Better Energy Navnsø P/S

Gammel Kongevej 60

1850 Frederiksberg C

Business Registration No. 40391126

Annual Report 2024

The annual report was presented and
adopted at the Annual General Meeting
on 30 June 2025

Rasmus Lildholdt Kjær
Chair of the Annual General Meeting

Contents

Company information

Company	Better Energy Navnsø P/S Gammel Kongevej 60 1850 Frederiksberg C Business Registration No.: 40391126 Date of formation: 29 March 2019
Board of Directors	Mark Augustenborg Ødum Rasmus Lildholdt Kjær
Executive Board	Rasmus Lildholdt Kjær, Managing director
General Partner	Better Energy Impact Komplementar I ApS
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Egtved Allé 4 6000 Kolding Business Registration No.: 33963556

Management's statement

Today, the Executive Board and the Board of Directors have considered and adopted the annual report of Better Energy Navnsø P/S for the financial year 1 January 2024 - 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of Better Energy Navnsø P/S at 31 December 2024 and of the results of the company's operations for the financial year 1 January 2024 - 31 December 2024.

In our opinion, the management's review includes a true and fair account of the matters addressed in the review.

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

Frederiksberg, 30 June 2025

Executive Board

Rasmus Lildholdt Kjær
Managing director

Board of Directors

Mark Augustenborg Ødum Chairman	Rasmus Lildholdt Kjær Board member

Independent auditor's report

To the shareholders of Better Energy Navnsø P/S

Opinion
We have audited the financial statements of Better Energy Navnsø P/S for the financial year 1 January 2024 - 31 December 2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2024 and of the results of its operations for the financial year 1 January 2024 - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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.

Material Unvertainty related to going concern
We refer to note 8 to the financial statements, which states that the Entity is in dialogue with the lender to refinance the long-term debt and with the Power Purchase Agreement counterpart to find a solution.
The going concern of the Entity is contingent on the procurement of such refinancing and renegotiation of the power purchase agreement. The outcome of these procedures is not expected before the signing date of the annual report.

In presenting the financial statements, Management considers it likely that refinancing and renegotiation of the Power Purchase Agreement will be obtained, for which reason the financial statements have been presented on a going concern basis. As stated in note 8, this indicates that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion has not been modified with respect to this matter.

Management's responsibilities for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's review
Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the Management's Review.

Independent auditor's report

Kolding, 30 June 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
mne26771

Sussi Toft Johansen
State Authorised Public Accountant
mne35830

Management's review

The company's main activities
The main activities of Better Energy Navnsø P/S are directly or indirectly to acquire own and operate solar parks as well as related activities.

Material uncertainty with recognition and measurement
The calculation of the fair value of the financial contract is subject to uncertainty, as contracts of this type are not traded in an efficient market.

In estimating the fair value, management has therefore used some assumptions and estimates on, among other things, the future development of electricity spot prices and interest rates, which form the basis for the calculation of fair value.

Reference is made to note 10.

Development in activities and the financial situation
The Company's Income Statement of the financial year 1 January 2024 - 31 December 2024 shows a result of DKK -16,805,080 and the Balance Sheet at 31 December 2024 a balance sheet total of DKK 180,190,945 and an equity of DKK 23,318,646.

The result for 2024 was a loss of DKK -16,805,080 due to lower irradiation and an increased amount of negative spot prices, leading to curtailed production during the year and higher than expected cost to satisfy the Power Purchase Agreement.

As a result of the poor performance the Company has breached covenants on long-term mortgage debt and is not able to cure the breach.

Management assesses that the going concern assumption remains appropriate, even though there have been significant challenges during the year and the going concern assumption is dependent on a renewed financial solution with both current lender and PPA partner. A number of initiatives have been launched to strengthen liquidity and support future positive cash flows. Constructive dialogues are ongoing with both the Company's lender and Power Purchase Agreement (PPA) Partners. While no final agreements has been reached, dialogue has moved from high level to more concrete discussions.

