPAs recognised as financial derivatives are contracts entered into with end users and energy traders on solar parks either fully operational or under development. The duration is up to 10 years. All currently recognised financial derivatives are considered cash flow hedges and recognised directly in equity.

### ACCOUNTING POLICY

The Group recognises financial derivatives related to PPAs at fair value using a combination of observable (level 1) and non-observable (level 3) input. Comparable futures are quoted on Nasdaq Commodities for 2-5 years. For contracts with a longer duration, a forward curve has been estimated based on the decline/incline of the short-term futures. The 10-year forward curve is on average DKK 383 per MWh.

Interest rate swaps are based on level 2 input.

## NOTE 30. UNRECOGNISED RENTAL AND LEASE COMMITMENTS

DKK '000	2021	2020
Rental or lease agreements until maturity, under 1 year	4,291	4,189
Rental or lease agreements until maturity, 2-5 years	48,234	24,118
Rental or lease agreements until maturity, over 5 years	260,318	107,779
<b>Unrecognised rental and lease commitments at 31 December</b>	<b>312,843</b>	<b>136,086</b>

## NOTE 31. CONTINGENT LIABILITIES

The Group has issued guarantees to the purchaser of solar systems sold in the period from 2018 to 2020. The guarantees cover technical, legal and financial conditions related to the delivered solar systems. The guarantees will mainly expire 2-5 years from acceptance/handover of the projects. The EPC guarantees are mainly covered back to back by manufacturer's guarantees regarding the main components with the exception of components manufactured by the Group.

The Group and its associates have entered into long-term physical contracts for delivery of power at fixed price with a negative fair value of DKK 310.4 million of which the Group's share is DKK 125.5 million.

The Group has engaged in conditional agreements regarding purchase of land and neighbour compensations and bonuses (Danish renewable energy legislation) for a total of DKK 53.0 million.

One of the Group's banks has issued performance guarantees of DKK 2.0 million.

The Group's banks and financial partners have issued guarantees of DKK 1.5 million to the Danish authorities and PLN 49.1 million to the Polish authorities for future construction.

The Group is exposed to pay compensation or buy properties located within 200 metres of a Better Energy solar park (Danish renewable energy legislation).

The Group is subject to a few ongoing claims. In the opinion of the Executive Board these are not expected to have a negative effect on the financial position of the Group in addition to what is already included in the balance per 31 December 2021.

## NOTE 32. ASSETS CHARGED AND COLLATERAL

Bank debt is secured by certain items of equipment and by way of a deposited mortgage deed on properties. The carrying amount of mortgaged properties is DKK 25.7 million.

Better Energy Fårvang Estate A/S, Solpark Nees Estate IVS and Better Energy TS Sønderborg IVS have transferred future rental income to the bank of Better Energy Estate A/S.

Cash totalling DKK 472.4 million is placed as collateral for banking facilities.

## NOTE 33. RELATED PARTIES

### Transactions with related parties

Related party transactions in 2021 consist of the below mentioned transactions.

### Asset management

The Group has income from asset management of DKK 6.3 million from Ganska SES LLC, Better Energy Slagelse P/S, Better Energy Gimminge P/S, Better Energy Rejstrup P/S, Better Energy Norddjurs P/S, Better Energy Næstved P/S, Better Energy Væggerløse P/S, Better Energy Navnsø P/S and Better Energy Impact K/S (associates).

### Better Energy A/S shares

Through the wholly owned company, Mikkel Dau Holding Aps, Mikkel Dau Jacobsen (Chief Technology Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

Through the wholly owned company, MiVAT Holding Aps, Michael Vater (Chief Development Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

Through the wholly owned company, Augustenborg Holding Aps, Mark Augustenborg Ødum (Chief Investment Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

Through the wholly owned company, RLK Invest Aps, Rasmus Lildholdt Kjær (Chief Executive Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

### Balances as of 31 December 2021

The Group has a receivable of DKK 778.6 million from the associated companies Better Energy Impact K/S and its subsidiaries. In addition, there is a receivable of DKK 1.4 million from the associated company Ganska SES and DKK 0.3 million from Solar Nordic A/S.

