Better Energy Svendborg P/S

Gammel Kongevej 60

1850 Frederiksberg C

Business Registration No. 40391746

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 Svendborg P/S Gammel Kongevej 60 1850 Frederiksberg C Business Registration No.: 40391746 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 Svendborg 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 Svendborg 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 Svendborg P/S

Opinion
We have audited the financial statements of Better Energy Svendborg 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 uncertainty related to going concern
We refer to note 7 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 7, 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 Svendborg P/S are directly or indirectly to acquire, own and operate solar parks as well as related activities.

Uncertainty with recognition and measurement
In 2024 production from solar power plants in Denmark has been suffering from both lower irradiation and an increased amount of negative spot prices, leading to curtailed production.

Reference is made to note 9.

Development in activities and financial matters
Better Energy Svendborg P/S' income statement for the financial year 1 January 2024 - 31 December 2024 shows a result of DKK -10,899,391 and the balance sheet at 31 December 2024 a balance sheet total of DKK 119,307,454 and an equity of DKK 33,254,005.

The result for 2024 was a loss of DKK -10,899,391 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. In addition, the estimated future cash flows from the Power Purchase Agreement are negative, so Management has recognised a provision for loss-making contracts in the balance sheet.

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 is 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 cashflows. 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 5 and 7.

Income statement

	Note	2024 DKK	2023 DKK
Gross profit (loss)		**-3,914,017**	**4,896,057**
Depreciation, amortisation and impairment losses		-4,108,145	-4,172,128
Operating profit (loss)		**-8,022,162**	**723,929**
Financial income	1	75,263	502,753
Financial expenses	2	-2,952,492	-2,648,884
Profit (loss) from ordinary activities before tax		**-10,899,391**	**-1,422,202**
Profit (loss)		**-10,899,391**	**-1,422,202**

Proposed distribution of results		
Retained earnings	-10,899,391	-1,422,202
Distribution of profit (loss)	**-10,899,391**	**-1,422,202**

Balance sheet as of 31 December

	Note	2024 DKK	2023 DKK
Assets			
Solar parks	3	114,832,296	118,940,441
Property, plant and equipment in progress	4	151,264	0
Property, plant and equipment		**114,983,560**	**118,940,441**
Fixed assets		**114,983,560**	**118,940,441**
Trade receivables		0	68,305
Other receivables		165,092	181,606
Prepayments		42,137	0
Receivables		**207,229**	**249,911**
Cash and cash equivalents		**4,116,665**	**3,382,394**
Current assets		**4,323,894**	**3,632,305**
Assets		**119,307,454**	**122,572,746**

Balance sheet as of 31 December

	Note	2024 DKK	2023 DKK
Liabilities and equity			
Contributed capital		400,000	400,000
Retained earnings		32,854,005	41,844,581
Equity		**33,254,005**	**42,244,581**
Asset retirement obligations		3,364,388	3,282,328
Other provisions	5	5,071,251	0
Provisions		**8,435,639**	**3,282,328**
Mortgage debt		0	69,148,180
Payables to group enterprises		0	3,643,750
Long-term liabilities other than provisions	6	**0**	**72,791,930**
Current portion of mortgage debt		69,250,766	3,233,448
Trade payables		1,804,451	1,020,459
Payables to group enterprises		6,562,593	0
Short-term liabilities other than provisions		**77,617,810**	**4,253,907**
Liabilities other than provisions		**77,617,810**	**77,045,837**
Equity and liabilities		**119,307,454**	**122,572,746**

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Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2024	400,000	41,844,581	42,244,581
Increase of capital	0	1,908,815	1,908,815
Profit (loss)	0	-10,899,391	-10,899,391
Equity 31 December 2024	**400,000**	**32,854,005**	**33,254,005**

Notes

	2024	2023
	DKK	DKK

1. Financial income

Financial income from group enterprises	0	283,989
Other financial income	75,263	218,764
	75,263	**502,753**

2. Financial expenses

Financial expenses from group enterprises	358,846	0
Other financial expenses	2,593,646	2,648,884
	2,952,492	**2,648,884**

3. Solar parks

Cost at the beginning of the year	126,589,341	128,391,517
Disposal for the year	0	-1,802,176
Cost at the end of the year	**126,589,341**	**126,589,341**
Depreciation at the beginning of the year	-7,648,900	-3,476,772
Depreciations for the year	-4,108,145	-4,172,128
Depreciations at the end of the year	**-11,757,045**	**-7,648,900**
Carrying amount at the end of the year	**114,832,296**	**118,940,441**

4. Property, plant and equipment in progress

Cost at the beginning of the year	0	0
Additions for the year	151,264	0
Cost at the end of the year	**151,264**	**0**
Carrying amount at the end of the year	**151,264**	**0**

Notes

5. Other provisions

	2024	2023
	DKK	DKK
Provision for loss-making contracts	-5,071,251	0
Balance at the end of the year	**-5,071,251**	**0**

The company has entered into a long-term physical contract to deliver a fixed volume of power at a fixed price. The contract term is 10 years from 01.04.2022 and covers approx. 79% of the volume produced by the solar park.

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 average contracted volume over the year 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.

In 2024 production from solar power plants in Denmark has been suffering from both lower irradiation and higher capture rate adjustments. As a consequence, the estimated future cash flow from the Power Purchase Agreements are negative. Management has recognised a provision of the estimated discounted cash flow from the contract.

For uncertainty in recognition and measurement reference is made to note 9.

6. Long-term liabilities other than provisions

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

7. 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 is 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 cashflows. 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.

Notes

8. Significant events occurring after end of reporting period

As of December 31, 2024 the company had breached covenants on long term mortgage debt, why the debt is presented as short term in the annual report.

9. Uncertainty with recognition and measurement

As the company owns and operates a solar park, the company is affected by weather conditions and fluctuations in electricity prices (including solar power capture rates).

As stated in note 5 the company has entered into power purchase agreements that 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.

In 2024 production from solar power plants in Denmark has been suffering from both lower irradiation and higher capture rate adjustments. As a consequence, management has estimated the future cash flow from Power Purchase Agreements to be negative resulting in a loss-making contract for which a provision has been made (reference is made to note 5).

When estimating the provision for loss-making contract, management has used assumptions and estimates on, among other things, energy yield, the future development of spot prices, solar power capture rates and interest rates, which form the basis for the calculation.

Changes in the applied assumptions and parameters could potentially have a significant effect on the estimated provision for loss-making contracts.

10. Contingent liabilities

The company has engaged in conditional agreeements regarding neighbour compensations for a total of DKK 0.1 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).

11. Assets charged and collateral

As securities for the Company's mortgage debt, assets worth a total of DKK 115.0 million have been pledged as collateral. The nominal amount of the collateral is DKK 79.0 million.

In the event that the company defaults on its obligations regarding its mortgage loan, the rigth to collect income under the PPA and an Energy company is transferred to the lender.

Cash amounting to DKK 3.0 million is placed as collateral for banking facilities.

12. 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.

13. Unrecognised rental and lease commitments

	2024	**2023**
Liabilities under rental or lease agreements until maturity in total	13,440,320	14,223,252

14. Staff cost

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

Accounting policies

Reporting class
The annual report of Better Energy Svendborg 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.

The accounting policies applied remain unchanged from last year.

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

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

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

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

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

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

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

Income statement

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

Gross profit or loss comprises 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.

Accounting policies

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.

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
Solar parks and property, plant and equipment in progress are measured at cost less accumulated depreciation and impairment losses. 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:

Solar parks:	30 years

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

Current assets

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.

Accounting policies

Equity

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

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.