IMPACT THAT MATTERS

better energy

Integrated Annual Report 2023

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Letter from the CEO & Chair

Investing in an impact that matters

In 2023, we witnessed undeniable evidence of climate change as it marked the hottest year on record by a substantial margin. Average global temperatures came dangerously close to the 1.5°C limit, exceeding it multiple times. Perhaps unsurprisingly, a multitude of extreme events, including heatwaves, floods, droughts and wildfires, wreaked havoc across our planet. A landmark study further revealed that six of nine planetary boundaries have now been breached.

Meanwhile, the global shift towards green energy is moving forward with unprecedented momentum. Global annual renewable capacity additions increased by almost 50% to nearly 510 GWp in 2023, the fastest growth rate in the past two decades. In a European context, however, there are looming clouds on the horizon, with rising interest rates and component costs, volatile power prices and supply chain disruptions. Factors that have affected the offshore wind industry significantly have also been felt in the solar power industry, although to a much lesser extent.

While solar power cemented its status as the world's most affordable energy source, it is evident that the longer we delay action, the harder it will be to accomplish our targets. We need to scale up and speed up our collective efforts. The question is not whether the transition to green energy will happen, but rather if it will unfold in time. Because time is the critical factor in the race between how fast climate change is evolving and how quickly we can integrate additional renewable energy into the grid. Delay comes at a high cost.

Every effort spent, be it time or capital, should be channelled towards creating real and positive climate impact. With our strategic and regional focus, and through our partnership model, we provide exactly that opportunity to municipalities, to our growing group of 39 corporate power purchase agreement (PPA) partners and to our joint venture partners who co-own select portfolios of our renewable energy parks in 50/50 partnerships.

More than green energy

Europe needs a new energy system, and Better Energy is committed to do our part to shape it. Our role is to provide massive amounts of affordable renewable energy, and to inspire others by being pioneers in how we develop, build and operate renewable energy production.

We believe that how we drive change is just as important as why we drive change.

In 2023, we refined our strategic development efforts to focus on mega-scale projects in prioritised regions where we can have an impact that matters. The approach means that our green energy production and our commitment to nature can create real and substantial change in a whole region. With larger scale, we can also bring even more value to the local communities around our renewable energy parks through extensive focus on early and earnest community engagement.

At Better Energy, the year was in many ways one of investments in future impact. We almost doubled our number of employees, opened four new offices across our markets and invested significant resources in the development of large-scale projects that we expect to grid-connect in the coming years.

Results in 2023

Renewable energy parks with Better Energy ownership delivered 941 GWh of green energy to the grid during 2023, up from 463 GWh in 2022. This number includes our own renewable energy parks and parks in joint venture partnerships. In the latter group, the Better Energy pro rata share for 2023 was 479 GWh, up from 240 GWh in 2022. The 2023 renewable energy production was the equivalent of providing electricity for more than 250,000 households annually in the markets where we operate.

We continued to develop our PPA offering and signed 12 new agreements during the year. As part of this, we welcomed eight new partners, including ATEA and COWI, to the growing group of companies who obtain fixed and affordable electricity prices, while taking direct climate action as Better Energy PPA partners. At year end, Better Energy had PPAs with 39 companies, for a cumulative energy offtake of 9,465 GWh during the next decade.

Together with Lolland municipality, we are pioneering a new and flexible PPA solution that will enable local small and mid-sized enterprises to offtake locally produced green energy from upcoming solar parks.

We grew our operational portfolio to 1,126 MWp (2022: 807 MWp) by grid-connecting five solar parks (2022: 12 solar parks) for a total capacity of 320 MWp (2022: 534 MWp) of renewable energy.

This included two of the largest solar parks in Poland, Nidzica and Kleczew, and Better Energy is now amongst the top three largest owners of utility-scale photovoltaic (PV) assets in the country.

During the year, we also increased our construction portfolio to 1,729 MWp (2022: 617 MWp).

Our strategic and regional approach to developing green energy production meant that several +200 MWp projects were added to our development portfolio, while new nature and community initiatives became part of our ever-evolving offering. In many of our mega-scale energy parks in Denmark, we prioritise purchasing and owning the land. This enables us to dedicate space for nature and recreational activities without the restriction of having to restore areas to farmland, as is required in some cases with leased land.

During the year, we included our first hybrid projects with wind power generation in our development portfolio and prepared for the first large-scale battery at our Hoby Solar Park, to be installed during 2024. We expect to add new hybrid projects to our portfolios in the years to come, and we are analysing the viability of adding storage in many of our operational parks.

Through our efforts, we grew our development portfolio to 14,543 MWp at year end (2022: 9,444 MWp).

In our joint ventures, we continued the strong track record of our two joint venture partnerships with Industriens Pension, a labour market pension scheme for industrial employees in Denmark. In our second joint venture together, Better Energy Impact II, which has a total expected enterprise value including equity and debt of DKK 5.6 billion, we included nine projects with a total capacity of 643 MWp for a total enterprise value of DKK 3.8 billion.

In December, we entered into a new joint venture partnership with Andel, a Danish energy company, for an expected 15 solar parks, with an anticipated production capacity of ~2000 MWp. Four of these projects, which have an expected total production capacity of approximately 750 MWp, were included in 2023 in the joint venture for an enterprise value of around DKK 4.3 billion.

In 2023, we achieved a revenue of DKK 2,501 million (2022: DKK 2,864 million), EBITDA of DKK 726 million (2022: DKK 410 million) and profit before tax for the year of DKK 179 million (2022: DKK 146 million).

We opened new office facilities in Helsinki, Finland, in Kolding and Sønderborg, Denmark, and in Gdansk, Poland. We also expanded our existing Danish offices in Copenhagen and Sønderborg, as well as our Polish office in Warsaw and our Swedish office in Malmö.

Looking ahead

We will continue our threefold focus of constructing, developing and expanding our portfolio of projects. Our regional approach with best-in-class community engagement and a strong commitment to nature is delivering promising results in the form of upcoming projects. At the same time, many projects with increased scale and higher regional and local value creation were added to our development portfolio in 2023.

Until now, the addition of renewable energy on land across Northern Europe has largely been concentrated in areas with low population density and often far away from actual consumption needs. In the next phase of the green energy transition, we expect an increasing focus on the need for renewable energy specifically in regions with consolidated projections for high energy consumption, e.g., regions with Power-to-X ambitions, large industry offtakers and larger cities.

For this reason, an integral part of our strategic approach is to analyse regional energy consumption patterns and projections. Through early dialogue with large offtakers, grid operators and authorities, our mega-scale renewable energy parks are developed so that our renewable energy production aligns with timely demand in our strategically prioritised regions.

In the coming years, we will analyse new regions in existing and new market geographies, where our approach and potential value add has relevance for key stakeholders in the region. Our strategy and integrated value chain position us well to scale up additional renewable energy capacity and make space for nature.

To reach our targets and increase our impact, we must also continue to scale our organisation based on activity levels in our markets. Investing in the right people and skills will be a recurring top priority in the years in front of us.

Our focus in 2024 will centre on adding additional projects while moving existing projects forward in our development portfolio and executing on our construction portfolio. Due to the larger solar park projects that will be constructed in 2024, we expect a significant increase in activity level in 2024 compared to 2023, with revenue reaching DKK 4,000-4,600 million, EBITDA in the range of DKK 850-1,000 million and profit before tax of DKK 150-225 million.

Investing in purpose-driven talent

The real driving force in any transition is people. Our company's future depends on our ability to continue to attract, develop and motivate the best talent, at the right time.

We welcomed many motivated and skilled individuals to Better Energy in 2023, growing our team by 191 people and almost doubling our organisation. They have become part of our excellent group of professionals, working across our entire value chain. Each employee brings their unique talent to the table, while working together as a team. That, above all else, puts us in a great position for success in the coming years.

On behalf of the Board of Directors and the Executive Board, we would like to offer our sincere gratitude to all employees for their commitment and hard work, and to all our stakeholders for their continued support.

Christian Motzfeldt
Chair of the Board of Directors

Rasmus Lildholdt Kjær
Chief Executive Officer

Our business

Business highlights

RENEWABLE ENERGY PRODUCTION

Electricity produced | GWh

2023	2022
941	463
Better Energy share	
51%	52%

Electricity settlement | DKK million

2023	2022
455	299
Better Energy share	
51%	53%

PPA partners

2023	2022
39	31

PORTFOLIO

Operational portfolio | MWp

2023	2022
1,126	807
Better Energy share	
51%	51%

Construction portfolio | MWp

2023	2022
1,729	617
Better Energy share	
72%	64%

Development portfolio | MWp

2023	2022
14,543	9,444
Better Energy share	
100%	100%

PEOPLE & MARKETS

People

2023	2022
455	264

Markets

2023	2022
4	4

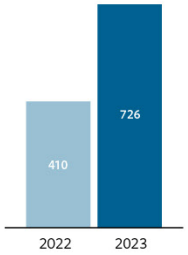
Office locations

2023	2022
8	4

Financial highlights

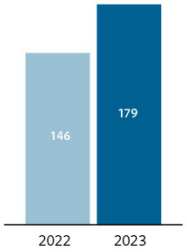
+77% EBITDA
DKK million

EBITDA increased by 77% to DKK 726 million, up from DKK 410 million in 2022. This was primarily driven by enhanced margins from divested projects.



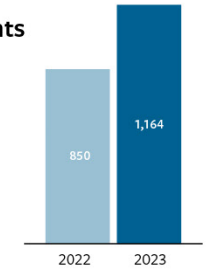
+23% Profit before tax
DKK million

Profit before tax saw a 23% increase, reaching DKK 179 million compared to DKK 146 million. This rise was largely attributed to an increase in gross profit, although partially mitigated by increased staff cost as the organisation expanded to accommodate future growth.



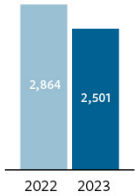
+37% Joint venture investments
DKK million

Investment in joint ventures saw a 37% increase, amounting to DKK 1,164 million, up from DKK 850 million. This includes both equity and loans to our existing joint ventures with Industriens Pension and the establishment of a new joint venture partnership with Andel.



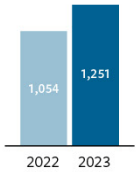
-13% Revenue
DKK million

Revenue declined by 13%, primarily due to a decrease in divestments to joint ventures and power sales from solar parks. However, this was somewhat counterbalanced by a rise in revenue from asset management services.



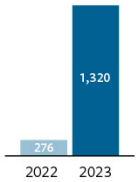
+19% Equity
DKK million

Equity improved by 19%, reaching DKK 1,251 million from DKK 1,054 million. This growth was driven by the profit for the year alongside adjustments in equity due to exchange rate fluctuations and share-based payments.



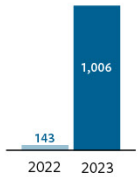
+378% Inventory
DKK million

Inventory, comprising investments in new solar parks not included in joint ventures, increased by 378% to DKK 1,320 million from DKK 276 million in 2022, mainly due to significant land acquisitions in Denmark.



+606% CF Operating activities excl. inventories
DKK million

Cash flow from operating activities, when excluding inventory impacts, surged to DKK 1,006 million from DKK 143 million in 2022, resulting in substantial cash flow increase.



Vision

Engineers of a sustainable future

Purpose

To drive and accelerate the transition to renewable energy sources

Mission

Create an impact that matters

For our mission to succeed, we need to:

Be pioneers in the green energy transition
Be a truly sustainable and regenerative energy company
Be among the world's most attractive employers, driven by purpose and values

Our business

WHAT WE DO

Better Energy is a fully integrated renewable energy company.

We develop and build additional renewable energy capacity in the form of large-scale renewable energy parks that we own and operate.

We sell the green electricity the parks generate, and we work in a lean and structured way across our value chain.

OUR APPROACH

We develop our renewable energy parks with a fundamental respect for nearby communities and nature. This approach is embedded in our strategy, our way of working and our commitment to nature.

While solar power is our core technology, we have several projects in our development portfolio that include storage and wind power to optimise our future portfolio of renewable energy assets.

OUR PARTNERS

Through power purchase agreements (PPAs), we empower individual businesses to contribute to a greener electricity grid, while benefitting from affordable and fixed electricity prices.

We arrange joint venture partnerships with investors that accelerate the green energy transition and provide satisfactory, long-term returns. Our partnership approach enables us to keep financial momentum as we scale our business.

Our strategy

Our strategy is founded upon a thorough analysis of the upcoming phase of the green energy transition, emphasising a regional and demand-driven approach to renewable energy production.

Our business model is centred on delivering competitively priced renewable energy where and when it is needed. An integral part of our strategic approach is to analyse regional energy consumption patterns. We initiate early discussions with significant potential power offtakers to ensure that the expansion of our renewable energy production aligns with timely demand in our strategically prioritised regions.

The advancement of green energy is inherently tied to the capacity of electricity grids. To expedite the development and grid connection of renewable energy capacity, our focus is on effectively integrating renewable energy into existing grids through collaborative efforts with Distribution System Operators (DSOs) and Transmission System Operators (TSOs), and to push for intelligent grid upgrades where demand is expected to rise.

We have a strong commitment to nature and to addressing environmental and climate risks. We meticulously design our mega-projects to provide net-positive benefits to the environment and tackle regional challenges, such as protecting drinking water or re-wetting previously drained low-lying soils.

Moreover, we dedicate substantial resources to identifying and delivering environmental and social benefits such as making space for nature, supporting sustainable land use and creating recreational areas. This is also a matter of local value creation. Building positive relationships and securing the support of local communities are fundamental pillars of our approach.

While we are more committed than ever to driving and accelerating the transition to green energy, we acknowledge that no single company can steer the energy transition in isolation. Hence, our strategic approach revolves around partnerships. Collaborating with key stakeholders enables us to generate sufficient value to facilitate the comprehensive long-term planning of an entire region's energy transition.

This ensures the timely availability of the renewable energy capacity required to meet future demands across various sectors - from data processing and artificial intelligence to heating, electrification of transportation and industry, and green hydrogen production.

Our strategic objectives

Shape and accelerate the transition to a renewable energy system

Europe needs a new energy system – one fit for the future. Better Energy is helping shape that system by providing massive amounts of affordable, renewable energy. Our core technology is solar power. In addition, we added several large-scale projects that include storage and wind power to our development portfolio in 2023 to optimise our future production profile and support the overall stability of electricity supply.

Apply a regional focus

We target our resources towards regions with high industrial energy consumption and a strong commitment to the green transition that recognise the potential of large-scale renewable energy parks. We are currently active in four markets and expect to enter several new regions across current and new market geographies in the coming years.

We carefully analyse each region to ensure that there is:

- Regional synergies through affordable renewable energy
- Political willingness to act on climate ambitions
- Conditions fit for renewable power production
- High energy consumption
- Future grid availability

Bring greater value through larger scale

The larger the energy parks we build, the more added value we can bring to regions and local communities. This requires a tailored approach for each mega-scale project, incorporating multifunctional land use, such as areas for nature and recreation.

To ensure success, our development model consists of five key elements:

- Long-term commitment in the region
- Positive impact on local communities
- Contribution to regenerative impact on nature
- PPAs as direct local value creation
- Strong stakeholder relations

Make space for nature

Our company purpose is closely linked with climate, nature and the future of our planet. There are diverging scientific positions on how to best measure biodiversity, but there is consensus that the biggest threat to biodiversity is the lack of space allocated to nature. Through our business model, we can combine renewable energy production with giving space to nature. While we cannot control the evolution of biodiversity, we can dedicate the space needed for habitats to grow.

Build partnerships with direct impact on the energy transition

One single company cannot drive the energy transition alone. Our business model is built to enable partner collaboration for faster and more meaningful climate impact. This partner collaboration takes place through:

- Renewable energy parks that enable municipalities to act on their climate ambitions
- PPAs that drive the transition to green energy with our corporate PPA partners
- Joint ventures with recurring investment opportunities that provide satisfactory, long-term returns for select partners, putting their money to work in direct climate action

Our value chain

LAND → Development → Construction → Operation → GREEN ENERGY

Land

We prioritise our resources towards finding land where we can create an impact that matters.

We analyse regions using screening criteria related to energy consumption, offtakers, grid capacity, political willingness and environmental potential, e.g., the potential to mitigate low land emissions or protect drinking water reservoirs.

Once a project is prioritised, we begin initial community engagement and enter into dialogue with relevant municipalities, grid operators, neighbours and local communities.

Development

We develop projects with high realisation potential – from greenfield to ready-to-build.

Our inhouse development units and our external development partners are contracted to projects via development service agreements.

Environmental permits, zoning permits, building permits and grid-connection agreements are obtained. Simultaneously, broad community engagement is initiated while continuing our dialogue with municipalities.

Construction

We optimise design, procure components and construct projects into operational renewable energy parks.

Our inhouse Engineering, Procurement and Construction (EPC) unit and external sub-contractors are contracted to projects via EPC service agreements.

Projects are now ready for potential inclusion in a joint venture partner-ship and project finance is obtained.

Operation

We operate and maintain operational renewable energy parks to ensure the highest possible efficiency.

Our inhouse Asset Management and Operational Management units are contracted to every project via an Asset Management agreement and Operations and Maintenance agreement, respectively.

During operation, the energy park can be developed further – for example, with storage (BESS) to increase flexible production.

Green Energy

All power generated from Better Energy renewable energy parks is contracted via long terms PPAs, short term forward contracts or sold on the spot markets.

Our inhouse Power Solutions team is responsible for contracting and selling energy, monitoring and acting in the power markets, hedging risks and optimising ancillary services to support grid stability.

At the end of 2023, Better Energy was supplying additional green energy through PPAs to 39 companies.

Our business model

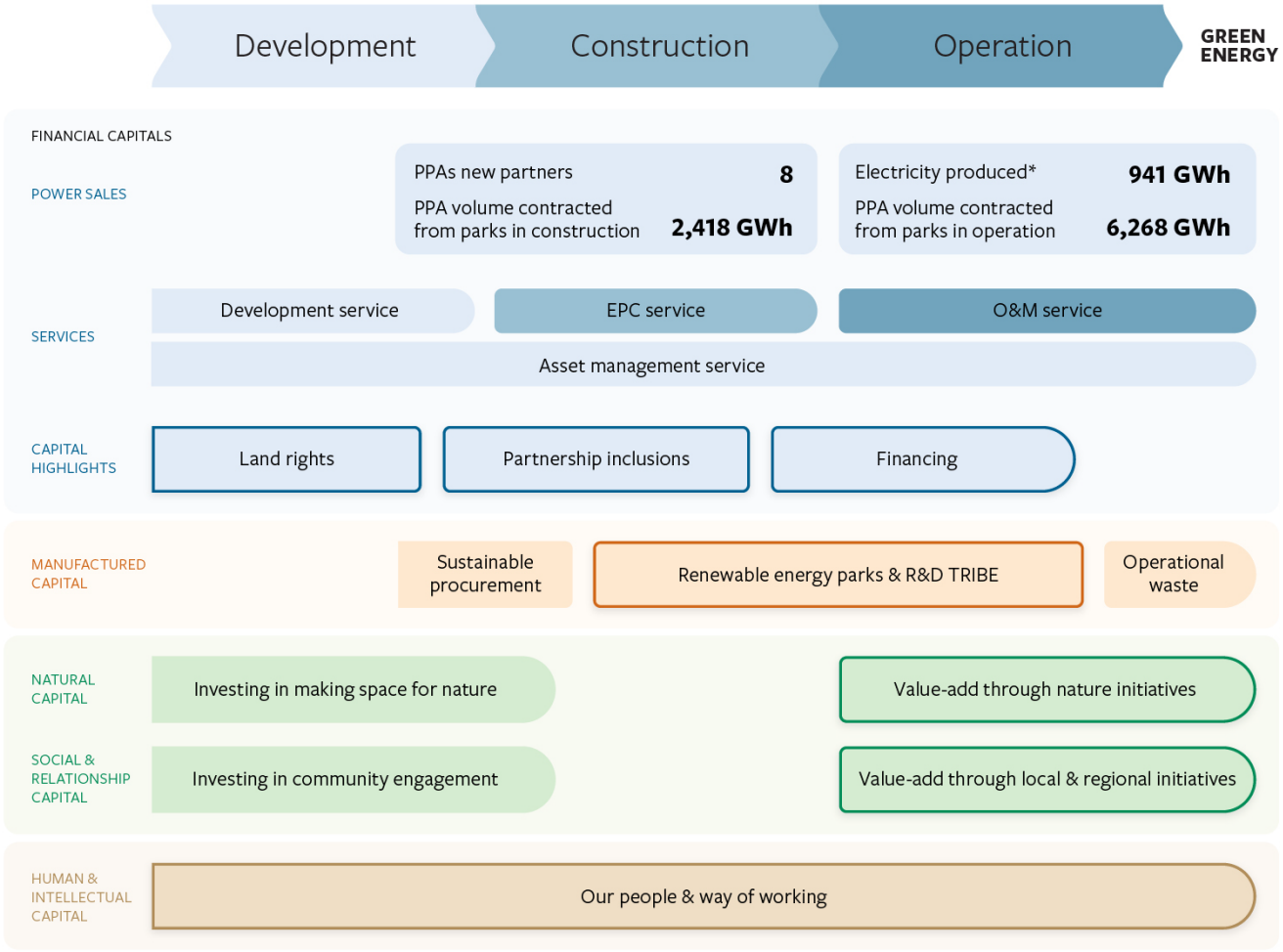


Figure includes production from our own renewable energy parks and parks in joint venture partnerships.

Highlights 2023

FINANCIAL

- Divestments & inclusions in joint ventures for an enterprise value of DKK 8,120 million
- PCP renewal of credit facility: DKK 1,305 million
- Land rights increased by 6,978 hectares for our development portfolio

RENEWABLE ENERGY PARKS

- 320 MWp grid connected
- Operational portfolio: 1,126 MWp (Better Energy share: 572 MWp)
- Construction portfolio: 1,729 MWp (Better Energy share: 1,243 MWp)

NATURE AND COMMUNITY ENGAGEMENT

Viuf and Håstrup Solar Park: 126 hectares dedicated to nature and recreational areas

PEOPLE

We grew by 191 people – the vast majority work in roles across our value chain. At year end, we were a total of 455 individuals in Better Energy.

Our stakeholders

LAND

Landowners, communities and municipalities

Large-scale renewable energy parks take up space. That is why it is important for us to ensure good collaboration with local landowners, neighbours, communities and municipalities.

It is our responsibility to create understanding and acceptance for our parks, and how they can benefit the region.

At the core of our approach lies a fundamental respect for nearby communities and nature.

TECH

Suppliers and technology leaders

Global demand for components, such as photovoltaic (PV) modules, cables and transformer stations, is expected to rise.

We work to establish and maintain strong and reliable partnerships with key suppliers in our industry to ensure high quality and delivery security, as well as access to capacity and the latest technologies.

We prioritise long-term and ambitious collaborations with suppliers to collectively tackle sustainability challenges.

GRID

Grid operators and governments

Close cooperation with national and local grid operators is critical to successfully scale renewable energy supply.

Our collaborative approach allows us to make long-term plans and plan resources realistically.

In our markets, we have in-house expertise, and we aim to be a solution-oriented partner for both TSOs and DSOs.

CAPITAL

Capital and financial partners

Investments and financial capital are crucial to sustaining momentum and driving large transformations.

Through our business model, we are creating a development portfolio that provides a steady flow of investment, as well as project financing opportunities that provide satisfactory long-term returns and have a direct impact on the green energy transition.

We prioritise partners who support our vision and purpose.

ENERGY

PPA partners and energy offtakers

The green energy transition is now in the demand and market-driven phase. As a result, increased demand for additional and renewable energy determines when we succeed.

The growing group of 39 companies who obtain fixed and affordable electricity prices, while taking direct climate action as Better Energy PPA partners, shows that a PPA can directly increase renewable energy capacity.

PEOPLE

Purpose and value-driven talent and experts

The true drivers of any transition have always been people.

Better Energy brings together talented, purpose-driven individuals, who are committed to accelerating the green transition.

We only succeed if dedicated teams in governments, municipalities, communities, companies, financial institutions and grid operators work together with us.

Case studies

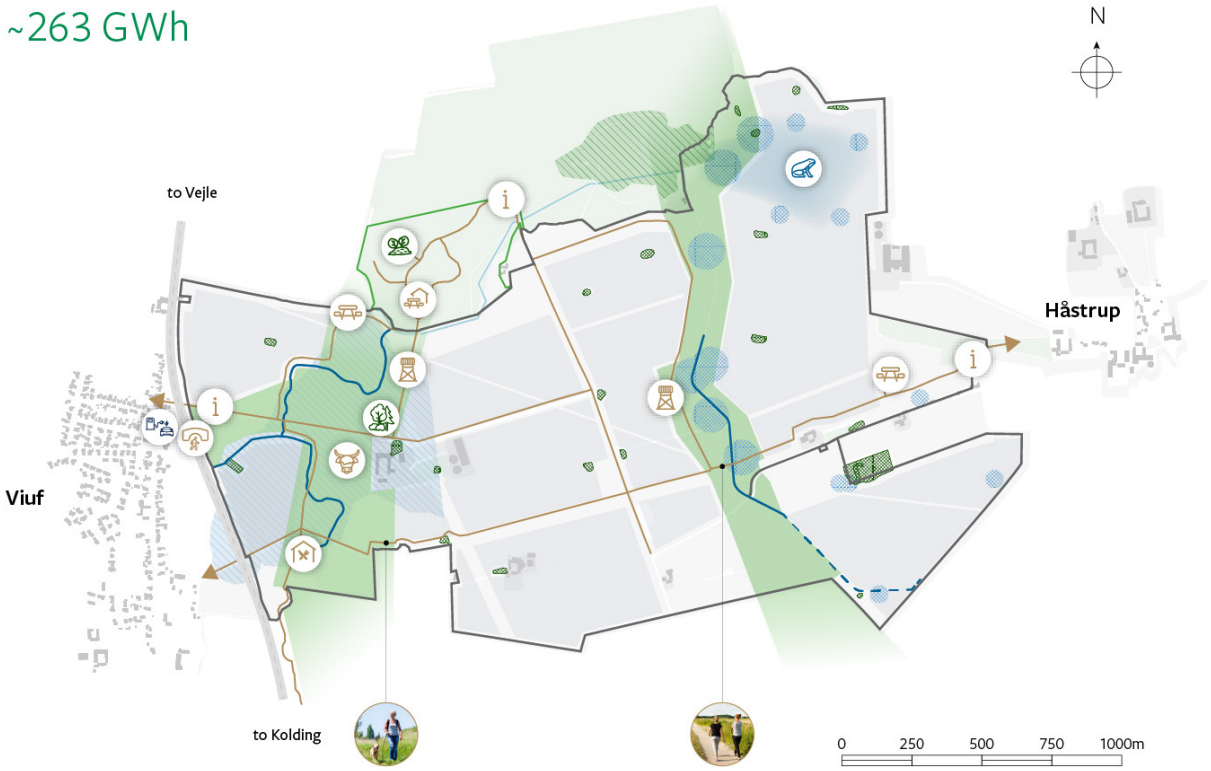
Better Energy is laying the foundation for a greener future.

Construction is now underway at our Viuf and Håstrup Solar Park. Designed to create an impact that matters in the region both now and in the future, the project is a blueprint for how to get community buy-in for large-scale solar parks across Europe.

To effectively scale, the industry requires innovation and collaboration. We developed TRIBE – an R&D solar park – to explore ideas and nurture partnerships that will accelerate the green transition.

344 hectares

~263 GWh



INVESTING IN A REGION

Going beyond energy production in Viuf and Håstrup

Our largest renewable energy park to date provides a proof of concept for how to bring large-scale solar parks to a region by prioritising partnerships, community engagement, local value creation and nature restoration.

Something big is happening between Viuf and Håstrup, two communities in the Kolding and Vejle municipalities in Denmark. This is the location of our largest energy park to date – a solar energy park covering 344 hectares, roughly the size of 500 football fields. When complete in late 2024, the park is expected to generate around 263 GWh annually, equivalent to the yearly electricity consumption of around 165,000 Danes.

It is all about location

The site was chosen due to its location in a region with high energy consumption, proximity to a transformer station and grid availability. While many people want to increase renewable energy production, living close to a solar park can still come with uncertainty – and most questions and concerns are related to the loss of property value and visual impact.

It was clear from the beginning that for a project of this scale to succeed, it would have to increase the overall value of the landscape and solve multiple regional challenges. How could this be done?

