



# Q3 2022 Interim Financial Report



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#### About Nordic Solar

Nordic Solar is a leading Nordic solar park developer, EPC provider and operator. Nordic Solar currently operates industrial solar parks across 12 European countries and has 359 MWh in operation or under construction with a pipeline of an additional 1,750 MWh. The Company is headquartered in Hellerup, Denmark and currently employs more than 60 people. For further information about Nordic Solar, please visit [www.nordicsolar.eu](http://www.nordicsolar.eu)

#### Comparative figures

Unless otherwise stated, all figures in parentheses refer to the corresponding figures for the same period last year.

#### Presentation of the Q3 2022 Interim Financial Report

In connection with the release of the Q3 2022 Interim Financial Report, Nordic Solar will, in collaboration with HC Andersen Capital, host an online presentation on Tuesday, 29 November 2022 at 1pm CET. During the event, our CEO and CFO will present the interim financial report after which there will be a Q&A session. Registration details for the online event can be found via the following link: [hca.videosync.fi/nordic-solar-q3-29-nov-2022/register](https://hca.videosync.fi/nordic-solar-q3-29-nov-2022/register). Please note that the event will be hosted in Danish.



# Highlights

## Q3 2022



### REVENUE

Revenue increased by 54.5% to EUR 27.1 million (EUR 17.6 million). Secured revenue comprised 61.8% of the total revenue and was impacted by increasing power prices leading to a larger share of total revenue being sold at market prices.



### EBITDA

EBITDA increased by 63.0% to EUR 22.2 million (EUR 13.6 million). The EBITDA margin was 81.7% (77.5%).



### PROFIT

Profit before tax increased by 140.3% to EUR 12.5 million (EUR 5.2 million).



### SIGNED PIPELINE

The signed pipeline totalled 1,750 MWp at the end of Q3 2022, and the full-year target has been reached. In addition, the target of having an operational portfolio of 359 MWp was reached in early November 2022 with the grid connection of the Lysabild solar park in Denmark.



### EQUITY

Equity amounted to EUR 326.4 million at the end of Q3 2022. During the nine-month period, we have raised a total of EUR 51.5 million by converting loan tranches into new shares. The total share capital is thus divided into a total of 20,195,750 shares.



### FINANCIAL OUTLOOK

The financial outlook for 2022 is maintained:

- Revenue of EUR 75 million
- EBITDA of EUR 53 million
- Profit before tax of EUR 15 million

# Summary financial information

## FINANCIAL HIGHLIGHTS

All figures are in EUR '000

	2022 9M IFRS	2021* 9M IFRS	2022 Q3 IFRS	2021* Q3 IFRS	2021* FY IFRS
<b>Key figures</b>					
Revenue	64,961	37,843	27,135	17,560	46,463
Profit before amortisation, depreciation and impairment losses (EBITDA)	48,710	27,941	22,178	13,605	32,242
Operating profit (EBIT)	30,218	12,124	16,013	8,293	12,013
Profit before tax	20,171	4,815	12,474	5,192	2,450
Profit/loss for the period	15,652	3,973	10,335	4,473	1,552
NSE's share of profit/loss for the period	15,022	3,637	9,962	4,014	1,406
<b>Balance key figures</b>					
Property, plant and equipment	432,989	332,144	432,989	332,144	379,763
Cash	107,146	48,515	107,146	48,515	51,741
Total assets	686,850	575,588	686,850	575,588	592,449
Equity	326,435	241,532	326,435	241,532	254,092
Investment in property, plant and equipment and right of use assets	34,134	81,366	7,521	66,577	94,503
Interest-bearing debt (loans)	296,714	280,683	296,714	280,683	280,388
<b>Financial ratios</b>					
EBITDA margin	75.0%	73.8%	81.7%	77.5%	69.4%
EBIT margin	46.5%	32.0%	59.0%	47.2%	25.9%
Solvency ratio	47.5%	42.0%	47.5%	42.0%	42.9%
<b>Cash flows</b>					
Profit/loss before tax	20,171	4,815	12,474	5,192	2,450
Paid Corporation tax	-2,198	-835	-1,511	-785	-1,567
Non-cash transactions under profit and loss other than depreciations	2,282	-279	1,145	-747	350
Depreciation and impairment of property, plant and equipment	18,492	15,817	6,165	5,312	20,229
Repayment of project related loans	-11,181	-8,591	-5,381	-501	-15,872
Non-controlling interests share of free cash	420	169	250	169	-5
<b>Free cash flow from operations</b>	<b>27,986</b>	<b>11,097</b>	<b>13,143</b>	<b>8,641</b>	<b>5,584</b>

\* Financial statements of 2021 are affected by the merger of June 2021.

## CEO's review

We have delivered strong results in the third quarter of 2022 as revenue increased by 55% year-on-year and EBITDA increased by 63%. Having reached our full-year targets for the size of the operational portfolio and for the signed pipeline, our focus in the third quarter was on reviewing and optimising our development projects. Looking ahead, we will remain focused on further building and executing on the project pipeline to ensure continued growth and shareholder value creation.

We continued to see relatively high electricity prices across most of Europe in the third quarter and into the fourth quarter. However, we are also seeing an overall trend of declining gas and electricity prices, and we expect this trend to continue for the remainder of the year and into 2023.

In late Q3 2022, the European Union Council ("the EU Council") agreed on measures to reduce energy prices. The EU Council agreed to cap market revenues at EUR 180 per megawatt-hour ("MWh") for electricity generators that use inframarginal technologies to produce electricity, which includes solar PV. The exact effect on Nordic Solar remains unclear as each member state may

choose its own measures to meet the proposed requirement, but we are closely monitoring the situation. In any case, we expect the price cap to adversely impact financial results for 2022 and 2023.

The process of finding a cornerstone investor to support our continued growth through the execution of several major construction projects in 2023 and 2024 is well under way, and it remains our ambition to conclude an agreement in early 2023.

### Operational performance and construction process

Power production for Q3 2022 was adversely impacted by high temperatures in the late-summer period as well as lower-



than-expected irradiation throughout the quarter, leaving the year-to-date production in line with our budgets.

The construction of the 33 megawatt-peak ("MWp") solar park in Lysabild, Denmark, was completed in early November 2022 after which the park was connected to the Danish power grid. As part of the financing agreement, the initial project financing of EUR 21 million will be converted into a long-term project financing agreement. With the completion of the Lysabild solar park, our portfolio of solar parks in operation now totals 359 MWp.

The Lysabild park is one of the first solar parks in Denmark where biodiversity is a central part of the design, providing ideal surroundings for animals, insects and plants. We expect the Lysabild park to provide clean energy equal to the energy consumption of 9,000 households. The Lysabild park also marks the completion of our first full-scope EPC project with a unique design made entirely by Nordic Solar.

During the third quarter, we continued to see high levels of inflation and increasing interest rates. These have adversely impacted our construction costs, but the effects have in the first nine months of the year generally been offset by high power prices.

**Business development and project pipeline**

After a good start to the year, having amassed a total tangible pipeline of 1,750

MWp, we have spent the latest quarter reviewing and optimising our portfolio of development projects.

Through close collaboration with our local developers and advisers, we carried out an extensive, and ongoing, review of the existing development portfolio with the aim of scrutinising the technical design, approval processes and strategy in terms of construction and financing. In this regard, we have also kept a close eye on the volatile commodity markets and the challenges faced in the supply chains, as changes in raw material prices play a role in choosing which technology and design are best used for each project. These processes are key to making sure that Nordic Solar creates an environment where not only the probability of making a successful project is increased but also one where the sustainability and profitability of the projects are enhanced. This continues to be a key focus area for Nordic Solar.

Several projects in the development portfolio have experienced concrete progress. Most advanced is our 32 MWp project in Højby, Denmark, where we concluded the final investment decision (and Notice-to-Proceed). Construction will be initiated in Q4 2022. To support this, Nordic Solar has signed a construction bridge facility with a Danish bank. The solar park forms part of a major portfolio of solar parks with a combined capacity of 250 MWp to be constructed over the coming three to five years.

In Italy, our large-scale projects, Gela and Mazzarino, with a total capacity of more than 140 MWp have concluded the third and last conference with the region whereby we are close to concluding the permitting process. This is expected for the first half of 2023. Finally, the first two projects in our Swedish portfolio are also progressing well. Environmental approval has been achieved and grid connection terms are expected to be defined during Q1 2023.

As a result of the relationship with our network of local developers and partners, we have discussed several options to add additional projects in Italy, Denmark and Lithuania to the existing pipeline. We expect to conclude some of these before year end 2022, thereby further expanding our pipeline and geographical footprint in Europe. We continuously assess potential projects across all active European markets.

**Financial outlook maintained**

Based on the latest market developments, the portfolio of solar parks owned by the end of Q3 2022, the realised electricity prices and expectations to price developments for the remainder of the year, we maintain our financial outlook for the full year 2022.



**Nikolaj Holtet Hoff**  
CEO & Founder



# Q3 2022 financial review

## Income statement for the third quarter of 2022

**Revenue** increased by 54.5% to EUR 27.1 million compared to EUR 17.6 million in the prior year. The year-on-year increase was primarily a result of significantly higher power prices across all markets and the overall larger portfolio of operational assets driven by the grid connection of solar parks in Poland and Portugal.

