

# First half year 2023



# Table of contents

<b>Highlights Q2 2023</b>	<b>3</b>
<b>Summary of financial information</b>	<b>4</b>
<b>CEO's review</b>	<b>5</b>
<b>Business review</b>	<b>8</b>
<b>Financial review</b>	<b>10</b>
<b>Financial outlook for 2023</b>	<b>12</b>
<b>Financials</b>	<b>13</b>
<b>Consolidated financial statements</b>	<b>14</b>
<b>Notes to the consolidated financial statements</b>	<b>18</b>
<b>Statement by the Board of Directors and the Executive Management</b>	<b>28</b>
<b>Forward-looking statements</b>	<b>29</b>
<b>Colophon</b>	<b>30</b>

#### About Nordic Solar

Nordic Solar is a leading solar park developer, EPC provider and operator. Nordic Solar currently operates industrial solar parks across 12 European countries and has 390 MWp of operational solar parks under management, 282 MWp currently under construction and a development portfolio of 1,652 MWp. The Company is headquartered in Hellerup, Denmark and currently employs more than 100 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.

#### Glossary

A glossary explaining key terms used in the solar PV industry can be found on page 117 in the annual report for 2022.

#### Presentation of the H1 2023 Interim Financial Report

In connection with the release of the H1 2023 Interim Financial Report, Nordic Solar will host an online presentation on Thursday, 7 September 2023 at 1:00pm CEST. 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: <https://hca.videosync.fi/2023-09-07-nordic-solar/register>. Please note that the event will be hosted in Danish.



# Highlights

## Q2 2023



### REVENUE

Revenue decreased by 16.1% to EUR 20.8 million (EUR 24.8 million). The share of secured revenue increased to 78.7% (68.2%) of total revenue due to declining power prices, which resulted in a smaller share of total electricity being sold at market prices.

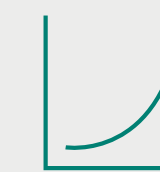
Financials



### EBITDA

EBITDA decreased by 31.4% to EUR 12.4 million (EUR 18.0 million). The EBITDA margin was 59.4% (72.7%).

Financials



### PROFIT

Profit before tax amounted to a profit of EUR 3.4 million (profit of EUR 7.3 million).

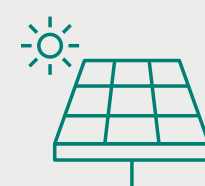
Financials



### FINANCIAL AGREEMENT

Nordic Solar has signed an agreement with US private equity firm EIG on a credit facility totaling approximately DKK 2.2 billion (EUR 300 million), securing substantial financing of future growth.

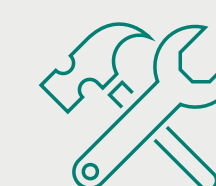
Financials



### DEVELOPMENT PORTFOLIO

Our development portfolio comprised projects with an expected production capacity totalling 1,652 MWp at the end of Q2 2023. Within Q2, we signed two development projects in Sweden with a combined expected production capacity of 83 MWp. After the quarter, we signed a 71 MWp development project in Denmark.

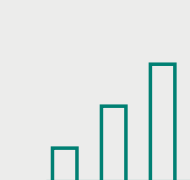
Business development



### SOLAR PARKS UNDER CONSTRUCTION

Currently, we have four projects under construction with a total estimated capacity of 282 MWp.

Business development



### FINANCIAL OUTLOOK

The financial outlook for 2023 has been lowered and adjusted from initial expectations:

- Revenue of EUR 57-67 million (EUR 65-85 million).
- EBITDA of EUR 32-39 million (EUR 45-60 million).

Financials

# Summary of financial information

## FINANCIAL HIGHLIGHTS

All figures are in EUR '000

	2023 H1 (6M)	2022 H1 (6M)	2023 Q2 (3M)	2022 Q2 (3M)	2022 FY (12M)
<b>Key figures</b>					
Revenue	31,066	37,826	20,819	24,821	72,369
Profit before amortisation, depreciation and impairment losses (EBITDA)	17,547	26,532	12,375	18,045	49,313
Operating profit (EBIT)	4,515	14,205	5,859	11,495	24,035
Profit before tax	-1,170	7,697	3,414	7,299	11,253
Profit/loss for the period	-1,590	5,317	2,589	5,117	6,165
Nordic Solar A/S share of profit/loss for the period	-1,744	5,060	2,414	4,865	5,812
<b>Balance key figures</b>					
Property, plant and equipment	516,854	471,483	516,854	471,483	484,672
Cash	85,048	94,853	85,048	94,853	110,876
Total assets	712,962	670,980	712,962	670,980	706,772
Equity	338,073	296,303	338,073	296,303	338,414
Investment in property, plant and equipment and right of use assets	41,872	26,614	32,664	21,554	52,954
Interest-bearing debt (loans)	314,553	305,660	314,553	305,660	298,053
<b>Financial ratios</b>					
EBITDA margin	56.5%	70.1%	59.4%	72.7%	68.1%
EBIT margin	14.5%	37.6%	28.1%	46.3%	33.2%
Solvency ratio	47.4%	44.2%	47.4%	44.2%	47.9%
<b>Cash flows</b>					
Profit/loss before tax	-1,170	7,697	3,414	7,299	11,253
Corporate tax	-592	-687	-285	-645	-2,622
Non-cash transactions under profit and loss other than depreciations	2,299	1,137	2,595	534	4,258
Depreciation and impairment of property, plant and equipment	13,032	12,327	6,516	6,550	25,278
Repayment of project related loans	-7,751	-5,800	-4,946	-2,854	-13,628
Non-controlling interests share of free cash	-79	169	-168	167	558
<b>Free cash flow from operations</b>	<b>5,739</b>	<b>14,843</b>	<b>7,126</b>	<b>11,051</b>	<b>25,097</b>

## CEO's review

In the first half of 2023, Nordic Solar successfully secured a credit facility of EUR 300 mill. with the American private equity firm EIG. The agreement has secured financing of a significant share of the growth opportunities created by the merger of the Nordic Solar companies in 2021. Thereby we are able to deliver on our strategic growth targets as well as delivering the best possible shareholder value. The very high power prices in 2022 resulted in higher profit than expected, while it has been the opposite for 2023. The first half year 2023, we have seen lower electricity prices and lower financial results than expected, leading to a downward adjustment in our financial expectations for the full year 2023. However, the growth strategy and future profitability expectations, are unaffected by the short term market volatility.

### **Financial agreement secures substantial financing of future growth**

Nordic Solar has been actively seeking a minority investor to bolster our financial position and support our ambitious growth plans. This has led us to a unique and promising partnership with the highly respected American private equity firm, EIG Partners.

Rather than bringing in a minority investor, we have secured a substantial loan facility of EUR 300 million from EIG Partners. The loan comes with a bonus interest rate tied to Nordic Solar's valuation, making it a favorable choice for Nordic Solar and its shareholders.

The financial agreement with EIG fulfills the aim of the merger of our three companies into one entity in 2021. The aim of the merger was to utilise our strong operational base to finance our growth and create a strong synergy between the operational portfolio and development activities.

At present, Nordic Solar has a base of over 700 investors who have collectively financed our investments in the current operating portfolio. Our aim is to develop and construct new solar parks with a total investment of DKK 10 billion within the next three years, and at the same time build an organisation capable of



constructing new solar parks with a capacity of 1 GW yearly. The infusion of capital from EIG Partners, which does not directly dilute our existing shareholders, secures the financing of a significant share of our capital needed to execute our growth strategy.

Out of the EUR 300 million provided by EIG Partners, EUR 200 million or more will be utilised for the construction of solar parks from our existing development portfolio, while up to EUR 100 million will be strategically invested in new development projects. This financing strategy allows us to expedite our growth trajectory, strengthen our operational portfolio, and take significant steps towards realising our mission of promoting sustainable and clean energy solutions.

Our operational portfolio currently stands at 390 MWp, and we have a robust portfolio of potential projects, spanning a capacity of 1.9 GWp, which is more than a fivefold increase in the production capacity of our operational portfolio aimed to be achieved by the end of 2025. These achievements bear testimony to our relentless commitment to expanding our operational footprint and playing a significant role in advancing the adoption of renewable energy sources.