This solar park goes beyond bringing green energy production to the region by dedicating around 126 hectares to nature restoration, the protection of groundwater and community trail systems and other recreational areas.

The outlines of the project started to take shape through the involvement of local landowners, neighbours, the municipalities and community associations. In a series of individual and public meetings early in the development process, we were able to tailor solutions to meet local needs.

Opportunities to bring regional value

As construction progresses, the future benefits are already becoming evident. The project is giving space back to nature by reopening natural streams, protecting groundwater and establishing green corridors. Through community engagement, we have identified several initiatives to be implemented and local ideas really shine through. The project includes various recreational spaces, such as a 10 km trail connecting the two towns, and a pedestrian tunnel under the main road to provide a safe crossing. We are collaborating with Kolding and Vejle municipalities to show how energy parks can positively shape the region.

Our approach, centred around people, nature and energy, has resulted in an energy park shaped by the surrounding communities in the early planning process. And this regional impact is going to grow. Just 25 km away, our Andst and Horskær Solar Park project is in the planning stage and, with an expected capacity of over 469 MWp, presents us with the opportunity to continue to bring value to the whole region.

> The climate crisis means that we need to move fast with renewable energy produced by wind and solar. In Kolding City Council, we are committed to realising the green transition in dialogue with our local communities, so that the projects also give something back locally.

Mayor of Kolding Municipality, **Knud Erik Langhoff**

Building the platform for partnerships

It takes many partners to realise a large-scale energy park of this kind. Our approach creates a platform for partners to participate in the green transition at various stages. The Viuf and Håstrup Solar Park is a part of our Impact II portfolio.

This portfolio is co-owned with Industriens Pension, a Danish pension fund with around 440,000 members. The Danish telecommunications companies, Telia and Telenor, both have a ten-year PPA to offtake energy from the park, enabling them to contribute to the park while reducing their climate impact.

INTERSECTION OF TECHNOLOGY AND COLLABORATION

TRIBE: Where the future becomes a reality

At our TRIBE R&D Solar Park, we test next-generation PV modules to ensure early access to new technologies, while bringing key players together to plan future energy systems.

TRIBE opened in 2023 and is one of Europe's largest solar energy R&D facilities, where we mix technology development with partnerships. Due to the advanced testing capabilities at TRIBE, suppliers give us early access to trial and test next generation PV modules and technologies. This gives us a significant advantage in implementing new technologies, as we can test the latest and most advanced solutions to confirm benefits and mitigate risks before scaling them at our solar parks – and so continually improve performance, efficiency and durability across our portfolios.

It takes a tribe...

Scaling renewable energy production requires the industry to work holistically and collaboratively. With a future energy system based predominantly on renewables, we must work across the sector to scale together. This means bringing together key players such as grid operators, academic institutions and municipalities to explore how to deliver green and reliable energy across Denmark and Northern Europe.

TRIBE enables us to do just that. Here, members of the Danish energy sector, academia and government come together to discuss the future of the electrical grid, sector coupling and how to accelerate the transformation of renewable energy systems.

Within the R&D area, visitors will find Better Energy's take on an EV charging station, which pushes for more flexible energy consumption. Through a dynamic pricing model, consumers are incentivised to charge their vehicles when there is the most renewable energy in the grid.

TRIBE also includes numerous examples of our smaller nature initiatives, such as microhabitats for local fauna and flora, making it a window into how renewable energy production and nature can go hand-in-hand.

TRIBE is located in Sønderborg, a municipality committed to sustainable growth and development through the public-private partnership Project ZERO 2029. It allows us to prepare for the energy systems of the future while maximising our impact now.

Why is our R&D park called TRIBE?

The name is made up of TRI and BE. The TRI in TRIBE symbolises the triple helix model of innovation. The theory is that you can bring technology and innovation to market much faster when you involve three parties early in the innovation phase; public (e.g. TSO), private companies (e.g. producers and suppliers) and learning institutions (e.g. universities).

The BE in TRIBE symbolises Better Energy as the catalyst, coordinator, facilitator, and host.

A tribe is also a community or group of people who share a common interest. Through our TRIBE park – our community – we share an interest to work together to advance innovation and commercial development.

Our people

We bring together a diverse and growing group of talented, dedicated and mission-driven individuals collaborating to find new pathways to better solutions. In 2023, we almost doubled in size.

Investing in the future of our company

Everything we have achieved so far, and everything we will achieve, is ultimately about our people and the talent they bring to our mission. The company's future depends on our ability to continue to attract, develop and motivate the best talent. In the quest for talent, purpose is going to win.

We have a meaningful purpose to offer our current and future employees. We also provide the benefits and flexibility you would expect from a modern workplace.

This combination has made it possible for us to attract the right people to join our mission, resulting in unprecedented people growth during 2023. It has also supported diversity, with a total of 29 nationalities and 39% women working at Better Energy.

We grew by 191 people in 2023 (2022: 116 people) and thereby added more motivated and skilled individuals to our team. The majority work in roles across our value chain – in the development, construction and operation of our renewable energy parks.

Across our markets, our development teams added skills and team members and are ready to do their part to develop our construction portfolio of tomorrow.

In our EPC department, we are ensuring that we have the experts needed to execute on the design, engineering, construction, procurement and grid connection of the new energy parks that we will build in the coming years.

Finally, our Power Sales and Finance departments also saw significant additions, making us well suited to enable offtake of our green energy production and support the signing, inclusion and management of our financial partnerships.

Across all markets and departments, we share high ambitions: Being a part of Better Energy means empowerment to challenge the present and shape the energy system of the future.

We are proud to say that our new colleagues are one of our greatest achievements of the year. At the end of 2023, there were 455 (2022: 264) talented and engaged colleagues in Better Energy, who are already delivering impact that matters, living our values and laying the foundation for our future accomplishments.

Freedom, personal energy and teamwork

Bringing one's talent to work for a purpose is rewarding. But each individual's energy must be protected and nurtured through meaningful teamwork. Our goal to be a truly sustainable and regenerative company requires that we manage our colleagues' workload and conditions to avoid energy drain and stress.

That is why we always strive to provide the conditions, possibilities and freedom needed to allow our people to renew both their personal and professional energy.

EMPLOYEE INTERVIEW: TALKING NATURE

Can large energy parks benefit nature?

With Jens Munch-Petersen, Senior Nature Specialist, and Caroline Bechsgaard Sørensen, Nature Manager.

Jens and Caroline focus on nature at opposite ends of Better Energy's value chain. But whether it is in development or operations, our commitment to nature remains the same: we are making space for nature in many of our upcoming large-scale renewable energy parks.

Why is making space for nature important?

Jens: When you look at the recommendations from scientific experts, it is clear that nature needs room to grow. It is also clear that we need to act now to address the biodiversity crisis. At Better Energy, we have an opportunity to lend a helping hand by introducing new habitats, especially when we develop our biggest energy parks.

Caroline: I agree. Habitats can help create the conditions for long-term and robust ecosystems. Viuf and Håstrup - our largest energy park to date – is a great example because this is where we have dedicated the most space for nature so far. As described in the zoning plan, the park is 344 hectares, including 126 hectares of former agricultural land where we are applying different restoration methods on around 100 hectares. And in areas where it makes sense to do nothing, we will let nature do its own thing.

How can nature benefit from renewable energy parks?

Jens: It is important to understand that Europe has used so much land for agriculture and industry, causing nature areas to become drastically smaller. Because of the severity of the biodiversity crisis, preserving existing nature is not enough. That is why we also introduce new nature areas and initiatives to create more and better possibilities for nature to restore.

Caroline: Due to the scale of our energy parks, we can combine protecting existing nature with adding new areas. The nature we inherit has often been severely impacted by the effects of agriculture. So, in Viuf and Håstrup, it makes sense to plough the ground to bring the older, less contaminated soil to the surface. We can then introduce new microhabitats so that local fauna and flora species hopefully return to the area.

Jens: Another point worth mentioning is the reopening of over 3 km of piped streams that were previously covered. They are natural waterways that run through the area, creating habitats for amphibians. By opening the stream, we can create the conditions for life to come back to and around the water body.

How does nature fit into our approach?

Caroline: Our nature experts assess existing nature in the area and align on relevant new initiatives to be added to the given park. We learned a lot about prioritising biodiversity from previous projects, and now we are applying those learnings at larger parks.

Jens: The needs of nature continually evolve over time, even in one single location. We prioritise resources to assess if we can have a positive impact on nature throughout the park's development, construction and operation – whether it is in planning or when the park is built, we share a commitment to nature.

Can nature initiatives positively impact local communities?

Jens: Yes, I would say so. Especially in cases where we open up a previously restricted landscape, that was used for agriculture or industry or something else. The Viuf and Håstrup Solar Park will include trail systems and campsites, allowing people to enjoy nature – right in their own backyard.

Caroline: Anyone driving through Håstrup will have seen the European tree frog on the town's sign. Now, people will hopefully be able to see the frogs near the water bodies we are creating. And, because we operate our energy parks for 30 to 40 years, we can ensure we act with a long-term interest in the region.

Jens: A key rule of thumb is that the bigger the project, the more hectares we can use to give nature space. Large-scale projects like Viuf and Håstrup allow us to create an area where people, nature and energy can coexist.

Caroline: Exactly! And what is exciting is that our portfolio contains several projects even larger than Viuf and Håstrup. Just 25 km southeast of Viuf, we are developing a project near Andst and Horskær in the municipalities of Vejen and Kolding. Here we will have even more opportunities to deliver on our commitment to nature, while creating value for the region.

Performance & Outlook

Activities in 2023
Financial performance
Financial highlights
Financial outlook

Activities in 2023

2023 was a year of many milestones for Better Energy, with a series of important investments that will deliver impact that matters in the coming years.

Despite global supply chain disruptions, our fully integrated value chain continued to deliver solid results and our structured industrial approach to large-scale deployment proved robust. We reached several milestones across our markets and across our value chain – in development, construction, operations and power sales – and added several new renewable energy parks to our joint venture partnerships.

We grew by 191 people in 2023 (2022: 116 people), bringing us to a total of 455 employees (2022: 264 employees) at year end.

In Denmark, we expanded our offices in Sønderborg and Copenhagen, and we opened the doors to a new office in Kolding. In Poland, we significantly scaled up the number of employees in our office in Warsaw and we opened a second Polish office in Gdansk in November.

In Sweden, we expanded our office in Malmø and added additional experts to our team. In Finland, we opened our new office in Helsinki.

Power sales

Renewable energy parks with Better Energy ownership provided 941 GWh of green energy to the grid during 2023, up from 463 GWh in 2022, for a total electricity settlement of DKK 455 million (2022: DKK 299 million). This number includes our own renewable energy parks and parks in joint venture partnerships.

In accordance with our power sales strategy for 2023, all power generated from Better Energy renewable energy parks is contracted via long terms PPAs, short term forward contracts or sold on the spot markets.

We continued to develop our PPA offering. We signed 12 new agreements during the year and welcomed eight new partners to the growing group of companies who can benefit from affordable and fixed electricity prices in the years to come, while delivering immediate impact that matters as Better Energy PPA partners.

Together with Lolland municipality in Denmark, we pioneered a new PPA solution in which local small and mid-sized enterprises have first rights to offtake locally produced green energy from an upcoming renewable energy park through separate corporate PPAs directly with Better Energy. This solution is another proof point demonstrating that very large energy consumers are no longer the only enterprises that can demand additional renewable energy. It also shows that smaller consumers can now receive equally attractive PPA terms as large corporates.

Our solar park in Væggerløse was approved by Energinet to provide frequency services (FCR-D) in eastern Denmark. Our technical set-up is thereby approved, and we expect that all Better Energy renewable energy parks in Danish electricity system zones can participate and provide balancing and ancillary services in both the mFRR and FCR markets.

Power sales Denmark

In Denmark, cumulative production from our owned energy parks and energy parks co-owned in joint ventures provided 761 GWh (2022: 372 GWh) of renewable energy. During 2023, we entered into PPAs with ATEA, Cowi, DTI (Danish Technological Institute), Pricewaterhouse-Coopers, Semler Group and Trioworld Nyborg.

Power sales Poland

In Poland, cumulative production from our owned energy parks and energy parks co-owned in joint ventures provided 161 GWh (2022: 54 GWh) of renewable energy. During 2023, we entered into PPAs with Faerch Group and Statkraft.

Power sales Sweden

During 2023, we entered into our first PPA in the Swedish market with Vestre Furnitures.

Operational portfolio

At the end of the year, we had an operational portfolio of 1,126 MWp (2022: 807 MWp) with an expected yearly production output of 1,015,718 MWh. Better Energy owned a pro rata of 572 MWp (2022: 412 MWp) of the operational portfolio.

We grid connected five large-scale solar parks in 2023, including two of the largest solar parks in Poland. In our portfolio of assets under management, we now have 87 renewable energy parks. Our in-house experts deliver Operations & Maintenance (O&M) to these parks.

Operational portfolio Denmark

At the end of the year, we had an operational portfolio of 871 MWp (2022: 728 MWp) in our Danish market.

In 2023, we added the Badskær and Hoby solar parks to the Danish electricity grid, with a total capacity of 143 MWp. Next to our office in Sønderborg, we opened our TRIBE R&D Solar Park, with 2 MWp capacity including an EV charging station.

Operational portfolio Poland

At the end of the year, we had 236 MWp (2022: 60 MWp) in our operational portfolio in the Polish market, making us one of the top three largest owners of utility-scale solar parks in the country. During the year, we added the Nidzica, Kleczew and Krapkowice solar parks to the Polish electricity grid, with a total capacity of 177 MWp (2022: 60 MWp).

RENEWABLE ENERGY TRANSITION

Nidzica

New green energy production

We celebrated the inauguration of one of the largest solar parks in Poland. The Nidzica Solar Park will provide green electricity equivalent to the consumption of around 37,000 Polish households annually.

The successful realisation of the project was only made possible through close collaboration with local authorities, the grid company in the region, and our subcontractors. Their commitment to a more sustainable future with renewable electricity was instrumental in making this achievement a reality.

NATURE INVENTORY

Postomino

Counting bird, bees, and butterflies

In our Postomino Solar Park in northern Poland, we are studying whether a solar park can support a thriving population of flora and fauna to the benefit of local biodiversity.

In September, we undertook a post-construction nature inventory of Postomino to determine the site's impact on wildlife. A total of 50 protected and rare species were found, of which 36 are under strict protection in Poland and 14 are under partial protection. Among them were multiple species of bees, wasps, beetles, mushrooms, arachnids, amphibians and butterflies.

CASE HIGHLIGHT

Delivering more than green energy

The larger the area we manage, the greater the impact we can have. As our production capacity increases, so does our ability to regenerate the natural environment and counter threats from habitat loss, pollution, unsustainable land use and climate change.

In 2023, we continued to apply the guidelines we defined together with the Danish Society for Nature Conservation in 2022. These guidelines set out how to regenerate biodiversity and provide access to nature for neighbours when establishing renewable energy parks on land. To see how this works in practice, read our case study on Viuf and Håstrup Solar Park on page 18.

BETTER ENERGY

Construction portfolio

At the end of the year, we had a construction portfolio of 1,729 MWp (2022: 617 MWp) across our markets.

Our construction portfolio consists of projects where EPC activities have been initiated. The renewable energy parks in the construction portfolio at the end of 2023 are either being installed, in final preparations prior to installation or subject to procurement of long-lead components.

During 2023, we completed installation of five solar parks (2022: 12 solar parks), grid connecting a total of 320 MWp (2022: 534 MWp) and added them to our operational portfolio. We added 1,432 MWp of renewable energy parks to our construction portfolio. This included our two first large-scale solar parks in Sweden, which we expect to grid connect in 2024.

Construction portfolio Denmark

At the end of the year, we had a construction portfolio of 1,523 MWp (2022: 394 MWp) in our Danish market.

During the year, we completed installation of the Badskær and Hoby solar parks. We also added 3 solar parks to our construction portfolio for a total expected production capacity of 401 MWp.

Construction portfolio Poland

At the end of the year, we had a construction portfolio of 160 MWp (198 MWp) in our Polish market.

During 2023, we completed installation of the Nidzica, Kleczew and Krapkowice solar parks, with a total expected production capacity of 177 MWp, and added them to our operational portfolio. We also added 2 renewable energy parks to our construction portfolio for a total expected production capacity of 57 MWp.

Construction portfolio Sweden

In 2023, we added the Studsvik and Lidköping Airport solar parks to our construction portfolio.

At the end of the year, this gave us a construction portfolio of 47 MWp (2022: 25 MWp) in our Swedish market.

Development portfolio

At year end, our development portfolio across the Danish, Polish, Swedish and Finnish markets totalled around 14,543 MWp (2022: 9,444 MWp). During the year, we began development of several +200 MWp projects and added new initiatives to our development approach to support making space for nature and recreational areas.

We increased our right to land rights by 6,978 hectares across our markets and began developing our first hybrid projects, including both solar and wind power generation, and ordered the first large-scale battery for our Hoby solar park in Denmark, which will be installed during 2024.

Development portfolio Denmark

At year end, our development portfolio totalled 6,568 MWp (2022: 4,595 MWp) in the Danish market. During the year, we carried out significant development activities in the municipalities of Kolding, Vejen and Esbjerg. We made noteworthy land acquisitions in Denmark, securing land for solar and hybrid energy park projects that we will develop in the coming years.

Development portfolio Poland

At year end, our development portfolio totalled around 2,694 MWp (2022: 940 MWp) in the Polish market. During 2023, we increased our activities in Poland. We obtained land rights for 1,480 hectares, adding to our growing portfolio of energy parks under development in the country.

Development portfolio Sweden

At year end, our development portfolio totalled around 2,301 MWp (2022: 1,463 MWp) in the Swedish market. We continued to expand and mature our projects in Sweden during the year.

Development portfolio Finland

At year end, our development portfolio totalled around 2,981 MWp (2022: 2,447 MWp) in the Finnish market. We continued to mature our projects in Finland in 2023, moving them closer to the ready-to-build stage.

CASE HIGHLIGHT

Apply a regional focus

In Vejen and Kolding municipalities in Denmark, a large Better Energy solar park is already part of the local planning process, with expected approval in 2024.

The site for the Andst and Horskær Solar Park covers around 510 hectares. Of this, more than 168 hectares will be used for nature and recreational areas. It has an expected annual production of around 465 GWh, which would make it the largest solar park in Northern Europe if it was operational today.

Located just 25 km from our Viuf and Håstrup Solar Park, Andst and Horskær is an excellent example of our strategic and regional approach, which focuses on close collaborations with professional municipalities who recognise that large-scale renewable energy parks have massive potential for local and regional value creation.

BETTER ENERGY

Joint venture partnerships

At the end of the year, we had included 34 projects in joint venture partnerships with Industriens Pension and Andel, with a total enterprise value of DKK 12.9 billion.

The enterprise value, including the total funding structure of equity investments in the form of equity and shareholder loans, amounts to DKK 6.8 billion and project finance amounts to DKK 6.1 billion. Better Energy's share of the equity investment amounts to DKK 3.4 billion.

In 2023, we entered a new joint venture partnership with Andel, a Danish energy company, for an expected 15 solar parks. These parks have an anticipated production capacity of around 2,000 MWp. By December 2023, we had included four projects in this joint venture, for a total enterprise value of approximately DKK 4.3 billion.

We continued our strong collaboration with Industriens Pension, a labour market pension scheme for industrial employees in Denmark. Our second joint venture partnership together, Better Energy Impact II, has a total expected enterprise value of approximately DKK 5.6 billion. By the end of 2023, we had included nine projects in this joint venture for a total enterprise value of DKK 3.8 billion.

In 2023, we grid connected the final project in Better Energy Impact I, the initial joint venture partnership with Industriens Pension. Impact I has a total enterprise value of DKK 4.8 billion funded by equity in the form of equity capital injections and shareholder loans from the partners of DKK 2.6 billion and project finance of DKK 2.2 billion.

Financial performance

The electricity produced in our operational renewable energy parks is sold through power purchase agreements (PPAs) or directly on the wholesale merchant market.

Our renewable energy parks, primarily solar parks, are developed and then divested to joint venture partnerships. As these partnerships are classified as joint ventures, significant recurring revenues from power sales are not included in our income statement revenues but are recognised under income from investments in joint ventures and associates.

Renewable energy assets are in great demand, but as the value of our renewable energy parks is recognised at cost on the balance sheet, their market value is not reflected on the balance sheet.

The difference between the cost price and divestment value of Better Energy's share of joint venture partnerships is recognised (eliminated) under income from investments in joint ventures.

In 2023, we invested in new power generation capacity with a total enterprise value of DKK 8,120 million in joint venture partnerships together with Industriens Pension and Andel.

Additionally, we invested DKK 955 million in future generation capacity and our development portfolio in the form of land expenditure in the regions where we operate.

CASE HIGHLIGHT

P Capital Partners and Better Energy renew credit facility

In 2023, we continued our collaboration with P Capital Partners (PCP), a Swedish private credit investor, by entering a second round of financing. The funds, amounting to DKK 1,305 million, will primarily finance the costs associated with progressing projects from development to operation in our value chain and contribute to Better Energy's future growth across its core markets.

Access to capital enables us to increase the scale of our projects, both in terms of green energy produced and areas dedicated to nature. The agreement is another example of the value of long-term financial partnerships that directly impact the green energy transition.

"We continue to be impressed by Better Energy's ability to make a meaningful impact in Northern Europe's progression toward an energy system based on renewables."

Petter Lindblad, Investment Director at P Capital Partners

Income statement

Revenue

Revenue for the year totalled DKK 2,501 million (2022: DKK 2,864 million). In 2023, Better Energy's primary source of revenue was the divestment of renewable energy parks to joint venture partnerships, laying the foundation for further revenue and growth.

Divestment revenue amounted to DKK 2,440 million (2022: DKK 2,818 million). A total of five solar parks (2022: 12 solar parks) with a total capacity of 320 MWp (2022: 534 MWp) were grid connected. The divested energy parks were mainly in the late development phase and early construction phase.

Revenue from asset management increased to DKK 46 million (2022: DKK 25 million), due to more operational energy parks. Power sales totalled DKK 15 million (2022: DKK 22 million), excluding power sales from energy parks included in joint venture partnerships.

Revenue was primarily generated in Denmark, Poland and Sweden, with amounts of DKK 2,040 million, DKK 415 million and DKK 43 million, respectively.

EBITDA

EBITDA increased by 77% to DKK 726 million (2022: DKK 410 million) mainly due to the stage of renewable energy parks at divestment, as margins are higher in the development phase.

The increase in the EBITDA margin reflects the progress in developing new and larger energy parks, where margins are higher than in the construction phase, laying the foundation for future revenue growth.

Profit before tax

Profit before tax increased by 23% to DKK 179 million (2022: DKK 146 million), due to an increase in gross profit. This was partly offset by higher staff costs as the organisation is scaling up for future growth.

Income from investments in joint ventures and associates

Income from investments in joint ventures and associates totalled DKK -470 million (2022: DKK -224 million), primarily due to the elimination of margin from divestments of renewable energy parks to our joint venture partnerships, of which we own 50%.

Financial income/expenses

Net financial expenses were DKK 44 million (2022: DKK 28 million), mainly due to additional corporate and energy park investment funding, offset by interest income from loans to joint venture partnerships and associates and increased net gains on exchange rates.

Tax

Tax on profit amounted to DKK 47 million (2022: DKK 32 million), with an effective tax rate of 26% (2022: 22%).

Balance sheet

Total assets increased significantly to DKK 4,550 million at the end of 2023, (2022: DKK 3,028 million) mainly driven by investments in our joint venture partnerships and land for future solar and hybrid energy park projects. Investments and receivables in the form of equity and shareholder loans to joint venture partnerships increased our non-current assets by DKK 1,164 million.

Current receivables from joint venture partnerships increased due to individual solar parks in the joint ventures pending finalisation and pay-out of project financing with DKK 743 million. Finally, investments in inventory especially via significant investment in land for future solar and hybrid energy park projects amounting to DKK 955 million. This was partly offset by a decrease in cash balances where the cash received through a capital investment in December 2022 was used for the above investments in future projects.

Total liabilities increased to DKK 3,308 million (2022: DKK 1,974 million), mainly due to increased interest-bearing debt to credit institutions and other bank liabilities to fund the growing investments in renewable energy parks. In addition, contract liabilities increased due to prepayments from customers.

Equity

At the end of 2023, equity amounted to DKK 1,251 million (DKK 1,054 million). This net increase of DKK 197 million was mainly due to profit for the year of DKK 141 million and value adjustments of hedging instruments in our joint ventures of DKK 37 million.

Cash flow statement

Cash flows from operating activities came to DKK -8 million in 2023, (2022: DKK 129 million).The decrease was mainly attributable to the changes in net working capital of DKK -657 million, driven by the significant investments in land for future renewable energy projects.

Cash flows from investing activities came to DKK -1,148 million in 2023 (2022: DKK -893 million), mainly due to investments in joint venture partnerships of DKK 1,115 million in the form of capital injections and increased loans.

Cash flows from financing activities totalled DKK 423 million in 2023 (2022: DKK 1,240 million), mainly due to proceeds from an increased facility from P Capital Partners for further investments in development and construction of renewable energy parks. The net decrease of cash and cash equivalents amounted to DKK 741 million in 2023 (2022: DKK 469 million).

Capital management

Better Energy constantly monitors liquidity and financing needs to support future growth. At the end of 2023, the cash balance amounted to DKK 532 million (DKK 1,081 million), of which DKK 481 million (DKK 966 million), was free cash, DKK 0 million, (DKK 91 million), was cash available for use on specific projects and DKK 51 million, (DKK 24 million), was cash on accounts with special termination terms.

Financial highlights

	2023	2022	2021*	2020*	2019*
Income statement (DKK million)					
Revenue	2,501	2,864	1,551	1,066	528
Gross profit	1,009	561	235	216	56
EBITDA	726	410	167	163	21
Operating profit	693	397	157	149	16
Income from investments in joint ventures and associates	-470	-224	-109	-103	10
Net financial income and expenses	-44	-28	-8	-15	-3
Profit before tax	179	146	40	32	22
Profit for the year	132	114	32	20	21
Balance sheet (DKK million)					
Total assets	4,550	3,028	1,898	884	885
Inventories	1,320	276	282	338	217
Total equity	1,243	1,054	379	382	370
Net interest-bearing debt (NIBD)	397	-97	244	651	-52
Gearing (NIBD as % group equity)	32%	-9%	64%	171%	-14%

	2023	2022	2021*	2020*	2019*
Statement of cash flows (DKK million)					
CF operating activities excl. inventories	1,006	143	-167	-4	67
CF change in inventories	-1,014	-14	51	-67	-156
CF investing activities	-1,148	-893	-226	6	-18
CF financing activities	429	1,240	652	-30	501
Cash flows for the year	-727	471	310	-95	394
Financial key figures					
Gross profit margin	40%	18%	14%	18%	7%
EBITDA margin	29%	14%	11%	15%	4%
Profit margin	5%	4%	2%	2%	4%
Return on equity	12%	16%	9%	5%	8%
Solvency ratio	27%	35%	20%	43%	42%
Number of employees end of year	455	264	148	102	71
Earnings per share (DKK)	1.87	1.61	0.53	0.32	0.34
Number of shares	70,824,380	70,824,380	61,109,800	61,109,800	61,109,800

* In accordance with section 101(3) of the Danish Financial Statements Act, key figures for the years 2019-2021 have not been adjusted to reflect the effects of the transition to IFRS. Refer to note 1.6 for details on the transition to IFRS.

Financial outlook

Our goals from 2022

Our overall strategy is to commercialise solar power, scale it and then integrate it into other parts of the economy. In order to develop our pipeline and ensure sustained growth and timely grid connections, it is of vital importance that we scale our organisation for future growth. Consequently, our current focus is on expanding our capabilities as a large-scale independent power producer with a long-term view of operational assets. These strategic objectives constituted our main focus during 2023.

Through strong partnerships with our existing stakeholders as well as new partnerships, we retained our leadership position in the renewable energy sector. Going into 2023, we expected a comparable activity level compared to 2022, and predicted a revenue of DKK 2.5-3.0 billion and profit before tax of DKK 150-250 million. We managed to deliver on the lower end of our guidance, reaching DKK 2.5 billion in revenue and DKK 179 million in profit before tax.

Goals reached in 2023

Our portfolios of renewable energy parks increased to a total 17,398 MWp, with 1,126 MWp of operational portfolio with Better Energy ownership; 1,729 MWp of energy parks in our construction portfolio (of which 1,243 MWp are divested to joint venture partnerships); and 14,543 MWp in our development portfolio at various stages of development at year end across our four current markets. In 2023, we grid connected five energy parks, totalling 320 MWp, and across our markets, we initiated construction of 1,432 MWp energy parks.

