



Q1 2023 Interim Financial Report



Table of contents

Highlights Q1 2023	3
Summary financial information	4
CEO's review	5
Business review	7
Financial review	9
Financial outlook for 2023	11
Financials	12
Consolidated financial statements	13
Notes to the consolidated financial statements	18
Statement by the Board of Directors and the Executive Management team	27
Forward-looking statements	28
Colophon	29

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 358 MWp of operational solar parks under management, 212 MWp currently under construction and development portfolio of 1,600 MWp. The Company is headquartered in Hellerup, Denmark and currently employs more than 80 people. For further information about Nordic Solar, please visit 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 Q1 2023 Interim Financial Report

In connection with the release of the Q1 2023 Interim Financial Report, Nordic Solar will host an online presentation on Tuesday, 30 May 2023 at 1:30pm 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://hcavideosync.fi/2023-05-30-nordic-solar/register>. Please note that the event will be hosted in Danish.



Highlights Q1 2023



REVENUE

Revenue decreased by 21.2% to EUR 10.2 million (EUR 13.0 million). The share of secured revenue increased to 67.6% of total revenue due to declining power prices, which resulted in a relatively smaller share of total revenue being sold at market prices.

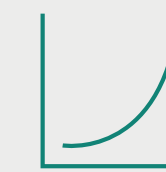
Financials



EBITDA

EBITDA decreased by 39.1% to EUR 5.2 million (EUR 8.5 million). The EBITDA margin was 50.5% (65.3%).

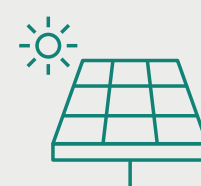
Financials



PROFIT

Profit before tax amounted to a loss of EUR 4.6 million (profit of EUR 0.4 million).

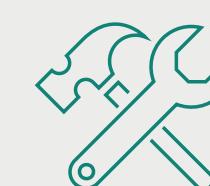
Financials



DEVELOPMENT PORTFOLIO

Our development portfolio comprised projects with expected production capacity totalling 1,600 MWp at the end of Q1 2023. After the end of the quarter, we signed two development projects in Sweden with a combined expected production capacity of 83 MWp.

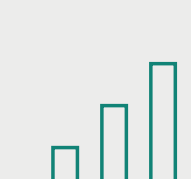
Business development



SOLAR PARKS UNDER CONSTRUCTION

Nordic Solar expects to commence construction of solar parks with a total expected production capacity of more than 240 MWp in 2023. Currently, we have two projects under construction with a total estimated capacity of 212 MWp.

Business development



FINANCIAL OUTLOOK

The financial outlook for 2023 is maintained:

- Revenue of EUR 65-85 million.
- EBITDA of EUR 45-60 million.

Financials

Summary financial information

FINANCIAL HIGHLIGHTS

All figures are in EUR '000

	2023 Q1 (3M)	2022 Q1 (3M)	2022 FY (12M)
Key figures			
Revenue	10,247	13,005	72,369
Profit before amortisation, depreciation and impairment losses (EBITDA)	5,172	8,487	49,313
Operating profit (EBIT)	-1,344	2,710	24,035
Profit before tax	-4,584	398	11,253
Profit/loss for the period	-4,179	200	6,165
NSE's share of profit/loss for the period	-4,158	195	5,812
Balance key figures			
Property, plant and equipment	487,366	457,600	484,672
Cash	97,592	66,226	110,876
Total assets	694,729	612,627	706,772
Equity	340,269	286,651	338,414
Investment in property, plant and equipment and right of use assets	9,208	5,060	56,555
Interest-bearing debt (loans)	298,513	270,875	298,053
Financial ratios			
EBITDA margin	50.5%	65.3%	68.1%
EBIT margin	-13.1%	20.8%	33.2%
Solvency ratio	49.0%	46.8%	47.9%
Cash flows			
Profit/loss before tax	-4,584	398	11,253
Corporate tax	-307	-42	-4,702
Non-cash transactions under profit and loss other than depreciations	-296	603	4,258
Depreciation and impairment of property, plant and equipment	6,516	5,777	25,278
Repayment of project related loans	-2,805	-2,946	-27,750
Non-controlling interests share of free cash	89	2	558
Free cash flow from operations	-1,387	3,792	8,895

CEO's review

Nordic Solar achieved solid results in the first quarter of 2023, and financial performance was in line with our expectations. We therefore maintain our financial outlook for the full year. Earlier this month, we welcomed our new Chief People Officer into the Senior Management team of Nordic Solar, and she will play an instrumental role in the continued development of our organisation.