#### **Financial performance and outlook impacted by lower power prices**

Revenue decreased by 16.1% year-on-year primarily as a result of the lower market prices

for electricity. The decline was partly offset by a higher production driven by the completion of new solar parks, which have now commenced operations. Earnings (EBITDA) in the quarter were in large parts impacted by the relatively lower revenue, but also the relatively higher staff costs, due to the larger organisation required to support the continued growth of the Company and, today, Nordic Solar employs more than 100 people. Both revenue and earnings for the quarter did not meet our expectations due to the lower than expected power prices. Consequently, we have adjusted the financial outlook for the full year 2023. Our adjusted expectations are that revenue for the full year will be in the range of EUR 57-67 million (EUR 65-85 million) and that EBITDA will be in the range of EUR 32-39 million (EUR 45-60 million). The financial outlook is based on the latest market developments, the portfolio of solar parks owned by the end of Q2 2023, the electricity prices realised and expectations of price developments for the remainder of the year. Our electricity price forecasts are based on external price expectations market by market.

#### **Growing our organisation**

Our European growth journey is far from over, and our ambitions also require a skilled work-force for Nordic Solar to continue its growth. We are therefore pleased to discover a high level of interest in the solar industry in general where new colleagues come not only from abroad and from different industries. To support our accelerated growth journey, we

have continuously succeeded in attracting and hiring new talented employees to convert the projects we have in the pipeline. In Q2 alone, we have welcomed 16 new colleagues and, by September 2023 Nordic Solar will reach 100 employees.

#### **Construction progress**

Despite a production lower than expected in June, we are very close to the expected production year-to-date as of 30 June 2023. This is due to higher production in April and May.

The construction of the 32 MWp solar park in Højby, Denmark, is now complete and began production in July. We have concluded the final investment decision for our 22 MWp Swedish project in Lindesberg and for our 80 MWp Švenčionys project in Lithuania. We anticipate that the solar parks will begin production in mid-Q2 2024 and early 2025, respectively.

We have received a planning permission for our 43 MWp Bomarzo project near Rome in Italy and are conducting a thorough review of the project before concluding our final investment decision. During Q3 2023, we also expect to receive planning permissions for two large projects in Spain and Germany with a total capacity of app. 100 MWp.

Further, we have received the necessary environmental approvals for projects Mazzarino and Gela on Sicily. The development of the projects continues, and both are expected



to be ready for construction during 2023. Lastly, we secured one greenfield project in Sweden in January, two new projects in Sweden in April and one new project on Zealand in Denmark in July. With a total of 219 MWp added to the development portfolio in the first half of 2023, now totalling 1,652 MWp.

**Divestment**

The merger of the Nordic Solar companies enabled the possibility to divest solar parks partly or fully. The aim of the new strategy was two-fold. First of all, divestments are a cash generator for financing growth, and, secondly, a way to realise the value creation during development, construction and financing. It is a strategic decision to divest 100% of rooftop projects.

Currently, two divestment processes are ongoing of which at least one is expected to be finalised in the second half year of 2023.

All in all, the second quarter of 2023 as well as the first half year were in total

financially disappointing. The main reason for this was the electricity prices that were significantly lower than expected. On top of this, a provision of EUR 1.4 million on a repair of roofs on the Italian roof top portfolio that is currently under divestment had a negative impact.

On the positive side, the closing of the EUR 300 million loan facility agreement with EIG brings Nordic Solar to the next level, and we believe our operational performance has been strong at the same time. The growth rate and execution on our development and construction portfolio have been satisfactory, and we are well positioned to execute on our growth strategy to the benefit of our shareholders.



**Nikolaj Holtet Hoff**  
CEO & Founder



# Business review

## Project development

As of the end of Q2 2023, the total expected production capacity of the Nordic Solar development portfolio equalled 1,652 MWp compared to 1,680 MWp in Q1 2023. The minor decline observed from Q1 to Q2 is the net effect of solar park projects where construction has been initiated partly offset by projects added to the development portfolio.

Nordic Solar expanded our Swedish portfolio with two additional development projects in April with the expected capacities of 43 MWp and 40 MWp, respectively. Additionally, another expansion has been made to our Danish portfolio with a new project on Zealand in July with an expected capacity of 71 MWp. The Swedish projects are expected to be grid connected in 2027 and 2028, the Danish project in H2 2024.

In Italy, where Nordic Solar currently has a development portfolio with a capacity equalling 550 MWp, we have received a planning permission for our 43 MWp Bomarzo project. Presently, a thorough review of the project is being conducted before we can proceed and begin construction.

The development of two of our projects in Sicily is progressing positively. We have received the necessary environmental approvals for Mazzarino and Gela. The development of the projects of 61 MWp and 86 MWp, respectively, continues, and both projects are expected to be ready for construction during 2023.

In addition to these projects, we are also expecting to receive planning permissions for two projects in Spain and Germany later this year. The two projects have a capacity of 50 MWp each.

## Construction activities

Plans to substantially increase construction activities in 2023 are going according to plan. We have initiated the construction of solar parks, totalling a capacity of 282 MWp.

The construction of our Swedish Opera project in Medinge is able to commence following our receipt of the Notice To Proceed construction (NTP) in May. The solar park with the expected capacity of 22 MWp, is anticipated to start production in mid Q2 2024.

Finally, the Švenčionys project in Lithuania, with a capacity of 80 MWp, is currently

in its early construction phase. We have completed the order for the solar project's main transformer and the substation design has been approved by the grid operator. Presently, the solar park is expected to start production in early 2025.

## Operational Activities

As of the publication of this report, the Nordic Solar portfolio of operational assets had a combined production capacity of 390 MWp compared to 359 MWp at the beginning of the year. This is due to the commissioning of the 32 MWp solar park in Højby in July.

Construction of the 32 MWp solar park in Højby, Denmark, which began in November last year, is now complete and ready to begin production. The solar park was officially inaugurated on 15 August.

Total power production increased by 15.1% to 171.8 GWh compared to 149.3 GWh in Q2 last year. The increase was primarily due to a larger portfolio of operational assets driven by the completion of several solar parks in Poland and Lysabild in Denmark. The total power production for H1 2023 is 242.2 GWh compared to 213.9 GWh in H1 2022.

Power production for Q2 2023 was mainly driven by higher irradiation in Denmark, Poland, and Belgium. However, we experienced a decrease in the expected irradiation especially in Italy and Spain.

Production-based availability remained at very high levels and was 99.6% for Q2 and 99.5% for H1 2023 which is a minor increase compared to 99.3% in the previous year.







# Financial review

## Income statement for the second quarter of 2023

**Revenue decreased** by 16.1% to EUR 20.8 million compared to EUR 24.8 million in the previous year.

The year-on-year decrease was primarily a result of lower market prices for electricity (-23%) across all markets but partly offset by a larger portfolio of operational assets (+7%). The exceptional high electricity prices in 2022, fell to a lower level in the first half of 2023. In many markets current electricity prices are still high compared to long-term forecasts.

Average revenue per produced MWh amounted to EUR 121.2 compared to EUR 166.3 last year. Secured revenue accounted for 78.7% of total revenue for the year compared to 68.2% last year. The year-on-year increase was primarily driven by lower market prices leading to a smaller share of total electricity being sold at market prices.

**Direct costs** increased by 136.4% to EUR 3.5 million compared to EUR 1.5 million the year before, primarily as a result of the larger portfolio of operational assets and a one-off cost of 1.4 EUR million for repairs to the Italian rooftop portfolio currently under divestment.

**Other external costs** decreased by 27.1% to EUR 2.0 million compared to EUR 2.8 million last year. The year-on-year decrease was primarily driven by a one-off cost in 2022 related to changes to the Spanish support scheme.

**Gross profit** was EUR 15.4 million compared to EUR 20.5 million in the previous year, corresponding to gross margins of 74.0% and 82.4%, respectively.

**EBITDA** amounted to EUR 12.4 million compared to EUR 18.0 million the year before. The year-on-year decrease was primarily a result of the lower revenue for the period and higher costs, including higher staff costs due to the larger organisation required to support the Company's continued growth.