We included nine projects in our second joint venture partnership with Industriens Pension, Better Energy Impact II, for a total enterprise value of around DKK 3.8 billion. The partnership now has a total expected enterprise value of approximately DKK 5.6 billion.

In December, we entered into a new joint venture partnership with Andel for an expected 14 solar parks, with an anticipated production capacity of ~2,000 MWp. In 2023, four of these projects were included in the joint venture partnership with a total enterprise value of around DKK 4.3 billion. Expected production capacity for the four divested projects amounts to approximately 750 MW.

Looking ahead to 2024

Looking ahead, we will follow through on our strategic objectives and utilise our integrated value chain to scale up additional renewable energy capacity. Our regional approach with best-in-class community engagement and a strong commitment to nature is delivering promising results in the form of upcoming projects. As a result, in 2023 we added larger scale projects to our development portfolio that will increase regional and local value creation.

We believe this positions us well to continue our dual focus of building and executing on our growing portfolio of projects. In the coming year, a key focus will be to establish an organisational platform with the right people and processes to reach our long-term targets.

Our focus in 2024 will be adding additional projects to our portfolio whilst moving existing projects forward in our development portfolio and executing on our construction portfolio. As we will construct larger renewable energy parks in 2024, we expect a significant increase in activity level compared to 2023, driven by the projects in our construction portfolio that are already included in joint venture partnerships. In 2024, we anticipate a total revenue in the range of DKK 4,000-4,600 million, EBITDA in the range of DKK 850-1000 million and profit before tax reaching DKK 150-225 million. The financial assumptions exclude potential new joint venture partnerships.

Events after the reporting period

Please refer to Note 7.7 in the consolidated financial statements.

CASE HIGHLIGHT

2,000 MWp joint venture partnership between Better Energy and Andel

In 2023, Better Energy joined forces with Andel, Denmark's leading energy and fibre-optic group, on a historically large joint investment in the green transition. The investment will ensure the supply of renewable energy through an expected 15 new renewable energy parks in Denmark, with a total capacity ~2,000 MWp. This is equivalent to the annual electricity consumption of approximately 1.3 million Danes, around 20% of the total population.

Each partner will own 50% of the completed portfolio, with Better Energy managing the parks' development, construction and technical operation. The joint venture has also outlined ambitions for energy storage and nature and biodiversity initiatives in the parks.

In all projects in the portfolio, gaining as broad an acceptance as possible among the local population has been a priority. We have been in close dialogue with the local communities and authorities throughout the planning process about including initiatives that add local value – such as fauna passages, path systems and recreational areas near towns – and many of these have been adapted based on local feedback.

The first four energy parks in the joint venture are expected to be grid connected as early as 2024 and 2025.

The joint ownership of the energy parks does not include the joint sale of energy. Each party will sell its share of the power, and marketing and customer contact will also be handled separately.

> It is important for Andel to ensure renewable energy for our cooperative owners and customers. Better Energy's approach fits right into our mould, with local value creation through community involvement and a commitment to nature.

Jesper Hjulmand, CEO of Andel

Sustainability

Our progress towards CSRD
Our approach
Planetary boundaries
ESG key performance areas
Additional ESG performance
ESG statement

Our progress towards CSRD

We welcome the CSRD as we believe it will create a more equitable, transparent and standardised presentation of sustainability information, and foster enhanced sustainability governance and management practices.

From 2024, the EU will implement the Corporate Sustainability Reporting Directive (CSRD). The CSRD mandates companies to disclose their environmental and social impact initiatives.

To comply with this directive, the EU has ratified the European Sustainability Reporting Standards (ESRS), which consists of 12 reporting standards: two mandatory and 10 topic-specific standards within environment, social and governance (ESG).

During 2023, we launched an ESG development initiative aimed at aligning our company with emerging sustainability standards, including the CSRD. Given the expected significant undertaking of reporting on the CSRD in 2024, we made the decision to expedite our efforts by developing and integrating our ESG statement into our annual report in 2023. This statement covers our most mature quantitative disclosures and will be expanded and aligned with CSRD in the 2024 report.

Our commitment remains to become Future-Fit

In 2021, we adopted one of the world's most ambitious ESG frameworks, the Future-Fit Framework. We applied this framework from 2021-2023 to understand what is needed to become sustainable and go beyond. The work has served multiple purposes. It represents our steps toward integrating sustainability actions formally into relevant business functions and identifying key sustainability topics, and is input for external reporting. It also serves as input for our coming double materiality assessment under the CSRD, and we are pleased to see that many of the criteria from the Future-Fit Framework overlap with the coming requirements.

Through the Future-Fit Framework, we have identified five key and high-impact ESG areas (see page 43) that are linked with our business operations:

- Renewable energy production
- Community engagement
- Making space for nature
- Sustainable procurement
- People

In the following section on Our approach and ESG key performance areas, more elaborate descriptions of these areas are presented, followed by additional performance information.

CSRD: Our reporting tool towards our strategic goal of becoming Future-Fit

While potential overlaps between the Future-Fit Framework and ESRS have been beneficial up until now, in the next phase we will focus our reporting efforts on implementing the latter for the sake of standardisation and clarity. We have committed to pre-implement the ESRS standards one year in advance and expect to publish a CSRD-compliant report already next year.

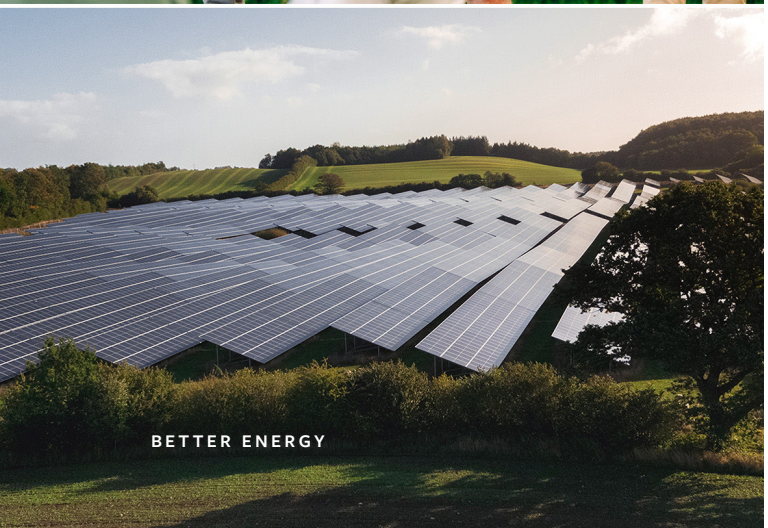
2020
First ESG report published, including our commitment to becoming Future-Fit

2021
Second ESG report published including analysis with Future-Fit Risk Profiler

2022
First integrated annual report published

2023
Sustainability performance and statement included in the integrated annual report

2024
Implementation of CSRD-aligned sustainability performance and statement responsibility of ESG controlling moved to Finance



BETTER ENERGY

Our approach

We are committed to increasing our positive impact on people, organisations, and the planet, and take responsibility for our footprint on the world.

Our strategic sustainability priorities

Our company purpose is closely linked with the mitigation of climate change and the preservation of nature. We have identified five high-impact and key ESG areas that tie directly to our business model, as presented on page 43. Three of those areas are an integral part of our purpose and our business strategy: Renewable energy production, community engagement and making space for nature.

Renewable energy production

Global warming cannot be ignored any longer. Our purpose is to drive the green transition by providing massive amounts of affordable renewable energy, especially in regions with high anticipated energy needs. Through our business, we help organisations and society reduce the negative impacts of unsustainable energy production and consumption. To do this at scale and with speed, we form strong partnerships with power purchase agreement (PPA) partners, municipalities, local communities, suppliers, financial institutions, and grid companies.

Renewable energy production should be designed, constructed and operated with the lowest possible environmental impact. While these impacts may be small compared to the burning of fossil fuels, we must continue to address and mitigate them.

Community engagement

Access to land and gaining local acceptance is fundamental to the development of our renewable energy projects. We dedicate significant resources to setting new standards for community engagement when developing energy parks. The bigger we build, the more value we can bring to regions and local communities. This requires a tailored approach to developing each large-scale project, including the identification of relevant multifunctional land use, such as nature restoration and recreational areas.

To address local concerns and ensure support, we engage with the local communities very early in the process and maintain this engagement throughout the development and construction phases, as well as when the parks are operational.

Making space for nature

Due to overexploitation, pollution, invasive species and climate change, nature is struggling. As a result, biodiversity is declining at an alarming rate. There are diverging scientific positions on how to best measure biodiversity, but one thing is certain: One of the greatest threats to biodiversity is the lack of space – and climate change is expected to accelerate this challenge (IPBES).

We rely on land to operate and expand our business. When we grow our business and enter new markets, we must not encroach on areas that are of high natural or cultural value. To ensure that we do not, we conduct a thorough screening process.

Most of the land we have developed so far has previously been used for conventional agriculture – so from a nature perspective, these areas of land are typically in a degraded state. Simply changing how that land is used, by converting it to a renewable energy park where land is managed for 30-40 years following organic principles, has a positive effect.

Many of our energy parks also include nature areas that are protected by existing laws. Here, we work to protect nature and provide opportunities for it to flourish. However, we are committed to do more. In our development portfolio, we have several mega-scale projects, where large areas of land are dedicated to both recreation and making space for nature.

While we cannot guarantee that biodiversity will flourish, we can create and manage the habitats needed to support and potentially enhance it. This way, we can contribute to a regenerative effect on the land we own or manage.

Understanding our business landscape

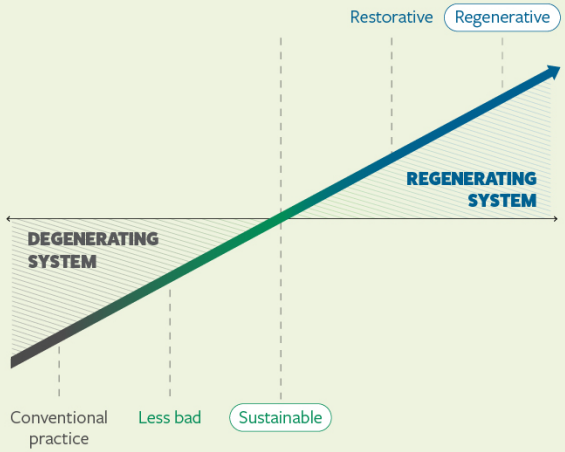
While our approaches to community engagement and making space for nature are integral parts of our business strategy and have strong ties to our company culture and way of working, we should still refrain from evaluating our own work and outcomes.

The best we can do is to present, as transparently and objectively as possible, our project plans throughout the permitting processes. It is up to the relevant third parties, most often democratically elected city councils, to decide whether that is good enough.

In all our markets, an extensive permit apparatus (e.g., zoning decisions, environmental permits, building permits and grid connection agreements) is a prerequisite for delivering our product – as we can only develop, construct and grid connect our renewable energy parks with the correct permits and approvals. For this reason, a central part of our performance data derives from the planning and permitting processes that we engage in.

For additional information, please see the sections on Risk management, ESG performance and ESG statement.

Future-Fit Framework is applied to get greater clarity on potential risks of having a negative impact on people and planet.



Sustainable

Sustainability is the ability to sustain, which means having no negative impact on people and not depleting, polluting or destroying nature.

Regeneration

Regeneration goes beyond sustainability. It is about restoring, replenishing and revitalising nature and communities.

Source: Adapted from Bill Reed (2007)

Planetary boundaries

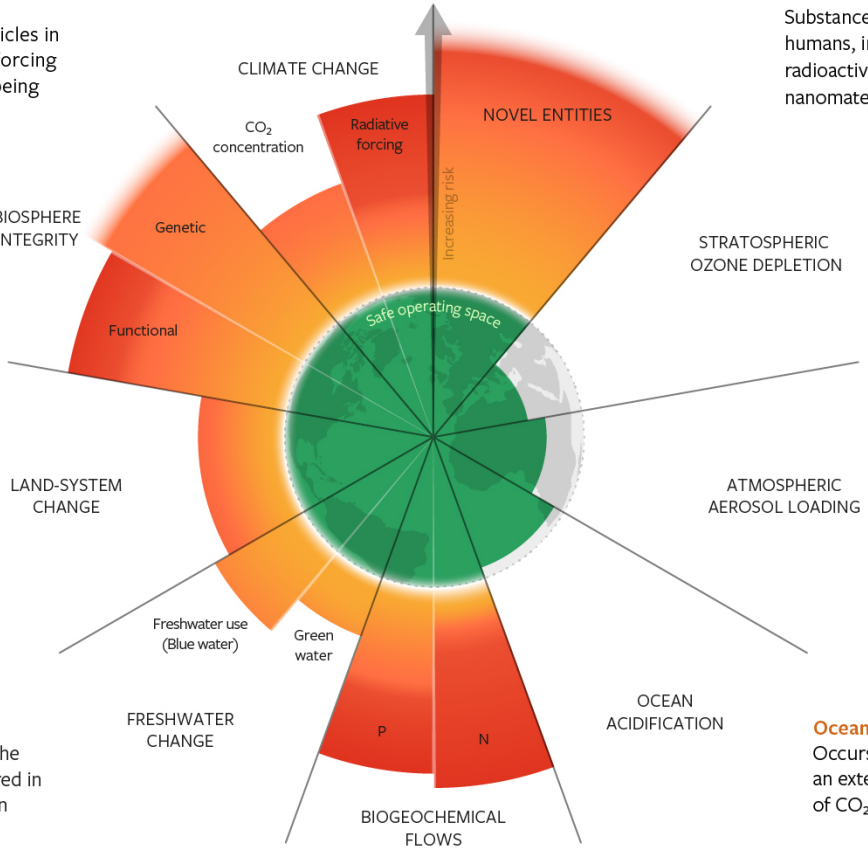
The planetary boundaries framework identifies nine processes that are critical for maintaining the stability and resilience of Earth as a whole. As such, it defines the safe operating space for humanity.

Climate change
CO_2 concentration is the increase of CO_2 particles in the atmosphere, which impacts the radiative forcing causing global heating due to solar radiation being trapped in the atmosphere.

Biosphere integrity
Functional: The ability of ecosystems to continue to provide goods and services to human society. Genetic: The maximum extinction rate compatible with preserving the genetic basis of the biosphere's ecological complexity.

Land-system change
The conversion of nature into agricultural land, urban areas and deforestation.

Freshwater change
Freshwater use is the consumption of freshwater in the ground and waterways. Green water is the water stored in the soil and available to plants which is drying up at an alarming rate.



Novel entities
Substances created, introduced or recirculated by humans, including emissions of toxic compounds, radioactive materials, genetically modified organisms, nanomaterials and micro-plastics.

Stratospheric ozone depletion
Occurs through the release of gaseous substances containing chlorine and bromine atoms, leading to the destruction of ozone molecules.

Atmospheric aerosol loading
Human-caused air pollution released from industrial processes.

Ocean acidification
Occurs when the pH level of the ocean is reduced over an extended period. It is primarily caused by the uptake of CO_2 from the atmosphere.

Biogeochemical flows
Spraying fertiliser, containing phosphor and nitrogen, in connection with conventional agriculture, is a primary cause for seepage into groundwater, the ocean, streams and lakes.

Source:
Azote for Stockholm Resilience Centre, based on analysis in Richardson et al 2023

ESG key performance areas

Our ESG key performance areas represent our first step towards a double materiality assessment, which will be an integral component in the CSRD. The overview includes three performance categories – data, milestones and indicators – to provide as full a picture as possible of our performance in each area.

Topic	Performance data Measurable and comparable data points	Performance milestones Qualitative & methodological achievements and highlights	Performance indicators Input, activity and future-oriented indicators
Renewable energy production	■ 941 GWh of renewable energy produced in 2023 ■ 1,126 MWp in operational portfolio	■ 9,465 GWh contracted ■ 39 PPA partners under contract at the end of 2023 ■ 1,729 MWp in construction portfolio	■ 14,543 MWp in development portfolio
Community engagement	■ 20 of 20 initiated zoning plans approved since 2016 in Denmark for parks in operation	■ 9 of 9 initiated zoning plans approved in Denmark for parks in our construction portfolio at the end of 2023 ■ First pedestrian tunnel in Viuf & Håstrup Solar Park	■ Planning 4.5 km of cycle paths for safe school passage in Andst & Horskær Solar Park
Making space for nature	■ 50 hectares dedicated to nature or recreational areas under management ■ Framework agreement with Danish Society of Nature Conservation	■ 126 hectares of nature or recreational areas in construction ■ First habitats for European tree frogs in Viuf & Håstrup Solar Park	■ 402 hectares of nature or recreational areas in planning in 5 projects in Denmark ■ 168 hectares dedicated to nature or recreational areas in Andst & Horskær Solar Park
Sustainable procurement	■ 472,900 metric tonnes of scope 3 GHG emissions ■ Critical suppliers signed our Supplier Code of Conduct	■ Module supplier contract updated with binding sustainability clause	■ Participation in Solar Stewardship Initiative
People	■ Zero work related accidents with absence in 2023 ■ Zero people identified at Better Energy paid less than a living wage ■ Gender split all employees: 39% women, 61% men	■ Better Energy Career Model developed ■ Internal concerns mechanism available for all	■ Zero-injury ambition part of Work Environment Committee mandate ■ Training courses available for all employees

Renewable energy production

- Our 2023 renewable energy production corresponds to more than 250,000 European households' yearly electricity consumption.
- Through our PPA partnerships, we will help 39 partners across different sectors green their electricity offtake.
- Through our development portfolio, we expect to provide even more PPA possibilities in the coming years.

Community engagement

- Community engagement is an integral part of our approach and way of working, but hard to quantify. Zoning decisions represent neutral and objective evaluations from authorities and municipalities.
- Milestone highlights included from zoning plans for parks in our construction portfolio.
- Indicator highlights included from project applications for parks in our development portfolio.

Making space for nature

- Hectares and data highlights included from parks in our operational portfolio.
- Hectares and milestone highlights included from the zoning plan for our Viuf & Håstrup Solar Park.
- Hectares and indicator highlights included from project applications for selected parks in our Danish development portfolio.

Sustainable procurement

- The estimated emissions from 2023 are accumulated. Going forward, we expect to estimate emissions per constructed MWp.
- In 2023, we included a binding sustainability clause in supplier contracts which includes guarantees on origin of polysilicon.
- Active participation in Solar Stewardship Initiative to drive a more responsible, transparent and sustainable solar supply chain.

People

- In 2023, we had zero work related accidents with absence among Better Energy employees.
- Our Career Model outlines three tracks in the areas of people leadership, knowledge leadership, and project management.
- Leadership training, learning and development are key focus areas in Better Energy, which is why a portfolio of courses are available for all people at Better Energy.

Additional ESG Performance

In 2023, we focused on preparing for the CSRD. By further maturing our data collection processes, we are including an ESG performance section and statement in this year's report.

Environmental

Renewable energy production

We produced 941 GWh of renewable energy in 2023 – the equivalent of providing electricity for more than 250,000 households annually in the markets where we operate. Our energy production increased by 103% compared with 2022. This was due to the grid connection of 12 renewable energy parks in 2022, with a total capacity of 534 MW, which were operational throughout 2023. We grid connected five new parks in 2023 with a total capacity of 320 MW.

In addition to providing more renewable energy, we reduced the environmental impact of the energy we delivered (CO_2e pr kWh) by 6%. This was driven by a reduction in material use per MWp installed.

Energy consumption

As we grow and add more capacity to our renewable energy production, our energy use will also increase. To reduce our own energy consumption, we began energy efficiency assessments of our operations in 2023. Overall, 80% of our energy use is from operating our renewable energy parks. The rest is from company cars and offices. In 2023, we focused on reducing energy use, starting with our parks. This enabled us to improve energy efficiency by 20% by optimising the use of our inverters during the night-time.

We have started covering our own energy consumption with additional renewable energy through PPAs from our own parks. In 2023, we covered 30% of our consumption and expect to increase this ratio in the coming years.

Greenhouse gas emissions

Producing renewable energy is our core business, but of course we must also ensure we focus on our own impact. Reducing and ultimately eliminating the greenhouse gas (GHG) emissions from our supply chain and own operations is part of our Future-Fit commitment and also covered in our Code of Conduct, which guides our actions.

Our greatest source of emissions is related to the products and components used to build our renewable energy parks. In total, this accounts for more than 95% of GHG emissions. Other relevant emissions sources to address include energy use from park operations, logistics, business travel and other services delivered. In line with our commitment to becoming Future-Fit, we are increasing the use of renewable energy in our operations (i.e. scope 1 and 2 emissions), while also reducing CO_2 per kWh.

In 2023, our scope 1 emissions increased by 69%, rising from 115 metric tonnes CO_2e in 2022 to 194 metric tonnes CO_2e. This was primarily due to increased development activities including car travel. To eliminate scope 1 emissions, we are starting to switch our car fleet to electric vehicles, beginning with our Danish operations in 2024. We will switch our car fleet in other markets as the charging infrastructure matures.

Our market based scope 2 emissions increased to 3,478 metric tonnes CO_2e in 2023, up from 2,404 metric tonnes CO_2e in 2022. This was due to our increased operations, as our operational energy consumption increases as more renewable energy parks are grid connected.

Scope 3 emissions decreased by 45% from 837,600 metric tonnes CO_2e in 2022 to 472,900 metric tonnes CO_2e in 2023. This was primarily due to a reduction in construction activities as we grid connected five parks in 2023 compared with 12 parks in 2022.

During 2023, we refined our reporting and accounting methods for relevant scope 3 emissions related to the products, components and services used for constructing our energy parks. Based on these insights, we are working to integrate environmental assessments into our decision-making process to mitigate as many environmental impacts as possible. To guide these decisions, we are also developing a target for emissions per kWh produced.

Making space for nature

With five projects grid connected in 2023, we increased the total hectares under our management from approximately 832 hectares in 2022 to approximately 1,136 hectares. In all five projects, the majority of land was previously used for conventional agriculture. This has now been converted to renewable energy parks, where the land is managed following organic principles.

As part of our commitment to making space for nature, we also increased the share of space dedicated to nature by 20% from 40 hectares in 2022 to 50 hectares in 2023.

We also further developed and integrated our approach to managing our impact on nature. We began by assessing our impact on biodiversity in our operations and conducted nature inventories in Denmark and Poland to better understand the effects our energy parks have on biodiversity.

Combined with the experiences from our Viuf and Håstrup Solar Park, we see potential for energy parks to serve multiple uses combining green energy production with making substantial space for nature, protecting groundwater reserves and delivering recreational gains. In this context, we are working towards strengthening our data, screening, management and monitoring processes.

Operational waste

Solar parks are expected to be in operation for 30-40 years. Once a solar park is operational, waste generation is minimal and primarily related to solar park maintenance. Therefore, operational waste is primarily generated at two points: the construction phase and end-of-life decommissioning.

When it comes to construction, waste generation is primarily from packaging. In 2023, approximately 96% of our operational waste was recycled. The remaining 4% was sent for incineration.

Most solar park waste materials can be recycled, and all our photovoltaic (PV) materials are handled by accredited companies to ensure proper processing.

In 2023, we developed a lifecycle assessment model for all our solar park components, with modules as a top priority. We will use this knowledge to engineer more circular solutions in collaboration with partners to find pathways towards sustainability.

We are a member of Solar Power Europe, a member-led association for the European solar PV sector and have joined a working group within Solar Power Europe focused on tackling circularity issues.

For additional information, please see Our approach and Risk management.

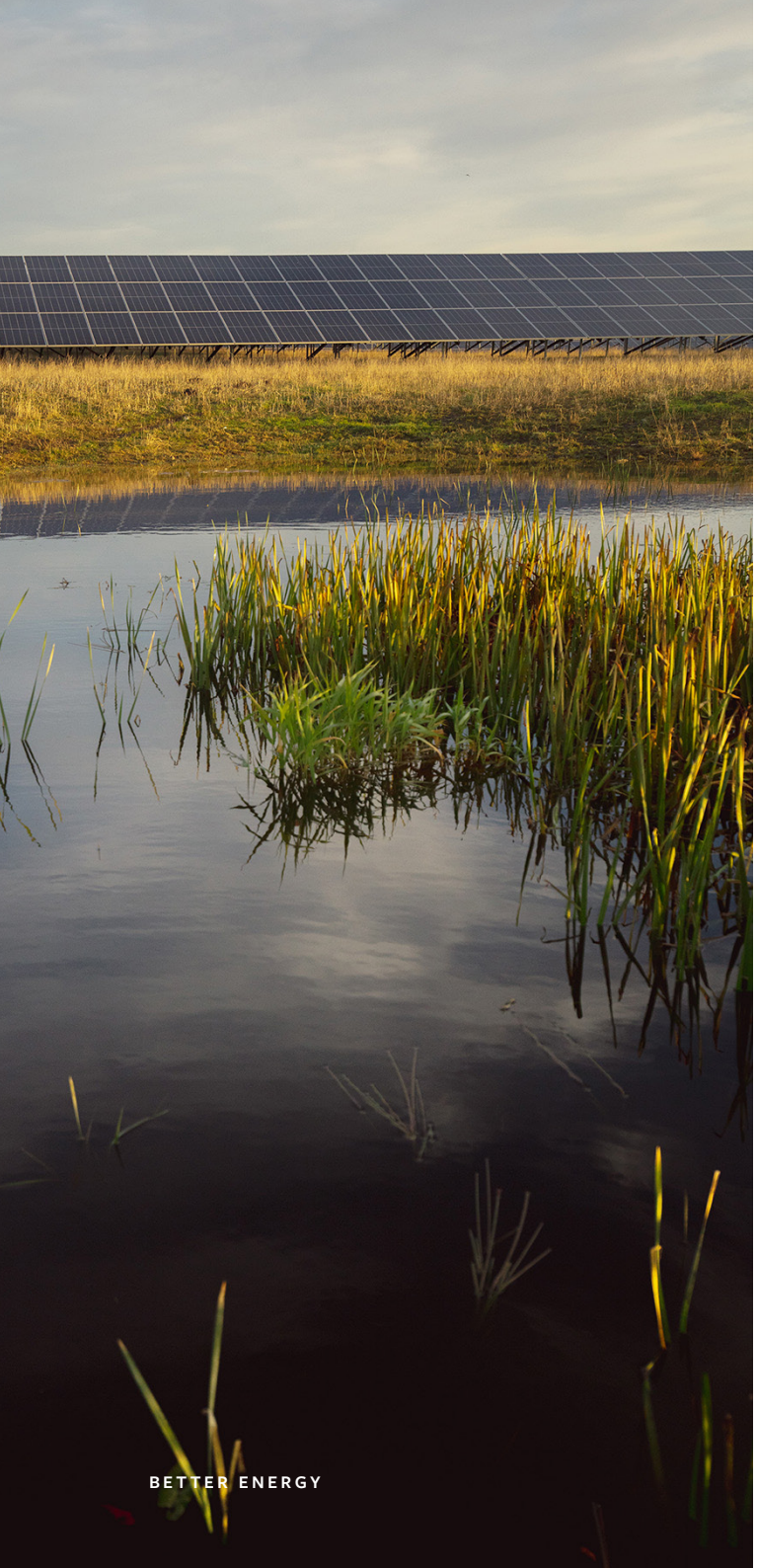
Social

Community engagement

Market maturity is an important factor in our approach to community engagement and we know that different markets require different community engagement approaches. There is no one-size-fits-all solution, but we must still ensure that best practice is applied consistently wherever we develop and operate.

Therefore, in 2023, we focused on refining the community engagement processes across our markets by strengthening our project governance model. In January 2023, we launched a formal concerns mechanism to ensure concerns can be raised anonymously by external stakeholders.

To learn more about how this works, please see the Raising concerns and Community health risk sections.



BETTER ENERGY

Safeguarding the health and wellbeing of people working at and for Better Energy

We work with a zero-injury mindset. This applies to our employees, as well as contractors working with us on site.

As in 2022, we had no work-related accidents with absence among Better Energy employees in 2023, and no work-related fatalities among people from Better Energy or our contractors.

To maintain focus on a healthy and safe work environment, we continued to improve our processes, procedures and awareness throughout the year. We will continue to do so in the coming years to ensure we are aligned across markets on the crucial importance of health, safety and wellbeing at Better Energy. We log all incidents that occur – be it at our construction sites, when commuting between sites, or at our offices – in a learning catalogue. Each entry includes the severity of the incident and a description of advised mitigating actions.