Based on these ongoing negotiations and the progress achieved to date, Management considers it likely that improved PPA terms and a workable lender agreement can be secured in 2025.

Reference is made to note 8.

Income statement

	Note	2024 DKK	2023 DKK
Gross profit (loss)		**866,388**	**7,869,425**
Depreciation, amortisation and impairment losses		-5,980,885	-6,070,287
Operating profit (loss)		**-5,114,497**	**1,799,138**
Financial income	1	2,099,802	1,175,063
Financial expenses	2	-13,790,385	-2,249,493
Profit (loss) from ordinary activities before tax		**-16,805,080**	**724,708**
Profit (loss)		**-16,805,080**	**724,708**
Proposed distribution of results			
Retained earnings		-16,805,080	724,708
Distribution of profit (loss)		**-16,805,080**	**724,708**

Balance sheet as of 31 December

	Note	2024 DKK	2023 DKK
Assets			
Land and buildings	3	3,213,050	3,213,050
Solar parks	4	165,455,483	171,436,368
Property, plant and equipment in progress	5	226,188	0
Property, plant and equipment		**168,894,721**	**174,649,418**
Fixed assets		**168,894,721**	**174,649,418**
Trade receivables		170,929	1,768,755
Other receivables		245,200	358,755
Receivables		**416,129**	**2,127,510**
Cash and cash equivalents		**10,880,095**	**24,384,342**
Current assets		**11,296,224**	**26,511,852**
Assets		**180,190,945**	**201,161,270**

Balance sheet as of 31 December

	Note	2024 DKK	2023 DKK
Liabilities and equity			
Contributed capital		400,000	400,000
Reserve for current value of hedging		-63,060,677	-95,481,035
Retained earnings		85,979,323	102,784,403
Equity		**23,318,646**	**7,703,368**
Asset retirement obligations		4,659,293	4,545,653
Provisions		**4,659,293**	**4,545,653**
Mortgage debt		0	88,085,160
Derivatives		64,498,601	76,169,864
Long-term liabilities other than provisions	6	**64,498,601**	**164,255,024**
Current portion of long term		76,885,481	4,712,675
Trade payables		498,749	633,379
Payables to group enterprises		10,001	0
Derivatives	7	10,320,174	19,311,171
Short-term liabilities other than provisions		**87,714,405**	**24,657,225**
Liabilities other than provisions		**152,213,006**	**188,912,249**
Equity and liabilities		**180,190,945**	**201,161,270**

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Statement of changes in equity

	Contributed capital	Reserve for current value of hedging	Retained earnings	Total
Equity 1 January 2024	400,000	-95,481,035	102,784,403	7,703,368
Adjustments of hedging instruments at fair value	0	32,420,358	0	32,420,358
Profit (loss)	0	0	-16,805,080	-16,805,080
Equity 31 December 2024	**400,000**	**-63,060,677**	**85,979,323**	**23,318,646**

Notes

	2024	2023
	DKK	DKK

1. Financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	0	970,778
Other financial income	2,099,735	204,285
Exchange rate gains	67	0
	2,099,802	**1,175,063**

2. Financial expenses

	2024 DKK	2023 DKK
Other financial expenses	13,789,859	2,249,493
Exchange rate losses	526	0
	13,790,385	**2,249,493**

3. Land and buildings

	2024 DKK	2023 DKK
Cost at the beginning of the year	3,213,050	0
Additions for the year	0	3,213,050
Cost at the end of the year	**3,213,050**	**3,213,050**
Carrying amount at the end of the year	**3,213,050**	**3,213,050**

4. Solar parks

	2024 DKK	2023 DKK
Cost at the beginning of the year	184,075,831	186,571,642
Disposal for the year	0	-2,495,811
Cost at the end of the year	**184,075,831**	**184,075,831**
Depreciation at the beginning of the year	-12,639,463	-6,569,176
Depreciations for the year	-5,980,885	-6,070,287
Depreciations at the end of the year	**-18,620,348**	**-12,639,463**
Carrying amount at the end of the year	**165,455,483**	**171,436,368**

5. Property, plant and equipment in progress

	2024 DKK	2023 DKK
Additions for the year	226,188	0
Cost at the end of the year	**226,188**	**0**
Carrying amount at the end of the year	**226,188**	**0**

Notes

6. Long-term liabilities other than provisions

	Due after 1 year DKK	Due within 1-5 years DKK	Due after 5 years DKK
Derivative financial instruments	64,498,601	42,919,447	21,579,154
	64,498,601	**42,919,447**	**21,579,154**

Reference is made to note 8 regarding presentation as short term debt.