EBITDA margins were 59.4% and 72.7% for Q2 2023 and Q2 2022, respectively.

**Depreciation and amortisation** amounted to EUR 6.5 million compared to EUR 6.6 million last year.

**EBIT** amounted to EUR 5.9 million compared to EUR 11.5 million last year. EBIT margins were 28.1% and 46.3% for Q2 2023 and Q2 2022, respectively.

**Net financial items** constituted a net expense of EUR 2.4 million compared to a net expense of EUR 4.2 million last year. The lower financial expenses resulted from a changed exchange rate development partly offset by addition of further loans.

**Profit before tax** was a gain of EUR 3.4 million compared to a profit of EUR 7.3 million the year before reflecting the above-mentioned development.

**Tax** for the period constituted a net expense of EUR 0.8 million compared to a net expense of EUR 2.2 million last year. The effective tax rate was 24.2% compared to 29.9% the previous year. The effective tax rate was impacted by non-deductible depreciation of goodwill.

**Profit for the period** was a profit of EUR 2.6 million compared to a profit of EUR 5.1 million in the previous year.

Profit for the period is attributable to Nordic Solar A/S' shareholders by EUR 2.4 million and to non-controlling interests by EUR 0.2 million compared to EUR 4.9 million and EUR 0.3 million, respectively, the previous year.

**Other comprehensive income** amounted to an income of EUR 3.6 million compared to an income of EUR 10.8 million the year before. The year-on-year decrease was primarily driven by changes in fair-value adjustments of hedging instruments and exchange rate adjustments on translation of subsidiaries but partly offset by higher tax on other comprehensive income.

## Balance sheet at 30 June 2023

**The balance sheet total** was EUR 713.0 million on 30 June 2023 compared to EUR 671.0 million on 30 June 2022 and EUR 706.8 million on 31 December 2022.

**Net interest-bearing debt** amounted to EUR 229.5 million compared to EUR 200.9 million as of 31 March 2023. This quarter's increase was primarily a result of an increase in interest-bearing debt due to the addition of loans in the period as well as a lower cash position as a result of negative cash flow in the quarter.

**Equity** totalled EUR 338.1 million compared to EUR 338.4 million at the end of 2022. The decrease since the beginning of the year was primarily driven by the payment of dividends but partly offset by higher reserves for hedging and retained earnings.

Equity attributable to shareholders in Nordic Solar A/S amounted to EUR 337.0 million while equity attributable to non-controlling interests amounted to EUR 1.0 million.

**Capital employed** was EUR 682.0 million compared to EUR 673.6 million at 31 December 2022. The increase was primarily a result of the construction activity.

**Return on capital employed ("ROCE")** was 2.1% compared to 3.2% last year same time. The year-on-year decrease was primarily a result of lower earnings.

	2023	2022
<b>Equity on 1 January</b>	<b>338,414</b>	<b>254,092</b>
Profit for the period	-1,590	5,317
Exchange rate adjustments regarding subsidiaries	718	-931
Fair-value adjustment of hedging instruments	10,393	15,697
Tax on other comprehensive income	-2,015	-2,934
<b>Total comprehensive income for the period</b>	<b>7,506</b>	<b>17,149</b>
<b>Transactions with shareholders</b>		
Capital increases, including related costs	-9	31,829
Value of share-based payments	1,143	1,113
Acquisition of own shares	0	-443
Sale of own shares	0	163
Dividends distributed	-8,981	-7,600
<b>Equity on 30 June</b>	<b>338,073</b>	<b>296,303</b>

#### Cash flow for the second quarter of 2023

**Cash flow from ordinary operating activities** amounted to EUR 21.0 million compared to EUR 26.2 million in the previous year. The year-on-year decrease was primarily a result of lower earnings in the period and was partly offset by changes in net working capital due to trade payables related to construction activities.

**Cash flow from operating activities** amounted to EUR 17.7 million compared to EUR 21.5 million in the year before. The year-on-year decrease was primarily a result of lower earnings.

**Free cash flow from operations** amounted to EUR 7.6 million compared to EUR 11.1 million in the previous year. The year-on-year decrease was primarily a result of lower earnings.

**Investments in solar parks** amounted to EUR 35.0 million compared to EUR 21.6 million in the previous year. The higher level of investments compared to the previous year was driven by the acquisition of project rights as well as construction activities related to solar parks currently under construction.

**Cash flow from financing activities** amounted to a negative EUR 4.8 million compared to EUR 27.4 million last year. The year-on-year decrease was primarily a result of a decrease in the proceeds from borrowings and increased dividend payments.

# Financial outlook for 2023

The rapidly decreasing electricity prices were so extensive that the financial outlook for the full year 2023 is adjusted downward.

The financial outlook for the full year 2023 is based on the portfolio of solar parks owned as of August 2023. The assumption is that electricity prices will gradually decrease throughout the year towards the expected average levels for 2024 as well as stable regulatory regimes.

The potential divestments of solar park assets are not included in the financial outlook for 2023.

Based on these assumptions, we expect revenue, excluding revenue from divestments of solar parks, in the range of EUR 57 million to EUR 67 million. Further, we expect EBITDA in the range of EUR 32 million to EUR 39 million.

The expected revenue for 2023 is partly secured through the current power

purchase agreements (“PPAs”) and reflects ordinary operational uncertainties, including, but not limited to, weather conditions, solar irradiation and production-based availability, all of which could potentially impact production.

#### Sensitivity guidance

All other things equal, the sensitivities to revenue and EBITDA for two key assumptions for 2023 are listed in the table below:

Factors	Change	Effect on revenue	Effect on EBITDA
Electricity prices	+/- 5% (EUR per MWh)*	+/- EUR 0.37 million	+/- EUR 0.37 million
Production	+/- 1% GWh	+/- EUR 0.25 million	+/- EUR 0.25 million

\* Only applied to the part of the portfolio selling electricity at market prices

#### OUTLOOK 2023

All figures are in EURm

Outlook 2023	Annual report 2022	Q1 2023	Q2 2023
Revenue	65-85	65-85	57-67
EBITDA	45-60	45-60	32-39

#### 2023 financial outlook

Revenue EUR  
**57-67**  
million

EBITDA EUR  
**32-39**  
million

# Financials

<b>Consolidated financial statements</b>	<b>14</b>
Consolidated income statement	14
Consolidated statement of comprehensive income	14
Consolidated balance sheet	15
Consolidated statement of changes in equity	16
Consolidated statement of cash flows	17
<b>Notes to the consolidated financial statements</b>	<b>18</b>



# Consolidated financial statements

## CONSOLIDATED INCOME STATEMENT

All figures are in EUR '000

	Note	2023 H1(6M)	2022 H1(6M)	2023 Q2(3M)	2022 Q2(3M)
<b>Revenue</b>	2	31,066	37,826	20,819	24,821
Direct costs		-4,926	-2,786	-3,482	-1,473
Other operating income		343	110	107	-108
Other external costs		-3,369	-4,837	-2,031	-2,787
<b>Gross profit</b>		23,114	30,313	15,413	20,453
Staff costs		-5,567	-3,781	-3,038	-2,408
<b>Profit before amortisation, depreciation and impairment losses (EBITDA)</b>		17,547	26,532	12,375	18,045
Amortisation, depreciation and impairment losses		-13,032	-12,327	-6,516	-6,550
<b>Operating profit (EBIT)</b>		4,515	14,205	5,859	11,495
Financial income		2,424	896	1,769	149
Financial expenses		-8,109	-7,404	-4,214	-4,345
<b>Profit before tax</b>		-1,170	7,697	3,414	7,299
Income taxes		-420	-2,380	-825	-2,182
<b>Profit for the period</b>		-1,590	5,317	2,589	5,117
<b>Profit is attributable to:</b>					
Owners of Nordic Solar A/S		-1,744	5,060	2,414	4,865
Non-controlling interests		154	257	175	252
		-1,590	5,317	2,589	5,117