Total power production increased by 56.0% to 144.5 GWh compared to 92.6 GWh in the prior year, primarily as a result of the overall larger portfolio of operational assets, but partly offset by relatively higher temperatures in the late-summer period as well as relatively low irradiation, which adversely impacted the performance of the operational solar parks.

Secured revenue comprised 61.8% of total revenue for the quarter, compared to 70.8% in the prior year. The year-on-year decrease was primarily driven by increasing power prices leading to a larger share of total revenue being sold at market prices.

**Direct costs** increased by 20.4% to EUR 1.4 million compared to EUR 1.2 million in the prior year, primarily as a result of the relatively larger portfolio of operational assets.

**Gross profit** was EUR 23.7 million compared to EUR 14.9 million in the prior year, corresponding to gross margins of 87.2% and 85.1%, respectively.

**EBITDA** amounted to EUR 22.2 million compared to EUR 13.6 million in the prior year. The year-on-year increase was primarily driven by higher revenue as a result of relatively higher power prices, but partly offset by higher staff costs as a result of the relatively larger organisation to support the continued growth of the Company as well as retrospective taxes in Belgium related to the EU Commission's cap on power prices. The EBITDA margins were 81.7% and 77.5%, respectively.

**Depreciation and amortisation** amounted to EUR 6.2 million compared to EUR 5.3 million in the prior year. The year-on-year increase was primarily driven by the relatively larger asset base.

**EBIT** amounted to EUR 16.0 million compared to EUR 8.3 million in the prior year. The EBIT margins were 59.0% and 47.2%, respectively.

**Net financial items** totalled a net expense of EUR 3.5 million compared to a net expense of EUR 3.1 million in the prior year.

**Profit before tax** amounted to EUR 12.5 million compared to EUR 5.2 million in the prior year.

**Tax for the period** was a net expense of EUR 2.1 million compared to a net expense of EUR 0.7 million in the prior year.

**Profit for the period** amounted to EUR 10.3 million compared to EUR 4.5 million in the prior year.

Profit for the period is attributable to Nordic Solar A/S' shareholders by EUR 9.9 million and to non-controlling interests by EUR 0.4 million compared to EUR 4.0 million and EUR 0.5 million, respectively, in the prior year.

**Other comprehensive income** amounted to an expense of EUR 0.7 million compared to an expense of EUR 0.8 million in the prior year. The year-on-year increase was primarily driven by fair value adjustment of hedging instruments, but partly offset by tax on other comprehensive income.

## Balance sheet at 30 September 2022

**Interest-bearing debt** totalled EUR 296.7 million corresponding to an increase of EUR 16.3 million since 31 December 2021 driven by financing of the relatively larger asset base.



**Equity** totalled EUR 326.4 million on 30 September 2022 compared to EUR 254.1 million on 31 December 2021 and EUR 241.5 million on 30 September 2021. The increase since the beginning of the year was primarily driven by profit for the period, fair value adjustment of hedging instruments and capital increases, including related costs.

#### EQUITY

All figures are in EUR '000

	2022	2021
<b>Equity on 1 January</b>	<b>254,092</b>	<b>85,178</b>
Profit for the period	15,652	3,973
Exchange rate adjustments regarding subsidiaries	-1,730	-1,070
Fair value adjustment of hedging instruments	17,084	686
Tax on other comprehensive income	-4,183	20
<b>Total comprehensive income for the period</b>	<b>26,823</b>	<b>3,609</b>
<b>Transactions with shareholders</b>		
Merger	0	129,384
Capital increases including related costs	52,026	29,289
Value of share-based payments	1,655	-563
Acquisition of own shares	-720	-799
Sale of own shares	163	592
Dividend paid	-7,604	-5,158
<b>Equity on 30 September</b>	<b>326,435</b>	<b>241,532</b>

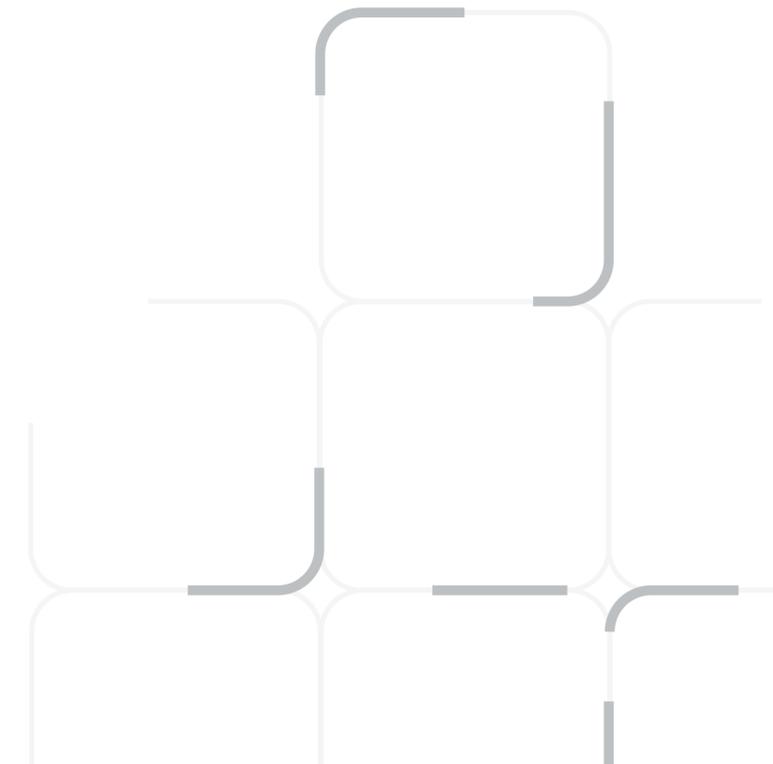
#### Cash flow statement for the first nine months of 2022

**Cash flow from ordinary operating activities** amounted to EUR 40.5 million compared to EUR 36.4 million in the prior year. The year-on-year increase was primarily driven by relatively higher earnings, but partly offset by changes in net working capital as a result of effects related to the merger completed in Q3 2021.

**Cash flow from operating activities** amounted to EUR 30.3 million which was on par with the level in the prior year, as relatively higher financial expenses and income taxes paid offset the relatively higher cash flow from ordinary operating activities.

**Cash flow from investing activities** amounted to negative EUR 34.2 million compared to negative EUR 71.1 million in the prior year. The year-on-year increase was driven by a relatively lower level for investments in solar parks.

**Cash flow from financing activities** amounted to EUR 59.4 million compared to EUR 55.5 million in the prior year. The year-on-year increase was driven by proceeds from borrowings and capital increases, but partly offset by repayment of borrowings and dividends paid.



# Financial outlook for 2022

Based on the portfolio of solar parks owned by the end of Q3 2022, the electricity prices realised and expected price developments for the remainder of the year, we maintain our financial outlook for the full year 2022:

- Revenue of EUR 75 million
- EBITDA of EUR 53 million
- Profit before tax of EUR 15 million

Based on the financial outlook for the full year 2022, we expect a total shareholder return at the level of 9% to 13% for the year. In addition,

we expect to pay [ordinary] dividends to our shareholders of DKK 3.5 per share, taking into account our considerable growth expectations and capital need.

The financial outlook assumes that electricity prices gradually decrease towards the end of the year from the current relatively high level. Further, we assume stable regulatory regimes, and stable interest rates for the remainder of the year.

In addition to the above specific assumptions, the financial outlook for 2022 is based on a number of general assumptions.

Management believes that the most significant general assumptions for the financial outlook relate to:

- Weather conditions
- Solar irradiation
- Macroeconomic and geopolitical developments
- Production-based availability

Please note that the financial outlook for 2022 is subject to a number of uncertainties, including impacts from price caps or other impacts from political interventions.

For further information about the uncertainties related to the financial outlook, please see the section on forward-looking statements on page 28 of this report.