7. Derivatives

Better Energy Navnsø P/S has entered into a financial hedging contract in order to reduce risks related to fluctuations in the price of electricity. In 2024 the effectiveness of the financial hedging contract is approx. 84 %.

On 31 December 2024, the fair value of the contract is DKK -74,818,775. The contract is considered to qualify as a cash flow hedge and the effective part of the changes in the fair value is recognised in equity in reserve for fair value of hedging instruments. The ineffective part of the changes in the fair value is recognised in financial expenses.

In 2024 the change in the fair value is DKK 20,662,259. Hereof DKK 32,420,357 is recognised in the equity reserve for fair value of hedging instruments and DKK -11,758,098 is regocnised in financial expenses.

8. Material uncertainties relating to going concern

As of December 31, 2024, the Company had breached covenants on long term mortgage debt, and the debt is presented as short term in the annual report. The Company is not able to cure the breach of covenants and will not receive the required equity contribution from its parent company to relieve the company from the breaches. The lender can demand that the loan is repaid.

The breach of covenants is driven by the negative result for the year mainly due to lower irradiation and an increased amount of negative spot prices, leading to curtailed production during the year, and higher than expected cost to satisfy the Power Purchase Agreement.

Management is in dialog with the lender to find a financial solution in 2025. Additionally, management is in dialog with the Power Purchase Agreement counterpart to find a solution. Measures have been initiated to improve liquidity to service debt.

Management assesses that the going concern assumption remains appropriate, even though there have been significant challenges during the year and the going concern assumption is dependent on a renewed financial solution with both current lender and PPA partner. A number of initiatives have been launched to strengthen liquidity and support future positive cash flows. Constructive dialogues are ongoing with both the Company’s lender and Power Purchase Agreement (PPA) Partners. While no final agreements has been reached, dialogue has moved from high level to more concrete discussions.

Based on these ongoing negotiations and the progress achieved to date, Management considers it likely that improved PPA terms and a workable lender agreement can be secured in 2025.

9. Significant events occurring after end of reporting period

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

Notes

10. Uncertainty with recognition and measurement
The derivative is measured at fair value after the fair value hierarchy level 3. The fair value of the derivative is subject to uncertainty, as contracts of this type are not traded in an efficient market.

In estimating the fair value, management has therefore used some assumptions and estimates on, among other things, the future development of electricity spot prices and interest rates, which form the basis for the calculation of fair value.

11. Contingent liabilities
The company has engaged in conditional agreeements regarding neighbour compensations for a total of DKK 0.2 million. In addition, the company is exposed to pay compensation or buy properties located within 200 meters of a Better Energy solar park (Danish renewable energy legislation).

The company has entered into a long-term financial contract to deliver power at a fixed price. The contract term is 9.5 years from 01.07.2022 and covers approx. 79% of the annual volume.

The entered physical contracts are baseload contracts. Baseload contracts are settled at the agreed fixed price adjusted for solar power capture rates, i.e. the difference between the spot price at the specific time of production of power and the average spot price for the given month.

If the power production of the solar park for a specific month is lower than the contracted volume for the month and the average spot price for the relevant year exceed the fixed price the Company is required to settle the excess of the average price over the fixed price for the volume not delivered.

12. Assets charged and collateral
As securities for the Company's mortgage debt, assets worth a total of DKK 168.9 million have been pledged as collateral. The nominal amount of the collateral is DKK 103.7 million.