Growing our Swedish development portfolio

We are continuously developing our solar park projects in close collaboration with local partners. Most recently, we added two development projects to our Swedish portfolio with a combined expected capacity of 83 MWp. We are very pleased with the progress that we are making in a relatively new but also very exciting market. Our Swedish portfolio now totals seven projects with a combined estimated capacity of more than 330 MWp, including one greenfield project with an expected capacity of 65 MWp.

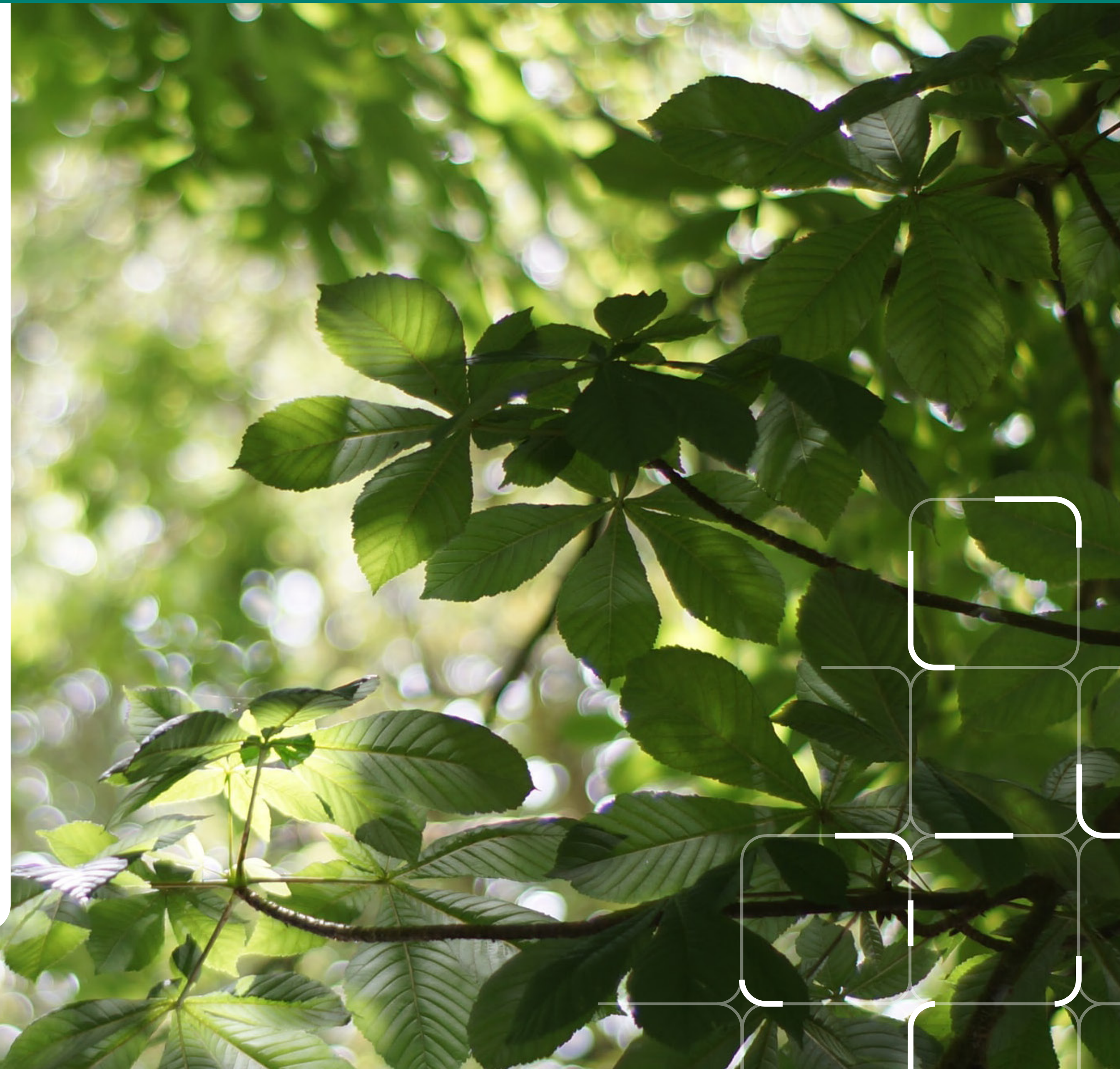
Benefitting from a geographically diverse portfolio