## OUTLOOK 2022

All figures are in EURm

Financial report	2021 Annual Report	Q1 2022	H1 2022	Q3 2022	
Date of publishing	30 Mar 2022	23 Jun 2022	07 Sep 2022	25 Nov 2022	2021 actual
Revenue	62	75	75	75	46
EBITDA	44	56	53	53	32
Profit before tax	7	16	15	15	2



# Financials

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# Consolidated financial statements

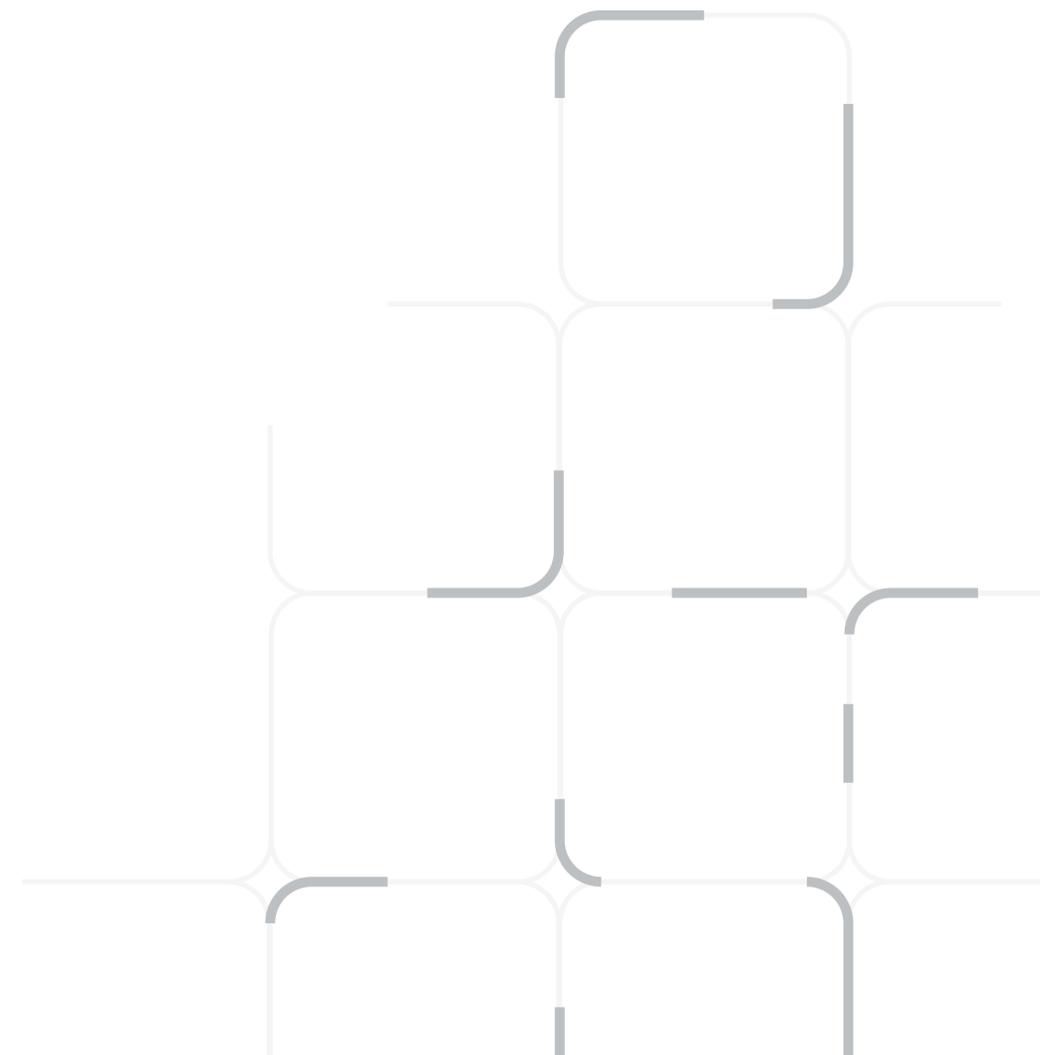
## CONSOLIDATED INCOME STATEMENT

All figures are in EUR '000

	Note	2022 9M	2021 9M	2022 Q3	2021 Q3
<b>Revenue</b>	2	64,961	37,843	27,135	17,560
Direct costs		-4,195	-3,546	-1,409	-1,170
Other operating income		125	137	15	116
Other external costs		-6,903	-5,085	-2,066	-1,570
<b>Gross profit</b>		53,988	29,349	23,675	14,936
Staff costs		-5,278	-1,408	-1,497	-1,331
<b>Profit before amortisation, depreciation and impairment losses (EBITDA)</b>		48,710	27,941	22,178	13,605
Amortisation, depreciation and impairment losses		-18,492	-15,817	-6,165	-5,312
<b>Operating profit (EBIT)</b>		30,218	12,124	16,013	8,293
Financial income		1,777	1,473	881	1,420
Financial expenses		-11,824	-8,782	-4,420	-4,521
<b>Profit before tax</b>		20,171	4,815	12,474	5,192
Income taxes		-4,519	-842	-2,139	-719
<b>Profit for the period</b>		15,652	3,973	10,335	4,473
<b>Profit is attributable to:</b>					
Owners of Nordic Solar A/S		15,022	3,637	9,962	4,014
Non-controlling interests		630	336	373	459
		15,652	3,973	10,335	4,473

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*All figures are in EUR '000*

Note	2022 9M	2021 9M	2022 Q3	2021 Q3
<b>Profit for the period</b>	<b>15,652</b>	<b>3,973</b>	<b>10,335</b>	<b>4,473</b>
<b>Items that have been or may be reclassified to the income statement:</b>				
Exchange rate adjustments on translation of subsidiaries (net)	-1,730	-1,070	-799	-1,245
Fair value adjustment of hedging instruments	17,084	686	1,387	377
Tax on other comprehensive income	-4,183	20	-1,249	94
<b>Other comprehensive income for the period</b>	<b>11,171</b>	<b>-364</b>	<b>-661</b>	<b>-774</b>
<b>Total comprehensive income for the period</b>	<b>26,823</b>	<b>3,609</b>	<b>9,674</b>	<b>3,699</b>
<b>Comprehensive income is attributable to:</b>				
Nordic Solar A/S share	25,811	3,373	9,223	3,340
Non-controlling interests	1,012	236	451	359
	<b>26,823</b>	<b>3,609</b>	<b>9,674</b>	<b>3,699</b>



**CONSOLIDATED BALANCE SHEET**
*All figures are in EUR '000*

	Note	30 September 2022	31 December 2021	30 September 2021
<b>Assets</b>				
Goodwill		44,256	44,256	44,256
Property, plant and equipment	3	432,989	379,763	332,144
Solar parks under construction	3	38,301	79,946	101,248
Non-current financial assets		162	160	890
Deferred tax asset		12,197	14,158	11,159
Other receivables		17,415	5,875	0
<b>Non-current assets</b>		<b>545,320</b>	<b>524,158</b>	<b>489,697</b>
Trade receivables		9,472	3,235	6,460
Other receivables		15,105	12,385	19,811
Prepayments		9,807	930	11,105
Cash		107,146	51,741	48,515
<b>Current assets</b>		<b>141,530</b>	<b>68,291</b>	<b>85,891</b>
<b>Total assets</b>		<b>686,850</b>	<b>592,449</b>	<b>575,588</b>

	Note	30 September 2022	31 December 2021	30 September 2021
<b>Equity and liabilities</b>				
Share capital	4	67,777	58,535	54,313
Translation reserve		-3,524	-1,794	-1,570
Reserve for hedging		3,351	-9,295	-2,608
Retained earnings		257,660	198,883	191,209
Proposed dividend for the period		0	7,604	0
<b>Equity attributable to shareholders of the parent company</b>		<b>325,264</b>	<b>253,933</b>	<b>241,344</b>
Non-controlling interests share of equity		1,171	159	188
<b>Total equity</b>		<b>326,435</b>	<b>254,092</b>	<b>241,532</b>
Loans	6	255,111	225,400	265,142
Provisions		6,119	8,984	8,978
Other payables		21,923	29,680	25,789
Deferred tax liabilities		2,904	1,060	967
Deferred income		195	211	217
<b>Non-current liabilities</b>		<b>286,252</b>	<b>265,335</b>	<b>301,093</b>
Loans	6	36,809	50,689	18,605
Trade payables		12,984	6,436	6,901
Current income tax liabilities		4,464	1,582	798
Other payables		19,906	14,315	6,659
<b>Current liabilities</b>		<b>74,163</b>	<b>73,022</b>	<b>32,963</b>
<b>Total liabilities</b>		<b>360,415</b>	<b>338,357</b>	<b>334,056</b>
<b>Total equity and liabilities</b>		<b>686,850</b>	<b>592,449</b>	<b>575,588</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
*All figures are in EUR '000*