**NOTE 34. LIST OF COMPANIES**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy A/S	Frederiksberg, Denmark	100%
Better Energy Generation A/S	Frederiksberg, Denmark	100%
Better Energy Denmark A/S	Frederiksberg, Denmark	100%
Better Energy UK A/S	Frederiksberg, Denmark	100%
Better Energy Netherlands A/S	Frederiksberg, Denmark	100%
Better Energy Poland A/S	Frederiksberg, Denmark	88%
Better Energy Ukraine A/S	Frederiksberg, Denmark	100%
Better Energy Spain A/S	Frederiksberg, Denmark	100%
Better Energy Solar Park Holding ApS	Frederiksberg, Denmark	100%
P&B Partner ApS	Frederiksberg, Denmark	100%
Better Energy Solar Parks A/S	Frederiksberg, Denmark	100%
Better Energy Solar Park Nees ApS	Frederiksberg, Denmark	100%
Better Energy Cofoco Solpark ApS	Frederiksberg, Denmark	51%
P&B Partner I ApS	Frederiksberg, Denmark	100%
Better Energy Estate A/S	Frederiksberg, Denmark	100%
Solpark Nees Estate IVS	Frederiksberg, Denmark	100%
Better Energy Vollerup Estate ApS	Sønderborg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Fårvang Estate A/S	Frederiksberg, Denmark	100%
Better Energy Infrastructure Lolland ApS	Frederiksberg, Denmark	100%
Better Energy Estate I ApS	Frederiksberg, Denmark	100%
Better Energy Partnerships Holding ApS	Frederiksberg, Denmark	100%
Better Energy Sønderbæk Estate IVS	Frederiksberg, Denmark	100%
Better Energy Haderup Estate ApS	Frederiksberg, Denmark	100%
BE 85 ApS	Frederiksberg, Denmark	100%
Better Energy Søby P/S	Frederiksberg, Denmark	100%
Better Energy Energo Komplementar ApS	Frederiksberg, Denmark	100%
Better Energy Danish Solar I A/S	Frederiksberg, Denmark	100%
Better Energy Vemb Estate ApS	Frederiksberg, Denmark	100%
Better Energy Norway A/S	Frederiksberg, Denmark	100%
Better Energy Sallinge Lunde Estate ApS	Frederiksberg, Denmark	100%
Better Energy TS Sønderborg ApS	Frederiksberg, Denmark	100%
Better Energy Badskær P/S	Frederiksberg, Denmark	100%
Better Energy General Partner ApS	Frederiksberg, Denmark	100%
Better Energy Solar Parks UK ApS	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Poland Development A/S	Frederiksberg, Denmark	88%
Selskabet af 24.09.2018 P/S under frivillig likvidation	Frederiksberg, Denmark	90%
Better Energy Energo II A/S	Frederiksberg, Denmark	100%
Better Energy Ukraine LLC	Lviv, Ukraine	95%
P&B Solarparks DK GmbH & Co. KG	Hamburg, Germany	100%
Better Energy Partner DE GmbH	Hamburg, Germany	100%
Better Energy Solar Park 80 Sp.z.o.o	Gdansk, Poland	88%
Better Energy Tved P/S	Frederiksberg, Denmark	100%
Better Energy Estate III ApS	Frederiksberg, Denmark	100%
Solpark Nees Entreprise ApS	Frederiksberg, Denmark	100%
Better Energy Ebberup P/S	Frederiksberg, Denmark	100%
Better Energy Viuf P/S	Frederiksberg, Denmark	100%
Better Energy Gerringe P/S	Frederiksberg, Denmark	100%
Better Energy Poland Estate A/S	Frederiksberg, Denmark	100%
Better Energy Ådum P/S	Frederiksberg, Denmark	100%
Better Energy Ubby ApS	Frederiksberg, Denmark	100%
Better Energy Stoholm P/S	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Nørre Aaby P/S	Frederiksberg, Denmark	100%
Better Energy Ringkjøbing P/S	Frederiksberg, Denmark	100%
BE 134 ApS	Frederiksberg, Denmark	100%
Better Energy Staurby P/S	Frederiksberg, Denmark	100%
Better Energy Sadlogosz Estate Sp.z.o.o.	Gdansk, Poland	100%
Better Energy Partners A/S	Frederiksberg, Denmark	100%
Better Energy Wagrowiec Sp. z o.o.	Gdansk, Poland	88%
Better Energy Chelmno Sp. z o.o.	Gdansk, Poland	88%
Better Energy Wierzchowo Sp. z o.o.	Gdansk, Poland	88%
Better Energy Solar Development Sp. z.o.o.	Gdansk, Poland	88%
Better Energy Køng Mose P/S	Frederiksberg, Denmark	100%
Better Energy Radsted P/S	Frederiksberg, Denmark	100%
Better Energy Godsted P/S	Frederiksberg, Denmark	100%
Better Energy Ørslev P/S	Frederiksberg, Denmark	100%
Better Energy Holbæk ApS	Frederiksberg, Denmark	100%
Better Energy Hoby P/S	Frederiksberg, Denmark	100%
Better Energy Ærø A/S	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Stevning P/S	Frederiksberg, Denmark	100%