We are pleased to see the solid public support for the green energy transition

across our geographical footprint. Many European countries are working on finding different solutions which create better conditions for businesses investing in the green transition.

In Denmark, a significant increase in the grid connection charges was introduced at the beginning of the year, which unfortunately means that several new Danish projects have become less attractive and very difficult to complete. However, these developments are not expected to affect current development and construction projects in Denmark.

In Nordic Solar, we are benefitting from our diverse geographical footprint thus allowing for greater resilience to country-specific risk. Today, we have invested in 12



European countries and are expecting to increase this number further in the coming years.

The Senior Management team has been expanded with a new Chief People Officer

We have come a long way since Nordic Solar was founded back in 2010. Today, we own and operate a portfolio of solar parks with a combined capacity of 358 MWp and have a portfolio of development projects and assets under construction totalling an additional 1,895 MWp.

It is our ambition to grow the business further and, during 2023, we will significantly ramp up our construction activities with more than 240 MWp of solar park projects that are expected to reach the NTP state during the year. We have set ambitious growth targets for the coming years, and we thus rely on our continued ability to attract, retain and develop a skilled group of employees to ensure scalability of the organisation.

It is therefore a great pleasure to have welcomed Tina Mose as our new Chief People Officer. Tina brings valuable insights and experience and will play an instrumental role in the execution of our ambition to build an organisation capable of constructing solar parks of at least 1,000 MWp annually from 2025.

Financial performance adversely impacted by lower power prices

Revenue decreased by 21.2% year-on-year primarily as a result of the relatively lower

market prices for electricity. The decline was partly offset by a higher production driven by the completion of the 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 80 people.

Both revenue and earnings for the quarter were in line with our expectations, and we remain confident about our financial outlook for the full year 2023, which was first communicated in connection with the annual report for 2022. We therefore maintain our expectations that revenue for the full year will be in the range of EUR 65-85 million and that EBITDA will be in the range of EUR 45-60 million. The financial outlook is based on the latest market developments, the portfolio of solar parks owned by the end of Q1 2023, the electricity prices realised and expectations of price developments for the remainder of the year.



Nikolaj Holtet Hoff
CEO & Founder



Business review

Project development

As of the end of Q1 2023, the total expected production capacity of our development portfolio amounted to 1,600 MWp compared to 1,780 MWp at the end of 2022. The decline since the end of the year is driven by solar park projects having entered the construction phase and is partly offset by the addition of further projects into the development portfolio.

Since the end of the quarter, we have expanded our Swedish portfolio with two additional development projects with expected capacities of 43 MWp and 40 MWp, respectively. Our development portfolio thus totals 1,683 MWp as of the date of this report.

We expect that the 43 MWp project will commence operations in 2027 while the 40 MWp project will be operational by 2028. With the addition of these two projects, our Swedish portfolio now consists of seven solar parks projects with a total expected capacity of more than 330 MWp.

The development of our 50 MWp Eresma project in Spain is progressing well. We have secured agreements with suppliers for the

actual construction of the projects and are currently engaged in discussions with banks regarding the financing of the projects. Due to the positive developments, we expect that construction of the project will start later this year.

In Germany, where we own another 50 MWp projects, there have also been positive developments, and we expect to start construction of the project later this year. The German market is the largest solar market in Europe, and we are therefore pleased to be expanding our footprint in this market.