We are also developing an internal learning platform that all our employees can use to access professional development training courses. These include courses on mental wellbeing, physical health and collaborative culture, as well as specific courses related to electricity, safety and site management for onsite employees.

Paying proper wages

Offering proper wages is fundamental to fair business practice. To be sustainable, we must ensure that people working at Better Energy are paid fair compensation for their work. Based on information from the Wage Indicator Foundation, no one at Better Energy was paid below their region of residence's living wage in 2022 or 2023.

Zero tolerance for discrimination

We do not tolerate any form of discrimination, bullying or harassment at Better Energy. This is explicitly stated in our Code of Conduct and Anti-discrimination Policy for employees in Denmark, and our employee handbooks.

We already have a handbook for employees in Denmark and, in 2023, we published an employee handbook for employees in Poland. We also launched a concerns mechanism that employees can use to raise concerns anonymously in addition to our existing reporting channels. We will continue to develop and mature our internal controls and processes to ensure our zero-tolerance policy for discrimination, bullying and harassment is followed.

Statutory reporting of gender diversity (Danish Financial Statements Act section 99b)	2023	2022	Target for share of the underrepresented gender
Board of Directors			
Number of members	6	5	
Gender split (women : men)	17% : 83%	0% : 100%	28% by 2026
Upper management levels			
Number of members	3	3	
Gender split (women : men)	0% :100%	0% :100%	40% by 2026
All employees in Better Energy Group (women : men)	**39% : 61%**	**40% : 60%**	**50% by 2026**

Gender diversity

Upper management covers the Executive Board as well as their direct reports with leadership responsibility. Three of the four employees in Better Energy Holding are the three Executive Board Members, which therefore forms the upper management of Better Energy Holding. We always strive for diversity in our management throughout Better Energy Group (Better Energy Holding A/S and all its consolidated entities), which is also reflected in the targets.

In January 2023, the Board of Directors approved a policy to increase the share of the underrepresented gender in leadership. Our Code of Conduct emphasises the importance of a diverse and inclusive working environment supported by our Underrepresented Gender in Leadership Policy. The purpose of the policy is to embed diversity in our business operations, from recruitment and retention to leadership development and decision-making.

Our commitment to diversity means we actively seek and value the collective sum of individual differences, life experiences and professional expertise. This includes implementing targeted recruitment strategies and forming partnerships to bring diverse talent into our workforce, thereby enriching our culture and driving innovation.

Our target for the share of the underrepresented gender on the Board of Directors is 28% by 2026. In 2023, Adele Bugge Norman Pran joined the Board of Directors, and we expect one more woman to join the Board of Directors in 2024. Our target for the share of the underrepresented gender at upper management levels (Executive Board) is 40% by 2026.

We also have more ambitious targets than required by law. Our target for gender representation among all employees is a 50/50 split by 2026. Among all managers in Better Energy Group, the gender distribution was 37% women and 63% men in 2023 compared with 44% women and 56% men in 2022. 40% of our new joiners were women compared to 45% in 2022. The gender split among all employees was 39% women and 61% men in 2023 compared to 40% women and 60% men in 2022.

Governance

Human rights

We subscribe to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, International Labour Organisation Conventions and the UN Guiding Principles on Business and Human Rights. Our policy statement on human rights is included in our Code of Conduct. We respect and promote human rights, and we expect our suppliers to do the same.

Human and labour rights are priority issues for us, especially in project development and construction, as our installation teams work intensively in different countries for relatively short periods of time. We have dedicated site managers responsible for ensuring that procedures and protocols are diligently followed.

Through daily engagement and monitoring at the construction site, these site managers gain in-depth knowledge of worker wellbeing. If a problem arises, the site managers will handle the issue and take mitigating action. If necessary, they can escalate the issue according to established procedures. In 2023, we did not record any events that could have a negative impact on human rights. We continue to prioritise human rights and are further integrating human rights into our business.

For more information on how we manage human rights, please see the Risk management section.

Sustainable procurement

Our renewable energy parks are made of many different materials and components primarily sourced in Europe and Asia. We rely on multi-tiered supply chains, making full traceability across all levels challenging. We expect sustainable procurement to be an ongoing key area for many years to come.

In 2023, we began an engagement process with our key suppliers. We engage in three ways: direct engagement, commitment through contracts and industry initiatives.

In 2023, we conducted risk assessments of all direct spend categories and the results will inform our 2024 priorities. We also added a sustainable procurement clause into our framework agreement, which will drive our supplier to commit to our sustainability requirements.

It is worth noting that solar supply chains have been associated with the ethical challenges of conflict minerals and forced labour. For additional information on this, please see the Risk management section.

Business ethics and anti-corruption

We actively seek to anticipate, avoid and address any ethical breaches that may arise as a result of our activities. We have a zero-tolerance policy for bribery and corruption and are committed to upholding all laws regarding anti-bribery and corruption in all the jurisdictions in which we operate.

Our Code of Conduct outlines our approach to business ethics and includes an anti-corruption policy statement. We also have a separate Anti-Corruption Policy covering gifts, facilitation payments, political and charitable contributions and how to raise concerns. Together, these policies and statements outline our commitment to conduct business ethically and honestly.

All new employees receive our Code of Conduct along with their employment contracts, and business ethics is a mandatory part of our onboarding programme. In 2023, we did not identify any breaches of our Anti-Corruption Policy. However, we continue to prioritise business ethics and anti-corruption, and continually work to strengthen our internal processes and controls. For information about our concerns mechanism, see below.

Raising concerns

Our Code of Conduct and our values prescribe the behaviour expected when working at Better Energy. But written words do not guarantee that inappropriate behaviour will not occur. To further protect people at Better Energy and external parties from potential inappropriate behaviour in their dealings with us, we continually assess our procedures and processes and update them as needed.

We encourage people to speak up and go to their direct managers with feedback, suggestions and any work-related concerns or challenges they may have. If for any reason an employee does not feel comfortable discussing concerns with their direct managers, they can contact the head of our People department or the Risk & Compliance team.

We do not tolerate retaliation against an employee who raises a concern. By encouraging a speak-up culture in this way, we hope to ensure any potential inappropriate behaviour is addressed before it causes harm to our people, company or any other stakeholders or communities.

To strengthen our ethical safeguards, we launched a concerns mechanism in January 2023 that employees and external stakeholders can use to raise concerns anonymously. The launch included a company-wide meeting informing employees about the mechanism and how to use it, and emails were also sent out to ensure everybody employed was informed. The concerns mechanism is hosted by an external provider and available on our website.

As outlined in our Code of Conduct, anyone witnessing inappropriate behaviour is encouraged to report it – and all concerns raised are taken seriously. Investigations are conducted and appropriate actions are taken, including offering counselling or implementing sanctions, if needed.

Data ethics

Regarding data ethics and the Danish Financial Statements Act section §99d, Better Energy does not currently utilise the data processes relevant to this requirement, such as algorithms or artificial intelligence, as part of its core business model. However, based on recent international developments within large language models and other variations of artificial intelligence, as well as algorithmic data processing, Better Energy is working on a Data Ethics Policy to enable the utilisation of artificial intelligence and algorithms in a responsible and ethical manner.

ESG Statement

For the period 1 January - 31 December 2023

Note		2023	2022
	Environment		
1	Total amount of renewable energy produced (MWh)	940,804	462,722
1	Total amount of energy consumed (MWh)	9,184	4,988
1	Share of energy consumed from renewable sources*	30%	0%
2	Total amount of operational GHG emissions (scope 1 and scope 2 market based) (metric tonnes)	3,672	2,519
2	Total amount of scope 3 GHG emissions (metric tonnes)	472,900	837,600
2	CO_2e per kWh produced	51	54
3	Total amount of operational waste generated (metric tonnes)	1,109	1,653
3	Share of operational waste recycled	96%	92%
	Social		
4	Number of employees	455	264
5	Share of employees paid at least living wage*	100%	100%
6	Work-related accidents with absence	0	0
7	Gender diversity: management (excluding. Executive Board and Board of Directors)	37% : 63%	44% : 56%

*Future-Fit aligned

Basis of preparation

The ESG statement and accounts comprise Better Energy Holding A/S (Parent Company) and the Group entities (subsidiaries) that are controlled by the Parent Company (hereinafter referred to as the Group).

This report has been prepared with inspiration from the International Integrated Reporting Framework. This report is also prepared in compliance with the Danish Financial Statements Act sections 99a, 99b and 99d covering details on how we operate and manage risks related to sustainability topics such as, but not limited to, environment, climate, human rights, labour and social conditions, anti-corruption, gender distribution in management and data ethics.

For our statutory statement pursuant to the Danish Financial Statements Act section 99a, b, and d, refer to the following pages; Our business page 7-24, Sustainability page 38-56, Risk management page 58-62, Corporate Governance page 63-64.

This report includes our first *dedicated* ESG statement. The statement and accounts are inspired by the CSRD and consist of the most relevant and mature data points. In the coming years, we will expand the ESG statement and we expect to report in line with the CSRD already in the 2024 report. Where relevant, alignment with the Future-Fit Business Benchmark is highlighted with an asterisk (*). Note that we have deliberately decided to account for living wages, instead of adequate wages, as living wages enable employees to live more decent lives.

Basis of consolidation

Data on energy consumption and emissions cover all renewable energy parks where we have an ownership stake as well as offices under our operational control. Scope 1, 2 and 3 GHG emissions are prepared in accordance with the Greenhouse Gas Protocol.

Waste data covers renewable energy parks only, as waste from offices is assessed to be immaterial. Water consumption is also immaterial, as it is only used for personal use in the offices and drinking water for sheep in some parks.

The ESG accounts available contain standard disclosures. We value integrity in our operations as well as reporting, hence we do not apply obscure accounting methods to exclude unfavourable data. Where data is not available, we have applied industry averages or extrapolated data. This is mentioned in the respective accounting policies. For social data, we apply a headcount approach instead of only accounting for fulltime employees.

The accounting policies have been applied consistently and conservatively when preparing the ESG statement for both 2022 and 2023. The data have been consolidated consistently for all years, except 2022 waste data for Poland which is not available.

Note 1 Energy

MWh	2023	2022
Total amount of renewable energy produced	**940,804**	462,722
Total amount of energy consumed	**9,184**	**4,988**
Energy consumed from renewable sources	2,752	0
Energy consumed from non-renewable sources	6,432	4,988

Development

The total amount of energy produced increased by 103% compared with 2022. This was due to the 12 renewable energy parks grid connected during 2022, with a total capacity of 534 MW, being in operation in 2023, as well as the grid connection of five solar parks in 2023 with a total capacity of 320 MW. As a result, more energy parks were in operation. We started covering our own energy consumption with additional renewable energy through PPAs. In 2023, 30% of our consumption was from additional renewable energy.

Accounting policy

The total amount of renewable energy produced (MWh) is the sum of energy produced across our portfolio of renewable energy parks. Data are registered at production meters at the parks and include 100% of the park's production.

The total amount of energy consumed is the sum of consumed energy across our parks, offices, warehouses and cars – e.g. electricity consumption from operating our energy parks (transformers, inverters, etc.) as well as district heating and electricity used at offices and fuel consumption for company cars. Data are received from internal meters as well as from suppliers.

The share of renewable energy is the total amount of energy consumed from renewable sources divided by the total amount of energy consumed from all sources. The data for the calculation are obtained from utility suppliers. Renewable energy consumption derives from our own local PPAs in Denmark. We are working to develop a similar PPA process for other key markets.

Note 2 GHG emissions

Tonnes CO2e	2023	2022
Scope 1 emissions	194	115
Scope 2 emissions (location based)	2,338	935
Scope 2 emissions (market based)	3,378	2,404
Scope 3 emissions total	**472,900**	**837,600**
C1: Purchased goods and services	9,900	2,300
C2: Capital goods	460,200	834,000
C3: Energy related activities	200	100
C4: Transportation	1,800	600
C5: Waste generated	200	200
C6: Business travel	600	300

Development

Scope 1 emissions increased by 69% to 194 metric tonnes CO_2e in 2023, up from 115 metric tonnes CO_2e in 2022. This was primarily due to increased development activities, including car travel.

Market based scope 2 emissions increased to 3,478 metric tonnes CO_2e in 2023, up from 2,404 metric tonnes CO_2e in 2022. This was due to the increase in grid connected energy parks, which increased the energy consumption and associated emissions from our operations.

Scope 3 emissions decreased by 45% from 837,600 metric tonnes CO_2e in 2022 to 472,900 metric tonnes CO_2 in 2023, primarily due to reduced construction activities in 2023, when five parks were grid connected compared with 12 solar parks in 2022.

Accounting policy

Scope 1, 2 and 3 emissions are prepared in accordance with the Greenhouse Gas Protocol.

The total amount of operational GHG emissions is the sum of scope 1 and 2 (market based) emissions.

Scope 1 emissions (direct GHG emissions) occur from activities that are owned or controlled by Better Energy. Activities with direct GHG emissions include fuel consumption from leased company cars using petrol and diesel. Fuel consumption data are delivered for each car by the leasing company. Our emissions are calculated based on emission factors from combusting petrol or diesel from the Department for Environment, Food & Rural Affairs (DEFRA, 2021).

Scope 2 emissions account for indirect GHG emissions from the generation of purchased energy consumed by Better Energy. In 2023, Better Energy consumed electricity from operations in Denmark, Poland, Sweden, Finland and Ukraine as well as district heating in Denmark, Poland and Sweden. Data are based on invoices from our utility suppliers as well as internal consumption meters. Location-based emission factors are sourced from Energinet Miljødeklarationen (2023), the Association of Issuing Bodies (AIB) (2022), the UN Framework Convention on Climate Change (UNFCCC) and the International Financial Institution's grid emission dataset (2021). Market based emission factors are sourced from AIB and UNFCCC.

Scope 3 emissions account for all other indirect emissions from our supply chain. We report in line with the Greenhouse Gas Protocol. Some categories have been excluded due to immateriality (employee commuting, leased assets, downstream transportation) or irrelevance (processing of sold goods, use of sold products, franchises, investments). We do not yet report on end-of-life emissions, as our oldest energy parks still have an estimated lifetime of more than 20 years. When relevant, we will start including end-of-life emissions.

Category 1, Purchased Goods & Services, includes emissions from all purchased goods and services not otherwise included in the other categories of upstream scope 3 emissions. Transaction data are spend based, covering 95% of all indirect spend transactions from our ERP system. Transactions are categorised into 14 categories of goods and services, which are matched with an emission factor from EXIOBASE v. 3.3.18 (2011).

Category 2, Capital Goods, covers all products, components and services used by Better Energy, including third parties, to construct a renewable energy park. Activity data are sourced from our Procurement department and categorised into photovoltaic (PV) panels, steel, fuel consumption and other energy park components. Emission factors are sourced from third parties and developed internally in SimaPro, DEFRA (2021) and EXIOBASE v.3.3.18 (2011). The emission factor to produce a PV panel is based on data from the Ecoinvent database (version 3.6) (2019).

Category 3, Fuel- and Energy-Related Activities, covers upstream emissions related to the extraction and production of fuels for transport and energy production. Furthermore, transmission and distribution (T&D) losses from purchased energy are included. Activity data are sourced from utility suppliers and leasing companies. Emission factors are sourced from DEFRA (2021), Energinet, and the Danish Energy Agency (2022).

Category 4, Upstream Transportation, includes emissions from third-party transportation and distribution services purchased by Better Energy including inbound logistics, outbound logistics, and third-party transportation and distribution between Better Energy's facilities. Activity data are sourced from logistics suppliers. The data are checked by Better Energy, and most data are verified by third parties. Emission factors are sourced from the Danish Ministry of Transportation (2015).

Category 5, Waste Generated in Operations, includes emissions from third-party disposal and treatment of waste generated in Better Energy's owned or controlled operations. Activity data in Denmark are sourced from waste handling suppliers and divided into different waste streams. Activity data from operations in Poland are extrapolated based on the size of the renewable energy parks (MWp) constructed. Emission factors are sourced from DTU EASETECH (2014).

Category 6, Business Travel, includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties such as aircraft, trains, buses and passenger cars. Activity data are from corporate credit card transactions or our ERP system (e.g., mileage and travel expenses) in spend or kilometres. Emission factors are sourced from EXIOBASE v.3.3.18 (2011).

Note 3 Operational waste

	2023	2022
Total amount of operational waste generated (metric tonnes)	1,109	1,653
Share of operational waste recycled	96%	92%

Development
The decrease in the total amount of waste generated was due to fewer construction activities in 2023 compared to 2022.

Accounting policy
Waste generated from operations is the sum of all reported waste during the construction of assets. Waste consists primarily of packaging and materials used to construct our renewable energy parks. Data are based on weight slips and include construction waste from Danish sites. Construction waste from Polish sites is extrapolated. The share of operational waste is the fraction of the total waste from Danish construction sites that is recycled.

Note 4 People

	2023	2022
Employees	455	264

Development
The total number of employees increased by 72% compared to 2022. The growth was across all areas of the business.

Accounting policy
The total number of employees is based on a headcount of all people employed at Better Energy at year end.

Note 5 Living wage

	2023	2022
Share of employees paid living wage*	100%	100%

Development
All employees were assessed to be paid at least a living wage.

Accounting policy
Living wage is calculated using information from the Wage Indicator Foundation and covers all people, except interns, employed at Better Energy at year end. Interns are not included as some regions have legal restrictions making interns ineligible for corporate payment.

The calculation is based on geographic location and employee groups (full-time, part-time and student positions) as defined in our People department. Data on minimum living wages are also collected from the Wage Indicator Foundation. In 2021, we retrieved data for Denmark, Sweden and Poland. For 2022, we reused this data with adjustment for the average annual inflation on a regional level and purchased data for new locations. We compare employees' salary levels with Wage Indicator's minimum living wages for a standard family, defined as two adults and two children. The progress indicator is calculated as the percentage of employees paid at least the regional living wage.

Note 6 Employee health

	2023	2022
Work-related accidents with absence	0	0

Development

In 2023, as in 2022, there were no work-related accidents with absence among Better Energy employees. Two contractors got shoulder injuries, resulting in absence. Both contractors have recovered and are back working.

Accounting policy

Work-related accidents are measured as the number of accidents with absence beyond the day of the accident. Work-related accidents are registered on our Occupational Health and Safety (OHS) reporting platform, where severity is also logged.

Note 7 Gender diversity

	2023	2022
Management (excluding. Executive Board and Board of Directors) (women:men)	37%:63%	44%:56%
All employees (women:men)	39%:61%	40%:60%

Development

In 2023, 40% of our new joiners were women compared to 45% in 2022. The gender diversity at Executive Board level was 20%, with one woman out of five members. See Additional ESG performance section for information about targets and 99b.

Accounting policy

Gender diversity is calculated as the actual split between women and men across various functions.

Governance

Risk management
Corporate governance
Board of Directors
Executive Board

Risk management

At Better Energy, we are deeply committed to spearheading the transition towards a sustainable energy future. This journey is fraught with complexities arising from climate change, biodiversity degradation and the unsustainable use of finite resources. Recognising these global challenges is pivotal to our mission of moving our fossil fuel-reliant energy system to a renewable one - a system that enables regeneration and the restitution of planetary boundaries.

Better Energy's risk management processes are intended to identify, assess and manage business, financial and compliance risks and reduce their impact on Better Energy's financial performance and values. We operate in ever-changing and growing energy markets. Understanding and handling impacts and risks is critical to business growth and success. This includes being a reliable partner to our business partners, customers and the communities we operate in.

As a rapidly growing renewable energy park developer and renewable energy producer, we are exposed to a variety of risks, of which some are inherent, related to business, strategy, compliance and/or sustainability. Risks and opportunities are defined as factors that impact our ability to sustain and create short, medium and long-term value and achieve our strategic targets.

Business risks

Market dynamics and power sales

We navigate the intricacies of energy market dynamics through a combination of:

- power purchase agreements (PPAs), contracted with either baseload or pay-as-produced structures
- power market exposure (merchant risk)
- utilisation of balancing services

This combination makes us resilient to the challenges posed by the intermittent nature of renewable energy sources and potentially volatile European energy markets. Our flexibility also helps to ensure that our energy solutions remain affordable and competitive on market terms and, at the same time, ensure we manage the risk of operating in a dynamic market.

Grid access and infrastructure

Green energy can only go as far as the electricity grids can carry it. Therefore, the effective integration into existing energy grids and the development of robust and flexible distribution networks are critical. Our collaborative efforts with Distribution System Operators (DSOs), Transmission System Operators (TSOs) and regulatory bodies aim to address grid capacity challenges and advocate for regulatory improvements that facilitate timely development and grid connection of renewable energy capacity to meet increasing energy demands.

Future energy demand

We remain committed to playing an active role in accelerating and shaping the energy system of the future. However, one single company cannot drive the energy transition alone and, in its essence, our strategic regional approach to renewable energy deployment is about partnerships. Together with key stakeholders, we can bring enough value creation to facilitate the long-term planning of an entire region's energy transition, thereby ensuring that the required renewable energy production capacity is available at the right time to meet future demand for e.g., heating, data processing, automation, electrification of transport and Power-to-X.

Project risks

Project risks relate primarily to the development process from greenfield to ready-to-build renewable energy sites and include potential timeline delays in our development pipeline due to external factors, such as processes around obtaining authority permits and grid connection terms. In order to mitigate and manage project risks, Better Energy enforces a strict governance procedure, ensuring limited capital exposure in projects with inherent development risk.

New market entry risk

New market entry risk is associated with the differences in local laws, practices, customs, culture and language if Better Energy decides to enter a new market geography. There could be the potential risk of inadequate local community engagement, and/or poor relations with local regulators, municipalities, sub-contractors, etc. In addition, there could be a risk of failing to meet local requirements or conflicts between business ethics and local practices. Our analysis setup and governance procedure mitigates market entry risk.

Environmental and resource risks

Climate change and biodiversity

We acknowledge our role in mitigating climate risks and supporting biodiversity recovery. Many of the largest projects in our development portfolio have large land plots dedicated to making space for nature and recreation, and so strike a balance between renewable energy production and ecological conservation.

Resource overuse

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

Social risks and opportunities

Local permitting and community impact

The process of obtaining permits and fostering positive relationships with local communities is fundamental. Our site selection prioritises environmental and social benefits, such as biodiversity enhancement and sustainable land use. Engaging with, and securing the support of, local communities are the cornerstones of our project execution strategy.

People

We rely on attracting, developing and retaining talent to support our growth. Our rapid growth also poses a risk of cultural changes in the organisation. We mitigate these risks in various ways: To attract the right people, we offer fair and competitive benefits and use experienced recruiters to ensure a match between the role, culture and team and each candidate's professional potential. We also expand our presence in relevant locations.

It is essential that we develop our people and organisation while maintaining our culture and values. Therefore, we engage our employees through our leadership programme, online learning platform, defined way of working and individual development dialogues to enable personal and professional growth that will ultimately create value for Better Energy.

We also offer different career tracks to support continuous development, and ensure we motivate and retain our employees. requirements or conflicts between business ethics and local practices.

Health and safety risk

Health and safety risk includes potential injuries to people at Better Energy sites or offices. We mitigate these risks by enforcing strict health and safety procedures as well as providing training both on and off site. Our health and safety managers and in-house legal teams guide our actions and ensure compliance with internal procedures and policies and external standards. A health and safety plan is prepared for all projects as standard procedure. For more information on this topic see the ESG performance section.

Human rights risk in project development and construction

Human and labour rights are priority issues in project development and construction. Installation teams work intensively in different countries for relatively short periods of time, which can lead to human rights issues. Risks could include inadequate health and safety measures at the project site, a lack of training, poor wages and unclear employment terms and conditions.

Better Energy uses its own Engineering, Construction and Procurement teams in combination with suppliers and sub-contractors. We continuously monitor and reassess our risk areas to ensure mitigating actions are implemented and followed up.

Supply chain

Our dependency on photovoltaic (PV) modules, predominantly sourced from regions with potential geopolitical and logistical vulnerabilities, necessitates a strategic approach to supply chain management. We are dedicated to identifying and implementing mitigation strategies that ensure ethical practices and reduce reliance on single-source suppliers.

Risk related to conflict minerals in supply chains is another focus area. The global trade of certain minerals has funded armed conflicts, human rights abuses and environmental degradation for decades in certain politically unstable areas. These minerals are often referred to as 'conflict minerals'. To prevent the trading of these minerals, the EU adopted the Conflict Minerals Regulation. This regulation aims to help stem the trade of four minerals: tin, tantalum, tungsten and gold. The regulation requires EU companies to ensure they import these minerals and metals from responsible sources. To mitigate risks in this area, we are developing a supply chain audit programme, which will include conflict minerals.

See the Sustainability section for additional information about performance in this area.

Reputational, regulatory and legal risk

Business ethics and anti-corruption risk

We assess our exposure to business ethics and anti-corruption risks to be low. We operate in markets in Northern Europe, in countries that we consider low risk in terms of business ethics. In addition, our Code of

Conduct prescribes expected business behaviour, including guidelines on business ethics and anti-corruption. In January 2023, we launched a mechanism to raise concerns. This channel is managed by a dedicated team under strict confidentiality.

We want to learn from our practices and constantly improve. Hence, reports can be made in full anonymity and discretion by both internal and external stakeholders, and in the reporter's preferred way of communication and language. The channel is open to all conceivable issues, including whistleblowing cases, and Better Energy does its utmost to protect anyone who reports an issue from any retaliation.

IT security risk

IT security risk relates to corporate IT security and includes the risk of compromised corporate networks and systems leading to system malfunctions, a loss of data access or a loss of corporate network control. It also covers the risk of Better Energy's systems being used to gain access to external systems, thereby compromising the security and reliability of electricity supply.

IT security for renewable energy parks is handled separately as part of our preparedness framework, with emphasis on site network security. This work is aligned with our corporate network security and the risk management process.

Compliance risk

Compliance risk relates to allegations and/or documented non-compliance with international, national or local laws, regulations and standards or internal policies. It also covers risk related to failed identification, incorrect application and/or incorrect interpretation of laws and regulations.

Failure to identify or comply with rules and regulations can result in serious fines, penalties and other legal action, such as the loss of public approvals or licences, as well as reputational damages and a loss of trust from public authorities, business partners, investors, local communities and employees.

Non-compliance and lack of trust in Better Energy could ultimately lead to the loss of future business opportunities and a slowdown in our progress to becoming Future-Fit.

Reputational risk

Reputational risk relates to the threat or dangers to the good name or standing of Better Energy, other renewable energy park developers or the renewable energy sector in general, as a result of (in)actions by Better Energy and/or our employees, our business partners, our suppliers or other renewable energy market participants. Reputational threats and dangers, such as severe negative national or international media coverage, could result in public authorities, business partners, investors, local community members or existing and new employees ceasing to work with Better Energy.

Financial risk

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

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

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

Better Energy's main exposure to commodities is the price on power sales. This is managed to a large extent via power purchase agreements (PPAs) and power price hedges securing a high certainty on the value of future power sales. The counterpart risk is reduced by spreading power sales on the PPAs across multiple companies, where the majority are "blue chip" or "utility" companies in Better Energy's home markets.

Interest rate risk is reduced by utilising long-term fixed interest loans on final project financing. Both Danish mortgage loans and interest swap loans are utilised.