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All figures are in EUR '000

	Note	2023 H1(6M)	2022 H1(6M)	2023 Q2(3M)	2022 Q2(3M)
<b>Profit for the period</b>		-1,590	5,317	2,589	5,117
Items that have been or may be reclassified to the income statement:					
Exchange rate adjustments on translation of subsidiaries (net)		718	-931	490	333
Fair value adjustment of hedging instruments		10,393	15,697	3,573	13,068
Tax on other comprehensive income		-2,015	-2,934	-436	-2,591
<b>Other comprehensive income for the period</b>		9,096	11,832	3,627	10,810
<b>Total comprehensive income for the period</b>		7,506	17,149	6,216	15,927
<b>Comprehensive income is attributable to:</b>					
Nordic Solar A/S share		7,372	16,588	6,050	15,371
Non-controlling interests		134	561	166	556
		7,506	17,149	6,216	15,927

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

	Note	30 June 2023	31 December 2022	30 June 2022
<b>Assets</b>				
Goodwill		44,256	44,256	44,256
Property, plant and equipment	3	516,854	484,672	471,483
Non-current financial assets		146	163	164
Deferred tax asset		11,000	12,200	12,953
Other receivables		21,084	20,566	10,083
<b>Non-current assets</b>		<b>593,340</b>	<b>561,857</b>	<b>538,939</b>
Trade receivables		16,661	10,096	8,706
Other receivables		3,605	9,277	19,369
Prepayments		14,308	14,666	9,113
Cash		85,048	110,876	94,853
<b>Current assets</b>		<b>119,622</b>	<b>144,915</b>	<b>132,041</b>
<b>Total assets</b>		<b>712,962</b>	<b>706,772</b>	<b>670,980</b>

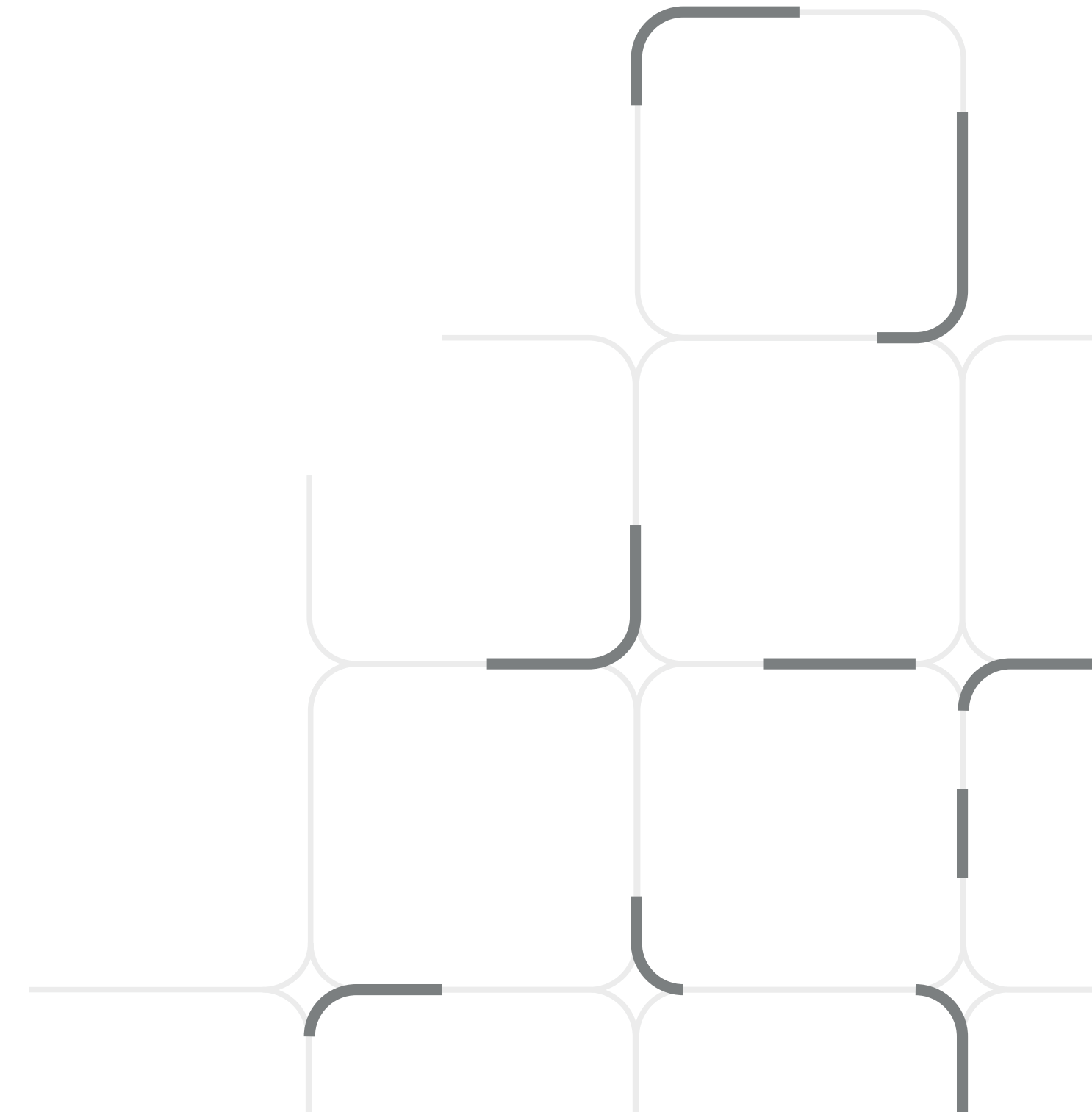
	Note	30 June 2023	31 December 2022	30 June 2022
<b>Equity and liabilities</b>				
Share capital	4	71,354	71,354	64,308
Translation reserve		-1,598	-2,354	-2,725
Reserve for hedging		10,784	2,386	3,291
Retained earnings		256,502	257,112	230,705
Proposed dividend for the period		0	9,019	4
<b>Equity attributable to shareholders of the parent company</b>		<b>337,042</b>	<b>337,517</b>	<b>295,583</b>
Non-controlling interests share of equity		1,031	897	720
<b>Total equity</b>		<b>338,073</b>	<b>338,414</b>	<b>296,303</b>
Loans	6	281,001	250,133	262,672
Provisions		6,695	6,425	9,036
Other payables		22,453	29,260	21,281
Deferred tax liabilities		4,248	4,524	1,904
Deferred income		635	1,344	197
<b>Non-current liabilities</b>		<b>315,032</b>	<b>291,686</b>	<b>295,090</b>
Loans	6	28,939	43,478	40,332
Trade payables		23,799	11,057	18,120
Current income tax liabilities		1,171	1,086	4,160
Other payables		5,948	21,051	16,975
<b>Current liabilities</b>		<b>59,857</b>	<b>76,672</b>	<b>79,587</b>
<b>Total liabilities</b>		<b>374,889</b>	<b>368,358</b>	<b>374,677</b>
<b>Total equity and liabilities</b>		<b>712,962</b>	<b>706,772</b>	<b>670,980</b>





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

	Note	2023 H1(6M)	2022 H1(6M)	2023 Q2(3M)	2022 Q2(3M)
<b>Operating profit (EBIT)</b>		<b>4,515</b>	<b>14,205</b>	<b>5,859</b>	<b>11,495</b>
Amortisation, depreciation and impairment losses		13,031	12,327	6,515	6,550
Share-based payment	7	1,143	1,113	576	1,113
Change in net working capital		113	-3,041	8,110	7,060
<b>Cash flows from ordinary operating activities</b>		<b>18,802</b>	<b>24,604</b>	<b>21,060</b>	<b>26,218</b>
Financial income		1,219	927	564	180
Financial expenses		-7,390	-7,092	-4,235	-4,248
Corporate tax		0	-687	307	-645
<b>Cash flow from operating activities</b>		<b>12,632</b>	<b>17,752</b>	<b>17,697</b>	<b>21,505</b>
Investments in solar parks	3	-41,872	-26,613	-35,021	-21,553
Acquired cash asset deals		0	1,274	0	1,274
<b>Cash flow from investing activities</b>		<b>-41,872</b>	<b>-25,339</b>	<b>-35,021</b>	<b>-20,279</b>
Proceeds from borrowings	6	24,119	63,028	19,856	38,023
Repayments of borrowings	6	-8,895	-34,926	-4,986	-3,098
Repayments of lease liabilities	6	-2,833	-1,352	-1,113	-143
Net sale, own shares		0	-280	0	-104
Capital increases	4	0	31,513	0	0
Costs from capital increases	4	0	316	2	323
Dividend paid		-8,981	-7,600	-8,981	-7,600
<b>Cash flow from financing activities</b>		<b>3,410</b>	<b>50,699</b>	<b>4,778</b>	<b>27,401</b>
<b>Net cash flow for the period</b>		<b>-25,830</b>	<b>43,112</b>	<b>-12,546</b>	<b>28,627</b>
Cash and cash equivalents, beginning of the period		110,876	51,741	97,592	66,226
<b>Cash and cash equivalents, end of the period</b>		<b>85,046</b>	<b>94,853</b>	<b>85,046</b>	<b>94,853</b>



# Notes to the consolidated financial statements

1. Accounting policies	19
2. Segment note	20
3. Property, plant and equipment	24
4. Share capital	25
5. Financial instruments	25
6. Changes in liabilities	26
7. Share-based payments	27

## 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 Financial Report has been prepared in accordance with the International Financial Reporting Standards ("IFRS"), IAS 34 "Interim Financial Reporting" as adopted by the EU and additional requirements in accordance with the Danish Financial Statements Act ("Årsregnskabsloven").