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

Cash amounting to DKK 3.5 million is placed as collateral for banking facilities.

13. Group relations
Name and registered office of the parent company preparing consolidated statements for the smallest group: Better Energy Impact K/S, Business Registration No. 41680768, Frederiksberg.

14. Unrecognised lease and rental commitments

	2024 **DKK**	**2023** **DKK**
Liabilities under rental or lease agreements until maturity in total	24,345,777	25,250,264

15. Staff costs
The entity has no employees and the management has not received any remuneration.

Accounting policies

Reporting class
The annual report of Better Energy Navnsø P/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with addition of certain provisions for reporting class C.

Changed accounting policies, estimates and errors
Accounting policies has been changed as follows:

Change in accounting estimates
The company applies estimates and judgments in preparing the annual financial statements, which affect the recognized assets, liabilities, income, and expenses. These estimates are based on historical experience and other factors that are considered reasonable under the circumstances and are expected to be relevant at the time the financial statements are prepared. Actual results may differ from these estimates.

Fair value of financial instruments
In the financial statement for 2024, the external provider of price curves used for valuing certain financial instruments have been changed. This adjustment was primarily driven by an updated assessment of the capture rate, reflecting a revised outlook on market dynamics and their impact on future prices of which management considered the updated price curve to be the most accurate historically. The change in price curves results in a positive adjustment of the fair value of derivatives. The change of external provider of price curves has increased the Equity of DKK 1,987 thousand and decreased in the liability for derivatives of DKK 1,987 thousand.

Effective/ineffective hedging
As a consequence of the change in the price curve including estimated future capture rates, the part of the contracts previously designated as hedging instruments no longer fully meet the criteria for effective hedging. This has resulted in a financial impact of DKK 11,758 thousand equivalent to the ineffective share of the financial instruments, which has been recognized in the income statement under financial expenses. The changed estimate has affected the profit for the year by DKK 11,758 thousand and the equity by DKK 11,758 thousand.

Reference is made to note 10.

Reporting currency
The annual report is presented in Danish kroner (DKK).

Derivatives
Derivatives are measured at cost and subsequently at fair value at initial recognition in the balance sheet. Positive and negative fair values of derivatives are included in derivatives under assets or liabilities, respectively.

Changes in the fair value of derivatives classified as and fulfilling the conditions for hedging future assets and liabilities are recognised directly in equity. When transaction that was being hedged is realised, the accumulated gain or loss is recogniced as part of cost of the relevant items.

For derivatives that do not fulfil the conditions for treatment as hedging instruments, changes in the fair value will continuingly be recognised in the Income Statement.

Accounting policies

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit/loss
The company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit or loss comprises revenue and other external expenses.

Revenue
Revenue from the sale of electricity is recognised in the income statement when delivery is made to the grid company.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses
Other external expenses include expenses for operation and administration.

Depreciation, amortisation and impairment of tangible assets
Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Financial income
Financial income comprises interest income, including interest income on receivables from group enterprises, amortisation of financial assets, payables and transactions in foreign currencies as well as fair value adjustments of financial interests.

Accounting policies

Financial expenses
Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, amortisation of financial liabilities, payables and transactions in foreign currencies as well as fair value adjustments of financial interests.

Balance sheet

Property, plant and equipment
Land and buildings, solar parks and property, plant and equipment in progress are measured at cost less accumulated depreciation and impairment losses. Land and property, plant and equipment in progress are not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the manufacturing of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financial expenses are recognised in the income statement.

The present value of the expected costs of dismantling a solar park after the end of its useful life (asset retirement obligations) is included in the cost of the solar park.

The basis of depreciation is cost less estimated residual value after the end of useful life. The useful life and residual value are reassessed anually. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings:	50 years
Solar parks:	30 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise cash.

Equity

Reserve for fair value of hedging instruments
Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of revenue/cost of the relevant financial statement items.

Proposed dividends
Proposed dividends for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Accounting policies

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

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

Liabilities
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

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

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

Lease commitments are measured at the nominal value of the remaining lease payments.