Better Energy Jammerbugt P/S	Frederiksberg, Denmark	100%
Better Energy Tjørneby ApS	Frederiksberg, Denmark	100%
Better Energy Ringe P/S	Frederiksberg, Denmark	100%
BE 149 ApS	Frederiksberg, Denmark	100%
BE 150 ApS	Frederiksberg, Denmark	100%
BE 151 A/S	Frederiksberg, Denmark	100%
BE 152 A/S	Frederiksberg, Denmark	100%
Better Energy Kleczew Sp. z.o.o.	Gdansk, Poland	88%
Better Energy Saltø P/S	Frederiksberg, Denmark	100%
Better Energy Ørsbjerg P/S	Frederiksberg, Denmark	100%
Better Energy Rønnede P/S	Frederiksberg, Denmark	100%
Better Energy Spørring P/S	Frederiksberg, Denmark	100%
Better Energy Frederikshavn ApS	Frederiksberg, Denmark	100%
Better Energy Grænge P/S	Frederiksberg, Denmark	100%
Better Energy Starup P/S	Frederiksberg, Denmark	100%
Better Energy Egå P/S	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Studstrup ApS	Frederiksberg, Denmark	100%
Better Energy Stenderup P/S	Frederiksberg, Denmark	100%
Better Energy Vedde P/S	Frederiksberg, Denmark	100%
BE 164 ApS	Frederiksberg, Denmark	100%
BE 165 ApS	Frederiksberg, Denmark	100%
Better Energy Voldby P/S	Frederiksberg, Denmark	100%
Better Energy Kragerup P/S	Frederiksberg, Denmark	100%
Better Energy Vissenbjerg P/S	Frederiksberg, Denmark	100%
Better Energy Bjerndrup P/S	Frederiksberg, Denmark	100%
Better Energy Lolland ApS	Frederiksberg, Denmark	100%
Better Energy Skovby P/S	Frederiksberg, Denmark	100%
Better Energy Give ApS	Frederiksberg, Denmark	100%
Better Energy Tvis P/S	Frederiksberg, Denmark	100%
Better Energy Abed ApS	Frederiksberg, Denmark	100%
Better Energy Ringsted P/S	Frederiksberg, Denmark	100%
BE 176 ApS	Frederiksberg, Denmark	100%
Better Energy Slagelse Vest ApS	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Brønderslev P/S	Frederiksberg, Denmark	100%
BE 179 ApS	Frederiksberg, Denmark	100%
Better Energy TRIBE ApS	Frederiksberg, Denmark	100%
Better Energy Flejsborg P/S	Frederiksberg, Denmark	100%
Better Energy Komplementar DK ApS	Frederiksberg, Denmark	100%
Better Energy Komplementar DK I ApS	Frederiksberg, Denmark	100%
BE 184 ApS	Frederiksberg, Denmark	100%
BE 185 ApS	Frederiksberg, Denmark	100%
BE 186 ApS	Frederiksberg, Denmark	100%
BE 187 ApS	Frederiksberg, Denmark	100%
BE 188 ApS	Frederiksberg, Denmark	100%
BE 189 ApS	Frederiksberg, Denmark	100%
BE 190 ApS	Frederiksberg, Denmark	100%
BE 191 ApS	Frederiksberg, Denmark	100%
BE 192 ApS	Frederiksberg, Denmark	100%
BE 193 ApS	Frederiksberg, Denmark	100%
BE 194 ApS	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
BE 195 ApS	Frederiksberg, Denmark	100%
BE 196 ApS	Frederiksberg, Denmark	100%
BE 197 ApS	Frederiksberg, Denmark	100%
BE 198 ApS	Frederiksberg, Denmark	100%
BE 199 ApS	Frederiksberg, Denmark	100%
BE 200 ApS	Frederiksberg, Denmark	100%
BE 201 ApS	Frederiksberg, Denmark	100%
BE 202 ApS	Frederiksberg, Denmark	100%
BE 203 ApS	Frederiksberg, Denmark	100%
BE 204 ApS	Frederiksberg, Denmark	100%
BE 205 ApS	Frederiksberg, Denmark	100%
BE 206 ApS	Frederiksberg, Denmark	100%
Better Energy Partnerships Komplementar ApS	Frederiksberg, Denmark	100%
BE 211 A/S	Frederiksberg, Denmark	100%
Better Energy Partnerships P/S	Frederiksberg, Denmark	100%
Better Energy Horslunde K/S	Frederiksberg, Denmark	100%
Better Energy Horslunde Komplementar ApS	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
BE 22 P/S	Frederiksberg, Denmark	100%
Better Energy Solar Park 213 Sp.z.o.o.	Gdansk, Poland	88%
Better Energy Solar Park 214 Sp.z.o.o.	Gdansk, Poland	88%
Better Energy Solar Park 215 Sp.z.o.o.	Gdansk, Poland	88%
Better Energy Solar Park 216 Sp.z.o.o.	Gdansk, Poland	88%
Better Energy Swedish Solar 217 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 218 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 219 AB	Malmö, Sweden	100%
Better Energy Solar Park 220 Sp. z o.o.	Gdansk, Poland	88%
Better Energy Solar Park 221 Sp. z o.o.	Gdansk, Poland	88%
Better Energy Solar Park 222 Sp. z o.o.	Gdansk, Poland	88%
Better Energy Eggeslevmagle P/S	Frederiksberg, Denmark	100%