Definitions of alternative reporting measures can be found on page 96 of the annual report for 2022.

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 2022. 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 2022, 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 2022, 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 2023.

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

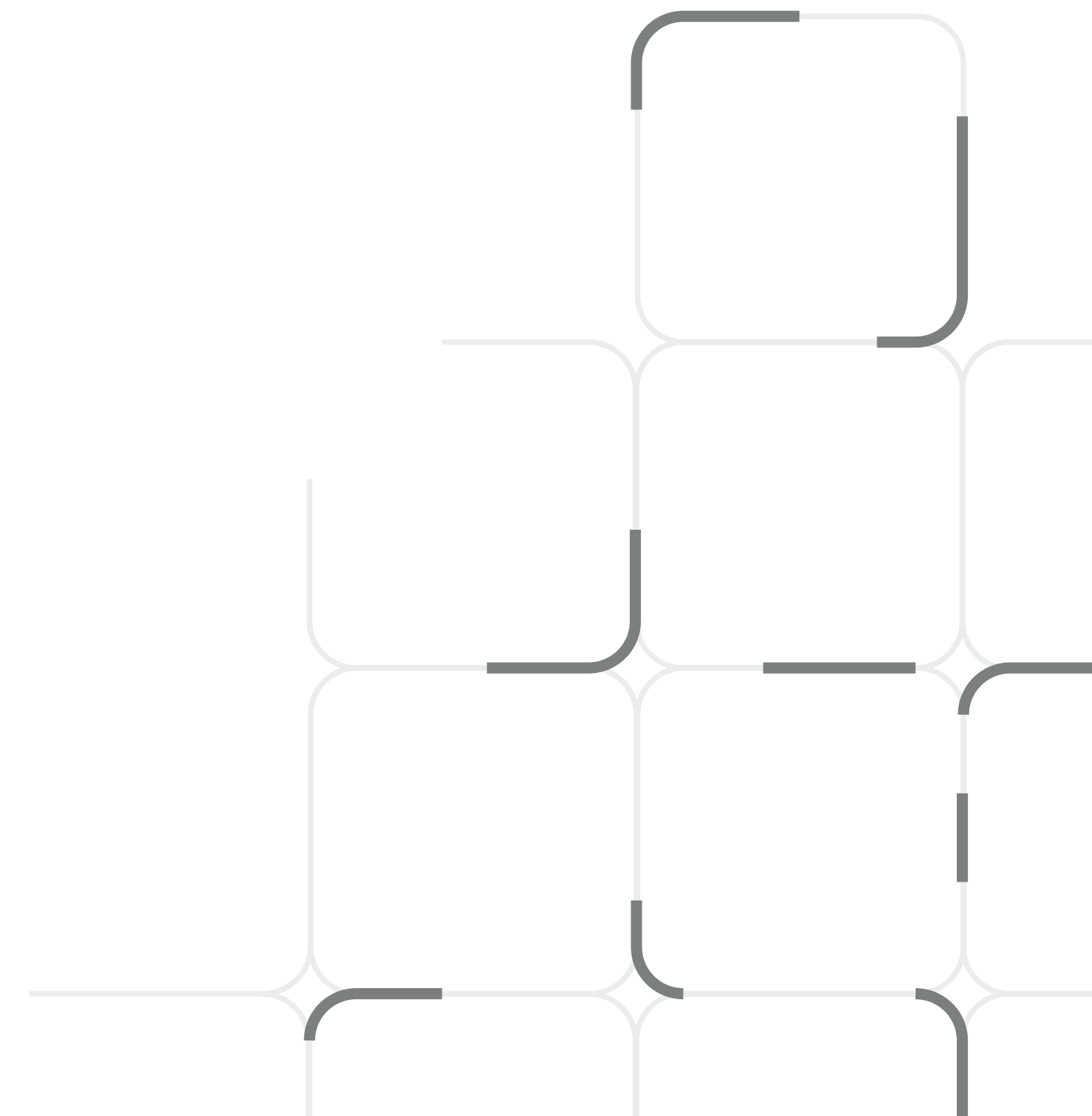
The operational solar parks include all energy-producing parks that have been operational for at least a full year.

### Development & construction

The development and construction activities consist of costs associated with solar park developments 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

All figures are in EUR '000

2023 H1 (6M)

	Operation- al solar parks	Dev. & con- struction activities	Reportable segments	Corporate services and elimi- nations	Total
<b>Income statement</b>					
Secured revenue	23,309	0	23,309	0	23,309
Merchant revenue	7,757	0	7,757	0	7,757
Total revenue	31,066	0	31,066	0	31,066
Profit before amortisation, depreciation and impairment losses (EBITDA)	20,640	-1,752	18,888	-1,341	17,547
Depreciation, amortisation and impairment	-12,301	-41	-12,342	-690	-13,032
<b>Balance sheet</b>					
Total assets	488,227	125,669	613,896	99,066	712,962
Investments in property, plant and equipment and solar parks under construction	5,205	26,596	31,801	10,071	41,872
<b>Key ratios</b>					
Free cash flow from operations	8,910	-3,087	5,823	-85	5,738

2022 H1 (6M)

	Operation- al solar parks	Dev. & con- struction activities	Reportable segments	Corporate services and elimi- nations	Total
<b>Income statement</b>					
Secured revenue	25,647	0	25,647	0	25,647
Merchant revenue	12,179	0	12,179	0	12,179
Total revenue	37,826	0	37,826	0	37,826
Profit before amortisation, depreciation and impairment losses (EBITDA)	29,135	-1,911	27,224	-692	26,532
Depreciation, amortisation and impairment	-11,554	0	-11,554	-773	-12,327
<b>Balance sheet</b>					
Total assets	508,352	85,944	594,296	76,684	670,980
Investments in property, plant and equipment and solar parks under construction	4,498	21,995	26,493	122	26,614
<b>Key ratios</b>					
Free cash flow from operations	19,431	-3,197	16,234	-1,391	14,843

## 2. SEGMENT NOTE (CONTINUED)

All figures are in EUR '000

2023 Q2 (3M)

	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
<b>Income statement</b>					
Secured revenue	16,378	0	16,378	0	16,378
Merchant revenue	4,441	0	4,441	0	4,441
Total revenue	20,819	0	20,819	0	20,819
Profit before amortisation, depreciation and impairment losses (EBITDA)	14,294	-999	13,295	-920	12,375
Depreciation, amortisation and impairment	-6,169	125	-6,044	-347	-6,391
<b>Balance sheet</b>					
Total assets	488,227	125,669	613,896	99,066	712,962
Investments in property, plant and equipment and solar parks under construction	5,134	17,596	22,730	9,934	32,664
<b>Key ratios</b>					
Free cash flow from operations	9,123	-2,334	6,789	336	7,125