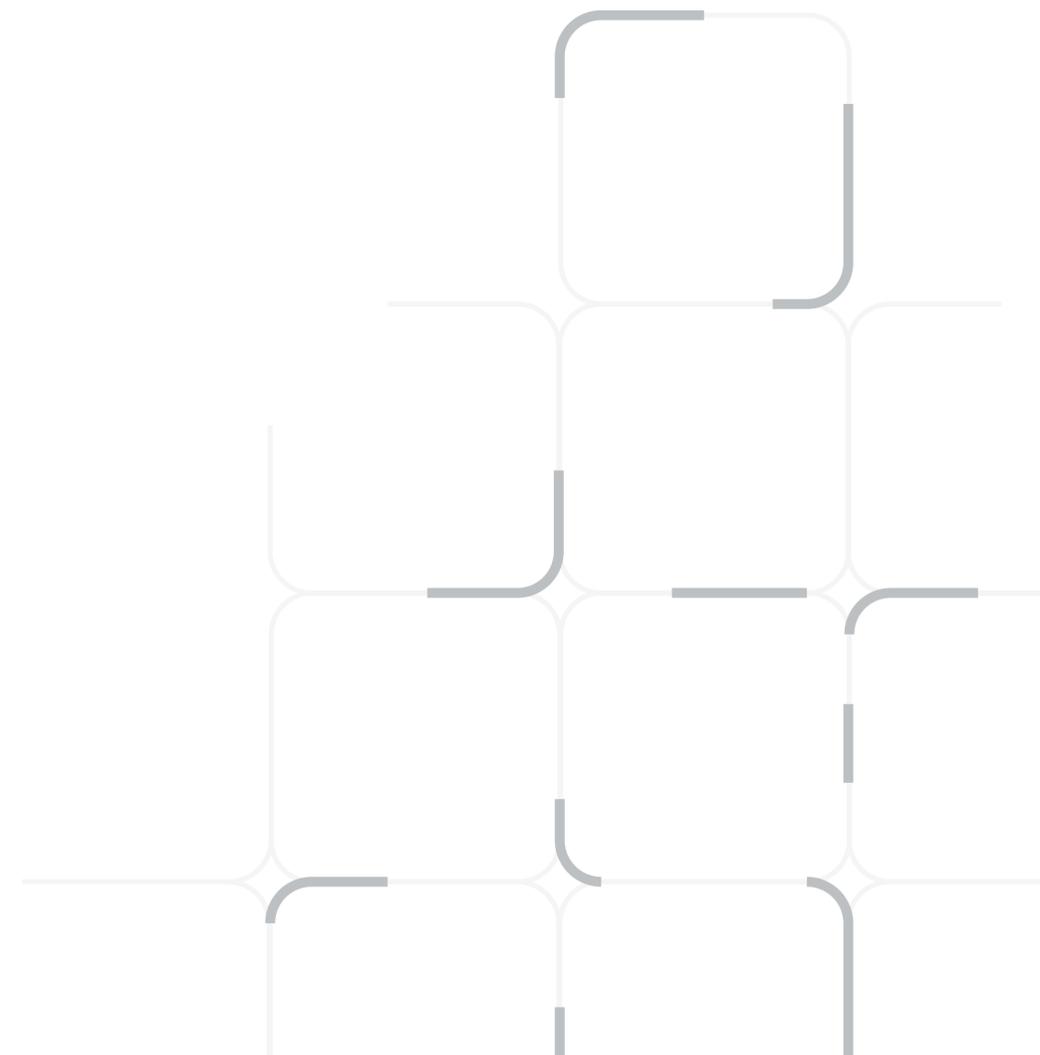
		Share capital	Translation reserve	Reserve for hedging	Retained earnings	Proposed dividend	Equity attributable to investors of the parent	Non-controlling interests share of equity	Total equity
<b>Equity at 1 January 2022</b>	Note	58,535	-1,794	-9,295	198,883	7,604	253,933	159	254,092
Profit for the period		0	0	0	15,022	0	15,022	630	15,652
Exchange rate adjustments regarding subsidiaries		0	-1,730	0	0	0	-1,730	0	-1,730
Fair value adjustment of hedging instruments		0	0	16,655	-127	0	16,528	556	17,084
Tax on other comprehensive income		0	0	-4,009	0	0	-4,009	-174	-4,183
<b>Total comprehensive income for the period</b>		<b>0</b>	<b>-1,730</b>	<b>12,646</b>	<b>14,895</b>	<b>0</b>	<b>25,811</b>	<b>1,012</b>	<b>26,823</b>
<b>Transactions with shareholders</b>									
Capital increases including related costs		9,242	0	0	42,784	0	52,026	0	52,026
Value of share-based payments		0	0	0	1,655	0	1,655	0	1,655
Acquisition of own shares		0	0	0	-720	0	-720	0	-720
Sale of own shares		0	0	0	163	0	163	0	163
Dividend paid		0	0	0	0	-7,604	-7,604	0	-7,604
<b>Equity at 30 September 2022</b>		<b>67,777</b>	<b>-3,524</b>	<b>3,351</b>	<b>257,660</b>	<b>0</b>	<b>325,264</b>	<b>1,171</b>	<b>326,435</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**
*All figures are in EUR '000*

		Share capital	Translation reserve	Reserve for hedging	Retained earnings	Proposed dividend	Equity attributable to investors of the parent	Non-controlling interests share of equity	Total equity
<b>Equity at 1 January 2021</b>	Note	23,113	-600	-3,314	60,869	5,158	85,226	-48	85,178
Profit for the period		0	0	0	3,637	0	3,637	336	3,973
Exchange rate adjustments regarding subsidiaries		0	-970	0	0	0	-970	-100	-1,070
Fair value adjustment of hedging instruments		0	0	686	0	0	686	0	686
Tax on other comprehensive income		0	0	20	0	0	20	0	20
<b>Total comprehensive income for the period</b>		<b>0</b>	<b>-970</b>	<b>706</b>	<b>3,637</b>	<b>0</b>	<b>3,373</b>	<b>236</b>	<b>3,609</b>
<b>Transactions with shareholders</b>									
Merger		25,321	0	0	104,063	0	129,384	0	129,384
Capital increases including related costs		5,879	0	0	23,410	0	29,289	0	29,289
Value of share-based payments		0	0	0	-563	0	-563	0	-563
Acquisition of own shares		0	0	0	-799	0	-799	0	-799
Sale of own shares		0	0	0	592	0	592	0	592
Dividend paid		0	0	0	0	-5,158	-5,158	0	-5,158
<b>Equity at 30 September 2021</b>		<b>54,313</b>	<b>-1,570</b>	<b>-2,608</b>	<b>191,209</b>	<b>0</b>	<b>241,344</b>	<b>188</b>	<b>241,532</b>

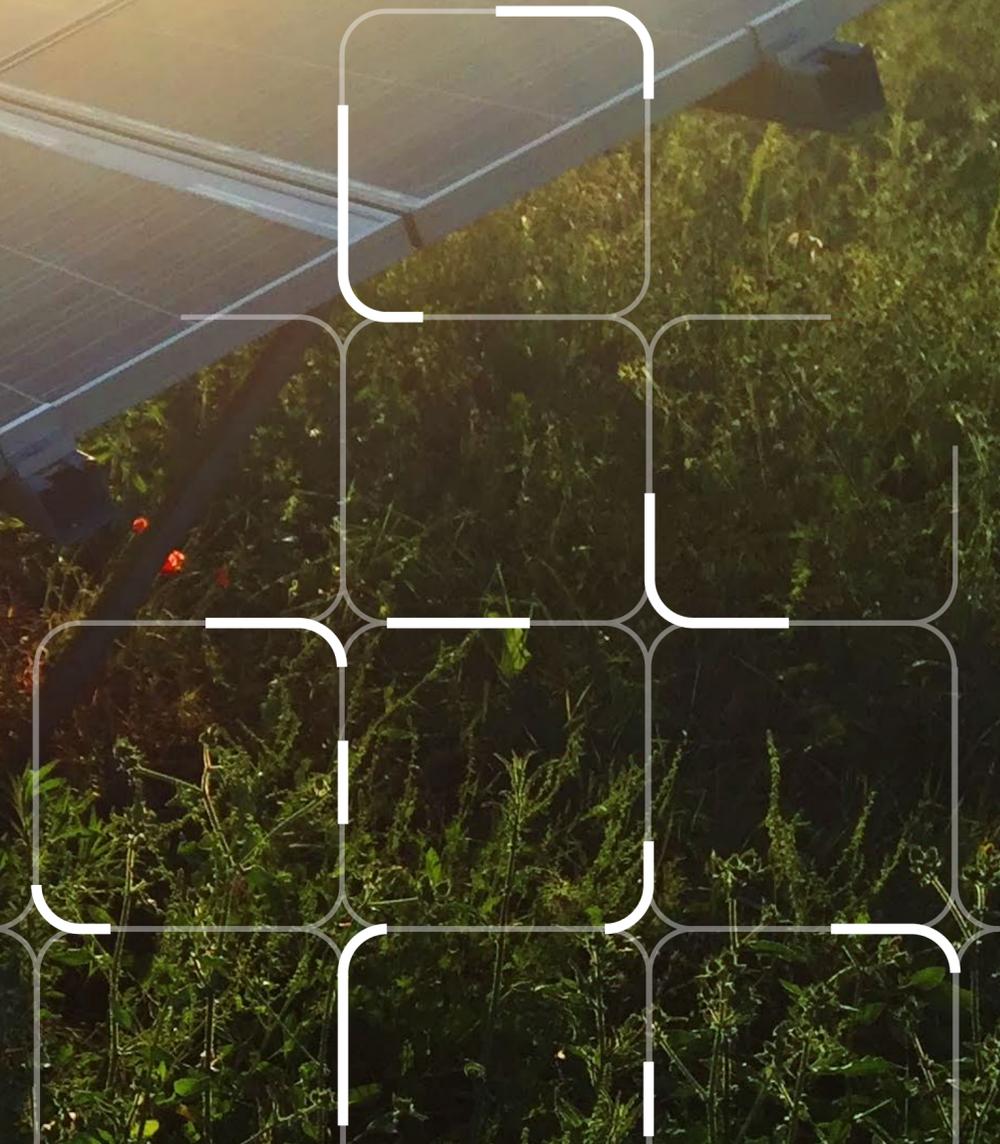
**CONSOLIDATED STATEMENT OF CASH FLOWS**
*All figures are in EUR '000*