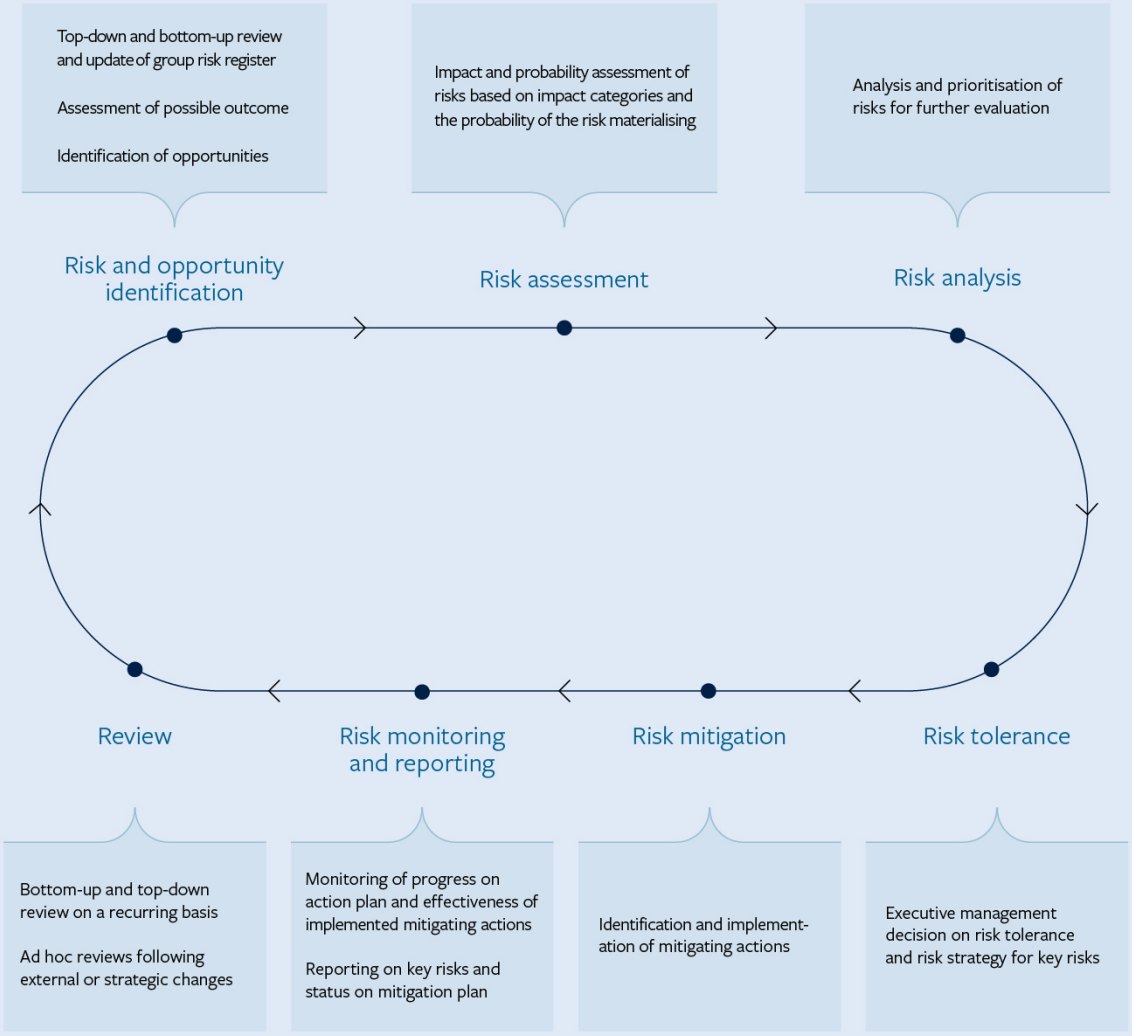
Liquidity is managed by recurring internal forecasting for future expenses, sales and financing. Access to financing on sound commercial terms is done utilising diverse funding sources. Long-term financing of existing plants is secured with fixed-term loans. Combined with the PPAs, this ensures liquidity in the operating entities.

Currency risk, as a result of certain procurements of larger items that are paid for in other currencies, are secured with currency forwards.

Interest rate fluctuations

Developing and constructing renewable energy parks is cost intensive and our cost of capital is sensitive to fluctuations. Our financial strategies are agile and are designed to adapt to changing economic conditions and minimise their impact on our project financing and long-term viability.

In general, we aim to fix interest rates or apply interest rate caps to long-term project finance, whereas short-term corporate construction finance is more exposed to variable interest rates and volatility.



Corporate governance

The corporate governance of Better Energy Holding A/S, (organisation no. 31865883), consists of the following elements: management, corporate culture, corporate policies, risk management and audits, disclosure and communications. Better Energy Holding A/S has a two-tier management structure consisting of the Board of Directors and the Executive Board.

Board of Directors

On behalf of the shareholders, the Board of Directors is responsible for the overall and strategic management of Better Energy Holding A/S and its subsidiaries (hereinafter referred to as the Better Energy Group). The Board of Directors also monitors progress related to sustainability and financial targets.

On 14 December 2023, Adele Norman Pran joined the Board of Directors. Adele Norman Pran has extensive sustainability experience. She is an advisor to Boards Impact Forum, heads sustainability committees at various companies and leads the ABG Women in Finance Foundation.

With Adele Norman Pran, the Board of Directors now includes four independent, non-executive directors, indicated as * below:

- Christian Motzfeldt, Chair*
- Michael Pollan, board member*
- Claus Wiinblad, board member*
- Adele Norman Pran, board member*
- Mikkel Dau Jacobsen, board member
- Michael Vater, board member

The Board of Directors holds ordinary meetings six times per year, or as requested by the Chief Executive Officer or a member of the Board of Directors.

During 2023, the Board of Directors established two committees, a Remuneration & Nomination Committee and an Audit & Risk Committee. Christian Motzfeldt is Chair of the Remuneration & Nomination Committee and Adele Norman Pran is Chair of the Audit & Risk Committee. The committees were established to ensure sufficient involvement of the Board of Directors in the strategy of the Better Energy Group. The committees hold no decision-making powers.

Adele Norman Pran is the first independent, non-executive woman on the Board. In 2024, another woman is expected to join the Board of Directors.

Executive Board

The Executive Board ensures that the Better Energy Group has an efficient organisational structure with effective lines of communication and reporting; that the company always has the skills and people it needs; and that clear instructions on roles and responsibilities are given to all members of the management team.

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

On 2 October 2023, the Investment and Finance functions in the Better Energy Group were merged. A new position to oversee the newly combined entity was created with the title of Chief Financial Officer.

The Executive Board consists of:

- Chief Executive Officer Rasmus Lildholdt Kjær (registered CEO)
- Chief Financial Mark Augustenborg Ødum (registered director)
- Chief Commercial Officer Thor Möger Pedersen (registered director)
- Chief Legal Officer Ho Kei Au
- Chief People Officer Birgitte Brix Bendtsen

The Chief Executive Officer is responsible for the day-to-day management of the Better Energy Group. The other members of the Executive Board manage their respective areas of responsibility.

In 2023, the following changes to the Executive Board occurred:

- Chief Financial Officer Annette Egede Nylander withdrew per 2 October 2023.
- Chief Operating Officer Kevin Wilkinson withdrew per 21 December 2023.

In 2024, the following changes to the Executive Board occurred:

- Chief Legal Officer Ho Kei Au was no longer a registered director, as of 8 February 2024.
- Chief Commercial Officer Thor Möger Pedersen became a registered director, as of 8 February 2024.

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 when necessary.

You can find the Code of Conduct on our company website

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. These policies and procedures outline the rule of conduct for the Better Energy Group 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 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

Board of Directors

CHRISTIAN MOTZFELDT

Chairman of the Board of Directors

Born in 1957, Danish
First elected: 2019
Term: 2023
Independent

Committee memberships
Remuneration & Nomination Committee (C)
Audit & Risk Committee

Executive positions
None

Non-executive positions
Danish Board of Business Development (C)
Heartcore Capital A/S (C)
Ebbefos Holding A/S (C)
Area 9 Lyceum A/S (VC)
Kompasbank A/S (M)
Triangle Energy Alliance (C)

Special competencies
Executive management experience, renewable energy sector, venture and growth investments, EU

Educational background(s)
Master of Economics, University of Manchester
Master of Economics, University of Aarhus

ADELE NORMAN PRAN

Board member

Born in 1970, Norwegian
First elected: 2023
Term: 2023
Independent

Committee memberships
Audit & Risk Committee (C)

Executive positions
Betnik AS (100 % ownership)

Non-executive positions
Argentum Asset Management AS (M)
BaneNor AS (M)
Boards Impact Forum (M)
HitecVision AS (M)
Motorgruppen AS (M)
B2Holding ASA (M)
Zalaris ASA (C)
ABG Sundal Collier ASA (M)

Special competencies
Sustainability, accounting and auditing, private equity

Educational background(s)
Master of Law, University of Oslo
Master of Accounting and Auditing, Norwegian School of Economics
Businesses courses at Harvard University

CLAUS WIINBLAD

Board member

Born in 1959, Danish
First elected: 2022
Term: 2023
Independent

Committee memberships
Remuneration & Nomination Committee
Audit & Risk Committee

Executive positions
Senior Vice President, ATP

Non-executive positions
North Sea Energy Island Partners P/S (C)
Danish Committee on Good Corporate Governance (M)

Special competencies
Experience in capital markets, listed equities and investments in companies with exposure to the green transition

Educational background(s)
Master of Economics, University of Copenhagen

Board of Directors

MICHAEL POLLAN

Board member

Born in 1978, French
First elected: 2019
Term: 2023
Independent

Committee memberships
N/A

Executive positions
Managing Partner, Renewable Energy at Omnes Capital

Non-executive positions
Ilmatar Energy Oy (C)
ILOS (M)

Special competencies
Renewable energy, private equity, executive management experience

Educational background(s)
Master of International Relations, Johns Hopkins University and University of York

MICHAEL VATER

Board member

Born in 1972, Danish
First elected: 2017
Term: 2023

Committee memberships
Remuneration & Nomination Committee

Executive positions
CEO, Vater Consult ApS
Co-owner, PMG Ejendomme ApS
Executive Development Advisor, Better Energy A/S

Non-executive positions
Migra Teknik (C)
PMG Ejendomme ApS (C)

Special competencies
Entrepreneurship, extensive experience with new and emerging markets, co-founder of Better Energy

Educational background(s)
Board Executive Programme, Copenhagen Business School
Graduate from Bjerringbro Technical School

MIKKEL DAU JACOBSEN

Board member

Born in 1973, Danish
First elected: 2017
Term: 2023

Committee memberships
None

Executive positions
CEO, Mikkel Dau Holding ApS
Executive Operations Advisor, Better Energy A/S

Non-executive positions
Better Energy A/S
Xolta A/S (M)
WineandBarrels A/S (M)

Special competencies
Engineering, technology, procurement, co-founder of Better Energy

Educational background(s)
Board Executive Programme, Copenhagen Business School
MBA, AVT Business School
Executive CBA, AVT Business School
Mechanical graduate engineer, Technical University of Denmark

Executive Board

RASMUS LILDHOLDT KJÆR

CHIEF EXECUTIVE OFFICER

Registered CEO

MARK AUGUSTENBORG ØDUM

CHIEF FINANCIAL OFFICER

Registered Director

THOR MÖGER PEDERSEN

CHIEF COMMERCIAL OFFICER

Registered Director

BIRGITTE BRIX BENDTSEN

CHIEF PEOPLE OFFICER

HO KEI AU

CHIEF LEGAL OFFICER

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Income statement

For the period 1 January - 31 December

Note	DKK '000	2023	2022
2.1	Revenue	2,501,110	2,864,171
2.3, 3.1	Direct costs	-1,492,217	-2,303,393
	Gross profit	**1,008,893**	**560,778**
7.2	Other operating expenses	-71,804	-43,220
2.4	Staff costs	-211,297	-107,506
	EBITDA	**725,792**	**410,052**
	Depreciation and amortisation	-33,002	-13,008
	Operating profit	**692,790**	**397,044**
3.2	Income from investments in joint ventures and associates	-469,637	-223,578
5.5	Financial income	72,038	17,292
5.6	Financial expenses	-116,256	-44,995
	Profit before tax	**178,935**	**145,763**
4.1	Tax on profit for the year	-46,648	-31,747
	Profit for the year	**132,287**	**114,016**
	Attributable to:		
	Shareholders of Better Energy Holding A/S	131,844	113,435
	Non-controlling interests	443	581
		132,287	**114,016**

Statement of comprehensive income

For the period 1 January - 31 December

Note	DKK '000	2023	2022
	Profit for the year	**132,287**	**114,016**
	Items that may be reclassified to income statement		
	Currency translation of foreign operations	965	-346
	Currency translation of foreign operations transferred to income statement	36	-50
	Value adjustments of cashflow hedging instruments for the year	12,802	-4,365
	Value adjustments from cashflow hedging instruments transferred to the income statement	-6,442	89
	Tax of value adjustments of cashflow hedging instruments	-8,536	26,950
	Share of other comprehensive income from joint ventures:		
	Currency translation of foreign operations	14,543	-10,543
	Value adjustments of cashflow hedging instruments for the year	44,303	-50,497
	Value adjustments from cashflow hedging instruments transferred to the income statement	-13,906	-67,728
	Tax of value adjustments of cashflow hedging instruments	449	0
	Other comprehensive income	**44,214**	**-106,490**
	Total comprehensive income for the year	**176,501**	**7,526**
	Comprehensive income for the year is attributable to:		
	Shareholders of Better Energy Holding A/S	176,060	6,983
	Non-controlling interests	441	543
	Total comprehensive income for the year	**176,501**	**7,526**

Balance sheet

Assets

Note	DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022
	Non-current assets			
	Intangible assets	**20,318**	**31,605**	**11,985**
	Property, plant and equipment	**75,334**	**51,468**	**37,096**
	Right-of-use assets	110,918	78,424	68,508
3.2	Investment in joint ventures	82,857	0	0
	Investment in associates	21,368	22,854	43,417
	Financial assets	0	10,077	10,077
5.1, 6.6	Receivables from joint ventures	1,240,860	426,153	0
4.1	Deferred tax assets	61,622	33,430	31,127
5.1	Deposits	3,826	3,886	923
5.1	Securities	624	3,830	3,989
	Total non-current assets	**1,617,727**	**661,727**	**207,122**

Note	DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022
	Current assets			
3.1	**Inventories**	**1,320,285**	**276,107**	**280,442**
6.6	Trade receivables	10,773	24,531	26,708
2.2	Contract assets	213,604	251,363	5,138
5.1, 6.6	Receivables from joint ventures	742,482	657,743	780,304
	Other receivables	80,231	59,303	34,850
	Prepayments	32,883	16,050	19,931
5.4	**Cash and cash equivalents**	**532,162**	**1,081,327**	**612,244**
	Total current assets	**2,932,420**	**2,366,424**	**1,759,617**
	TOTAL ASSETS	**4,550,147**	**3,028,151**	**1,966,739**

Balance sheet

Equity and liabilities

Note	DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022
	Equity and liabilities			
	Equity			
	Share capital	708	708	611
	Reserves	1,239,242	1,049,369	374,035
	Equity attributable to shareholders of Better Energy Holding A/S	**1,239,950**	**1,050,077**	**374,646**
	Non-controlling interests	2,619	3,696	4,836
	Total equity	**1,242,569**	**1,053,773**	**379,482**
	Non-current liabilities			
	Provisions	3,877	3,101	3,085
5.1, 5.2	Bank and mortgage debt	52,380	58,657	63,468
	Bond debt	0	0	6,350
5.1, 5.2	Debt to credit institutions	1,617,388	1,401,404	945,877
5.2	Lease liabilities	93,476	67,710	63,959
	Other non-current liabilities	5,456	5,229	5,173
3.2	Deferred income	169,956	78,334	136,158
5.1, 5.2	**Total non-current liabilities**	**1,942,533**	**1,614,435**	**1,224,070**

Note	DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022
	Current liabilities			
5.1, 5.2	Bank and mortgage debt	6,001	4,858	4,858
	Bond debt	0	6,350	0
5.1, 5.2	Debt to credit institutions	401,723	151,668	9,071
5.2	Lease liabilities	16,448	9,075	3,355
5.1, 5.2	Other bank liabilities	184,752	0	0
2.2	Contract liabilities	496,532	6,720	22,068
	Trade payables	40,418	116,175	94,249
4.1	Income taxes	67,404	1,317	47,159
	Other payables	128,192	45,965	175,026
3.2	Deferred income	23,575	17,815	7,401
	Total current liabilities	**1,365,045**	**359,943**	**363,187**
	Total liabilities	**3,307,578**	**1,974,378**	**1,587,257**
	TOTAL EQUITY AND LIABILITIES	**4,550,147**	**3,028,151**	**1,966,739**

Statement of cash flows

For the period 1 January - 31 December

Note	DKK '000	2023	2022
	Operating profit	692,790	397,044
	Non-cash adjustments to operating profit	38,670	59,333
	Depreciation, amortisation and impairment losses	33,001	13,008
7.5	Changes in working capital	-656,772	-219,186
	Cash flow from operating activities before financial income and expenses and taxes	**107,689**	**250,199**
	Financial income received	48,761	4,872
	Financial expenses paid	-148,984	-91,908
	Received dividends from associated companies	0	11,273
	Income taxes paid	-15,423	-45,542
	Cash flows from operating activities	**-7,957**	**128,894**
	Acquisition of intangible assets	-4,159	-22,627
	Acquisition of property, plant and equipment	-31,729	-17,349
	Disposal of property, plant and equipment	0	189
	Investment in joint ventures	-406,583	-387,675
	Loan to joint ventures	-756,853	-462,584
	Repayment from joint ventures	48,444	0
	Acquisition of other fixed asset investments	-1,839	-2,965
	Acquisition / disposal of securities	4,500	160
	Cash flows from investing activities	**-1,148,219**	**-892,851**
5.3	Proceeds from borrowings	608,999	597,892
5.3	Repayment of borrowings	-162,779	-9,730
5.3	Repayment of lease liabilities	-11,834	-4,748
	Capital increase	0	696,465
	Purchase of treasury shares	-4,140	-30,000
	Dividend paid to non-controlling interests	-1,518	-245
	Acquisition of non-controlling interests	0	-14,695
	Cash flows from financing activities	**428,728**	**1,234,939**
	Cash flows for the year	**-727,448**	**470,982**
	Cash and cash equivalents at 1 January	1,081,327	612,244
	Currency translation effect on cash	-6,469	-1,899
	Cash and cash equivalents at 31 December	**347,410**	**1,081,327**
	Cash	532,162	1,081,327
	Credit facilities	-184,752	0
	Cash and cash equivalents at 31 December	**347,410**	**1,081,327**

Statement of changes in equity

For the period 1 January - 31 December

	Attributable to the equity holders of Better Energy Holding A/S						
DKK '000	Share capital	Cash flow hedge reserve	Translation reserve	Retained earnings	Equity excl. non-controlling interests	Non-controlling interests	Total
Adjusted equity at 1 January 2022	611	-87	502	373,620	374,646	4,836	379,482
Profit for the year	0	0	0	113,435	113,435	581	114,016
Value adjustment of hedging instruments	0	-4,276	0	-118,225	-122,501	0	-122,501
Tax of value adjustment of hedging instruments	0	941	0	26,009	26,950	0	26,950
Exchange rate adjustments	0	0	-10,901	0	-10,901	-38	-10,939
Total comprehensive income	**0**	**-3,335**	**-10,901**	**21,219**	**6,983**	**543**	**7,526**
Purchase of treasury shares	0	0	0	-30,000	-30,000	0	-30,000
Share based payments	0	0	0	9,260	9,260	0	9,260
Tax on share based payments	0	0	0	5,980	5,980	0	5,980
Capital increase	97	0	0	696,368	696,465	0	696,465
Adjustments to non-controlling interests	0	0	0	-13,257	-13,257	-1,683	-14,940
Equity at 31 December 2022	**708**	**-3,422**	**-10,399**	**1,063,190**	**1,050,077**	**3,696**	**1,053,773**
Profit for the year	0	0	0	131,844	131,844	443	132,287
Value adjustment of hedging instruments	0	6,360	0	30,397	36,757	0	36,757
Tax of value adjustment of hedging instruments	0	-1,399	0	-6,688	-8,087	0	-8,087
Exchange rate adjustments	0	0	15,546	0	15,546	-2	15,544
Total comprehensive income	**0**	**4,961**	**15,546**	**155,553**	**176,060**	**441**	**176,501**
Purchase of treasury shares	0	0	0	-4,140	-4,140	0	-4,140
Share based payments	0	0	0	15,234	15,234	0	15,234
Tax on share based payments	0	0	0	2,719	2,719	0	2,719
Adjustments to non-controlling interests	0	0	0	0	0	-1,518	-1,518
Equity at 31 December 2023	**708**	**1,539**	**5,147**	**1,232,556**	**1,239,950**	**2,619**	**1,242,569**

Share capital

For the period 1 January - 31 December

Changes in share capital in the past five years	No. of shares	DKK
Share capital at 1 January 2019	50,000,000	500,000.00
Capital increase 18 December 2019	11,109,800	111,098.00
Capital increase 16 December 2022	9,714,580	97,145.80
Share capital at 31 December	**70,824,380**	**708,243.80**

The share capital consists of shares at DKK 0.01 (31 December 2022: DKK 0.01; 1 January 2022: DKK 0.01). The shares have not been divided into classes.

Treasury shares	No. of shares
At 1 January 2022	**802,812**
Purchase of own shares	**611,098**
Allocation of employee shares	-102,269
At 31 December 2022	**1,311,641**
Purchase of own shares	**39,814**
Allocation of employee shares	-124,638
At 31 December 2023	**1,226,817**

Accounting policy

Treasury shares that are acquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale or cancellation of treasury shares.

SECTION 1.

Basis of reporting

1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the EU and further requirements in the Danish Financial Statements Act (Årsregnskabsloven), as a reporting class C enterprise (large).

For all periods up to and including the year ending 31 December 2022, the Group prepared its financial statements in accordance with the Danish Financial Statements Act (Danish GAAP). These financial statements for the year ending 31 December 2023 are the first the Group has prepared in accordance with IFRS. Refer to note 1.6 for information on how the Group adopted IFRS.

The consolidated financial statements have been prepared on historical cost basis, except for derivative financial instruments, which are measured at market value.

The accounting policies have been applied consistently in the financial year and for comparative figures.

The consolidated financial statements are presented in Danish kroner (DKK) and all values are rounded to the nearest thousand (DKK '000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

No entity exercises control over the Parent Company.

Non-IFRS financial measures

EBITDA is presented in the consolidated financial statements to describe the Group's financial performance. The Group believes this financial measure provides valuable information to its stakeholders, but EBITDA should not be considered a replacement for the performance measures as defined under IFRS. The reported EBITDA may not be comparable to similar titled measures presented by other companies, as the definitions and calculations may be different. EBITDA is defined as 'Earnings before interest, taxes, depreciation, amortisation and impairments'and is a measure used for the Group's core operational performance.

1.2 Basis of consolidation

The consolidated financial statements comprise Better Energy Holding A/S (Parent Company) and the group entities (subsidiaries) that are controlled by the Parent Company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an entity if, and only if, the Group has:

- Power over the entity (i.e., existing rights that give it the current ability to direct the relevant activities of the entity)
- Exposure or rights to variable returns from its involvement with the entity
- The ability to use its power over the entity to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has control over an entity and carries out specific assessments of its ability to exercise influence, including its ability to influence financial and operational decisions and thus returns. Entities that satisfy the criteria for joint control are accounted for as investments in joint ventures.

Consolidation of an entity begins when the Group obtains control over the entity (e.g. at foundation) and ceases when the Group loses control of the entity. Assets, liabilities, income and expenses of an entity founded or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the entity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of entities to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Upon divestment of solar parks developed in consolidated project entities, profit or loss from the divestment is presented gross in the income statement as revenue and related costs. The carrying amount of the joint venture is reduced by eliminating profit and, if the elimination exceeds the carrying amount, the amount in excess is presented as either current or non-current deferred income.

Please see notes 1.5 and 2.1 on how the Group treats its special purpose vehicles (SPVs) upon divestment.

1.3 Foreign currency translation

A functional currency is determined for each of the reporting entities in the Group. The functional currency is the primary currency used for the reporting entity's operations. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies. The consolidated financial statements are presented in Danish kroner (DKK) which is the functional and presentation currency of the Parent Company.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement are recognised in profit or loss under financial income and financial expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into DKK at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the income statement.

1.4 Standards issued but not yet effective

The IASB has issued new or amended accounting standards and interpretations (outlined below) that have not yet become effective. Consequently, these have not been implemented in the consolidated financial statements for 2023.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 7 and IFRS - Supplier Finance Arrangements 7
- Amendments to IAS: Lack of Exchangeability

Better Energy expects to adopt the accounting standards and interpretations as they become effective.

The new or amended standards or interpretations are not expected to have a significant impact on the consolidated financial statements.

1.5 Significant accounting estimates and judgements

The use of reasonable estimates and judgements is an essential part of the preparation of the consolidated financial statements.

Given the uncertainties inherent in the Group's business activities, the Group makes a number of estimates and judgements. The estimates and judgements are based on assumptions concerning future developments, which affect the Group's application of accounting policies and the reported amounts of its assets, liabilities, revenue, costs, cash-flows and related disclosures. Actual amounts may differ from the amounts estimated, as more detailed information becomes available.

Key accounting estimates

Accounting estimates made are based on assumptions that are supported by experience, historical trends and other factors that Management assesses to be reasonable but that by nature are associated with inherent uncertainty and unpredictability.

The estimates and underlying assumptions are reviewed on an ongoing basis. If necessary, changes are recognised in the period in which the estimate is revised. Management considers the accounting estimates to be reasonable and appropriate based on currently available information.

Accounting judgements

Judgements are made when applying certain accounting policies. Management considers the accounting judgements made to be consistent and reflect the most fair and true view of the financial position and results of the Group's operations.

Reference is made to the specific notes for further information on the key accounting estimates and judgements as well as the assumptions applied.

Note		Key accounting estimates and judgements	Estimate / judgement
2.1	**Revenue recognition**	Judgement regarding identification of number of performance obligations	Judgement
2.1	**Revenue recognition**	Recognition of revenue at a point in time or over time	Judgement
2.1	**Revenue measurement**	Estimating the share of the transaction price when divesting solar parks	Estimate
2.1	**Revenue measurement**	Measurement of percentage-of-completion method	Estimate
2.1	**Income presentation**	Determining whether sale of single asset SPVs (divestments) are in scope of IFRS 15 or IFRS 10	Judgement
6.2	**Classification of Power Purchase Agreements**	The accounting treatment of Power Purchase Agreements is dependent on whether the specific contract is considered a physical contract or a financial derivative	Judgement
3.2	**Control assessment of equity investments**	Assessment of classification – i.e. whether the Group has control, significant influence or joint control	Judgement

1.6 First time adoption of IFRS

These consolidated financial statements for the year ending 31 December 2023 are the first the Group has prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU and additional requirements under the Danish Financial Statements Act for class C enterprises (large).

For periods up to and including the year ending 31 December 2022, the Group prepared its financial statements in accordance with Danish GAAP.

The Group has prepared financial statements that comply with IFRS applicable as at 31 December 2023, together with the comparative period information for the year ending 31 December 2022. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2022, which is the Group's date of transition to IFRS.

This note explains the principal adjustments made by the Group in restating its Danish GAAP financial statements, including the statement of financial position as at 1 January 2022 and the financial statements as of, and for, the year ending 31 December 2022.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following:

- The Group assessed all contracts existing at 1 January 2022 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2022.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2022. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2022. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

Estimates

The estimates at 1 January 2022 and at 31 December 2022 are consistent with those made for the same dates in accordance with Danish GAAP.

The remeasurements comprise the following:

IFRS conversion 1 – Recognition of right-of-use assets and related lease liabilities in accordance with IFRS 16

Under Danish GAAP, operating lease expenses were recognised as an expense. Under IFRS, leases are, with a few exemptions, capitalised as right-of-use assets and depreciated over the expected useful lifetime. A corresponding lease liability is recognised, and lease payments are allocated between instalments on the lease liability and interest expense.

The change resulted in recognition of a right-of-use asset at 1 January 2022 of DKK 68.5 million (31 December 2022: DKK 78.4 million) and a lease liability at 1 January 2022 of DKK 67.3 million (31 December 2022: 76.8 million). In addition, prepaid leasing fees were recognised at 1 January 2022 amounting to DKK 1.2 million (31 December 2022: DKK 0.2 million). The restatement had no impact on the opening equity at 1 January 2022.

IFRS conversion 2 – Share based payment

Under Danish GAAP, the fair value of equity instruments granted to Management and employees was not recognised as an expense. Under IFRS, the fair value of such equity instruments is recognised as a staff cost over the vesting period.

As a consequence, a pre tax expense of DKK 9.3 million was recognised in 2022. The restatement had an impact of DKK 950 thousand on the opening equity at 1 January 2022.

Reconciliation of figures most recently reported to restated comparative figures

The effects of IFRS adoption for the consolidated income statement and statement of financial position, and a reconciliation between net profit for the year according to Danish GAAP and IFRS, are presented below:

DKK '000	31 Dec 2022	1 Jan 2022
Total equity under Danish GAAP	1,047,042	378,532
Leases	-882	0
Tax on share based payments (deferred tax)	7,613	950
Total equity under IFRS	**1,053,773**	**379,482**

DKK '000	2022
Profit for the year under Danish GAAP	123,479
Leases	-886
Share based payments	-8,577
Profit for the year under IFRS	**114,016**
Exchange differences on translation of foreign operations	-10,939
Value adjustment of cash flow hedges net of tax	-95,551
Total comprehensive income	**7,526**

1.7 Accounting policies

This section describes other accounting policies that are not described in the notes.