2022 Q2 (3M)

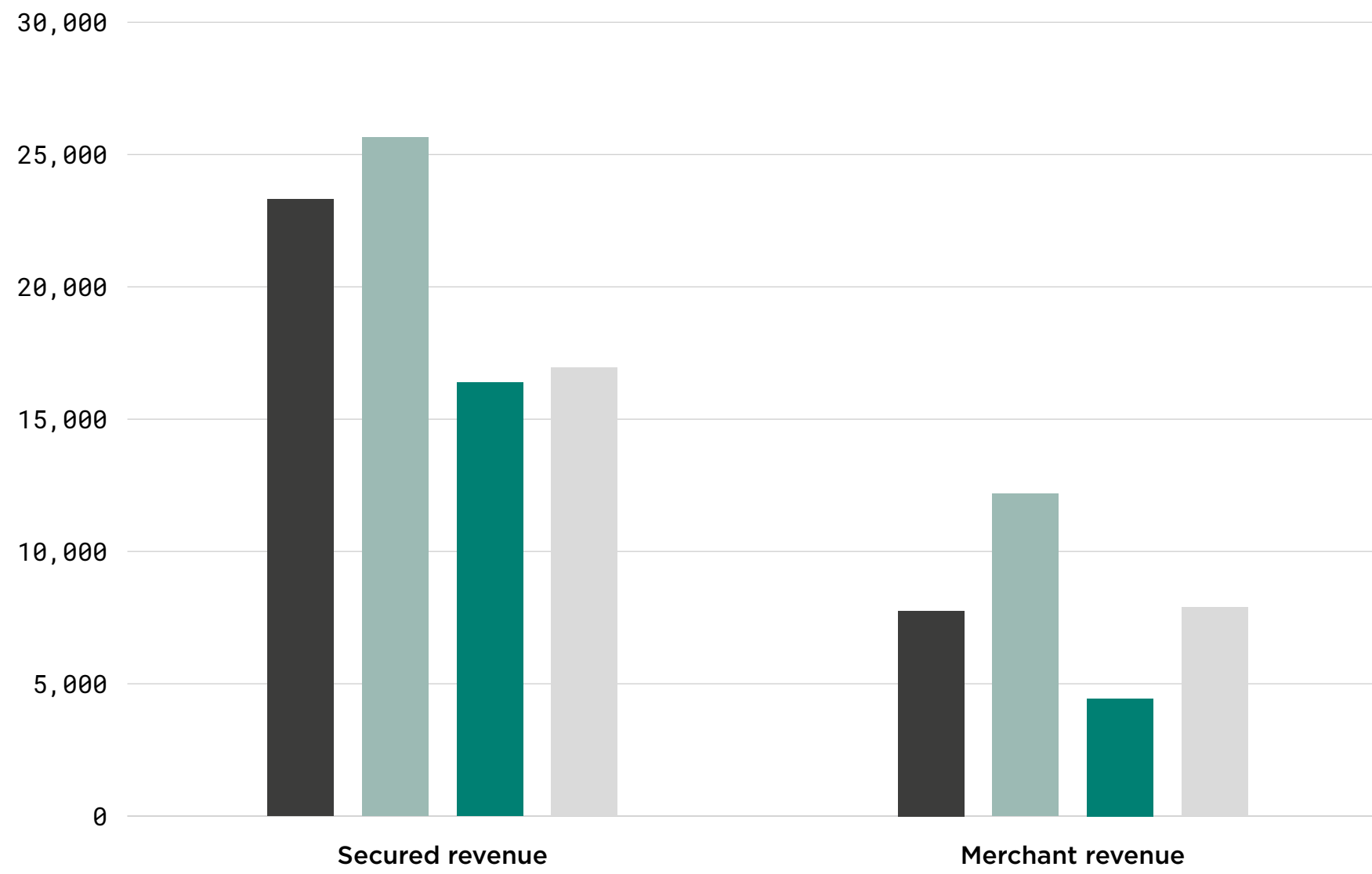
	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
<b>Income statement</b>					
Secured revenue	17,355	-422	16,933	0	16,933
Merchant revenue	7,887	0	7,887	0	7,887
Total revenue	25,243	-422	24,821	0	24,821
Profit before amortisation, depreciation and impairment losses (EBITDA)	19,365	-2,254	17,110	934	18,045
Depreciation, amortisation and impairment	-6,207	105	-6,102	-448	-6,550
<b>Balance sheet</b>					
Total assets	489,777	68,670	558,447	112,533	670,980
Investments in property, plant and equipment and solar parks under construction	2,818	18,984	21,802	-248	21,554
<b>Key ratios</b>					
Free cash flow from operations	15,933	-3,184	12,749	-1,698	11,051

**2. SEGMENT NOTE (CONTINUED)**

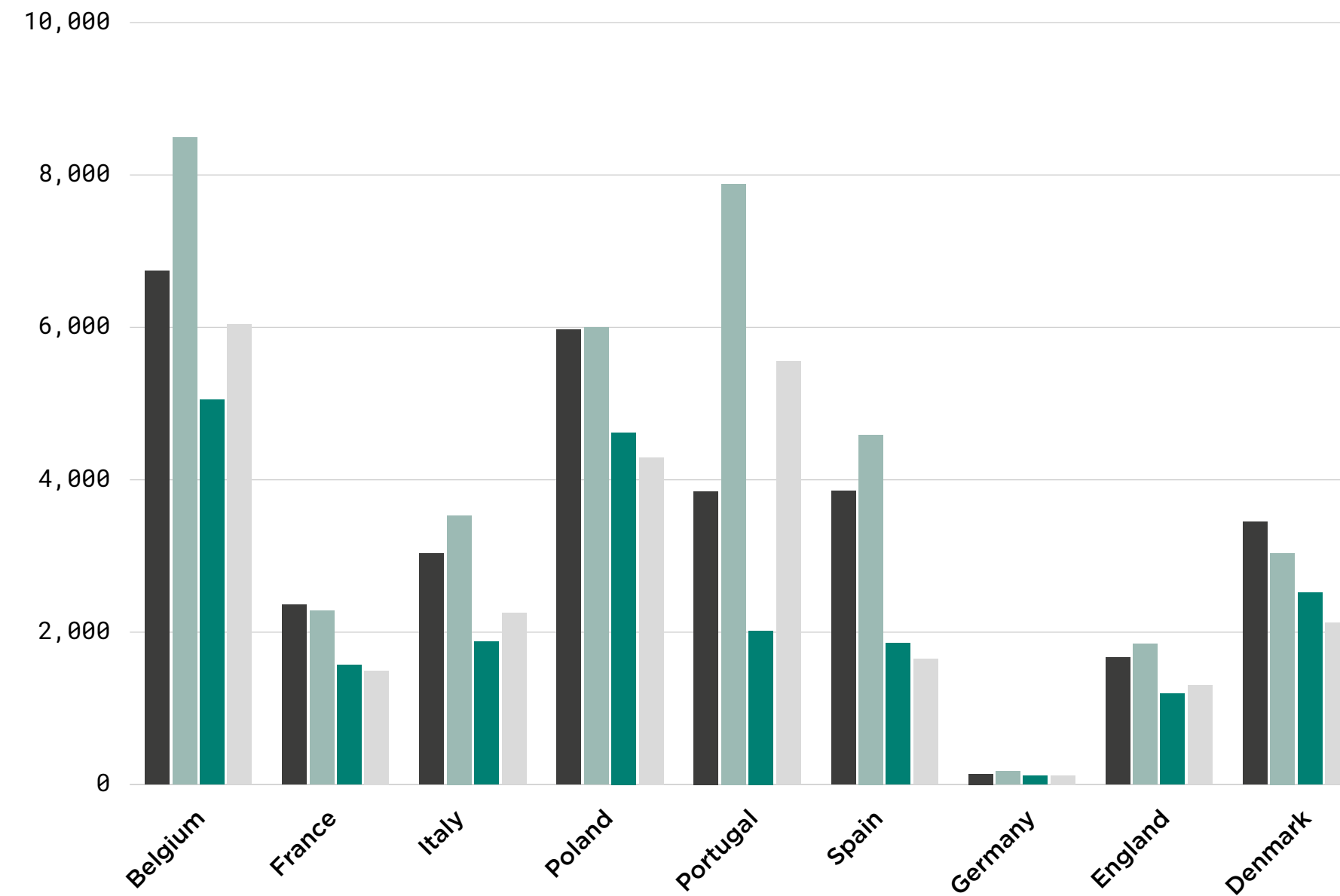
All figures are in EUR '000

● H1 2023 (6M)   ● H1 2022 (6M)   ● Q2 2023 (3M)   ● Q2 2022 (3M)