Note	2022 9M	2021 9M	2022 Q3	2021 Q3
<b>Operating profit (EBIT)</b>	<b>30,218</b>	<b>12,124</b>	<b>16,013</b>	<b>8,293</b>
Amortisation, depreciation and impairment losses	18,492	15,817	6,165	6,173
Share-based payment	1,655	10	542	0
Change in net working capital	-9,882	8,430	-6,845	13,167
<b>Cash flows from ordinary operating activities</b>	<b>40,483</b>	<b>36,381</b>	<b>15,875</b>	<b>27,633</b>
Financial income	1,777	1,424	1,062	1,371
Financial expenses	-9,793	-6,608	-2,914	-1,997
Income taxes paid	-2,198	-835	-1,511	-331
<b>Cash flow from operating activities</b>	<b>30,269</b>	<b>30,362</b>	<b>12,512</b>	<b>26,676</b>
Investments in solar parks	-34,134	-81,366	-7,521	-66,577
Acquired cash asset deals	-100	8,248	-1,374	0
Acquired cash business combinations	0	1,973	0	0
<b>Cash flow from investing activities</b>	<b>-34,234</b>	<b>-71,145</b>	<b>-8,895</b>	<b>-66,577</b>
Proceeds from borrowings	67,978	42,647	4,950	42,504
Repayments of borrowings	-50,067	-8,558	-15,141	3,219
Repayments of lease liabilities	-2,405	-2,714	-1,053	-3,225
Net sale, own shares	-557	0	-277	0
Capital increases	51,459	29,182	19,946	0
Costs from capital increases	566	107	250	0
Dividend paid	-7,604	-5,158	0	0
<b>Cash flow from financing activities</b>	<b>59,370</b>	<b>55,506</b>	<b>8,675</b>	<b>42,498</b>
<b>Net cash flow for the period</b>	<b>55,405</b>	<b>14,723</b>	<b>12,293</b>	<b>2,597</b>
Cash and cash equivalents, beginning of the period	51,741	33,791	94,853	45,917
<b>Cash and cash equivalents, end of the period</b>	<b>107,146</b>	<b>48,514</b>	<b>107,146</b>	<b>48,514</b>



# Notes to the consolidated financial statements

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## 1. ACCOUNTING POLICIES

The interim financial report of Nordic Solar comprises a summary of the unaudited consolidated financial statements of Nordic Solar A/S and its subsidiaries.

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional requirements in accordance with the Danish Financial Statements Act.

The interim report does not contain all the information required for the annual report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2021. No interim report has been prepared for the parent company.

Accounting policies remain unchanged compared to the annual report for the year ended 31 December 2021, to which reference is made.

### Critical accounting estimates and judgements

When preparing the interim financial reporting of Nordic Solar, Management makes a number of accounting estimates and assumptions, which form the basis of recognition and measurement of Nordic Solar’s assets and liabilities. The estimates and assumptions made are based on experience and other

factors considered reasonable by Management in the circumstances. Reference is made to the consolidated financial statements in the annual report for the year ended 31 December 2021, note 2.

### New accounting standards, amendments and interpretations

Nordic Solar has adopted all new, amended or revised accounting standards and interpretations as published by the IASB and endorsed by the EU effective for the accounting period beginning on 1 January 2022.

None of these amended standards and interpretations are expected to have any significant impact on our financial statements.

## 2. SEGMENT NOTE

The segmented reporting is split into three main working areas of the Company: Operational solar parks, Development & construction, and Corporate services.

### Operational solar parks

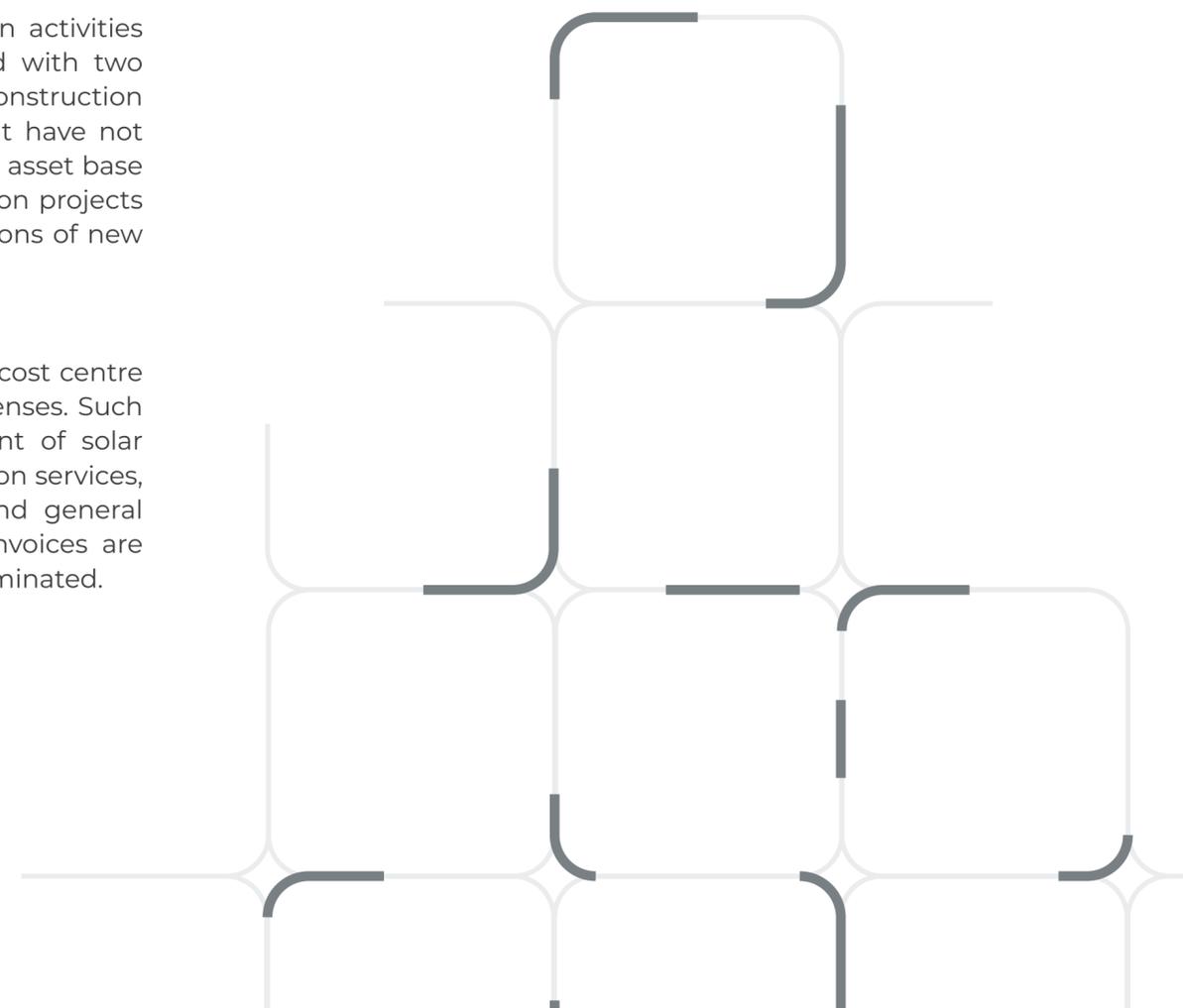
The operational solar parks include all energy-producing parks that have been operational for at least a full year.

### Development & construction

The development and construction activities mainly consist of costs associated with two solar park development and construction projects as well as solar parks that have not been operational for a full year. The asset base reflects both the cost of construction projects as well as costs related to acquisitions of new development and project rights.

### Corporate services

Corporate services are all part of a cost centre which includes all head office expenses. Such expenses cover asset management of solar parks, development and construction services, costs related to capital raising and general administrative expenses. As the invoices are internal, such revenue has been eliminated.