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.

Statement of cash flows

The statement of cash flows for 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 statement of cash flows has been prepared for the Parent Company because it is included in the consolidated statement of cash flows.

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

Cash flows from operating activities are calculated as the operating profit 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.

Cash flows from financing activities comprise changes in the size or composition of the Parent Company's share capital and related costs as well as the raising of loans, 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 liability.

Financial highlights

The financial highlights include key figures and ratios for 2019-2023 (see table on page 35).

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 (%)	= Gross profit x 100 / Revenue	The Group's operating gearing
EBITDA margin (%)	= EBITDA x 100 / Revenue	The Group's profitability before depreciation and amortisation
Profit margin (%)	= Profit for the year x 100 / Revenue	The Group's operating profitability
Return on equity (%)	= Profit for the year x 100 / Average equity	The Group's return on capital invested in the Group by the owners
Solvency ratio (%)	= Equity x 100 / Total assets	The financial strength of the Group

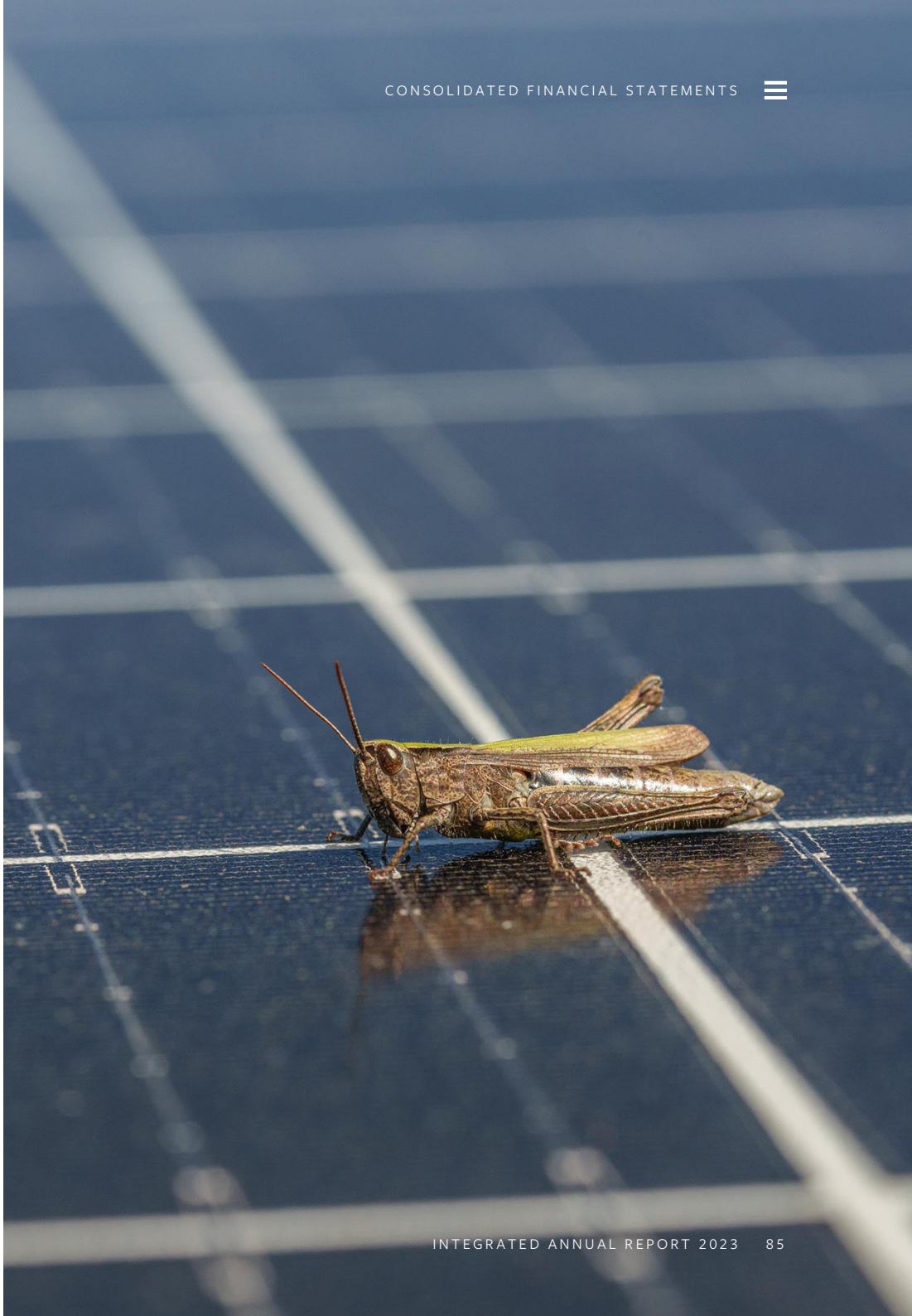
SECTION 2.

Operating activities

Better Energy generates revenue, which is recognised both over time and at a point in time. Revenue recognised over time comprises the divestment of solar parks (through SPVs) where Better Energy has entered into an engineering, procurement and construction (EPC) contract in order to finalise the construction of the solar park (i.e. work conducted until the park becomes grid connected). In general, the Group divests solar parks as turnkey projects at various stages of development and construction. Revenue from asset management services and sale of electricity is recognised at a point in time.

The above is reflected in the financial statements as follows:

Primary statement classification	Line item	Description
Income statement	Revenue	Revenue generated from divestments is presented on a gross basis prior to elimination. Since the acquirer is a joint venture, elimination should be taken into consideration (see below under liabilities).
Income statement	Income from investments in joint ventures and associates	In this line item, the elimination of the internal gains from the divestment of solar parks is presented as well as Better Energy's share of the result of the joint ventures and associates.
Assets & liabilities	Contract assets/ liabilities	This line item relates to the work in progress where the Group has an EPC-contract with one or more of its joint ventures.
Liabilities	Deferred income	Deferred income relates to the Group's divestments of solar parks to joint ventures. When the elimination mentioned above exceeds the Group's capital investment in the entity (i.e. equity), this difference is recognised within this line item.



2.1 Revenue

Revenue primarily arises from development, construction and divestment of solar parks. In addition, the Group performs asset management services and sells electricity in the market.

Revenue split by activity:

DKK '000	2023	2022
Divestment to joint ventures	2,439,889	2,817,586
Power sales from majority owned solar parks	15,021	21,689
Asset management services	46,200	24,896
Total revenue	**2,501,110**	**2,864,171**

Geographic information, based on the physical location of the project and the location of the electricity or service delivered:

DKK '000	2023	2022
Revenue in Denmark	2,039,576	1,942,646
Revenue in Poland	415,225	917,960
Revenue in Sweden	43,243	264
Revenue in other countries	3,066	3,301
Total	**2,501,110**	**2,864,171**

Information about the scale of joint venture partnerships (customers) with more than 10% of revenue:

DKK '000	2023	2022
Joint ventures:		
Better Energy Impact Group	37,159	2,831,920
Better Energy Impact II Group	1,907,737	0
Better Energy Andel Group	521,650	0
Total	**2,466,546**	**2,831,920**

Unsatisfied performance obligations are a measure for the part of contracted revenue that will be recognised in the coming periods. Below, unsatisfied performance obligations are split by activity, where performance obligations related to power sales refer to power purchase agreements (PPAs) for projects that are expected to be divested before entering into force.

DKK '000	2023	Hereof within one year	After one year
Divestment to joint ventures	5,688,974	3,505,267	2,183,707
Power sales from majority owned solar parks	185,078	8,923	176,155
Asset management services	1,083,795	43,109	1,040,686
Total	**6,957,847**	**3,557,299**	**3,400,548**

DKK '000	2022	Hereof within one year	After one year
Divestment to joint ventures	16,285	16,285	0
Power sales from majority owned solar parks	1,120,734	10,355	1,110,379
Asset management services	333,307	26,202	307,105
Total	**1,470,326**	**52,842**	**1,417,484**

Accounting policy

Divestment to joint ventures

The Group divests solar parks as turnkey projects at various stages of development and construction. Solar parks are developed in SPVs that hold all relevant permits.

To fulfil the performance obligation, the transaction as a minimum includes an agreement for the transfer of the shares in the SPV as well as an agreement for the development and construction of the solar park. All relevant agreements are evaluated to assess if they are to be treated as combined contracts when determining the performance obligations and the transaction prices.

The total contract price is then allocated on each identified performance obligation based on its relative standalone selling price.

Revenue from divestment of solar parks is recognised over time in the income statement as the Group develops and constructs an asset controlled by the customer based on an output-based measure of progress, and it is probable that the income will be received.

When a solar park developed and/or constructed by Better Energy is divested to a third party, a total of 100% of the revenue and the carrying amount of the solar park are included in the revenue and direct costs. After the divestment, if the Group holds a share in the divested company as a joint venture, a part of the gain is eliminated in income from investments in joint ventures and associates, 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 is obtained and provided that an enforceable right to payment for work performed at any time has been secured.

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

In general, 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 fixed consideration. All discounts granted are recognised in the revenue.

Power sales

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

Asset management services

Revenue from asset management is recognised over time on a straight-line basis as the service is provided.

Unsatisfied performance obligations

The unsatisfied performance obligations are the aggregate amount of the contracted value allocated to performance obligations that is partially or fully unsatisfied at the end of the reporting period. Revenue from the unsatisfied performance obligations will be recognised as and when the performance obligations are satisfied.

Key accounting estimates and judgments

Judgement is made when assessing whether income from divestments of SPVs is recognised as revenue under IFRS 15 or as net gain/loss from sale of a subsidiary under IFRS 10. Instead of focusing on the legal perspective only, where shares are sold to a third party, Management believes it gives the fairest view of the financial statements to focus on the underlying transaction where a solar power park is sold, and therefore recognised and presented as revenue, while the carrying amount prior to the sale is presented as direct costs. However, Management is aware that the accounting regulation is under development and monitors guidance from the IASB on an ongoing basis.

Judgement is performed when determining whether a contract for 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 percentage-of-completion method or at a point in time when control is transferred to the customer in its entirety. This includes an assessment of whether the project or service has an alternative use to the Group, i.e. the specific project or service can 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.

Estimates are used when assessing the final transaction price when a solar park is divested.

The measurement of contract work in progress is based on the percentage-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.

2.2 Contract assets and liabilities

The table provides information about the development in receivables, contract assets and contract liabilities from contracts with customers.

	2023			2022		
DKK '000	Receivables from contracts with customers[1)]	Contract assets	Contract liabilities	Receivables from contracts with customers[1)]	Contract assets	Contract liabilities
Balance at 1 January	370,943	251,363	6,720	538,891	5,138	22,068
Transfer from contract assets recognised at the beginning of the period to receivables	251,363	-251,363	0	5,138	-5,138	0
Revenue recognised that was included in the contract liability balance at the beginning of the period	0	0	96	0	0	-21,748
Increases as a result of changes in the measure of progress and other adjustments	0	213,604	-6,816	0	251,363	-320
Payments received, excluding amounts recognised as revenue during the period	-608,694	0	496,532	-544,029	0	6,720
Receivables invoiced, not yet paid in the period	525,820	0	0	370,943	0	0
Balance at 31 December	**539,432**	**213,604**	**496,532**	**370,943**	**251,363**	**6,720**

[1)] These amounts are included in receivables from joint ventures and associates

Accounting Policy

Contract assets and liabilities comprise agreements to construct turnkey solar parks with joint venture partners. Better Energy receives payments from customers based on milestone payments established in the contracts, which differ from the actual revenue recognition based on percentage of completion.

Contract assets relate to Better Energy's conditional right to consideration for Better Energy's completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. A right to consideration is unconditional if only the passage of time is required before the payment is due.

Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as Better Energy performs under the contract.

Contract assets and liabilities are measured at the selling price of the work performed based on the percentage of completion less progress billing and expected losses.

Costs relating to sales work and the pursuing of contracts are recognised in the income statement as incurred.

2.3 Direct costs

DKK '000	2023	2022
Cost of goods sold	955,119	1,670,809
Capitalised staff costs	84,010	53,553
Cost of services	453,088	579,031
Total direct costs	**1,492,217**	**2,303,393**

Accounting Policy

Direct costs primarily consist of the cost of divested solar parks previously recognised as inventory and staff costs incurred in order to conduct the divestments.

2.4 Staff costs

DKK '000	2023	2022
Wages and salaries	262,240	145,049
Pension and social security expenses	21,217	5,387
Other employee expenses	13,052	7,968
Share based payment expenses	15,234	9,260
Total employee costs before transfer to assets	**311,743**	**167,664**
Employee costs classified as inventory	-29,195	-25,612
Employee costs classified as direct costs	-71,251	-34,546
Total employee costs recognised in income statement	**211,297**	**107,506**
Average number of full-time employees	**348**	**186**
Total employees at end of period	**455**	**264**

Share based payments

In 2020, 2021, 2022 and 2023, employees in Denmark, including the Executive Board, participated on equal terms in an employee share programme and were allotted shares for free within a framework of up to 10% of the employee's annual remuneration. The number of shares allotted under the employee share programme in 2023 was 124,638 (2022: 102,269 shares). The estimated fair value per share at grant date was DKK 120 (2022: DKK 77). The estimated fair value is based on a discounted cashflow model based on long-term growth expectations. The employees earn the right to the free shares gradually over a period of up to eight years. If the employee leaves the Group during this period, the employee may lose the right to some or all of the shares. The shares earned are restricted until an exit event (an IPO or change in control over the Group) takes place.

Furthermore, during 2021, 2022 and 2023, certain members of the Executive Board, Board of Directors and key employees were granted share options. The share options are granted free of charge and entitle the holder to purchase one share for each share option at the exercise price. The employees earn the right to the share options gradually over a period of up to eight years for the grant that has the longest vesting period. If the employee leaves the Group during the vesting period, the employee may lose the right to some or all of the share options. The shares purchased from exercise of the options are restricted until an exit event (an IPO or change in control over the Group) takes place.

The fair value of options is determined at the grant date using the Black Scholes model using the exercise price and the following key assumptions:

	March 2022	December 2022	September 2023
Exercise price	49	77	120
Expected volatility	34.0%	33.6%	28.9%
Option life (years)	4.0	4.3	4.6
Expected dividends	0%	0%	0%
Risk-free interest rate	0.5%	2.4%	2.9%

The expected volatility is based on observed volatility for a defined peer group of listed companies within the same industry over a period equal to the duration of the share option.

Overview of share options programmes:

					Number of share options								
					2023				2022				
Programme	**Date of grant**	**Exercise date**	**Expiry date**	**Fair value**	**31 Dec 2023**	**Granted**	**Vested**	**Forfeited**	**31 Dec 2022**	**Granted**	**Vested**	**Forfeited**	**1 Jan 2022**
February 2021	1 Feb 2021	Apr 2023 - Feb 2029	Dec 2027 - Dec 2029	13.42	183,330	0	0	-305,549	488,879	0	0	0	488,879
March 2022	31 Mar 2022	Apr 2025	Apr 2027	12.29	305,545	0	0	-35,647	341,192	341,192	0	0	0
December 2022	19 Dec 2022	Apr 2026	Apr 2028	15.76	334,000	0	0	0	334,000	334,000	0	0	0
September 2023	21 Sep 2023	Apr 2027	Apr 2029	27.42	37,431	37,431	0	0	0	0	0	0	0
Total					**860,306**	**37,431**	**0**	**-341,196**	**1,164,071**	**675,192**	**0**	**0**	**488,879**

Salaries and remuneration for the Executive Board and Board of Directors

	Board of Directors		Executive Board		Total [1]	
	2023	2022	2023	2022	2023	2022
Wages and salaries	500	500	16,438	12,404	16,938	12,904
Pension and social security expenses	0	0	1,123	247	1,123	247
Termination benefits	0	0	3,897	0	3,897	0
Share based payment expenses	225	263	34	2,783	259	3,046
Total	**725**	**763**	**21,492**	**15,434**	**22,217**	**16,197**

[1] In addition to the above, in 2023 two members of the Board of Directors received remuneration of DKK 3.7 million (2022: DKK 0.5m) in other roles in Better Energy.

Outstanding share options held by the Board of Directors and Executive Board:

	Board of Directors			Executive Board		
Date of grant	**31 Dec 2023**	**31 Dec 2022**	**1 Jan 2022**	**31 Dec 2023**	**31 Dec 2022**	**1 Jan 2022**
February 2021	122,220	122,220	122,220	61,110	366,659	366,659
March 2022	0	0	0	10,185	0	0
December 2022	0	0	0	180,000	140,000	0
Total	**122,220**	**122,220**	**122,220**	**251,295**	**506,659**	**366,659**

Members of the Board of Directors directly or indirectly held 17,822,183 shares as at 31 December 2023 (31 December 2022: 17,819,401; 1 January 2022: 0) and members of the Executive Board held 19,707,732 shares as at 31 December 2023 (31 December 2022: 21,923,042; 1 January 2022: 41,510,644).

Accounting policy
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, share-based payments and other employee benefits.

The remuneration of the Executive Board is based on a fixed salary, personal benefits and share-based payment. Remuneration to members of the Board of Directors only includes remuneration for the board members' role as a member of the Board of Directors. In cases where the same person has been part of the Executive Board and Board of Directors at the same time, the member's remuneration and holding of shares is included in Executive Board.

Employee shares
The employee share programmes are deemed to be equity-settled schemes. The fair value of the share is determined at the grant date. The share value is subsequently recognised over the vesting period as staff costs based on the shares that are expected to vest. Subsequent changes in the expected numbers of shares and the actual number of shares that finally vest are recognised in the income statement on an accumulated catch-up basis in the year of the change.

Share options
The share option programmes are deemed to be equity-settled schemes. The fair value of options is determined at the grant date using the Black Scholes model. The option value is subsequently recognised over the vesting period as staff costs based on the options that are expected to vest. Subsequent changes in the expected number of options and the actual number of options that finally vest are recognised in the income statement on an accumulated catch-up basis in the year of the change. The purchase and selling prices of treasury shares on exercise are recognised directly in equity.

SECTION 3.

Investments and partnerships

Better Energy makes focused and strategic investments in additional renewable energy production capacity where the key aim is to deliver affordable energy when and where needed.

In 2023, Better Energy refined the strategic development efforts to focus on mega-scale projects in prioritised regions, where Better Energy can have an impact that matters. The approach means that Better Energy's green energy production and commitment to nature can create real and substantial change in a whole region. With larger scale, Better Energy can also bring even more value to the local communities around our energy parks with extensive focus on early and earnest community engagement. In 2023, significant resources in the development of large-scale projects that it expect to grid-connect in the coming years.

Initial investments include the process from initial land origination to when a project is divested into a joint venture partnership are categories as inventories. This includes direct and indirect development expenditure and investments in land.

Divesting to and investing in joint venture partnerships makes it possible for the Group to continuously build up a portfolio of renewable energy generation capacity to service its PPA customers whilst recycling capital to invest in developing new future capacity. Joint venture partnerships are financed with share capital and shareholder loans.

The joint venture partnerships allocate yields that are returned to the owners through shareholder loan repayments, interest and dividends. Interest and repayments on shareholder loans and dividends are limited to free cash and distributable equity and can only be transferred in the event of all covenants for the project finance in SPVs being fulfilled.

3.1 Inventories

Inventories comprise solar parks under development and construction as well as solar parks that have been developed for the purpose of realisation and with the intention of being divested to joint venture partnerships.

DKK '000	2023	2022
Raw materials and consumables	13,614	11,294
Work in progress	1,206,263	161,325
Manufactured goods and goods for resale	100,408	103,488
Inventories at 31 December	1,320,285	276,107

Raw materials and consumables used include physical items such as modules, cables, etc. located in Denmark and Poland.

Work in progress consists of solar parks under construction and includes direct and indirect development expenditure, including land purchases of DKK 954.6 million (2022: DKK 0.1 million). Manufactured goods and goods for resale consists primarily of majority owned operating solar energy parks generating revenue in the form of power sales. These parks are considered for divestment and therefore categorised as inventory and not fixed assets.

During 2023, DKK 1,454 million (2022: DKK 2,294 million) was recognised as direct costs for inventories related to divestments in joint venture partnerships. Within direct cost, a write-down was included amounting to DKK 5.4 million (2022: DKK 3.1 million).

Accounting policy
Raw materials and consumables are measured at the lower of cost using the first in, first out (FIFO) method and net realisable value.

Other inventories are recognised as specific identification and measured at the lower of cost and net realisable value.

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

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

Capitalised costs registered as inventory on discontinued projects are recognised as direct costs.

Operating solar energy parks for sale are depreciated based on an individual assessment of each park. The assessment is based on an expected lifetime of 30 years for the solar parks.

The total amount of capitalised interests in inventories during the year was DKK 32.3 million (2022: DKK 5.1 million).

3.2 Investment in joint ventures

Better Energy's equity partnership approach continued a strong track record in its two partnerships with Industriens Pension, a labour market pension scheme for industrial employees in Denmark. In the second partnership, Better Energy Impact II, with a total expected enterprise value of DKK 5.6 billion, nine projects were included in the partnership as at 31 December 2023 for a total enterprise value of DKK 3.8 billion.

In December, Better Energy entered into a new joint venture partnership with Andel for an expected 15 solar parks and an anticipated production capacity of ~2 GWp. Four of these projects, which have an expected production capacity of approximately 750 MWp, were included in 2023 in the partnership for an enterprise value of around DKK 4.3 billion.

A joint venture is considered material to the Group if it represents more than 5% of total revenue for the Group or more than 5% of total assets for the Group. Additionally, joint ventures may also be considered material to the Group based on other factors.

Explanation of the tables:
Cost additions during the year are the Group's share of equity injection in the equity partnerships. Other value adjustments consist of fair value adjustments of hedging instruments (primarily PPAs) as well as rate of exchange differences related to translation of foreign currency entities.

The carrying amount reflects the initial investment of the joint venture partnership offset by elimination of Group internal gains/losses. Subsequently, the carrying amount is adjusted for post-acquisition changes in the Group's share of net assets (i.e. the equity method).

The carrying amount of the investment in joint venture partnerships is transferred to deferred income under liabilities when the amount is negative. This occurs when the elimination of internal gains/losses and post-acquisition changes exceeds the equity injections.

DKK '000	2023	2022
Cost at 1 January	**491,681**	**104,006**
Additions during the year	406,583	387,675
Cost at 31 December	898,264	491,681
Value adjustment at 1 January	**-587,041**	**-243,985**
Share of net result for the year	9,369	40,866
Elimination of internal gain	-479,250	-261,893
Other value adjustments	48,509	-122,029
Value adjustments at 31 December	**-1,008,412**	**-587,041**
Carrying amount at 31 December	**-110,148**	**-95,360**
Carrying amount	-110,148	-95,360
Transfer to deferred income	193,005	95,360
Investments in joint ventures at 31 December	**82,857**	**0**

DKK '000	2023	2022
Carrying amount of interest in joint ventures		
The Group's share of:		
Profit/loss	-469,881	-221,027
Value adjustment of hedging instruments for the year	30,397	-118,225
Tax of value adjustment of hedging instruments	449	0
Currency translation of foreign operations	17,663	-3,804
Total comprehensive income	**-421,372**	**-343,056**
Investments in joint ventures:		
Investments in material joint ventures	82,857	0
Total investments in joint ventures	**82,857**	**0**

Joint venture partnerships

The following overview is summarised financial information for the joint venture partnerships.

The joint venture partnerships have entered into long-term physical contracts for delivery of power at a fixed price, of which the Group's share of the negative fair value is DKK 989.8 million (2022: DKK 878.6 million).

	Better Energy Impact K/S			Better Energy Impact II K/S			Better Energy Andel P/S		
DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022	31 Dec 2023	31 Dec 2022	1 Jan 2022	31 Dec 2023	31 Dec 2022	1 Jan 2022
Balance sheet									
Non-current assets	4,583,960	4,467,196	1,852,143	2,113,444	0	0	364,844	0	0
Other current assets	30,733	89,980	188,952	151,745	0	0	310,739	0	0
Cash	210,317	167,006	43,200	76,298	0	0	8,452	0	0
Non-current liabilities	-3,570,972	-3,505,436	-1,327,036	-1,564,785	0	0	-276,100	0	0
Current liabilities	-205,263	-535,634	-638,446	-524,062	0	0	-43,597	0	0
Equity	**1,048,775**	**683,112**	**118,813**	**252,640**	**0**	**0**	**364,338**	**0**	**0**
Group's share in equity	524,388	341,556	59,407	126,320	0	0	182,169	0	0
Elimination of internal gain	-439,035	-461,279	-199,386	-260,381	0	0	-241,113	0	0
Adjustment to Group GAAP (IFRS)	-2,496	-1,105	0	0	0	0	0	0	0
Other adjustments	0	25,468	0	0	0	0	0	0	0
Group's carrying amount of the investment	**82,857**	**-95,360**	**-139,979**	**-134,061**	**0**	**0**	**-58,944**	**0**	**0**

Joint venture partnerships (continued)

	Better Energy Impact K/S		Better Energy Impact II K/S	Better Energy Andel P/S
DKK '000	2023	2022	2023	2023
Comprehensive income statements (IFRS)				
Revenue	396,806	261,451	24,170	0
Direct costs	-87,385	-57,885	-10,375	0
Other external expenses	-5,409	-3,059	-2,536	-2
Depreciation	-147,964	-74,623	-12,241	0
Financial items	-116,811	-46,941	-7,448	-35
Profit/loss before tax	**39,236**	**78,944**	**-8,430**	**-37**
Income tax expense	-11,499	2,789	-532	0
Profit/loss for the year	**27,738**	**81,732**	**-8,962**	**-37**
Value adjustment of hedging instruments for the year	60,794	-236,450	0	0
Tax of value adjustment of hedging instruments	898	0	0	0
Currency translation of foreign operations	34,074	-7,609	1,253	0
Total comprehensive income for the year	**123,504**	**-162,327**	**-7,709**	**-37**
Group's share of Total comprehensive income for the year	**61,752**	**-81,163**	**-3,855**	**-19**
Elimination of internal gain	22,244	-261,893	-260,381	-241,113

Accounting policy

Investments in joint ventures are measured according to the equity method when the Group has joint control of the investment. Joint control arises from the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. To determine joint control, Management considers factors similar to those necessary to determine control over subsidiaries. The most important considerations and judgements made by Management for classification purposes are described below.

The carrying amount of the investment in joint venture partnerships is transferred to deferred income under liabilities when the amount is negative. This occurs when the elimination of internal gains/losses and post-acquisition changes exceed the equity injections.

Unrealised gains and losses on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the joint venture.

Investments in joint ventures with negative net assets are offset in the loans to the joint ventures to the extent possible, and if not, they are measured at nil. Additionally, if the Group has a legal or constructive obligation to cover the negative balance of the joint venture, the obligation is recognised as a liability.

Significant judgements

Control assessment (IFRS 10)

To have control over an entity, Better Energy must have power over the entity, exposure or rights to variable returns from involvement with the entity and the ability to use its power to affect the amount of its returns.

When assessing the control, Better Energy focuses on the actual ability to control activities rather than on the legal form. Although Better Energy is often responsible for day-to-day operations, major decisions require the partners' consent. Likewise, Better Energy and its partners do not have the right to assets and obligations for the liabilities of the arrangement, but they do have the exposure to variations in the entity's performance.

Joint arrangements (IFRS 11)

The classification of a joint arrangement depends on the parties' rights and obligations arising from the arrangement in the normal course of business. Key factors considered relate to whether the investors have the direct rights to the output (assets) and obligation as to the liabilities of the wind or solar farm. The following critical factors are included in the analysis of other facts and circumstances that could affect classification: whether co-investors are allocating their share of the output to the utility company or are only entitled to a net cashflow; and whether the solar farm relies solely on the partners for financing.

The jointly owned entities are standalone businesses with third-party customers which, along with the above, form the basis for determining that the major joint arrangements that Better Energy is part of can be classified as joint ventures.

DKK '000	2023	2022
Deferred income		
Negative net values joint venture partnerships	193,005	95,360
Other deferred income	526	789
Deferred income at 31 December	**193,531**	**96,149**
Included in the balance sheet as:		
Long-term portion of long-term liabilities	169,956	78,334
Current portion of long-term liabilities	23,575	17,815

Negative net values of joint venture partnerships are classified as deferred income. The amount is determined per joint venture and is the net of initial investment and positive total comprehensive income offset by elimination of internal gains/losses and negative total comprehensive income of the joint venture.