Type of revenue



Net revenue by country

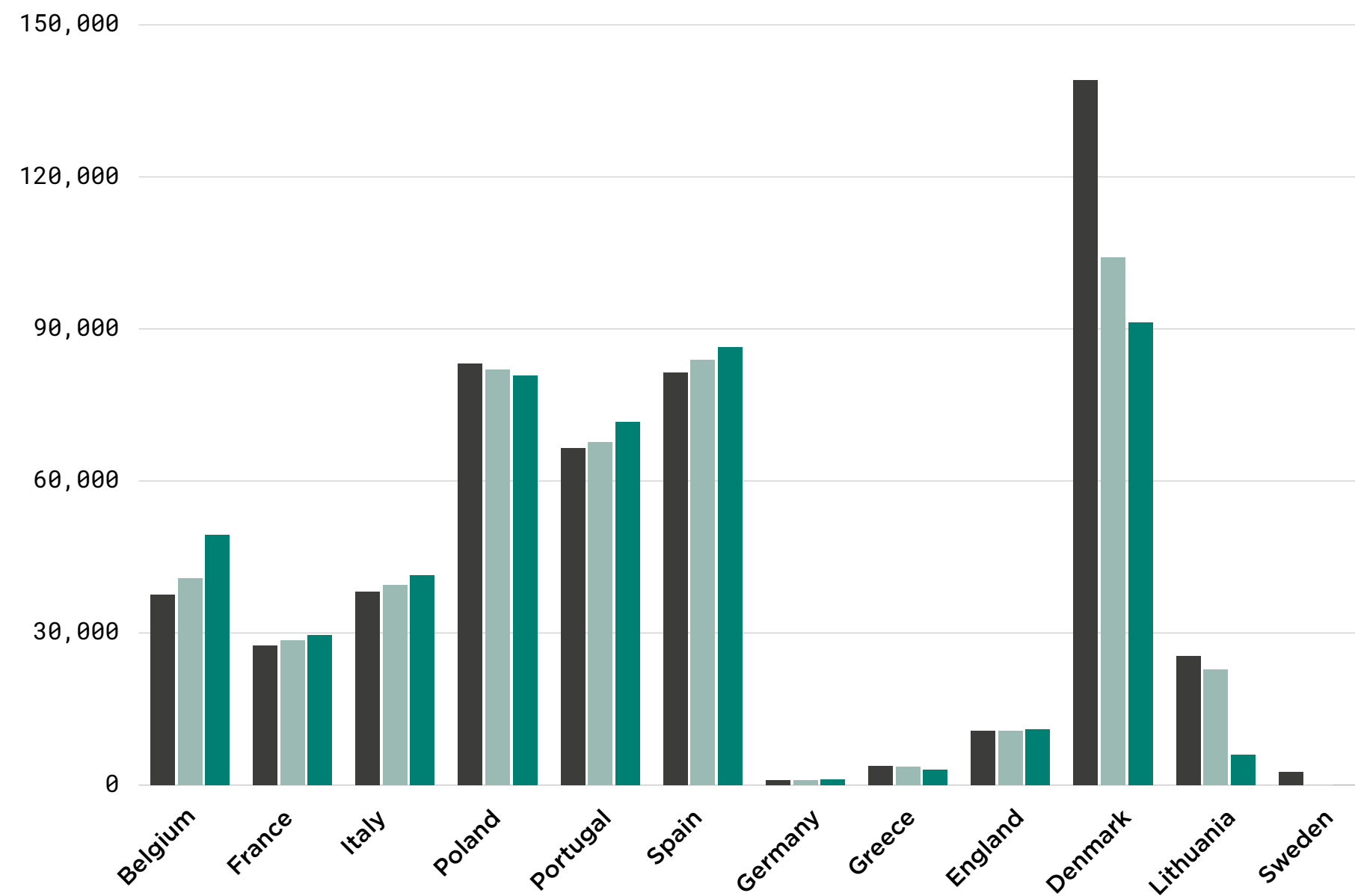


**2. SEGMENT NOTE (CONTINUED)**

All figures are in EUR '000

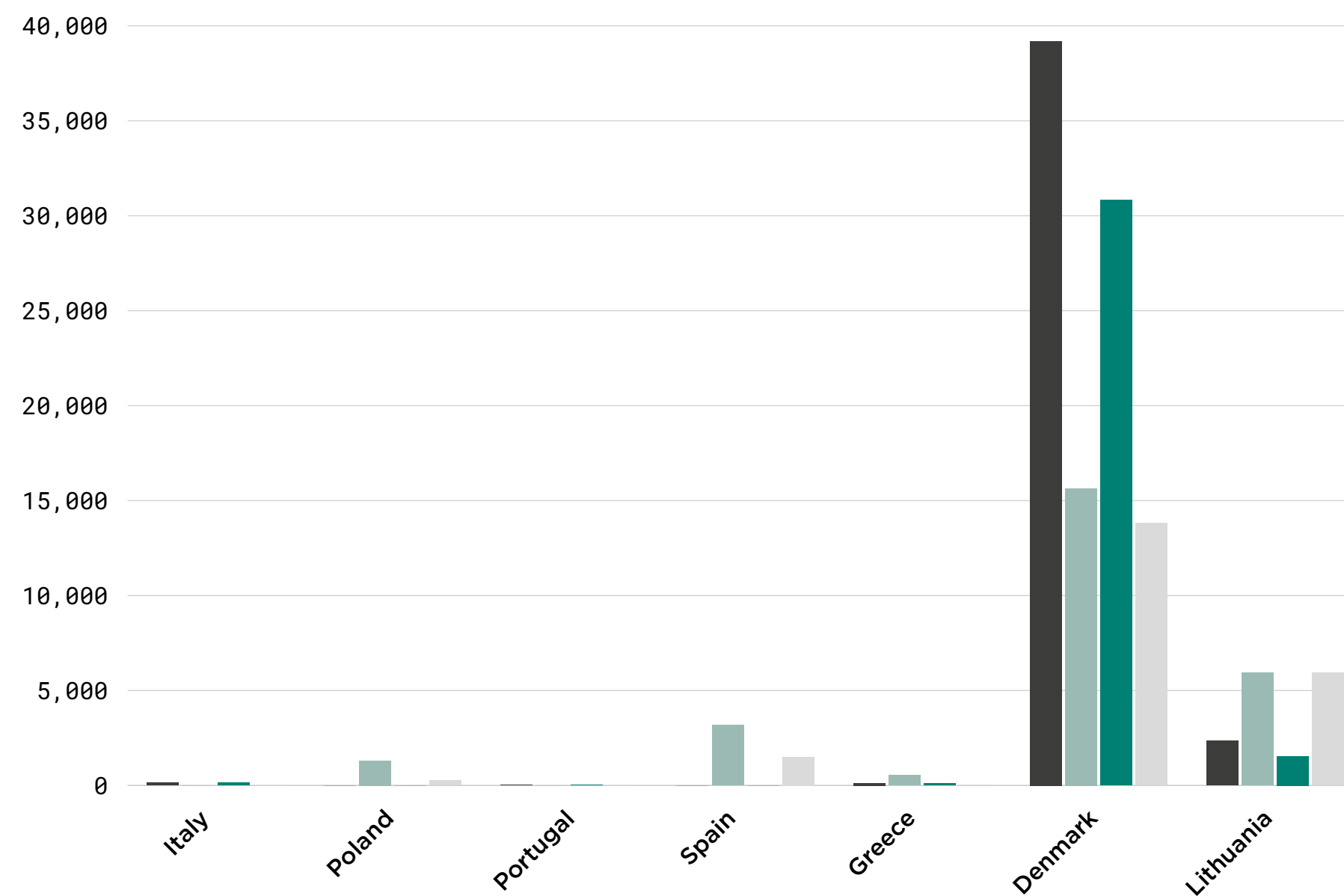
● H1 2023 ● FY 2022 ● H1 2022

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



● H1 2023 ● H1 2022 ● Q2 2023 ● Q2 2022

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







#### 4. SHARE CAPITAL

All figures are in EUR '000

	2023 30/6	2022 31/12	2022 30/6
<b>Changes in share capital:</b>			
Share capital beginning of period	71,354	58,535	58,535
Capital increases	0	12,819	5,773
<b>SHARE CAPITAL END OF PERIOD</b>	<b>71,354</b>	<b>71,354</b>	<b>64,308</b>
<b>Fees related to capital increase</b>	<b>-9</b>	<b>789</b>	<b>309</b>