## 2. SEGMENT NOTE (CONTINUED)

All figures are in EUR '000

30. September 2022	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
<b>Income statement</b>					
Secured revenue	42,417	0	42,417	0	42,417
Merchant revenue	22,544	0	22,544	0	22,544
Total revenue	64,961	0	64,961	0	64,961
Profit before amortisation, depreciation and impairment losses (EBITDA)	52,364	-2,627	49,737	-1,027	48,710
Depreciation, amortisation and impairment	-17,490	0	-17,490	-1,002	-18,492
<b>Balance sheet</b>					
Total assets	481,976	89,748	571,723	115,126	686,850
Investments in property, plant and equipment and solar parks under construction	944	33,017	33,961	172	34,134
<b>Key ratios</b>					
Free cash flow from operations	31,795	-3,170	28,625	-639	27,986
30. September 2021	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
<b>Income statement</b>					
Secured revenue	28,525	253	28,778	0	28,778
Merchant revenue	7,136	1,929	9,065	0	9,065
Total revenue	35,661	2,182	37,843	0	37,843
Profit before amortisation, depreciation and impairment losses (EBITDA)	31,047	705	31,752	-3,810	27,941
Depreciation, amortisation and impairment	-13,936	-850	-14,786	-1,031	-15,817
<b>Balance sheet</b>					
Total assets	351,701	122,708	474,409	101,179	575,588
Investments in property, plant and equipment and solar parks under construction	10,611	70,755	81,366	0	81,366
<b>Key ratios</b>					
Free cash flow from operations	15,731	304	16,035	-4,938	11,097

## 2. SEGMENT NOTE (CONTINUED)

All figures are in EUR '000

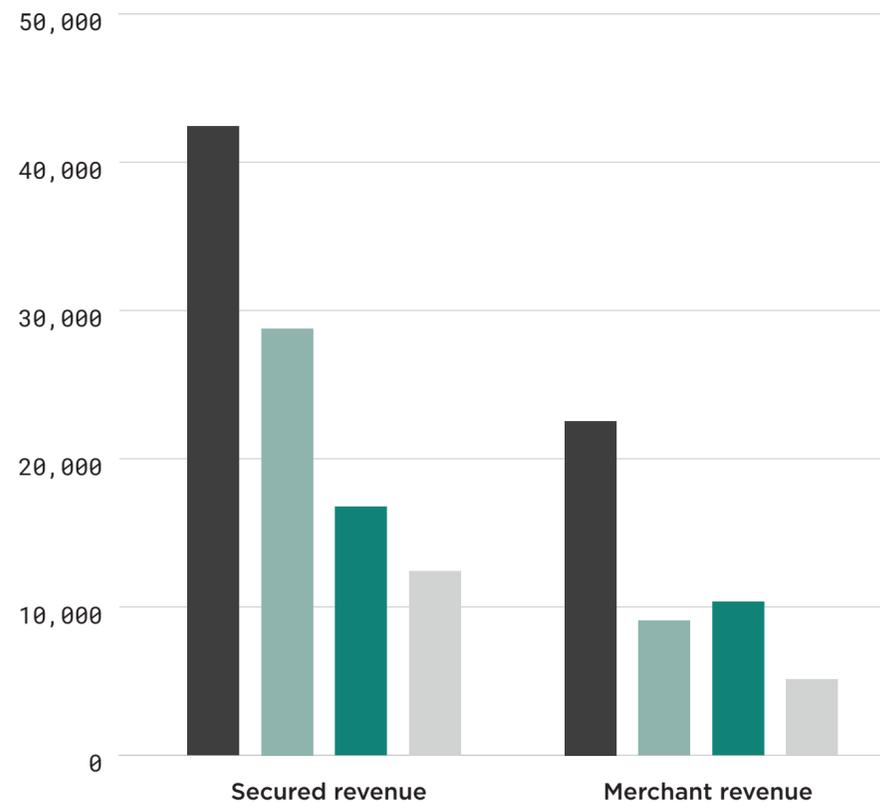
Q3 2022	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
<b>Income statement</b>					
Secured revenue	16,770	0	16,770	0	16,770
Merchant revenue	10,365	0	10,365	0	10,365
Total revenue	27,135	0	27,135	0	27,135
Profit before amortisation, depreciation and impairment losses (EBITDA)	23,229	-716	22,513	-336	22,178
Depreciation, amortisation and impairment	-5,936	0	-5,936	-229	-6,165
<b>Statement of financial position</b>					
Total assets	481,976	89,748	571,723	115,128	686,852
Investments in property, plant and equipment	-3,554	11,023	7,469	52	7,521
<b>Key ratios</b>					
Free cash flow from operations	12,366	27	12,393	750	13,143
Q3 2021	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
<b>Income statement</b>					
Secured revenue	12,179	253	12,432	0	12,432
Merchant revenue	3,199	1,929	5,128	0	5,128
Total revenue	15,378	2,182	17,560	0	17,560
Profit before amortisation, depreciation and impairment losses (EBITDA)	15,110	705	15,816	-3,811	12,004
Depreciation, amortisation and impairment	-4,292	-850	-5,142	-1,031	-6,173
<b>Statement of financial position</b>					
Total assets	351,701	122,708	474,409	101,179	575,588
Investments in property, plant and equipment	0	66,577	66,577	0	66,577
<b>Key ratios</b>					
Free cash flow from operations	11,534	633	12,167	-3,526	8,641