SECTION 4.

Tax on profit for the year

4.1 Tax on profit for the year and deferred tax

DKK '000	2023	2022
Current income tax		
Current income tax	68,005	4,472
Adjustments relating to prior years	11,201	-2,351
Total current income tax	**79,206**	**2,121**
Deferred tax		
Deferred tax	-19,221	25,809
Adjustments relating to prior years	-13,337	3,817
Total deferred tax	**-32,558**	**29,626**
Tax for the year recognised in the income statement	**46,648**	**31,747**
Effective tax rate	26%	22%
Tax on other comprehensive income		
Deferred tax on other comprehensive income	-214	0
Current tax on other comprehensive income	1,613	-941
Deferred tax on other comprehensive income from joint ventures	6,688	-26,009
Total current and deferred tax on other comprehensive income	**8,087**	**-26,950**

Tax position in the Group

Tax on profit for the year amounted to DKK 46.7 million in 2023 (2022: DKK 31.7 million). The effective tax rate for 2023 landed on 26% compared with 22% for 2022.

The deferred tax asset, net on 31 December 2023 amounted to DKK 61.6 million (31 December 2022: DKK 33.4 million; 1 January 2022: DKK 31.1 million).

The development in the deferred tax asset, net is affected by three partially offsetting main developments: the creation of a tax asset related to elimination of internal gain for accounting on the sold solar parks; the creation of the further deferred tax liabilities due to differences in the depreciation rates for accounting and tax purposes on solar parks; and an increase in the deferred tax related to work in progress.

Management considered future taxable income and estimated the amount of deferred income tax assets that should be recognised. The estimate is based on an assessment of whether sufficient taxable income will be available in the future, against which the temporary differences and unused tax losses can be utilised.

The losses on the fair-market valuation of certain hedging instruments reduced the corporate taxes payable for 2023.

In the course of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Better Energy had no open tax disputes at the end of the reporting period and hence made no provision in this respect.

DKK '000	2023	2022
Deferred tax specification		
Deferred tax start of period	**-33,430**	**-31,127**
Adjustment concerning previous years	-13,337	3,817
Deferred tax for the year recognised in the income statement	-19,221	25,809
Deferred tax for the year recognised in other comprehensive income	6,474	-26,009
Deferred tax for the year recognised in equity	-2,108	-5,920
Deferred tax end of period	**-61,622**	**-33,430**

DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022
Deferred tax is recognised as follows:			
Deferred tax assets	61,622	33,430	31,127
Deferred tax liability	0	0	0
Total recognised deferred tax in the balance sheet	**61,622**	**33,430**	**31,127**

DKK '000		2023		2022
		%		%
Effective tax				
Calculated 22% tax on profit before tax	39,366	22.0%	32,068	22.0%
Non-taxable gain on sale of shares	-10,224	-5.7%	-15,123	-10.4%
Limitation on the tax deductibility of interest expenses	9,225	5.2%	8,256	5.7%
Other non-deductible cost	10,575	5.9%	5,458	3.7%
Adjustments to taxes regarding previous years	-2,294	-1.3%	1,088	0.7%
Total - Effective tax rate	**46,648**	26.1%	**31,747**	21.7%

DKK '000	Deferred tax balances at 1 January, net	Movements	Deferred tax balances at 31 December, net	Assets	Liabilities
Development in deferred tax assets and liabilities, 2023					
Intangible assets	1,947	-682	1,265	0	1,265
Property, plant and equipment	4,189	5,626	9,815	0	9,815
Right-of-use assets/lease liabilities	-392	-479	-871	-871	0
Investments in joint ventures/associates	-27,206	-103,858	-131,064	-131,064	0
Contract work in progress	-1,018	72,428	71,410	0	71,410
Bad debt provision	-262	-656	-918	-918	0
Share based payments	-7,613	-2,895	-10,508	-10,508	0
Hedging instruments	0	214	214	214	0
Other non-current liabilities	-3,035	2,070	-965	-965	0
Tax loss carryforwards	-40	40	0	0	0
Offset				82,490	-82,490
Total	**-33,430**	**-28,192**	**-61,622**	**-61,622**	**0**
Development in deferred tax assets and liabilities, 2022					
Intangible assets	855	1,092	1,947	0	1,947
Property, plant and equipment	2,594	1,595	4,189	0	4,189
Right-of-use assets/lease liabilities		-392	-392	-392	0
Investments in joint ventures/associates	-30,970	3,764	-27,206	0	-27,206
Contract work in progress	-556	-462	-1,018	-1,018	0
Bad debt provision	0	-262	-262	-262	0
Share based payments	-950	-6,663	-7,613	-7,613	0
Other non-current liabilities	-1,827	-1,208	-3,035	-3,035	0
Tax loss carryforwards	-273	233	-40	-40	0
Offset				-21,070	21,070
Total	**-31,127**	**-2,303**	**-33,430**	**-33,430**	**0**

Accounting policy

Income tax, comprising current tax, change in deferred tax for the year and adjustments relating to prior years, is recognised in the income statement, unless it relates to items recognised either in other comprehensive income or directly in equity.

Deferred tax is measured using the balance sheet liability method and comprises all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is measured according to current tax rules and with the tax rate expected to be in force when the temporary differences reverse.

The tax value of tax losses carried forward and other deferred tax assets is recognised in the balance sheet at the expected value of their utilisation, either by elimination against future earnings or by offsetting deferred tax liabilities within the same legal tax entity and jurisdiction. In countries where taxes can be offset between companies due to joint taxation schemes, current tax liabilities and assets are settled on a net basis.

Uncertain tax positions are assessed individually and recognised if it is probable that an amount will be paid or received.

Estimated decommissioning costs are included in property, plant and equipment and recognised as a liability . Upon depreciation of property, plant and equipment a temporary difference arise as in most tax jurisdictions, the cost is not tax-deductible until it incurs.

The joint venture partnerships consist largely of tax transparent entities. The Group recognises the tax related to the activities in these entities in the line 'Tax on profit for the year' in the income statement. Tax on items in other comprehensive income related to tax transparent joint venture partnerships is recognised as part of other comprehensive income of the Group, i.e. not as share of other comprehensive income from joint ventures.

SECTION 5.

Capital structure and funding

At Better Energy, access to sufficient capital to make investments in new renewable energy, investments in joint venture partnerships and working capital to fund the development pipeline is key to the Group's ability to facilitate the green transition.

The Group's purpose is to drive and accelerate the transition to renewable energy sources. A key parameter in doing this is ensuring sufficient and timely capital at the lowest cost of capital. Lack of sufficient capital might delay or hinder the green transition as projects may not be developed time efficiently or projects may enter the construction phase with insufficient capital.

For the purpose of the Group's capital management, Better Energy operates with a set of investment decision gates and stages to manage exposure and validate investment criteria before additional exposure is taken on a specific project.

The Group's capital structure includes equity and corporate debt and project debt. Equity includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Parent Company. The primary objective of the Group's capital management is to maximise shareholder value and to ensure continued expansion of the Group's corporate debt includes interest-bearing construction and portfolio facilities, revolving credit facility and term loans. Project debt is non-recourse finance for individual or portfolios of solar energy park SPVs.

Better Energy also uses guarantee facilities to provide guarantees for i.e. grid connections, procurement of parts and components, land acquisitions and for re-establishing provisions for leased land.

Better Energy also arranges project finance debt for solar energy park SPVs for projects included in joint venture partnerships.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the planned investments and working capital needs. To maintain or adjust the capital structure, the Group continuously monitors opportunities for the right capital mix and cost of capital.

Key to managing the capital structure and capital requirements is continuous dialogue and alignment with capital partners on how to cooperate to facilitate the green transition. Our capital partners include partners on corporate equity (ATP and Omnes), corporate debt (PCP Capital, EIFO and Sydbank), joint venture partners (Industriens Pension and Andel) and project debt for majority owned projects and projects included in joint venture partnerships (AP Pension, Nykredit and Jyske Bank).

Financing policy

The aim of the Group's financing policy is to optimise the cost of capital and align capital partners with internal decision gates in investing in new green capacity whilst minimising liquidity and refinancing risks.

Key to the financing policy is to limit exposure to interest levels by introducing fixed interest levels, i.e. on project portfolio and project SPV level, through fixed-interest mortgage bonds or interest level caps.

Cash management and liquidity reserve

A Group-wide cash management setup ensures optimal allocation of cash in relation to day-to-day operations and planned investments. The Group targets a liquidity reserve to ensure adequate coverage of budgeted liquidity on a rolling 12-month forward-looking basis.

5.1 Net interest bearing debt

DKK '000	31-12-23	31-12-22	01-01-22
Bank and mortgage debt	243,133	63,515	68,326
Bond debt	0	6,350	6,350
Debt to credit institutions	2,019,111	1,553,072	954,948
Lease liabilities	109,924	76,785	67,314
Other non-current liabilities	5,456	5,229	5,173
Total interest bearing debt	**2,377,624**	**1,704,951**	**1,102,111**
Receivables from associates and joint ventures (interest-bearing part only)	1,443,910	712,953	241,137
Deposits	3,826	3,886	923
Securities	624	3,830	3,989
Cash and cash equivalents	532,162	1,081,327	612,244
Total interest bearing assets	**1,980,522**	**1,801,996**	**858,293**
Total net interest bearing debt	**397,102**	**-97,045**	**243,818**

The Group's capital management ensures that it meets financial covenants attached to the interest bearing loans and borrowings that define the capital structure requirements. In general, the Group is subject to covenant measures related to minimum cash requirements, EBITDA, net debt and net assets.

There have been no breaches of the financial covenants of any interest-bearing loans or borrowings in the current or previous period. No changes were made in the objectives, policies or processes for managing capital during 2023 and 2022.

Accounting policy

Except for derivatives, financial liabilities are, upon initial recognition, measured at fair value less directly attributable transaction costs. In general, this corresponds to the proceeds received net of transaction costs incurred. Subsequently, financial liabilities are measured at amortised cost, so the difference between the cost (proceeds) and the nominal value is recognised in profit (loss) over the lifetime of the loan.

Financial liabilities are classified as current, unless the Group has an unconditional right to defer settlement of the liability to at least one year after the balance sheet date.

			Carrying amounts in DKK'000		
Overview of bank, mortgage and credit institution debt	**Fixed/Floating rate**	**CCY**	**31 Dec 2023**	**31 Dec 2022**	**1 Jan 2022**
Construction facility	Floating	EUR	1,203,084	737,059	731,995
Revolving credit facility	Floating	DKK	184,346	0	0
Construction facility	Floating	DKK	400,060	398,492	0
Term loan	Floating	DKK	399,078	398,981	199,500
Lease liabilities	Fixed	DKK	109,924	76,785	67,314
Other loans	Fixed	DKK	76,081	82,056	91,778
			2,372,574	**1,693,373**	**1,090,587**

5.2 Liquidity risk

Liquidity risk is the risk of a shortage of funds and the consequent risk of delaying investments in new green energy or the risk that specific projects cannot be completed due to a lack of capital.

Treasury handles cash management and planning in the Group and ensures the timely ability to fulfil the Group's short-term and long-term payment obligations.

Short and long-term investment and cash requirements are analysed by the Financial Planning and Analysis team, who provide analysis on short-term and long-term financial needs, including capital needs.

Relationships and transactions with financial partners, i.e. with joint venture partners, debt partners for corporate project finance and financial institutions, are managed by the Financial Partnerships and M&A team.

The maturity analysis of financial liabilities as at 31 December, based on contractual undiscounted payments, is shown in the table:

DKK '000	Less than 1 year	1-5 years	>5 years	Total
31 December 2023				
Financial liabilities:	754,642	1,785,445	579,656	3,119,743
Lease liabilities	22,146	50,756	112,341	185,243
Trade payables	40,418			40,418
Other payables including derivatives	128,192		5,456	133,648
Total financial liabilities	**945,398**	**1,836,201**	**697,453**	**3,479,052**
31 December 2022				
Financial liabilities:	251,584	1,324,391	629,109	**2,205,084**
Lease liabilities	12,680	32,276	79,449	**124,405**
Trade payables	116,175	0	0	**116,175**
Other payables including derivatives	45,965	0	5,229	**51,194**
Bond debt	6,350	0	0	**6,350**
Total financial liabilities	**432,754**	**1,356,667**	**713,787**	**2,503,208**
1 January 2022				
Financial liabilities:	73,478	1,009,796	362,341	**1,445,615**
Lease liabilities	6,860	23,842	94,079	**124,781**
Trade payables	94,249	0	0	**94,249**
Other payables including derivatives	175,026	0	5,173	**180,199**
Bond debt	0	6,350	0	**6,350**
Total financial liabilities	**349,613**	**1,039,988**	**461,593**	**1,851,194**

Accounting policy

The maturity analysis is based on undiscounted cash flows which include estimated interest payments.

5.3 Changes in liabilities arising from financing activities

The column 'Other' includes the effect of accrued but not yet paid interest on interest bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cashflows from operating activities and, in the balance sheet, accrued interest is presented together with the debt instrument.

DKK '000	1 Jan 2023	Cash flows	Foreign exchange movements	New leases/disposal	Other	31 Dec 2023
Bank and mortgage debt	63,515	179,728			-109	243,133
Bond debt	6,350	-6,350				0
Debt to credit institutions	1,553,072	457,595	2,019		6,425	2,019,111
Lease liabilities	76,785	-11,834	499	44,474		109,924
Other liabilities	5,229				227	5,456
Total liabilities from financing activities	**1,704,951**	**619,139**	**2,518**	**44,474**	**6,542**	**2,377,624**

DKK '000	1 Jan 2022	Cash flows	Foreign exchange movements	New leases/disposal	Other	31 Dec 2022
Bank and mortgage debt	68,326	-4,898			87	63,515
Bond debt	6,350					6,350
Debt to credit institutions	954,948	593,060	-381		5,445	1,553,072
Lease liabilities	67,314	-4,748	590	13,629		76,785
Other liabilities	5,173				56	5,229
Total liabilities from financing activities	**1,102,111**	**583,414**	**209**	**13,629**	**5,588**	**1,704,951**

5.4 Cash and cash equivalents

DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022
Free cash	481,307	965,534	122,182
Cash only available for use on specific projects	67	91,387	423,292
Cash on accounts with special termination terms	50,787	24,406	66,770
Cash and cash equivalents at 31 December	**532,162**	**1,081,327**	**612,244**

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.

5.5 Financial income

DKK '000	2023	2022
Other financial income	4,263	763
Hedging instruments recirculated from OCI	587	89
Joint ventures	44,943	14,600
Exchange rate gains	22,245	1,840
Total financial income	**72,038**	**17,292**

Accounting policy

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

5.6 Financial expenses

DKK '000	2023	2022
Interest expenses	154,668	89,130
Interest transferred to direct cost -7.8% (2022: 8.3%)	-22,206	-26,477
Interest transferred to inventory -7.8% (2022: 8.3%)	-34,460	-31,915
Joint ventures	745	5,826
Value adjustments of financial assets	5,577	15
Discounting long-term provisions	15	15
Lease	1,413	387
Exchange rate losses	6,581	8,014
Other financial expenses	3,923	0
Total financial expenses	**116,256**	**44,995**

Accounting policy

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

SECTION 6.

Financial risk management

6.1 Financial risk management

Better Energy is exposed to and manages several financial risks due to its development, constructing, operating and financing activities.
The overall goal of its risk management is to:

- Protect the overall financial value of the Group and financial partners
- Monitor risk exposure in the development, construction and operation phases
- Maintain financial covenants in financial engagement
- Ensure investment criteria of individual and portfolios of renewable energy projects are met
- Ensure financial goals are balanced with the goals of regenerating nature and community engagement

Financial risk management is carried out following the applicable financial risk management policy. The general principle of the policy is that all significant risks are mitigated, and speculation of risks is prohibited.

The financial risks described in this chapter are:

- Power price risk
- Currency risk
- Interest rate risk
- Commodity/component risks
- Credit risk

Accounting policy
The Group applies hedge accounting to its currency and interest rate hedges, which means that effective changes in the fair value are recognised in other comprehensive income and presented in the cashflow hedge reserve in equity. Since hedge accounting is applied in joint venture partnerships, unrealised fair value movements are presented in the Group's cashflow hedge reserve in OCI and equity.

6.2 Power price risk

Fixed price power purchase agreements
The purpose of the fixed price power purchase agreements (PPAs) is to reduce the Group's risk from the generation and sale of energy.

The Group's strategy is to contract two thirds of expected power generation over a period of up to 10 years through PPAs to reduce price risk from generation and sale of energy. PPA agreements can be paid as produced or baseload contracts. The Group's strategy is to aim for a balanced price risk portfolio on a Group level and for each joint venture partnership.

Except for physical PPAs in the Group with a total volume of 58 GWh with a duration of 10 years, all physical and financial PPAs are held by joint venture partnerships.

Significant judgement
The accounting treatment of 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 gross cashflows. This will often involve a balancing party on the electricity market, as the producer cannot deliver electricity directly to the off-taker without having access to the market.

If there is no clear link between actual production and actual offtake, the contracts are considered non-physical and thereby financial derivatives.

Accounting policy
Physical contracts in the Group are classified as executory contracts and are considered off-balance sheet items.

Financial PPAs in joint ventures are recognised in the balance sheet and measured at fair value. At initial recognition, fair value is equal to the transaction price. Changes in fair value are recognised in profit or loss under financial items.

When the conditions for hedge accounting are met, the effective portion of the change in the fair value of the financial derivative is recognised as a cashflow hedge in equity through other comprehensive income and reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Estimation of fair value of PPAs in joint ventures
PPAs are typically long-term contracts with a duration of up to 10 years. 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 rates.

6.3 Currency risks

Currency hedging principles
Currency risks refer to the risks of losses resulting from changes in currency rates. The currency exposure of the Group is primarily related to development of parks where solar panels are acquired in a currency (typically USD) other than the Group entities' functional currencies. The Group is also, to a minor degree, exposed to currency risks regarding a mismatch between the funding and CAPEX currency.

The Group is predominantly exposed to currencies such as USD, SEK and PLN.

According to the risk management strategy, the overall goal is to eliminate a potential negative impact from currency fluctuations. The exposures are identified and measured on a continuous basis and mitigated in relation to thresholds defined in the risk management policy.

In order to mitigate the risk, Group Treasury enters into short-term FX derivatives (typically up to six months duration). At the end of 2023, the Group held eight FX forwards (USD/DKK) with a notional amount of USD 21 million (end of 2022: 3 FX forwards with a notional amount of USD 20 million).

Foreign exchange differences relating to investments in foreign operations are reported as translation differences in the Group's net other comprehensive income until the disposal of the net investment, at which time exchange differences are recycled through the income statement.

Sensitivities to currencies
A reasonably possible change in FX rates would have an immaterial impact on the Group's consolidated income statement and equity as at 31 December 2023 and 2022.

Methods and assumptions regarding sensitivity analyses
The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity analyses in the following sections relate to recognised financial assets and financial liabilities held at 31 December 2023 and 31 December 2022, including the effect of hedge accounting.
- The sensitivity calculation is based on a hypothetical change in foreign exchange rates.
- The sensitivities are based on Management's estimate of reasonably possible changes in foreign exchange rates.

6.4 Interest rate risks

Interest rate hedging principles
Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long-term debt with floating interest rates and cash and cash equivalents. In connection with the funding of the development and construction phases in the SPVs, it is only possible to obtain floating rate debt. Once the solar parks become operational, it is possible to obtain fixed-rate mortgage debt.

Interest rate exposures are identified and measured on a continuous basis and mitigated according to the thresholds set in the financial risk management policy.

Sensitivity analysis
Based on the above, a reasonably possible change of 275 basis points would impact the consolidated income statement and equity negatively with approximately DKK 44 million (2022: DKK 2 million given a 100 basis-point change).

Assumptions applied

- The sensitivity is based on recognised financial assets and liabilities as at 31 December.
- Future repayments, issuances etc. have not been considered.
- All hedging relationships are assumed to be 100% effective.
- The sensitivity analyses are considered to be reasonably possible based on the current market situation and expectations to market development.
- The sensitivities are based on Management's estimate of reasonably possible changes in interest rates.

6.5 Commodity risks

When developing a solar park, the Group is exposed to the price development of various commodities. The exposure arises when procuring key components, such as modules. To eliminate the risk of adverse fluctuations in component pricing, the Group generally procures all key components via fixed-price contracts. However, commodity prices could fluctuate between initiating a project and acquiring modules (i.e. entering into a purchase contract), which could have an adverse effect of the overall budgeted profitability of the energy park.

Based on the above, no sensitivity analysis is disclosed.

6.6 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards the Group, leading to a financial loss. Credit risk is primarily related to receivables from joint ventures (shareholder loans), trade and other receivables, contract assets and cash held at financial institutions.

The Group's credit exposure is mainly concentrated on counterparties in Denmark, Sweden and Poland.

The maximum exposure to credit risk of the Group's recognised financial receivables at the end of the reporting period equals the carrying amounts as presented in the statement of financial position.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. However, Management also considers the default risk associated with the industry and country in which the counterparty operates.

The Group considers its credit risks to be low, both in regard to its customers and to the development of renewable energy projects. There are two major groups of customers:

- Entities, such as pension or investment funds, that typically own 50% of the joint venture where most of the solar parks are sold to. The usual structure of such transactions further mitigates the credit risk related to project sales, as assets are only transferred against the payment of the relevant purchase price on closing. No formal credit rating of customers is made.
- Off-takers of the electricity produced by the Group's solar projects and buyers acquiring such projects from the Group.

All customers are screened to ensure bankability in the projects.

The Group does not require collateral in respect of trade and other receivables. In regard to credit risks associated with project development, projects are generally not carried out unless project financing is in place.

The Group did not suffer losses from any single major counterparty in 2023 or 2022

6.7 Financial instruments by category

DKK '000	31 Dec 2023	31 Dec 2022	1 Jan 2022
Other equity interests	0	10,077	10,077
Securities	624	3,830	3,989
Financial assets measured at FVTPL	**624**	**13,907**	**14,066**
Derivatives (cash flow hedges)	1,973	2,642	0
Financial assets measured at FVTOCI	**1,973**	**2,642**	**0**
Receivables from joint ventures	1,983,342	1,083,896	780,304
Trade receivables	10,773	24,531	26,708
Other receivables	78,258	56,661	34,850
Deposits	3,826	3,886	923
Cash and cash equivalents	532,162	1,081,327	612,244
Financial assets measured at amortised cost	**2,608,361**	**2,250,301**	**1,455,029**
Derivatives (cash flow hedges)	0	7,029	111
Financial liabilities measured at FVTOCI	**0**	**7,029**	**111**
Bank and mortgage debt	58,381	63,515	68,326
Bond debt	0	6,350	6,350
Debt to credit institutions	2,019,111	1,553,072	954,948
Lease liabilities	109,924	76,785	67,314
Other payables	133,648	44,165	180,088
Trade payables	40,418	116,175	94,249
Financial liabilities measured at amortised cost	**2,361,482**	**1,860,062**	**1,371,275**
Amortised cost of long term debt	2,077,492	1,616,587	1,023,274
Fair value	2,329,571	1,786,881	1,089,670
Amortised cost of shareholder loans to joint ventures	1,443,910	712,953	241,137
Fair value	1,173,284	724,358	212,585

Fair value of long-term debt and receivables is calculated by using discounted cashflow models. The input is based on contractual cashflows, including estimated interest payments. Non-observable market data primarily consists of credit spreads. The fair value measurements are classified as level 3 within the fair value hierarchy.

For the remaining financial instruments measured at amortised cost, the carrying amount is a reasonable approximation of fair value due to the short-term nature of the instruments.

Accounting policy

Financial assets

At initial recognition, financial assets are measured at fair value and subsequently measured at either amortised cost, fair value through profit or loss, or at fair value through other comprehensive income (hedging instruments).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. The Group's financial assets measured at amortised cost using the effective interest rate method include cash and cash equivalents, trade receivables and contract assets, loans to joint ventures and other receivables.

Other investments are measured at fair value with value adjustments recognised in profit or loss. Other investments comprise non-controlling interests.

Financial liabilities

At initial recognition, financial liabilities are measured at fair value minus directly attributable transactions costs and subsequently measured at amortised cost, fair value through profit or loss, or at fair value through other comprehensive income (hedging instruments).

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process. Amortised cost is stated by taking into account any discount or premium on acquisition and fees or costs integral to the EIR. EIR amortisation is recognised as finance costs in the income statement.

SECTION 7.

Other disclosures

7.1 Related-party transactions

Related parties to Better Energy include subsidiaries, joint ventures and associates in which Better Energy Holding A/S has control, joint control or significant influence. In addition, key management personnel, defined as members of the Board of Directors and the Executive Board of Better Energy Holding A/S, and their close family members and any entities where they have control, joint control or significant influence (in below table referred to as Management) are also defined as related parties to Better Energy Holding A/S.

Transactions with related parties are shown below, whereas remuneration to the Board of Directors and Executive Board is disclosed in note 2.4.

Related-party transactions (DKK '000)	2023	2022
Divestment of solar parks to joint ventures	2,434,202	2,817,702
Asset management, income from joint ventures	32,344	14,218
Asset management, income from associates	1,181	1,477
Asset management, income from management	472	468
Interest and dividend, income from joint ventures	44,943	14,600
Interest expenses to joint ventures	-745	-5,826

Better Energy Holding A/S shares

In 2023, no shares were sold or repurchased from related parties. In 2022, Better Energy Holding A/S bought Better Energy Holding A/S shares for a purchase price of DKK 30 million from Mikkel Dau Holding Aps, a wholly owned company of Mikkel Dau Jacobsen (Chief Technology Officer and board member).

	31 Dec 2023		
DKK '000	Joint ventures	Associates	Management
Receivables from related parties			
Loans	1,443,910	0	0
Trade receivables	536,913	2,518	71
Total receivables from related parties	**1,980,823**	**2,518**	**71**

	31 Dec 2022		
DKK '000	Joint ventures	Associates	Management
Receivables from related parties			
Loans	712,953	0	0
Trade receivables	369,714	1,229	148
Total receivables from related parties	**1,082,667**	**1,229**	**148**

	1 Jan 2022		
DKK '000	Joint ventures	Associates	Management
Receivables from related parties			
Loans	241,137	0	0
Trade receivables	537,447	1,721	71
Total receivables from related parties	**778,583**	**1,721**	**71**

7.2 Fee to auditors appointed at the general meeting

DKK '000	2023	2022
Statutory audit	1,670	905
Other assurance engagements	0	9
Tax and VAT assistance	1,073	686
Other services	8,747	1,436
Total fees to auditor	**11,490**	**3,036**

7.3 Contingent liabilities

Contingent liabilities

The Group has engaged in conditional agreements regarding purchase of land and neighbour compensations (Danish renewable energy legislation) for a total of DKK 191.6 million, as well as additional payments subject to meeting certain criteria regarding the purchase price of land for a total of DKK 46.9 million. Furthermore, the Group is exposed to pay compensation to previous landowners in the case of wind turbines being installed or properties located within 200 meters of a Better Energy solar park being bought if claimed through the assessment authorities.

The Group has provided certain limited guarantees to a joint venture partner relating to the repayment of loans granted to two joint venture companies.

Commitments

The Group has, in its capacity as an EPC contractor, issued guarantees to the developing companies of solar parks (typically SPVs) that cover technical, legal and financial conditions related to the delivered solar parks. The guarantees primarily expire 2-5 years from acceptance/handover of the projects. The EPC guarantees are mainly covered back-to-back by manufacturers' guarantees regarding the main components except for components manufactured by the Group.

Furthermore, the EPC agreements specify specific warranties in relation to modules and inverters that are transferred to the owner and, therefore, in its capacity as EPC contractor, the Group does not provide a separate product guarantee for modules and inverters. In addition, the Group has provided warranties to the purchasers of solar parks from the Group. All such divestments have been structured as sale of shares. The warranties mainly cover legal aspects of the projects and expire 2-5 years from the sale of shares in a project company holding rights to a solar project.

The Group's banks and financial partners have issued guarantees of DKK 171.5 million to the Danish authorities and PLN 16.1 million to the Polish authorities for future construction.

The Group has provided VAT guarantees totalling DKK 93.4 million concerning possible VAT payments related to land purchases.

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 2023.

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

7.4 List of companies

A comprehensive list of companies is available in the Parent Company financial statements, note 17.