#### 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 categorised 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 categorised 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

Changes in liabilities arising from financing activities	Beginning of period	Proceeds from borrowings	Repayments	Non-cash changes*	End of period (30 June)
<b>2023 H1 (6M)</b>					
Mortgage loans	204,367	15,827	-7,751	2,070	214,513
Finance leases	65,942	0	-2,833	1,699	64,808
Other credit institutions	27,023	8,621	-1,144	0	34,500
Loan costs	-4,441	-342	0	169	-4,614
Loans from investor	720	13	0	0	733
<b>Cash flow from financial items</b>	<b>293,611</b>	<b>24,119</b>	<b>-11,728</b>	<b>3,938</b>	<b>309,940</b>
	Beginning of period	Proceeds from borrowings	Repayments	Non-cash changes*	End of period (30 June)
<b>2022 H1 (6M)</b>					
Mortgage loans	199,839	42,222	-30,986	63	211,138
Finance leases	67,375	0	-1,352	0	66,023
Other credit institutions	9,292	13,878	-3,940	0	19,230
Loan costs	-4,298	-486	0	104	-4,680
Loans from investor	3,879	7,414	0	0	11,293
<b>Cash flow from financial items</b>	<b>276,087</b>	<b>63,028</b>	<b>-36,278</b>	<b>167</b>	<b>303,004</b>

\* Non-cash changes are related to exchange rate differences including liabilities from acquired assets.

## 7. SHARE-BASED PAYMENTS

The Group has established a warrant programme 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 warrant programme is measured at the time of grant and recognised 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 recognised 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 2022	16.33	1,584,234
Granted during the period	19.26	91,000
Forfeited during the period	17.92	-58,486
<b>Outstanding 1 January 2023</b>	<b>16.45</b>	<b>1,616,748</b>
Forfeited during the period	19.09	-3,000
<b>Outstanding 30 June 2023</b>		<b>1,613,748</b>

	Assumptions					
	Number of warrants	Fair value EUR	Share price ranges EUR	Expected lifetime (years)	Volatility	Risk-free interest rate
<b>Fair value of warrants at the grant date</b>						
10 June 2021	1,552,234	6,511,630	17.30	4.50	30%	-0.43
29 December 2021	32,000	146,969	18.58	4.50	30%	-0.31
16 June 2022	46,500	248,976	19.09	4.50	30%	1.79
14 September 2022	19,500	108,039	19.68	4.50	30%	1.85
19 December 2022	25,000	144,390	19.77	4.50	30%	2.44

In H1 2023, costs relating to the warrant programme were recognised at EUR 1,143k (H1 2022: EUR 1,113k).

# 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 2023 to 30 June 2023.

The Interim Financial Report has neither been audited nor reviewed by the Company's independent auditors.

The Interim Financial Report has been prepared in accordance with the International Financial Reporting Standards ("IFRS"), IAS 34 "Interim Financial Reporting" as adopted by the EU and additional requirements in accordance with the Danish Financial Statements Act ("årsregnskabsloven").

In our opinion, the interim consolidated financial statements (pages 14-17) give a true and fair view of Nordic Solar's consolidated assets, liabilities and financial position at 30 June 2023 and of the results of Nordic Solar's consolidated operations and cash flows for the period 1 January 2023 to 30 June 2023.

Furthermore, in our opinion, the CEO's review (pages 5-7) 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 2022.

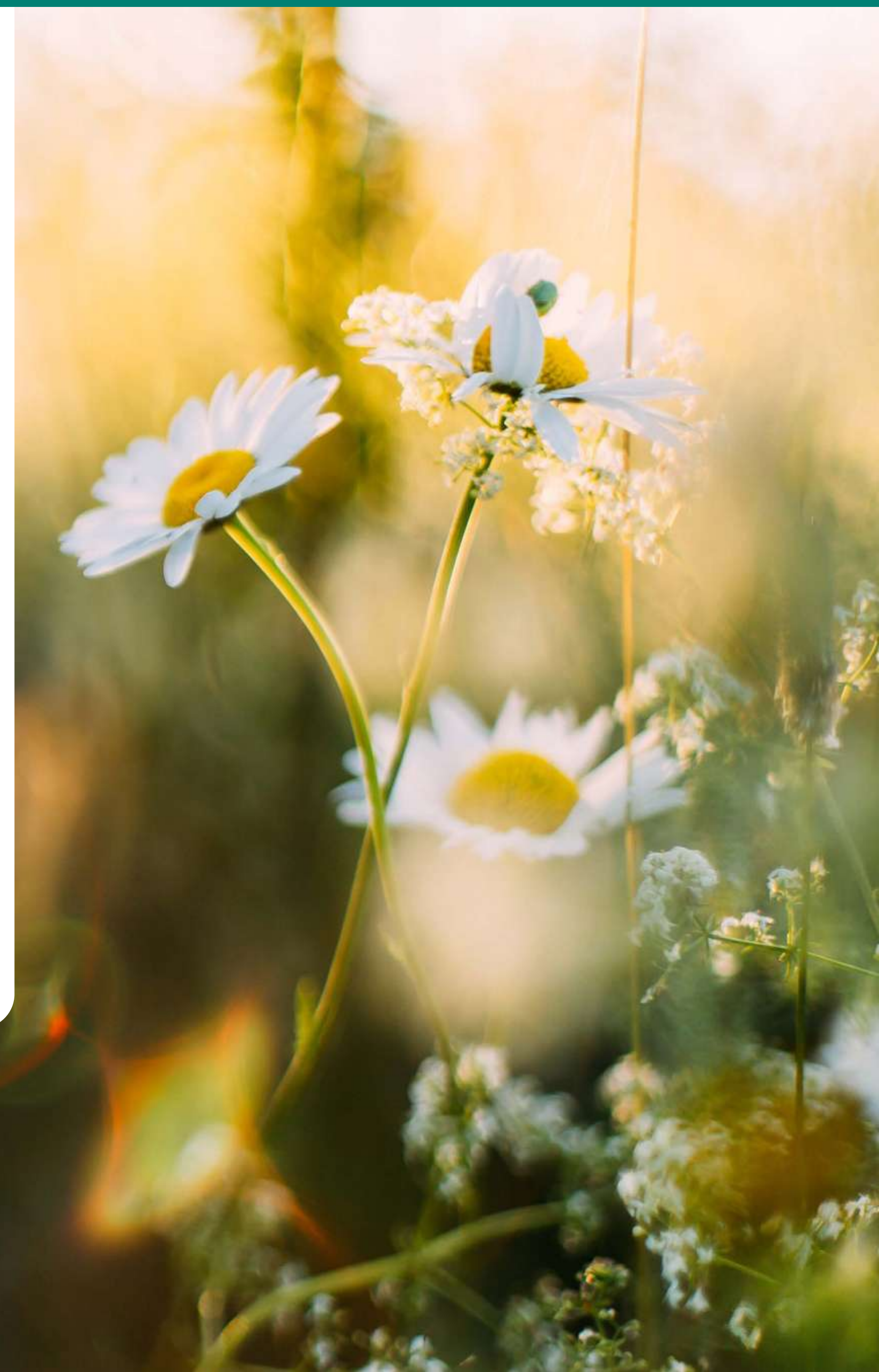
Hellerup, 6 September 2023

#### **Board of Directors**

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

#### **Executive Management**

Nikolaj Holtet Hoff, CEO  
Anders Søgaard-Jensen, CCO



# 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 2023” on page 12 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”) has 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 60 to 61 of the 2022 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, Chair  
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, CCO

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#### PUBLICATION

6 September 2023

#### DESIGN AND LAYOUT

Westring kbh