Better Energy Skælskør P/S	Frederiksberg, Denmark	100%
Better Energy Perbøl P/S	Frederiksberg, Denmark	100%
Better Energy Vester Sottrup P/S	Frederiksberg, Denmark	100%
Better Energy Videbæk P/S	Frederiksberg, Denmark	100%
Better Energy Fraugde P/S	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Vipperød P/S	Frederiksberg, Denmark	100%
Better Energy Tokkerup P/S	Frederiksberg, Denmark	100%
Better Energy Nordals P/S	Frederiksberg, Denmark	100%
Better Energy Astrup P/S	Frederiksberg, Denmark	100%
Better Energy Mesballe P/S	Frederiksberg, Denmark	100%
Better Energy Arløse P/S	Frederiksberg, Denmark	100%
Better Energy Mørkøv P/S	Frederiksberg, Denmark	100%
BE 236 P/S	Frederiksberg, Denmark	100%
BE 237 P/S	Frederiksberg, Denmark	100%
BE 238 P/S	Frederiksberg, Denmark	100%
BE 239 P/S	Frederiksberg, Denmark	100%
BE 240 P/S	Frederiksberg, Denmark	100%
BE 241 P/S	Frederiksberg, Denmark	100%
BE 242 P/S	Frederiksberg, Denmark	100%
BE 243 P/S	Frederiksberg, Denmark	100%
BE 244 P/S	Frederiksberg, Denmark	100%
BE 245 P/S	Frederiksberg, Denmark	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
BE 246 P/S	Frederiksberg, Denmark	100%
Better Energy Holding Sweden AB	Malmö, Sweden	100%
Better Energy Sweden AB	Malmö, Sweden	100%
Better Energy Generation Sweden AB	Malmö, Sweden	100%
Better Energy Swedish Solar 247 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 248 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 249 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 250 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 251 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 252 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 253 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 254 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 255 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 256 AB	Malmö, Sweden	100%
Better Energy Holding Poland Sp. z o.o	Warsaw, Poland	100%
Better Energy Swedish Solar 257 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 258 AB	Malmö, Sweden	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Swedish Solar 259 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 260 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 261 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 262 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 263 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 264 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 265 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 266 AB	Malmö, Sweden	100%
Better Energy Poland Sp. z o.o.	Warsaw, Poland	100%
Better Energy Solar Park 223 Sp. z o.o.	Gdansk, Poland	88%
Better Energy Solar Park 224 Sp. z o.o.	Gdansk, Poland	88%
Better Energy Solar Park 225 Sp. z o.o.	Gdansk, Poland	88%
Better Energy Solar Park 226 Sp. z o.o.	Gdansk, Poland	88%
Better Energy Finnish Solar 267 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 268 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 269 OY	Helsinki, Finland	100%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Norddjurs P/S	Frederiksberg, Denmark	50%
Better Energy Slagelse P/S	Frederiksberg, Denmark	50%
Better Energy Gimminge P/S	Frederiksberg, Denmark	50%
Better Energy Rejstrup P/S	Frederiksberg, Denmark	50%
Better Energy Næstved P/S	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar II ApS	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar I ApS	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar ApS	Frederiksberg, Denmark	50%
Better Energy Impact K/S	Frederiksberg, Denmark	50%
Sandvikenevej Infrastrukturselskab ApS*	Frederiksberg, Denmark	54%
Ganska SES LLC	Zhytomyr, Ukraine	49%
Better Energy Energo P/S	Frederiksberg, Denmark	49%
Solar Nordic A/S	Hedehusene, Denmark	35%
Better Energy Solar Park 81 Sp.z.o.o	Gdansk, Poland	50%
Better Energy Solar Park 82 Sp.z.o.o	Gdansk, Poland	50%
Better Energy Mejls P/S	Frederiksberg, Denmark	50%
Better Energy Væggerløse P/S	Frederiksberg, Denmark	50%