7.5 Changes in net working capital

DKK '000	31 Dec 2023	31 Dec 2022
Change in inventories	-1,014,087	-13,697
Change in receivables	-133,212	-98,410
Change in payables	490,527	-107,079
Change in net working capital	**-656,772**	**-219,186**

Accounting policy
Working capital is defined as current assets less current liabilities and measures the net liquid assets the Group has available for the business.

Change in inventories comprise purchase of land for a total of DKK 954.6 million in 2023 (2022: 0.1 million).

7.6 Assets charged and collateral

Debt to credit institutions of DKK 1,203.1 million (31 Dec 2022: 732.8 million; 1 Jan 2022: DKK 283.1 million) is secured by capital interest in subsidiaries with net assets of DKK 450.1 million (2022: 284.6 million; 1 Jan 2022: DKK 0 million). Subsidiaries formed with the intention of developing and building solar parks are single asset entities. Hence, the security provided to the banks is in fact solar parks under construction and solar parks in production but not yet divested.

Bank debt is secured by certain items of equipment and by way of a deposited mortgage deed on properties. The carrying number of mortgaged properties is DKK 21.7 million (31 Dec 2022: 21.5 million; 1 Jan 2022: DKK 25.7 million).

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

The debt outstanding amounted to DKK 9.7 million as at 31 December 2023 (31 December 2022: DKK 10.2 million; 1 January 2022: DKK 10.7 million).

Cash totalling DKK 50.9 million (31 Dec 2022: 28.0 million; 1 Jan 2022: 406.7 million) is placed as collateral for banking facilities.

7.7 Events after the reporting period

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the annual report.

Parent Company financial statements

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Parent Company financial statements

Income statement

For the period 1 January - 31 December

Note	DKK '000	2023	2022
	Revenue	11,030	3,791
	Other external expenses	-2,977	-1,976
	Gross profit	**8,053**	**1,815**
2	Staff costs	-16,811	-6,390
	EBITDA	**-8,758**	**-4,575**
	Operating profit	**-8,758**	**-4,575**
	Income from investments in subsidiaries	110,688	124,083
3	Financial income	176,396	24,419
4	Financial expenses	-118,942	-21,429
	Profit before tax	**159,384**	**122,498**
5	Tax on profit for the year	-11,022	400
6	**Profit for the year**	**148,362**	**122,898**

Balance sheet
Assets

At 31 December

Note	DKK '000	2023	2022
	Investments in subsidiaries	441,690	284,630
7	**Fixed asset investments**	**441,690**	**284,630**
	Fixed assets	**441,690**	**284,630**
	Receivables from group enterprises	2,120,337	1,372,197
	Joint taxation assets	69,983	13,041
8	Deferred tax assets	361	2,023
	Other receivables	193	28
	Receivables	**2,190,874**	**1,387,289**
9	**Cash**	**279,416**	**638,524**
	Current assets	**2,470,290**	**2,025,813**
	Assets	**2,911,980**	**2,310,443**

Balance sheet
Equity and liabilities

At 31 December

Note	DKK '000	2023	2022
10	Share capital	708	708
	Reserve for net revaluation according to the equity method	293,383	152,002
	Retained earnings	937,684	890,636
	Equity	**1,231,775**	**1,043,346**
	Debt to credit institutions	1,203,144	986,080
11	**Long-term liabilities other than provisions**	**1,203,144**	**986,080**
11	Bond debt	0	6,350
11	Debt to credit institutions	400,000	150,000
	Trade payables	1,274	702
	Payables to group enterprises	149	110,528
	Income taxes	66,221	347
	Joint taxation liability	2,265	11,702
12	Other payables	7,152	1,388
	Short-term liabilities other than provisions	**477,061**	**281,017**
	Liabilities other than provisions	**1,680,205**	**1,267,097**
	Equity and liabilities	**2,911,980**	**2,310,443**

13	Contingent liabilities
14	Assets charged and collateral
15	Related parties
16	Events after the reporting period
17	List of companies

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 2022	611	145,681	227,404	373,696
Profit for the year	0	124,083	-1,185	122,898
Capital increase	97	0	696,368	696,465
Value adjustments of hedging instruments	0	-122,501	0	-122,501
Tax of value adjustments of hedging instruments	0	26,950	0	26,950
Purchase of own shares	0	0	-30,000	-30,000
Sale of own shares	0	0	7,272	7,272
Other adjustments	0	-11,306	-9,223	-20,529
Exchange adjustments	0	-10,905	0	-10,905
Equity at 31 December 2022	**708**	**152,002**	**890,636**	**1,043,346**
2023				
Profit for the year	0	110,688	37,674	148,362
Value adjustments of hedging instruments	0	36,757	0	36,757
Tax of value adjustments of hedging instruments	0	-8,087	0	-8,087
Purchase of own shares	0	0	-4,140	-4,140
Sale of own shares	0	0	13,514	13,514
Other adjustments	0	-13,514	0	-13,514
Exchange adjustments	0	15,537	0	15,537
Equity at 31 December 2023	**708**	**293,383**	**937,684**	**1,231,775**

During the year, a total of 124,638 treasury shares (2022: 102,269) were allotted to employees as part of a share programme and a total of 39,814 shares (2022: 611,098) were acquired. The total portfolio of treasury shares consisted of 1,226,817 shares at 31 December 2023 (2022: 1,311,641), corresponding to 1.7% (2022: 1.9%) of the share capital.

Accounting policy

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

Notes to Parent Company financial statements

Note 1. Basis of preparation

The financial statements of Better Energy Holding A/S (Parent Company) have been prepared in accordance with the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies of the Parent Company remain unchanged compared to last year.

With reference to section 86(4) of the Danish Financial Statements Act, no statement of cash flows has been prepared because the Parent company's cash flow is included in the consolidated statement of cash flows.

The consolidated financial statements are presented in Danish kroner (DKK) and all values are rounded to the nearest thousand (DKK'000), except when otherwise indicated.

The Parent Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

No entity exercises control over the Parent Company.

Note 2. Staff costs

	2023	2022
Average number of employees	**4**	**3**

Remuneration of management

DKK '000	2023	2022
Total remuneration for Board of Directors	725	763
Total remuneration for registered directors	11,565	6,625

Remuneration to the Board of Directors and registered directors includes the value of share based payments. Further information on the share based payments scheme is elaborated on in note 2.4 in the consolidated financial statements.

Note 3. Financial income

DKK '000	2023	2022
Interests received from group enterprises	171,454	5,281
Other financial income	1,938	217
Exchange rate gains	3,004	18,921
Total financial income	**176,396**	**24,419**

Accounting policy

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

Note 4. Financial expenses

DKK '000	2023	2022
Other financial expenses	118,291	1,709
Exchange rate losses	651	19,720
Total financial expenses	**118,942**	**21,429**

Accounting policy

Financial expenses comprise interest expenses and exchange rate 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	2023	2022
Current tax for the year	9,360	742
Deferred tax for the year	1,662	-1,087
Adjustment of tax concerning previous years	0	-55
Total tax on profit for the year	**11,022**	**-400**

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 Parent 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 for the year

DKK '000	2023	2022
Transfer to reserve for net revaluation according to the equity method	110,688	124,083
Retained earnings	37,674	-1,185
Profit for the year	**148,362**	**122,898**

Note 7. Fixed asset investments

(Subsidiaries)

DKK '000	Subsidiaries
Cost at 1 January 2023	126,719
Additions for the year	549
Cost at 31 December 2023	**127,268**
Net revaluation at 1 January 2023	157,911
Net share of profit for the year	110,688
Value adjustments of hedging instruments	28,671
Other adjustments	1,615
Exchange adjustments	15,537
Net revaluation at 31 December 2023	**314,422**
Carrying amount at 31 December 2023	**441,690**
Carrying amount of goodwill recognised	**0**

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 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.

A full comprehensive list of companies is available in note 17 – List of Companies.

Note 8. Deferred tax

DKK '000	2023	2022
Deferred tax is incumbent on the following financial statement items:		
Long-term liabilities other than provisions	-361	-2,023
Deferred tax at 31 December	**-361**	**-2,023**
Net value is recognised in the balance sheet as follows:		
Deferred tax assets	361	2,023
Deferred tax at 31 December	**361**	**2,023**
Deferred tax at 1 January	-2,023	-936
Recognised in the income statement	1,662	-1,087
Deferred tax at 31 December	**-361**	**-2,023**

Better Energy Holding A/S 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 carry forwards, 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 9. Cash

DKK '000	2023	2022
Free cash	279,349	634,900
Cash only available for use on specific projects	67	3,624
Cash at 31 December	**279,416**	**638,524**

Note 10. Share capital

The share capital consists of shares at DKK 0.01 (2022: DKK 0.01).
The shares have not been divided into classes.

Changes in share capital in the past five years	**No. of shares**	**DKK**
Share capital at 1 January 2019	50,000,000	500,000.00
Capital increased 18 December 2019	11,109,800	111,098.00
Capital increase 16 December 2022	9,714,580	97,145.80
Share capital at 31 December	**70,824,380**	**708,243.80**

Note 11. Long-term liabilities other than provisions

DKK '000	2023	2022
Long-term portion of bond debt	0	0
Current portion of bond debt	0	6,350
Total bond debt	**0**	**6,350**
Long-term portion of debt to credit institutions	1,203,144	986,080
Current portion of debt to credit institutions	400,000	150,000
Total debt to credit institutions	**1,603,144**	**1,136,080**
Included in the balance sheet as:		
Long-term portion of long-term liabilities	1,203,144	986,080
Current portion of long-term liabilities	400,000	156,350
Long-term debt due after more than five years at 31 December	**0**	**0**

Nominal amount of total long-term liabilities other than provisions amounted to DKK 1,214,883 (end of 2022: DKK 991,597).

Accounting policy

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

Note 12. Other payables

(Short-term liabilities)

DKK '000	2023	2022
Holiday allowance	1,805	676
Other payables	5,347	712
Other payables at 31 December	**7,152**	**1,388**

Accounting policy

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

Note 13. 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 park.

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 1.7 million for the obligations of Better Energy Solar Park 213 sp. z.o.o. and Better Energy Sadlogosz Estate sp. z.o.o. towards Statkraft Markets GmbH.

Better Energy Holding A/S provides a guarantee of DKK 80.0 million to a supplier for the debt of Better Energy A/S.

Note 14. Assets charged and collateral

Debt to credit institutions of DKK 1,203.1 million is secured by capital interest in subsidiaries with a carrying amount of DKK 450.1 million.

Cash totalling DKK 67.4 thousand is placed as collateral for banking facilities.

Note 15. Related parties

Transactions with related parties
Related-party transactions in 2023 consist of the below mentioned transactions.

Commercial management
Better Energy Holding A/S had income from commercial management of DKK 11.0 million from Better Energy A/S (fully owned subsidiary).

Balances as of 31 December 2023
Receivables, debt and related interests to group enterprises are disclosed in the notes and the balance sheet.

Note 16. Events after the reporting period

For events after the reporting period, please refer to note 7.7 in the Group consolidated financial statements.

Note 17. List of companies

This note shows investments in subsidiaries, joint ventures and associates.
Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy A/S	Frederiksberg, Denmark	100%
Better Energy Abkær P/S	Frederiksberg, Denmark	100%
Better Energy Arløse P/S	Frederiksberg, Denmark	100%
Better Energy Astrup P/S	Frederiksberg, Denmark	100%
Better Energy Bjerndrup II P/S	Frederiksberg, Denmark	100%
Better Energy Borg P/S	Frederiksberg, Denmark	100%
Better Energy Borup P/S	Frederiksberg, Denmark	100%
Better Energy Brønderslev P/S	Frederiksberg, Denmark	100%
Better Energy Cofoco Solpark ApS	Frederiksberg, Denmark	51%
Better Energy Danish Solar I A/S	Frederiksberg, Denmark	100%
Better Energy Denmark Holding ApS	Frederiksberg, Denmark	100%
Better Energy Egå P/S	Frederiksberg, Denmark	100%
Better Energy Eggeslevmagle P/S	Frederiksberg, Denmark	100%
Better Energy Energo II ApS	Frederiksberg, Denmark	100%
Better Energy Energo Komplementar ApS	Frederiksberg, Denmark	100%
Better Energy Estate A/S	Frederiksberg, Denmark	100%
Better Energy Estate I ApS	Frederiksberg, Denmark	100%
Better Energy Estate III ApS	Frederiksberg, Denmark	100%
Better Energy EVCH Komplementar ApS	Frederiksberg, Denmark	100%
Better Energy EVCH P/S	Frederiksberg, Denmark	100%
Better Energy Fårvang Estate A/S	Frederiksberg, Denmark	100%
Better Energy Finland Holding A/S	Frederiksberg, Denmark	100%
Better Energy Finland I Oy	Helsinki, Finland	100%
Better Energy Finland OY	Helsinki, Finland	100%
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%

Name	Place of registered office	Votes and ownership
Better Energy Finnish Solar 283 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 284 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 285 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 286 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 287 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 288 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 289 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 290 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 291 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 292 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 293 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 294 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 295 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 296 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 297 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 298 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 299 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 300 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 301 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 302 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 313 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 314 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 315 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 316 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 317 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 318 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 319 OY	Helsinki, Finland	100%

Note 17. List of companies (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Finnish Solar 320 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 321 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 322 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 323 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 324 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 325 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 326 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 327 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 328 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 329 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 330 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 331 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 332 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 333 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 334 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 335 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 336 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 337 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 338 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 339 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 340 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 341 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 342 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 343 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 344 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 345 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 346 OY	Helsinki, Finland	100%
Better Energy Finnish Solar 347 OY	Helsinki, Finland	100%
Better Energy Fjelsted P/S	Frederiksberg, Denmark	100%

Name	Place of registered office	Votes and ownership
Better Energy Flejsborg P/S	Frederiksberg, Denmark	100%
Better Energy General Partner ApS	Frederiksberg, Denmark	100%
Better Energy Generation A/S	Frederiksberg, Denmark	100%
Better Energy Generation II A/S	Frederiksberg, Denmark	100%
Better Energy Generation Sweden AB	Malmö, Sweden	100%
Better Energy Gerringe P/S	Frederiksberg, Denmark	100%
Better Energy Gilleleje P/S	Frederiksberg, Denmark	100%
Better Energy Godsted P/S	Frederiksberg, Denmark	100%
Better Energy Hjerm P/S	Frederiksberg, Denmark	100%
Better Energy Hjordkær P/S	Frederiksberg, Denmark	100%
Better Energy Hjortlund P/S	Frederiksberg, Denmark	100%
Better Energy Holding Finland OY	Helsinki, Finland	100%
Better Energy Holding Poland sp. z o.o.	Warsaw, Poland	100%
Better Energy Holding Sweden AB	Malmö, Sweden	100%
Better Energy Horslunde K/S	Frederiksberg, Denmark	100%
Better Energy Horslunde Komplementar ApS	Frederiksberg, Denmark	100%
Better Energy Hoven P/S	Frederiksberg, Denmark	100%
Better Energy Hune P/S	Frederiksberg, Denmark	100%
Better Energy Infrastructure Lolland ApS	Frederiksberg, Denmark	100%
Better Energy Jammerbugt P/S	Frederiksberg, Denmark	100%
Better Energy Jelling P/S	Frederiksberg, Denmark	100%
Better Energy Jernved P/S	Frederiksberg, Denmark	100%
Better Energy Kleczew sp. z.o.o.	Gdansk, Poland	100%
Better Energy Komplementar DK ApS	Frederiksberg, Denmark	100%
Better Energy Komplementar DK I ApS	Frederiksberg, Denmark	100%
Better Energy Kragerup P/S	Frederiksberg, Denmark	100%
Better Energy Lundby P/S	Frederiksberg, Denmark	100%
Better Energy Lundsmark P/S	Frederiksberg, Denmark	100%
Better Energy Mesballe P/S	Frederiksberg, Denmark	100%

Note 17. List of companies (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Mollerup P/S	Frederiksberg, Denmark	100%
Better Energy Mønge P/S	Frederiksberg, Denmark	100%
Better Energy Mørkøv P/S	Frederiksberg, Denmark	100%
Better Energy Nordals P/S	Frederiksberg, Denmark	100%
Better Energy Norway A/S	Frederiksberg, Denmark	100%
Better Energy Nyrup P/S	Frederiksberg, Denmark	100%
Better Energy Ørsbjerg P/S	Frederiksberg, Denmark	100%
Better Energy Ørslev P/S	Frederiksberg, Denmark	100%
Better Energy Partner DE GmbH	Hamburg, Germany	100%
Better Energy Partners A/S	Frederiksberg, Denmark	100%
Better Energy Partnerships Atlas Komplementar ApS	Frederiksberg, Denmark	100%
Better Energy Partnerships Atlas P/S	Frederiksberg, Denmark	100%
Better Energy Partnerships II Komplementar ApS	Frederiksberg, Denmark	100%
Better Energy Partnerships II P/S	Frederiksberg, Denmark	100%
Better Energy Partnerships Komplementar ApS	Frederiksberg, Denmark	100%
Better Energy Partnerships P/S	Frederiksberg, Denmark	100%
Better Energy Perbøl P/S	Frederiksberg, Denmark	100%
Better Energy Poland Development A/S	Frederiksberg, Denmark	100%
Better Energy Poland Estate A/S	Frederiksberg, Denmark	100%
Better Energy Poland Holding A/S	Frederiksberg, Denmark	100%
Better Energy Poland sp. z o.o.	Warsaw, Poland	100%
Better Energy Power A/S	Frederiksberg, Denmark	100%
Better Energy Radsted II P/S	Frederiksberg, Denmark	100%
Better Energy Ringe P/S	Frederiksberg, Denmark	100%
Better Energy Ringkjøbing P/S	Frederiksberg, Denmark	100%
Better Energy Rønnede P/S	Frederiksberg, Denmark	100%
Better Energy Ryomgaard P/S	Frederiksberg, Denmark	100%
Better Energy Skælskør P/S	Frederiksberg, Denmark	100%
Better Energy Skovby P/S	Frederiksberg, Denmark	100%

Name	Place of registered office	Votes and ownership
Better Energy Søby P/S	Frederiksberg, Denmark	100%
Better Energy Solar Development sp. z.o.o.	Gdansk, Poland	100%
Better Energy Solar Park 214 sp.z.o.o.	Gdansk, Poland	100%
Better Energy Solar Park 216 sp.z.o.o.	Gdansk, Poland	100%
Better Energy Solar Park 220 sp. z o.o.	Gdansk, Poland	100%
Better Energy Solar Park 221 sp. z o.o.	Gdansk, Poland	100%
Better Energy Solar Park 222 sp. z o.o.	Gdansk, Poland	100%
Better Energy Solar Park 223 sp. z o.o.	Gdansk, Poland	100%
Better Energy Solar Park 224 sp. z o.o.	Gdansk, Poland	100%
Better Energy Solar Park 225 sp. z o.o.	Gdansk, Poland	100%
Better Energy Solar Park 226 sp. z o.o.	Gdansk, Poland	100%
Better Energy Solar Park Holding ApS	Frederiksberg, Denmark	100%
Better Energy Solar Park Nees ApS	Frederiksberg, Denmark	100%
Better Energy Solar Parks A/S	Frederiksberg, Denmark	100%
Better Energy Soleskov P/S	Frederiksberg, Denmark	100%
Better Energy Spørring P/S	Frederiksberg, Denmark	100%
Better Energy Starup P/S	Frederiksberg, Denmark	100%
Better Energy Staurby P/S	Frederiksberg, Denmark	100%
Better Energy Sweden AB	Malmö, Sweden	100%
Better Energy Sweden Holding A/S	Frederiksberg, Denmark	100%
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 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%

Note 17. List of companies (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Swedish Solar 253 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 255 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 256 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 257 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 258 AB	Malmö, Sweden	100%
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 Swedish Solar 303 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 304 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 305 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 306 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 307 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 308 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 309 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 310 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 311 AB	Malmö, Sweden	100%
Better Energy Swedish Solar 312 AB	Malmö, Sweden	100%
Better Energy TRIBE ApS	Frederiksberg, Denmark	100%
Better Energy TS Sønderborg ApS	Frederiksberg, Denmark	100%
Better Energy Tved P/S	Frederiksberg, Denmark	100%
Better Energy Tvis P/S	Frederiksberg, Denmark	100%
Better Energy Ukraine A/S	Frederiksberg, Denmark	100%
Better Energy Ukraine LLC	Lviv, Ukraine	95%

Name	Place of registered office	Votes and ownership
Better Energy Ustrup P/S	Frederiksberg, Denmark	100%
Better Energy Vamdrup Estate P/S	Frederiksberg, Denmark	100%
Better Energy Vamdrup P/S	Frederiksberg, Denmark	100%
Better Energy Vejrup P/S	Frederiksberg, Denmark	100%
Better Energy Vester Sottrup P/S	Frederiksberg, Denmark	100%
Better Energy Videbæk P/S	Frederiksberg, Denmark	100%
Better Energy Vipperød P/S	Frederiksberg, Denmark	100%
Better Energy Vissenbjerg P/S	Frederiksberg, Denmark	100%
P&B Partner ApS	Frederiksberg, Denmark	100%
P&B Partner I ApS	Frederiksberg, Denmark	100%
P&B Solarparks DK GmbH & Co. KG	Hamburg, Germany	100%
Solpark Nees Estate ApS	Frederiksberg, Denmark	100%
BE 22 P/S	Frederiksberg, Denmark	100%
BE 190 ApS	Frederiksberg, Denmark	100%
BE 351 P/S	Frederiksberg, Denmark	100%
BE 352 P/S	Frederiksberg, Denmark	100%
BE 353 P/S	Frederiksberg, Denmark	100%
BE 354 P/S	Frederiksberg, Denmark	100%
BE 355 P/S	Frederiksberg, Denmark	100%
BE 356 P/S	Frederiksberg, Denmark	100%
BE 357 P/S	Frederiksberg, Denmark	100%
BE 358 P/S	Frederiksberg, Denmark	100%
BE 359 P/S	Frederiksberg, Denmark	100%
Selskabet af 24.09.2018 P/S	Frederiksberg, Denmark	90%

Note 17. List of companies (continued)

Investments in joint ventures are specified as follows:

Name	Place of registered office	Votes and ownership
Better Energy Andel Komplementar ApS	Frederiksberg, Denmark	50%
Better Energy Andel Komplementar I ApS	Frederiksberg, Denmark	50%
Better Energy Andel P/S	Frederiksberg, Denmark	50%
Better Energy Badskær P/S	Frederiksberg, Denmark	50%
Better Energy Bjerndrup P/S	Frederiksberg, Denmark	50%
Better Energy Chelmno sp. z o.o.	Gdansk, Poland	50%
Better Energy Ebberup P/S	Frederiksberg, Denmark	50%
Better Energy Energo P/S	Frederiksberg, Denmark	49%
Better Energy Fraugde P/S	Frederiksberg, Denmark	50%
Better Energy Gimminge P/S	Frederiksberg, Denmark	50%
Better Energy Hoby P/S	Frederiksberg, Denmark	50%
Better Energy Impact II International AS	Frederiksberg, Denmark	50%
Better Energy Impact II K/S	Frederiksberg, Denmark	50%
Better Energy Impact II Komplementar ApS	Frederiksberg, Denmark	50%
Better Energy Impact II Komplementar I ApS	Frederiksberg, Denmark	50%
Better Energy Impact II Komplementar II ApS	Frederiksberg, Denmark	50%
Better Energy Impact International A/S	Frederiksberg, Denmark	50%
Better Energy Impact K/S	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar ApS	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar I ApS	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar II ApS	Frederiksberg, Denmark	50%
Better Energy Impact Komplementar III ApS	Frederiksberg, Denmark	50%
Better Energy Mejls P/S	Frederiksberg, Denmark	50%
Better Energy Næstved P/S	Frederiksberg, Denmark	50%
Better Energy Navnsø P/S	Frederiksberg, Denmark	50%
Better Energy Norddjurs P/S	Frederiksberg, Denmark	50%
Better Energy Nørre Aaby P/S	Frederiksberg, Denmark	50%
Better Energy Rejstrup P/S	Frederiksberg, Denmark	50%
Better Energy Sadlogosz Estate sp. z.o.o.	Gdansk, Poland	50%
Better Energy Slagelse P/S	Frederiksberg, Denmark	50%
Better Energy Solar Park 213 sp.z.o.o.	Gdansk, Poland	50%
Better Energy Solar Park 215 sp.z.o.o.	Gdansk, Poland	50%
Better Energy Solar Park 80 sp.z.o.o	Gdansk, Poland	50%
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 Stevning P/S	Frederiksberg, Denmark	50%
Better Energy Stoholm P/S	Frederiksberg, Denmark	50%
Better Energy Svendborg P/S	Frederiksberg, Denmark	50%
Better Energy Swedish Solar 254 AB	Malmö, Sweden	50%
Better Energy Væggerløse P/S	Frederiksberg, Denmark	50%
Better Energy Viuf P/S	Frederiksberg, Denmark	50%
Better Energy Voldby P/S	Frederiksberg, Denmark	50%
Better Energy Wagrowiec sp. z o.o.	Gdansk, Poland	50%
Better Energy Wierzchowo sp. z o.o	Gdansk, Poland	50%
Better Energy Ådum P/S	Frederiksberg, Denmark	50%
Solcellepark Køng Mose P/S	Frederiksberg, Denmark	50%
Solcellepark Radsted-Grænge P/S	Frederiksberg, Denmark	50%
Solcellepark Saltø P/S	Frederiksberg, Denmark	50%
Solcellepark Vedde P/S	Frederiksberg, Denmark	50%

Investments in material associated are specified as follows:

Name	Place of registered office	Votes and ownership
Ganska SES LLC	Zhytomyr, Ukraine	49%
Sandvikenvej Infrastrukturselskab ApS	Søborg, Denmark	54%
SN 2022 A/S in bankruptcy	Hedehusene, Denmark	35%

Assurance statements

Statement by the Executive Board & the Board of Directors

Independent Auditor’s Report

Statement by the Executive Board & the Board of Directors

The Board of Directors and the registered Executive Board 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 2023.

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's and the Parent Company's financial position at 31 December 2023 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 2023.

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, 21 March 2024

Executive Board (registered)

Rasmus Lildholdt Kjær
CEO

Mark Augustenborg Ødum
CFO

Thor Möger Pedersen
CCO

Board of Directors

Christian Motzfeldt
Chair

Michael Pollan
Board member

Claus Wiinblad
Board member

Adele Norman Pran
Board member

Mikkel Dau Jacobsen
Board member

Michael Vater
Board member

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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 11 April 2024

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 for the financial year 01.01.2023 – 31.12.2023, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31.12.2023, and of the results of its operations and cash flows for the financial year 01.01.2023 – 31.12.2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31.12.2023, and of the results of its operations for the financial year 01.01.2023 – 31.12.2023 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.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management's review and, in doing so, consider whether the management's review is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review provides the information required by relevant laws and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the information required by relevant laws and regulations. We did not identify any material misstatement of the management's review.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act as well as the preparation of 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kolding, 21 March 2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No. 33 96 35 56

Lars Ørum Nielsen
State Authorised Public Accountant
Identification No (MNE) 26771

List of abbreviations and definitions

ATP	Arbejdsmarkedets Tillægspension
Better Energy	Better Energy Group
CFA	Charted Financial Analyst
CO_2e	Carbon dioxide equivalent
CSRD	Corporate Sustainability Reporting Directive
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EIR	Effective interest rate
EPC	Engineering, Procurement and Construction
EV	Electric vehicle
GHG	Greenhouse gas
Group	Better Energy Group
GW	Gigawatt
GWh	Gigawatt hours
GWp	Gigawatt peak
IFRS	International Financial Reporting Standards
Joint venture partnerships	Joint ventures
MW	Megawatt
MWh	Megawatt hours
MWp	Megawatt peak
Parent Company	Better Energy Holding A/S, CVR No. 31865883
PPA	Power purchase agreement
PV	Photovoltaic
SPV	Special purpose vehicle (single asset entity)
UN	United Nations

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: 01.01.2023 - 31.12.2023

Phone: +45 71 99 02 03
Website: www.betterenergy.com
E-mail: info@betterenergy.dk

Board of Directors
Christian Motzfeldt, Chair
Adele Norman Pran
Claus Wiinblad
Michael Pollan
Michael Vater
Mikkel Dau Jacobsen

Executive Board
Rasmus Lildholdt Kjær (registered CEO)
Birgitte Brix Bendtsen
Ho Kei Au
Mark Augustenborg Ødum (registered director)
Thor Möger Pedersen (registered director)

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