In addition to the above-mentioned projects, we are currently developing an 80 MWp project in Lithuania and a 43 MWp project in Italy and expect to commence construction of both solar parks late this year.

Construction activities

As previously communicated, we will significantly ramp up construction activities in 2023. In total, we expect to commence construction of solar parks with a total expected capacity of more than 240 MWp.

Construction of our 32 MWp project in Højby,

Denmark continues in line with expectations. The high-voltage (“HV”) transformer has been installed, and we are nearing completion of the HV substation. Furthermore, we have recently completed the ramming and excavation and are continuing with the installation of the substructures. We remain confident that the solar park will reach the COD state early in the summer of 2023.

Next, we have commenced construction of our 100 MWp Moletai project in Lithuania. We recently placed procurement orders for the PV modules and substructures and laid the road leading to the HV substation. Next steps include drainage works and the foundation for the HV substation. We expect that the Moletai solar park will reach the COD state by the end of March 2024.

Finally, our 80 MWp Švenčionys project recently reached the early stages of the construction phase. We currently expect that the Švenčionys solar park will reach the COD state by Q1 2025.

Operational activities

As of the date of this report, our portfolio of operational assets has a combined

production capacity of 358 MWp, which is slightly lower than at the end of 2022 as one of our Belgian projects has been removed from our operational portfolio having reached the end-of-life state.

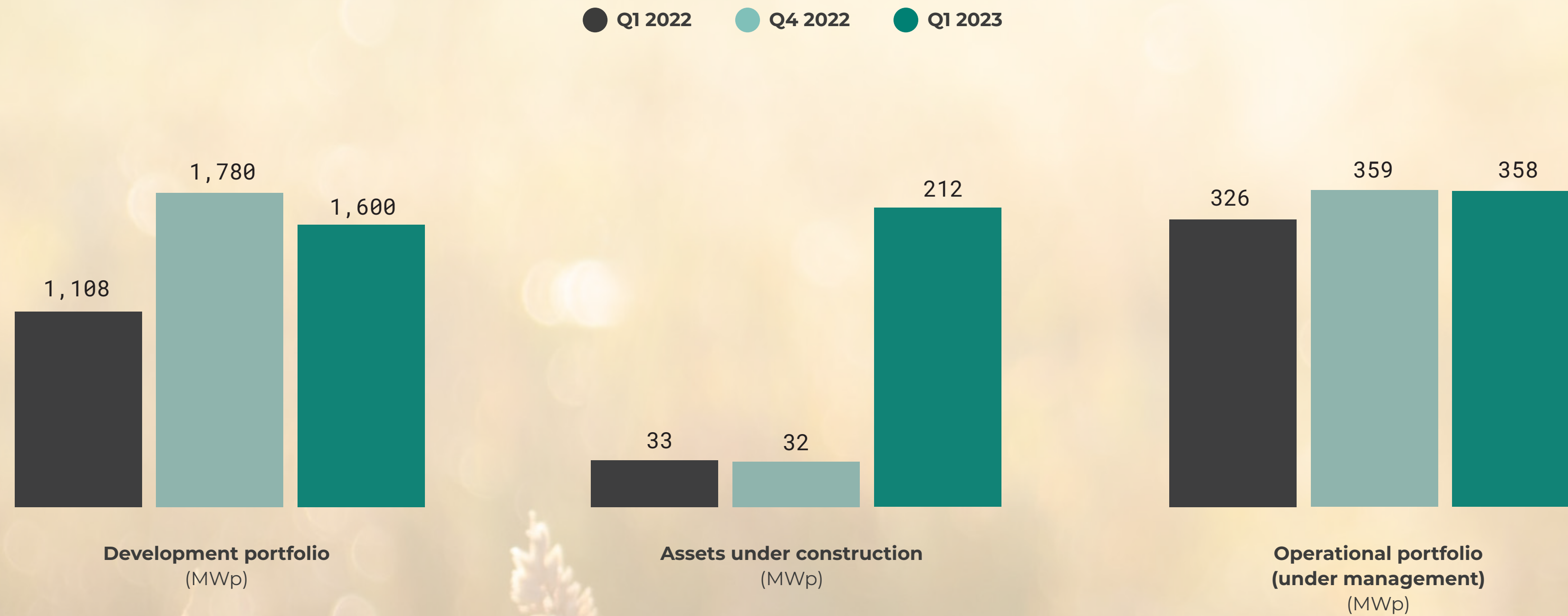
Total power production increased by 8.5% to 70.4 GWh compared to 64.9 GWh in the year before. The increase was primarily due to the relatively larger portfolio of operational assets driven by the completion of the Lysabild solar park in Denmark.