**NOTE 34. LIST OF COMPANIES (CONTINUED)**

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Svendborg A/S	Frederiksberg, Denmark	50%
Better Energy Navnsø P/S	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar III ApS	Frederiksberg, Denmark	50%
Better Energy Impact International A/S	Frederiksberg, Denmark	50%

\*Sandvikenevej Infrastrukturselskab ApS is considered an associated company because the owners have entered into an agreement that all decisions be made on consensus. The Group does not have control over the decision making.

## NOTE 35. EVENTS AFTER THE REPORTING PERIOD

Better Energy has an investment in an associated company of 49% which owns a solar park in Ukraine with a booked value of DKK 42 million as per 31 December 2021. The system is currently operational, but there is some uncertainty as to what the future will bring for the solar park. The Executive Board does not believe that the war in Ukraine will have any material adverse effect on Better Energy's operations in 2022.



# PARENT COMPANY FINANCIAL STATEMENTS

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## INCOME STATEMENT

For the period 1 January - 31 December

Note	DKK '000	2021	2020
	Revenue	3,600	0
	Other external expenses	-874	-102
	<b>Gross profit</b>	<b>2,726</b>	<b>-102</b>
1	Staff costs	-4,799	0
	<b>EBITDA</b>	<b>-2,073</b>	<b>-102</b>
2	Amortisation	-9	-47
	<b>Operating profit</b>	<b>-2,082</b>	<b>-149</b>
	Income from investments in subsidiaries	35,479	19,653
3	Financial income	3,889	10,354
4	Financial expenses	-8,308	-10,594
	<b>Profit before tax</b>	<b>28,978</b>	<b>19,264</b>
5	Tax on profit for the year	1,109	100
6	<b>Profit for the year</b>	<b>30,087</b>	<b>19,364</b>

## BALANCE SHEET

### ASSETS

At 31 December

Note	DKK '000	2021	2020
	Acquired patents and licences	0	9
7	<b>Intangible assets</b>	<b>0</b>	<b>9</b>
	Investments in subsidiaries	283,112	276,498
8	<b>Fixed asset investments</b>	<b>283,112</b>	<b>276,498</b>
	<b>Fixed assets</b>	<b>283,112</b>	<b>276,507</b>
	Receivables from group enterprises	421,215	288,235
	Joint taxation asset	59,835	39,343
9	Deferred tax assets	936	594
	Other receivables	0	297
	<b>Receivables</b>	<b>481,986</b>	<b>328,469</b>
10	<b>Cash</b>	<b>418,812</b>	<b>252,107</b>
	<b>Current assets</b>	<b>900,798</b>	<b>580,576</b>
	<b>Assets</b>	<b>1,183,910</b>	<b>857,083</b>

**BALANCE SHEET****EQUITY AND LIABILITIES**

At 31 December

Note	DKK '000	2021	2020
11	Share capital	611	611
	Reserve for net revaluation according to the equity method	145,681	150,112
	Retained earnings	227,404	228,154
	<b>Equity</b>	<b>373,696</b>	<b>378,877</b>
	Bond debt	6,350	6,350
	Debt to credit institutions	732,805	290,996
12	<b>Long-term liabilities other than provisions</b>	<b>739,155</b>	<b>297,346</b>