**2. SEGMENT NOTE (CONTINUED)**

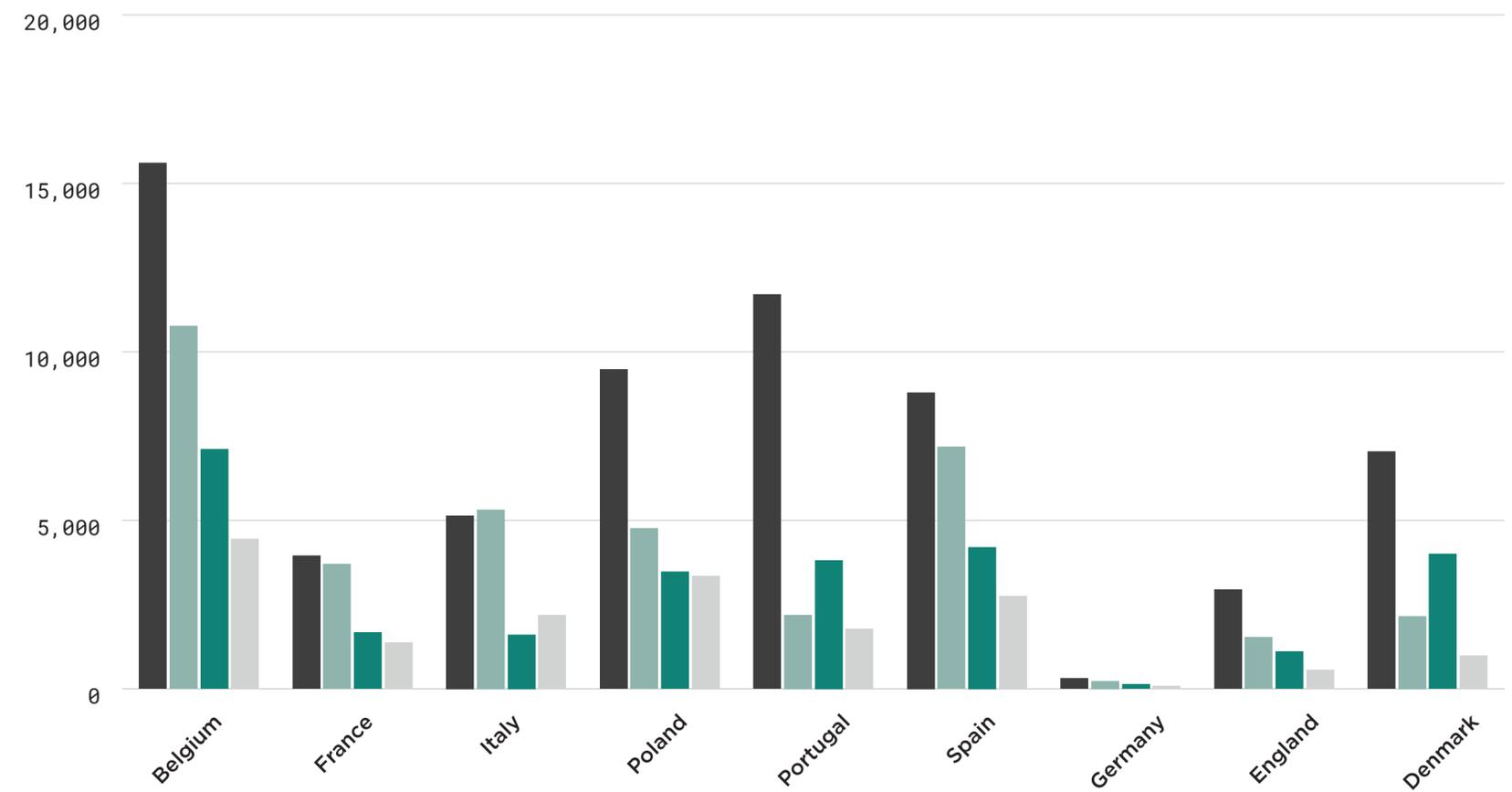
*All figures are in EUR '000*

● 30. SEPTEMBER 2022   ● 30. SEPTEMBER 2021   ● Q3 2022   ● Q3 2021

**Type of revenue**



**Net revenue by country**

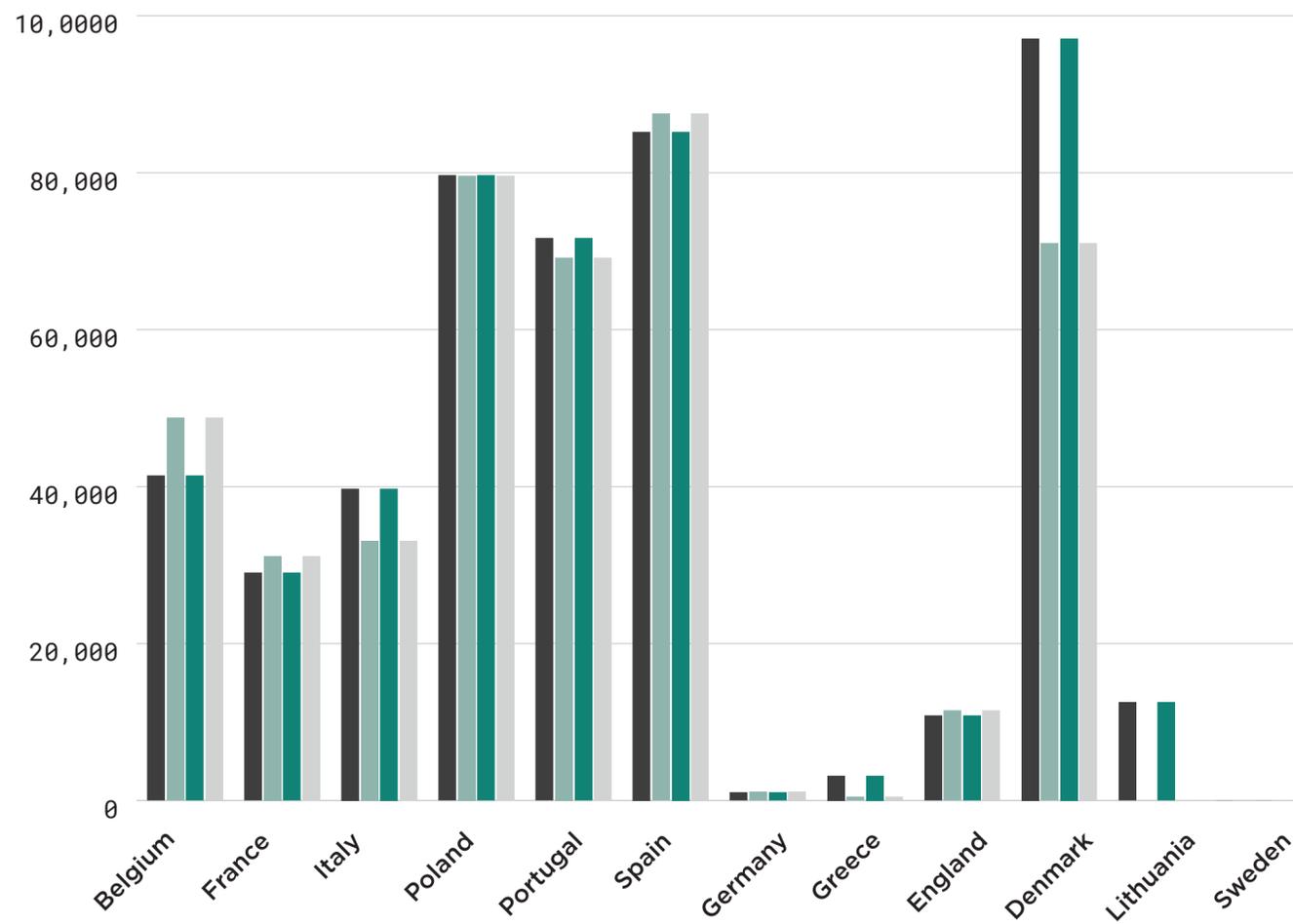


**2. SEGMENT NOTE (CONTINUED)**

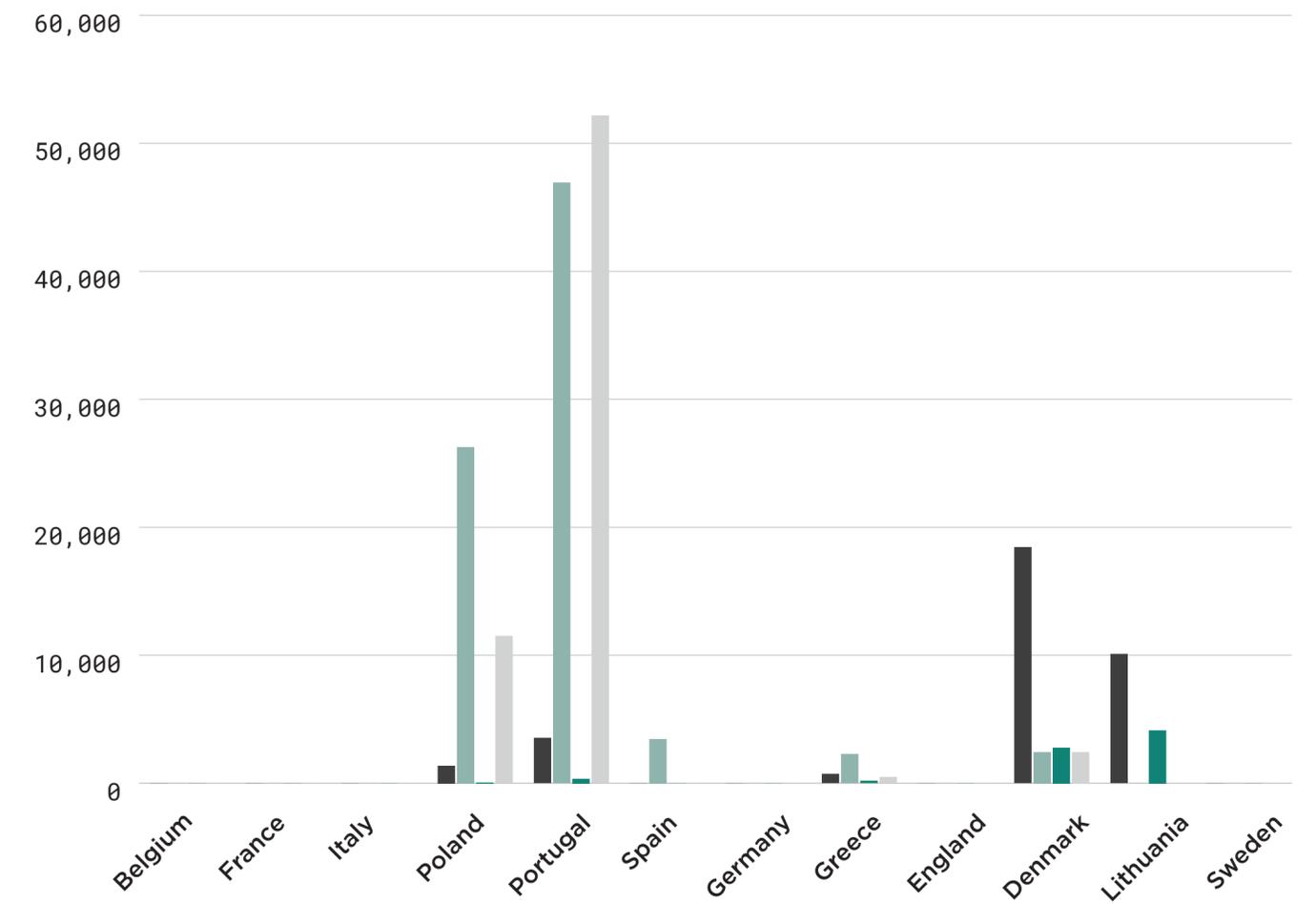
All figures are in EUR '000

● 30. SEPTEMBER 2022   ● 30. SEPTEMBER 2021   ● Q3 2022   ● Q3 2021

**Property, plant and equipment and solar parks under construction**



**Investment in property, plant and equipment and solar parks under construction**



### 3. PROPERTY, PLANT AND EQUIPMENT

All figures are in EUR '000

	Solar parks	Fixtures and fittings, tools and equipment	Leased solar parks	Leased land and roof tops	Solar parks under constructions	Total
Cost 1 January 2022	355,556	901	56,481	39,669	79,946	532,553
Additions during the period	8,110	173	0	1,636	24,215	34,134
Remeasurements during the period	0	0	0	0	0	0
Transfer to/from other asset type	49,943	0	14,785	684	-64,708	704
Exchange rate adjustments	-3,068	0	0	0	-1,152	-4,220
<b>Cost 30 September 2022</b>	<b>410,541</b>	<b>1,074</b>	<b>71,266</b>	<b>41,989</b>	<b>38,301</b>	<b>563,171</b>
Depreciation and impairment 1 January 2022	-46,731	-424	-21,737	-3,952		-72,844
Depreciation for the period	-14,150	-143	-2,777	-1,610		-18,680
Disposals during the period	0	0	0	0		0
Transfer to/from other asset type	14,777	0	-14,777	-704		-704
Exchange rate adjustments	347	0	0	0		347
<b>Depreciation and impairment 30 September 2022</b>	<b>-45,757</b>	<b>-567</b>	<b>-39,291</b>	<b>-6,266</b>		<b>-91,881</b>
<b>Carrying amount 30 September 2022</b>	<b>364,784</b>	<b>507</b>	<b>31,975</b>	<b>35,723</b>	<b>38,301</b>	<b>471,290</b>
	Solar parks	Fixtures and fittings, tools and equipment	Leased solar parks	Leased land and roof tops	Solar parks under constructions	Total
Cost 1 January 2021	266,794	432	56,481	17,256	0	340,963
Merger	45,565	0	0	14,818	38,030	98,413
Additions during the period	42,553	469	0	7,595	41,946	92,563
Remeasurements during the period	0	0	0	0	0	0
Transfer to/from other asset type	0	0	0	0	0	0
Exchange rate adjustments	644	0	0	0	-30	614
<b>Cost 31 December 2021</b>	<b>355,556</b>	<b>901</b>	<b>56,481</b>	<b>39,669</b>	<b>79,946</b>	<b>532,553</b>
Depreciation and impairment 1 January 2021	-31,667	-120	-18,039	-2,597		-52,423
Depreciation for the period	-14,872	-304	-3,698	-1,355		-20,229
Disposals during the period	0	0	0	0		0
Transfer to/from other asset type	0	0	0	0		0
Exchange rate adjustments	-192	0	0	0		-192
<b>Depreciation and impairment 31 December 2021</b>	<b>-46,731</b>	<b>-424</b>	<b>-21,737</b>	<b>-3,952</b>		<b>-72,844</b>
<b>Carrying amount 31 December 2021</b>	<b>308,825</b>	<b>477</b>	<b>34,744</b>	<b>35,717</b>	<b>79,946</b>	<b>459,709</b>