Power production for Q1 2023 was adversely impacted by a relatively low solar irradiation across most of Northern Europe. Solar irradiation was especially low in Poland, Germany, Denmark and Belgium. This was partly offset by a relatively higher solar irradiation in the southern part of Europe, namely in Portugal and Spain.

Production-based availability remained at very high levels and was 99.5% for the first quarter of 2023 compared to 99.6% in the previous year.

We did not experience any major technical issues during the first quarter of the year.





Financial review

Income statement for the first quarter of 2023

Revenue decreased by 21.2% to EUR 10.2 million compared to EUR 13.0 million in the previous year.

The year-on-year decrease was primarily a result of relatively lower market prices for electricity across all markets but partly offset by a relatively larger portfolio of operational assets constituting -25.8% and 4.6% of the total decrease in revenue.

Average revenue per produced MWh amounted to EUR 145.5 compared to EUR 200.4 last year.

Secured revenue accounted for 67.6% of total revenue for the year compared to 67.0% last year. The year-on-year increase was primarily driven by lower market prices leading to a relatively smaller share of total revenue being sold at market prices.

Direct costs increased by 10.0% to EUR 1.4 million compared to EUR 1.3 million the year before, primarily as a result of the relatively larger portfolio of operational assets.

Other external costs decreased by 34.7% to EUR 1.3 million compared to EUR 2.1 million last

year. The year-on-year decrease was primarily driven by a one-off cost in 2022 related to the grid connection of the Goldalqueva solar park in Portugal.

Gross profit was EUR 7.7 million compared to EUR 9.9 million in the previous year, corresponding to gross margins of 75.2% and 75.8%, respectively.

EBITDA amounted to EUR 5.2 million compared to EUR 8.5 million the year before. The year-on-year decrease was primarily a result of the relatively lower revenue for the period as well as higher costs, including significantly higher staff costs as a result of the relatively larger organisation required to support continued growth of the company.

EBITDA margins were 50.5% and 65.3% for Q1 2023 and Q1 2022, respectively.

Depreciation and amortisation amounted to EUR 6.5 million compared to EUR 5.8 million last year. The year-on-year increase was primarily driven by the relatively larger asset base.

EBIT amounted to a negative EUR 1.3 million compared to EUR 2.7 million last year. EBIT margins were a negative 13.1% and a positive 20.8% for Q1 2023 and Q1 2022, respectively.

Net financial items constituted a net expense of EUR 3.2 million compared to a net expense of EUR 2.3 million last year. The relatively higher financial expenses resulted from a relatively higher level of interest rates related to the company's loans as well as the addition of further loans.

Profit before tax was a loss of EUR 4.6 million compared to a profit of EUR 0.4 million the year before.

Tax for the period constituted a net income of EUR 0.3 million compared to a net expense of EUR 0.2 million last year. The effective tax rate was 8.8% compared to 49.7% the previous year. The effective tax rate was impacted by non-deductible depreciation of goodwill.

Profit for the period was a loss of EUR 4.2 million compared to a profit of EUR 0.2 million in the previous year.

Profit for the period is attributable to Nordic Solar A/S' shareholders by a negative EUR 4.2 million and to non-controlling interests by EUR 0.0 million compared to EUR 0.2 million and EUR 0.0 million, respectively, the previous year.

Other comprehensive income amounted to an income of EUR 5.5 million compared to an

income of EUR 1.0 million the year before. The year-on-year increase was primarily driven by fair value adjustments of hedging instruments and exchange rate adjustments on translation of subsidiaries, but partly offset by relatively higher tax on other comprehensive income.