**BALANCE SHEET****EQUITY AND LIABILITIES (CONTINUED)**

At 31 December

Note	DKK '000	2021	2020
	Trade payables	175	90
	Payables to group enterprises	4,530	145,609
	Income taxes	47,110	19,137
	Joint taxation liability	3,535	16,024
13	Other payables	15,709	0
	<b>Short-term liabilities other than provisions</b>	<b>71,059</b>	<b>180,860</b>
	<b>Liabilities other than provisions</b>	<b>810,214</b>	<b>478,206</b>
	<b>Equity and liabilities</b>	<b>1,183,910</b>	<b>857,083</b>

14 Contingent liabilities

15 Assets charged and collateral

16 Related parties

## STATEMENT OF CHANGES IN EQUITY

For the period 1 January - 31 December

DKK '000	Share capital	Net revaluation, equity method	Retained earnings	Total
Equity at 1 January 2020	611	144,320	224,176	369,107
Profit for the year	0	19,653	-289	19,364
Value adjustments of hedging instruments	0	-38	0	-38
Tax of value adjustments of hedging instruments	0	9	0	9
Sale of own shares	0	0	4,267	4,267
Other adjustments	0	-4,267	0	-4,267
Exchange adjustments	0	-9,565	0	-9,565
<b>Equity at 31 December 2020</b>	<b>611</b>	<b>150,112</b>	<b>228,154</b>	<b>378,877</b>
<b>2021</b>				
Profit for the year	0	35,479	-5,392	30,087
Value adjustments of hedging instruments	0	-38,516	0	-38,516
Tax of value adjustments of hedging instruments	0	8,474	0	8,474
Purchase of own shares	0	-9,223	0	-9,223
Sale of own shares	0	0	4,642	4,642
Other adjustments	0	-4,642	0	-4,642
Exchange adjustments	0	3,997	0	3,997
<b>Equity at 31 December 2021</b>	<b>611</b>	<b>145,681</b>	<b>227,404</b>	<b>373,696</b>

During the year, a total of 94,557 treasury shares were allotted to employees as part of a share programme and a total of 378,701 shares have been acquired. The total portfolio of treasury shares consists of 802,812 shares at 31 December 2021 (518,668 in 2020), corresponding to 1.3% of the share capital.

### ACCOUNTING POLICY

Acquisition costs, consideration received and dividends relating to treasury shares are recognised directly in retained income in equity.

## NOTE 1. STAFF COSTS

DKK '000	2021	2020
<b>Average number of employees</b>	<b>3</b>	<b>0</b>

## NOTE 2. AMORTISATIONS

DKK '000	2021	2020
Acquired patents and licences	9	47
<b>Total amortisations</b>	<b>9</b>	<b>47</b>

### ACCOUNTING POLICY

Amortisation relating to intangible assets is calculated on the basis of the residual values and useful lives of the individual assets.

## NOTE 3. FINANCIAL INCOME

DKK '000	2021	2020
Interests received from group enterprises	3,871	9,031
Other financial income	0	114
Exchange gains	18	1,209
<b>Total financial income</b>	<b>3,889</b>	<b>10,354</b>

### ACCOUNTING POLICY

Financial income comprises interest income, exchange gains on transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

## NOTE 4. FINANCIAL EXPENSES

DKK '000	2021	2020
Interests paid to group enterprises	4,197	3,494
Other financial expenses	4,018	6,159
Exchange losses	93	941
<b>Total financial expenses</b>	<b>8,308</b>	<b>10,594</b>

### ACCOUNTING POLICY

Financial expenses comprise interest expenses, exchange losses on transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## NOTE 5. TAX ON PROFIT FOR THE YEAR

DKK '000	2021	2020
Current tax for the year	-767	70
Deferred tax for the year	-342	-170
<b>Total tax on profit for the year</b>	<b>-1,109</b>	<b>-100</b>

### ACCOUNTING POLICY

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## NOTE 6. PROPOSED APPROPRIATION OF PROFIT OF THE YEAR

DKK '000	2021	2020
Transfer to reserve for net revaluation according to the equity method	35,479	19,653
Retained earnings	-5,392	-289
<b>Total profit for the year</b>	<b>30,087</b>	<b>19,364</b>

## NOTE 7. INTANGIBLE ASSETS

DKK '000	Licences and patents
Cost at 1 January 2021	141
<b>Cost at 31 December 2021</b>	<b>141</b>
Amortisation and impairment losses at 1 January 2021	132
Amortisations of the year	9
<b>Amortisation and impairment losses at 31 December 2020</b>	<b>141</b>
<b>Carrying amount at 31 December 2021</b>	<b>0</b>

### ACCOUNTING POLICY

Acquired patents and licences comprise acquired licences. Licences acquired are measured at cost less accumulated amortisation. Licences are written down to the lower of recoverable amount and carrying amount. The period of amortisation is three years.