#### 4. SHARE CAPITAL

All figures are in EUR '000

	2022 30/09	2021 31/12
<b>Changes in share capital:</b>		
Share capital 1 January	58,535	23,113
Merger	0	25,321
Capital increases	9,242	10,101
<b>SHARE CAPITAL END OF PERIOD</b>	<b>67,777</b>	<b>58,535</b>
Fees related to capital increase	566	-260

#### 5. FINANCIAL INSTRUMENTS

As part of Group risk management, derivatives for hedging purposes are used in order to reduce the Group's exposure to market risks.

In Portugal, the Group has entered into a PPA classified as a hedging instrument. This contract locks the energy price by up to 70% of the produced energy over a period of 10 years. Measurement of the PPA's fair value is categorized as level 1 in the fair value hierarchy, as measurement is based on data from observable markets.

The Group has entered into interest rate swaps on borrowings, from floating-rate interest to fixed-rate interest.

Measurement of the fair value of the interest rate swaps is categorized as level 2 in the fair value hierarchy, as measurement is based on observable yields curves, as informed by the credit institutions in the mark to market statement.



## 6. CHANGES IN LIABILITIES

All figures are in EUR '000

	Beginning of period	Proceeds from borrowings	Repayments	Non-cash changes*	End of period
<b>2022</b>					
Mortgage loans	199,839	42,222	-36,367	63	205,757
Financial leases	67,375	0	-2,405	0	64,970
Other credit institutions	9,292	19,102	-4,760	0	23,634
Loan costs	-4,298	-760	0	264	-4,794
Loans from investor	3,879	7,414	-8,940	0	2,353
<b>Cash flow from financial items 30 September</b>	<b>276,087</b>	<b>67,978</b>	<b>-52,472</b>	<b>327</b>	<b>291,920</b>
<b>2021</b>					
Mortgage loans	158,606	42,317	-11,500	10,416	199,839
Financial leases	49,119	0	-3,605	21,861	67,375
Other credit institutions	10,678	25	-767	-644	9,292
Loan costs	-3,372	-822	0	-104	-4,298
Loans from investor	2,752	1,127	0	0	3,879
<b>Cash flow from financial items 31 December</b>	<b>217,783</b>	<b>42,647</b>	<b>-15,872</b>	<b>31,529</b>	<b>276,087</b>

\* Non-cash changes in 2022 are related to exchange rate differences.

## 7. SHARE-BASED PAYMENTS

The Group has established a warrant program for the employees and members of the Board of Directors. Each warrant entitles the recipient to subscribe for one share in the company at a nominal value of DKK 25. The warrants are vested over a three-year period. The warrants may be exercised over a period of seven years after the grant.

The subscription price for shares subscribed under warrants granted is the weighted average subscription price per share during the vesting period less accumulated paid distributions of any kind (including capital reductions and resale of issued shares to company) since its inception. However, the subscription price must be a minimum of DKK 25 per share. The fair value of granted warrants is calculated based on the Black & Scholes valuation model. The assumptions used are based on Management's estimates.

The estimated volatility is based on the historical volatility in similar companies.

### Accounting policies

The fair value of the equity-settled warrants program is measured at the time of grant and is recognized in the income statement as other external costs and staff costs over the period until the final right to warrants is earned. The off-setting item is recognized directly in equity. The fair value of the options granted is estimated on the basis of the Black & Scholes model. The estimate takes into account the terms and conditions applicable to the grant of warrants and Management's expectations of the development in the elements on which the valuation model is based.

	Average exercise price EUR	Number
<b>Specification of outstanding warrants</b>		
Outstanding 1 January 2021	14.11	688,772
Exercised during the period	14.14	-802,020
Granted during the period	17.32	1,697,482
<b>Outstanding 1 January 2022</b>	<b>14.11</b>	<b>1,584,234</b>
Granted during the period	19.26	66,000
Forfeited during the period	17.61	-38,819
<b>Outstanding 30 September 2022</b>		<b>1,611,415</b>

	Number of warrants	Fair value EUR
<b>Fair value of warrants at the grant date</b>		
10 June 2021	1,552,234	6,511,630
29 December 2021	32,000	146,969
16 June 2022	46,500	248,976
14 September 2022	19,500	108,039

In 2022, costs relating to the warrant programme have been recognised at EURk 1.655 (2021: EURk 1.213).

	2022
<b>Assumptions</b>	
Share price ranges (EUR)	17.30 - 19.68
Expected lifetime (years)	4.50
Volatility	30%
Risk-free interest rate	-0.43% - 1.85%

# Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management team have today discussed and approved the Interim Financial Report of Nordic Solar A/S for the Period 1 January 2022 to 30 September 2022.

The Interim Financial Report has not been audited or reviewed by the Company's independent auditors.

The Interim Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional requirements in accordance with the Danish Financial Statements Act.

In our opinion, the interim consolidated financial statements (pages 11-15) give a true and fair view of Nordic Solar's consolidated assets, liabilities and financial position at 30 September 2022 and of the results of Nordic Solar's consolidated operations and cash flows for the period 1 January 2022 to 30 September 2022.

Furthermore, in our opinion, the CEO's review (pages 5-6) includes a fair review of the development in Nordic Solar's operations and financial conditions, the results for the period, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that Nordic Solar faces, relative to the disclosures in the annual report for 2021.

**Hellerup, 25 November 2022**

#### **Board of Directors**

Christian Sagild, Chairman  
Iben Mai Winsløw  
Frank Schyberg  
Vibeke Bak Solok  
Christian Dulong Hoff

#### **Executive Management**

Nikolaj Holtet Hoff, CEO  
Anders Søgaard-Jensen, CSO



# Forward-looking statements

The interim financial report contains certain forward-looking statements, including but not limited to, the statements and expectations contained in the section “Financial outlook for 2022” on page 9 of this report. Statements herein, other than statements of historical fact, regarding our future results of operations, financial conditions, cash flows, business strategy, plans and future objectives are forward-looking statements. Words such as “targets”, “ambition”, “believe”, “expect”, “aim”, “intend”, “plan”, “seek”, “will”, “may”, “should”, “anticipate”, “continue”, “predict” or variations of these words, as well as other statements regarding matters that are not historical facts or regarding future events or prospects, constitute forward-looking statements.

Nordic Solar A/S (hereinafter referred to as “Nordic Solar” or “the Company”) have based these forward-looking statements on its current views with respect to future events and financial performance.

These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of Nordic Solar. While the Company believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect and actual results may materially differ due to a variety of factors, including, but not limited to, changes in temperature, solar irradiation, precipitation levels, the development in the power, coal, carbon, gas, oil, currency and interest rate markets, changes in legislation, regulation or standards, the renegotiation of contracts, changes in the competitive environment in the Company’s markets and reliability of supply, as well as customer-created delays affecting product installation, grid connections and other revenue-recognition factors.

All forward-looking statements contained in the interim financial report are expressly qualified by the cautionary statements contained or referred to in this statement. Undue reliance should not be placed on forward-looking statements. Additional factors that may affect future results are contained in the “Risk and risk management” section on pages 56 to 57 of the 2021 annual report, available at [www.nordicsolar.eu](http://www.nordicsolar.eu), and these factors should also be considered. Each forward-looking statement speaks only as of the date of this interim financial report. Unless required by law, Nordic Solar is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this interim financial report, whether as a result of new information, future events or otherwise.



## Colophon

### BOARD OF DIRECTORS

Christian Sagild, Chairman  
Iben Mai Winsløw  
Frank Schyberg  
Vibeke Bak Solok  
Christian Dulong Hoff

### NOMINATION AND REMUNERATION COMMITTEE

Christian Sagild, Committee Chair  
Iben Mai Winsløw  
Frank Schyberg

### AUDIT AND RISK COMMITTEE

Vibeke Bak Solok, Committee Chair  
Christian Sagild  
Christian Dulong Hoff

### EXECUTIVE MANAGEMENT

Nikolaj Holtet Hoff, CEO  
Anders Søggaard-Jensen, CSO

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### PUBLICATION

28 November 2022

### DESIGN AND LAYOUT

Westring kbh