## NOTE 8. FIXED ASSET INVESTMENTS SUBSIDIARIES

DKK '000	Subsidiaries
Cost at 1 January 2021	126,386
Additions for the year	17
<b>Cost at 31 December 2021</b>	<b>126,403</b>
Net revaluation at 1 January 2021	150,112
Net share of profit for the year	35,479
Value adjustments of hedging instruments	-30,043
Other adjustments	-2,836
Exchange adjustments	3,997
<b>Net revaluation at 31 December 2021</b>	<b>156,709</b>
<b>Carrying amount at 31 December 2021</b>	<b>283,112</b>
<b>Carrying amount of goodwill recognised</b>	<b>2,723</b>

### ACCOUNTING POLICY

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised internal gains or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

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

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

## NOTE 8. FIXED ASSET INVESTMENTS (CONTINUED) SUBSIDIARIES

Investment in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy A/S	Frederiksberg, Denmark	100%
Better Energy Generation A/S	Frederiksberg, Denmark	100%
Better Energy Partners A/S	Frederiksberg, Denmark	100%
Better Energy Holding Sweden AB	Malmö, Sweden	100%
Better Energy Holding Poland Sp. z o.o	Warsaw, Poland	100%

Second-tier subsidiaries are listed in Note 34 of the consolidated financial statements.

## NOTE 9. DEFERRED TAX

DKK '000	2021	2020
Deferred tax is incumbent on the following financial statement items:		
Intangible assets	0	2
Long-term liabilities other than provisions	-936	-596
<b>Deferred tax at 31 December</b>	<b>-936</b>	<b>-594</b>
Net value is recognised in the balance sheet as follows:		
Deferred tax assets	936	594
<b>Deferred tax at 31 December</b>	<b>-936</b>	<b>-594</b>
Deferred tax at 1 January	-594	-517
Adjustment concerning previous years	0	93
Recognised in the income statement	-342	-170
<b>Deferred tax at 31 December</b>	<b>-936</b>	<b>-594</b>

Better Energy expects to use the deferred tax asset in future operations.

### ACCOUNTING POLICY

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**NOTE 10. CASH**

DKK '000	2021	2020
Free cash	12,089	190,544
Cash only available for use on specific projects	406,723	61,563
<b>Cash at 31 December</b>	<b>418,812</b>	<b>252,107</b>

**NOTE 11. SHARE CAPITAL**

The share capital consists of 61,109,800 shares at DKK 0.01.  
The shares have not been divided into classes.

Changes in share capital in the past five years	DKK '000
Share capital at 1 January 2016	500
Capital increased 18 December 2019	111
<b>Share capital at 31 December 2021</b>	<b>611</b>

## NOTE 12. LONG-TERM LIABILITIES OTHER THAN PROVISIONS

DKK '000	2021	2020
Long-term portion of bond debt	6,350	6,350
<b>Total bond debt</b>	<b>6,350</b>	<b>6,350</b>
Long-term portion of debt to credit institutions	732,805	290,996
<b>Total debt to credit institutions</b>	<b>732,805</b>	<b>290,996</b>
Included in the balance sheet as:		
Long-term portion of long-term liabilities	739,155	297,346
<b>Long-term debt due after more than five years at 31 December</b>	<b>0</b>	<b>0</b>

Nominal amount of total long-term liabilities other than provisions amounted to DKK 729,426 thousand compared to DKK 292,108 thousand last year.

### ACCOUNTING POLICY

Long term liabilities are measured at cost less transaction costs incurred.

## NOTE 13. OTHER PAYABLES

### SHORT-TERM LIABILITIES

DKK '000	2021	2020
Accrued interest	14,128	0
Other payables	1,581	0
<b>Other payables at 31 December</b>	<b>15,709</b>	<b>0</b>

### ACCOUNTING POLICY

Other payables are measured at amortised cost, which corresponds to nominal value.

## NOTE 14. CONTINGENT LIABILITIES

According to the joint taxation provisions of the Danish Corporation Tax Act, Better Energy Holding A/S is liable for income tax etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax of interests, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the financial statements of the administration company.

Better Energy Holding A/S has issued a parent guarantee for Better Energy A/S's obligations in relation to the Heartland project. The guarantee covers technical, legal and financial conditions related to the delivered solar system.

Better Energy Holding A/S has provided security for the obligations of Better Energy A/S in relation to the sale of the shares in the Vollerup and Nees II projects to Nordic Solar Energy A/S.

Better Energy Holding has provided security for the obligations of Better Energy A/S towards Sydbank.

Better Energy Holding A/S has provided security for the obligations of Better Energy Poland A/S in relation to the sale of the shares in the NSE 10 MW and NSE 30 MW projects to Nordic Solar Energy A/S and NS Global I ApS, respectively.

Better Energy Holding A/S provides a guarantee of EUR 1.5 million for the obligations of Better Energy Solar Park 213 Sp. Z.o.o towards Statkraft markets GmbH.

Better Energy Holding A/S provides a guarantee of DKK 45.0 million to a supplier for the debt of Better Energy A/S.

## NOTE 15. ASSETS CHARGED AND COLLATERAL

Debt to credit institutions is secured by capital interest in subsidiaries with a carrying amount of DKK 283.1 million and intergroup loans with Better Energy Holding A/S as a creditor with a total amount of DKK 363.4 million.

Cast totalling DKK 406.7 million is placed as collateral for banking facilities.

## NOTE 16. RELATED PARTIES

### Transactions with related parties

Related party transactions in 2021 consist of the below mentioned transactions.

### Commercial management

Better Energy Holding A/S has income from commercial management of DKK 3.6 million from Better Energy A/S (fully owned subsidiary).

### Better Energy A/S shares

Through the wholly owned company, Mikkel Dau Holding Aps, Mikkel Dau Jacobsen (Chief Technology Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

Through the wholly owned company, MiVAT Holding Aps, Michael Vater (Chief Development Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

Through the wholly owned company, Augustenborg Holding Aps, Mark Augustenborg Ødum (Chief Investment Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

Through the wholly owned company, RLK Invest Aps, Rasmus Lildholdt Kjær (Chief Executive Officer and board member) sold Better Energy Holding A/S shares to Better Energy Holding A/S for a purchase price of DKK 2.3 million.

### Balances as of 31 December 2021

Receivables and debt to Group enterprises are disclosed in the balance sheet.

# LIST OF ABBREVIATIONS & DEFINITIONS

<b>Better Energy</b>	Better Energy Group
<b>Board</b>	Board of Directors
<b>COP26</b>	UN Conference of the Parties summit 26
<b>EPC</b>	engineering, procurement and construction
<b>GW</b>	gigawatt
<b>GWh</b>	gigawatt hours
<b>MW</b>	megawatt
<b>MWh</b>	megawatt hours
<b>MWp</b>	megawatt peak
<b>NGO</b>	non-governmental organisation
<b>Parent Company</b>	Better Energy Holding A/S, CVR No. 31865883
<b>PPA</b>	power purchase agreement
<b>PtX</b>	power-to-X
<b>PV</b>	photovoltaic

# COMPANY INFORMATION

## Company

Better Energy Holding A/S  
 Gammel Kongevej 60, 14th floor  
 1850 Frederiksberg C  
 Denmark  
 Central Business Registration No: 31865883  
 Registered in: Frederiksberg  
 Financial year: 01.01.2021 - 31.12.2021

Phone: +45 71 99 02 03  
 Internet: [www.betterenergy.com](http://www.betterenergy.com)  
 E-mail: [info@betterenergy.dk](mailto:info@betterenergy.dk)

## Board of Directors

Christian Motzfeldt, Chair  
 Mark Augustenborg Ødum  
 Rasmus Lildholdt Kjær  
 Annette Egede Nylander  
 Mikkel Dau Jacobsen  
 Michael Vater  
 Michael Pollan

## Executive Board

Rasmus Lildholdt Kjær (registered director)  
 Annette Egede Nylander (registered director)  
 Ho Kei Au (registered director)  
 Kevin Wilkinson  
 Mikkel Dau Jacobsen  
 Michael Vater  
 Mark Augustenborg Ødum

## Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
 Egtved Allé 4, 6000 Kolding  
 Denmark  
 Business Registration No: 33963556