Balance sheet at 31 March 2023

The balance sheet total was EUR 694.7 million at 31 March 2023 compared to EUR 612.6 million at 31 March 2022 and EUR 706.8 million at 31 December 2022.

Net interest-bearing debt amounted to EUR 200.9 million compared to EUR 186.8 million at the end of 2022. The increase since the beginning of the year was primarily a result of an increase in interest-bearing debt due to the addition of loans in the period as well as a relatively lower cash position as a result of net cash flow in the quarter.

Equity totalled EUR 340.3 million compared to EUR 338.4 million at the end of 2022. The increase since the beginning of the year was primarily driven by a relatively higher reserve for hedging but partly offset by relatively lower retained earnings.

Equity attributable to shareholders in Nordic

Solar A/S amounted to EUR 339.4 million while equity attributable to non-controlling interests amounted to EUR 0.9 million.

Capital employed was EUR 848.3 million compared to EUR 888.3 million at 31 December 2022. The decrease since the beginning of the year was primarily a result of a relatively higher net interest-bearing debt.

Return on capital employed (“ROCE”) was 3.0% which is unchanged compared to the full year 2022. As the company did not prepare quarterly financial statements in 2021, comparison with the corresponding year-ago period is not possible.

EQUITY

All figures are in EUR '000

	2023	2022
Equity on 1 January	338,414	254,092
Profit for the period	-4,179	200
Exchange rate adjustments regarding subsidiaries	228	-1,264
Fair value adjustment of hedging instruments	6,820	2,629
Tax on other comprehensive income	-1,579	-343
Total comprehensive income for the period	1,290	1,222
Transactions with shareholders		
Capital increases including related costs	-2	31,513
Value of share-based payments	567	0
Acquisition of own shares	0	-176
Equity on 31 March	340,269	286,651

Cash flow for the first quarter of 2023

Cash flow from ordinary operating activities amounted to a negative EUR 2.3 million compared to a negative EUR 1.6 million in the previous year. The year-on-year decrease was primarily a result of relatively 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 a negative EUR 5.1 million compared to a negative EUR 3.8 million in the year before. The year-on-year decrease was primarily a result of relatively higher financial expenses due to a higher level of interest rates related to the company's loans as well as the addition of further loans.

Free cash flow from operations amounted to a negative EUR 1.4 million compared to EUR 3.8 million in the previous year. The year-on-year decrease was primarily a result of relatively lower earnings for the period and was partly offset by relatively higher depreciation and amortisation due to the relatively larger asset base.

Investments in solar parks amounted to a negative EUR 6.9 million compared to a negative EUR 5.1 million in the previous year. The relatively 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 investing activities amounted to a negative EUR 6.9 million compared to a negative EUR 5.1 million last year.

Cash flow from financing activities amounted to a negative EUR 1.4 million compared to EUR 23.3 million last year. The year-on-year decrease was primarily a result of a decrease in the proceeds from borrowings and capital increases but was partly offset by a decrease in the repayment of borrowings.



Financial outlook for 2023

The financial outlook for the full year 2023 is maintained.

The financial outlook for the full year 2023 is based on the portfolio of solar parks owned as of May 2023, the assumption that electricity prices will gradually decrease through 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 65 million to

EUR 85 million. Further, we expect EBITDA in the range of EUR 45 million to EUR 60 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 being equal, the sensitivities for two key assumptions for 2023 are listed in the table below:

Factors	Change	Effect on mid-point of 2023 revenue outlook	Effect on mid-point of 2023 EBITDA outlook
Electricity prices	+/- 5% (EUR per MWh)*	+/- EUR 1.5 million	+/- EUR 1.5 million
Production	+/- 1% GWh	+/- EUR 0.6 million	+/- EUR 0.6 million

* Applies only to the part of the portfolio selling electricity at market prices

2023 financial outlook



Financials

Consolidated financial statements	13
Consolidated income statement	13
Consolidated statement of comprehensive income	14
Consolidated balance sheet	15
Consolidated statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to the consolidated financial statements	18



Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

All figures are in EUR '000

	Note	2023 Q1	2022 Q1
Revenue	2	10,247	13,005
Direct costs		-1,444	-1,313
Other operating income		236	218
Other external costs		-1,338	-2,050
Gross profit		7,701	9,860
Staff costs		-2,529	-1,373
Profit before amortisation, depreciation and impairment losses (EBITDA)		5,172	8,487
Amortisation, depreciation and impairment losses		-6,516	-5,777
Operating profit (EBIT)		-1,344	2,710
Financial income		655	747
Financial expenses		-3,895	-3,059
Profit before tax		-4,584	398
Income taxes		405	-198
Profit for the period		-4,179	200
Profit is attributable to:			
Owners of Nordic Solar A/S		-4,158	195
Non-controlling interests		-21	5
		-4,179	200

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

Note	2023 Q1	2022 Q1
Profit for the period	-4,179	200
Items that have been or may be reclassified to the income statement:		
Exchange rate adjustments on translation of subsidiaries (net)	228	-1,264
Fair value adjustment of hedging instruments	6,846	2,985
Fair value adjustment of hedging instruments transferred to income statement	-26	-356
Tax on other comprehensive income	-1,579	-343
Other comprehensive income for the period	5,469	1,022
Total comprehensive income for the period	1,290	1,222
Comprehensive income is attributable to:		
Nordic Solar A/S share	1,322	1,217
Non-controlling interests	-32	5
	1,290	1,222



CONSOLIDATED BALANCE SHEET
All figures are in EUR '000

	Note	31 March 2023	31 December 2022	31 March 2022
Assets				
Goodwill		44,256	44,256	44,256
Property, plant and equipment	3	487,366	484,672	457,600
Non-current financial assets		172	163	160
Deferred tax asset		10,613	12,200	14,555
Other receivables		19,329	20,566	5,794
Non-current assets		561,736	561,857	522,365
Trade receivables		10,282	10,096	5,091
Other receivables		4,894	9,277	15,499
Prepayments		20,225	14,666	3,446
Cash		97,592	110,876	66,226
Current assets		132,993	144,915	90,262
Total assets		694,729	706,772	612,627

	Note	31 March 2023	31 December 2022	31 March 2022
Equity and liabilities				
Share capital	4	71,354	71,354	64,308
Translation reserve		-2,126	-2,354	-3,058
Reserve for hedging		7,638	2,386	-6,882
Retained earnings		253,519	257,112	224,515
Proposed dividend for the period		9,019	9,019	7,604
Equity attributable to shareholders of the parent company		339,404	337,517	286,487
Non-controlling interests share of equity		865	897	164
Total equity		340,269	338,414	286,651
Loans	6	251,760	250,133	211,567
Provisions		6,594	6,425	9,009
Other payables		24,900	29,260	27,975
Deferred tax liabilities		3,912	4,524	1,084
Deferred income		1,453	1,344	204
Non-current liabilities		288,619	291,686	249,839
Loans	6	42,423	43,478	56,577
Trade payables		11,335	11,057	4,994
Current income tax liabilities		1,024	1,086	2,454
Other payables		11,059	21,051	12,112
Current liabilities		65,841	76,672	76,137
Total liabilities		354,460	368,358	325,976
Total equity and liabilities		694,729	706,772	612,627

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
Equity at 1 January 2023	Note	71,354	-2,354	2,386	257,112	9,019	337,517	897	338,414
Profit for the period		0	0	0	-4,158	0	-4,158	-21	-4,179
Exchange rate adjustments regarding subsidiaries		0	228	0	0	0	228	0	228
Fair value adjustment of hedging instruments		0	0	6,843	0	0	6,843	-23	6,820
Tax on other comprehensive income		0	0	-1,591	0	0	-1,591	12	-1,579
Total comprehensive income for the period		0	228	5,252	-4,158	0	1,322	-32	1,290
Transactions with shareholders									
Capital increases including related costs		0	0	0	-2	0	-2	0	-2
Value of share-based payments		0	0	0	567	0	567	0	567
Equity at 31 March 2023		71,354	-2,126	7,638	253,519	9,019	339,404	865	340,269

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

	Note	2023 Q1	2022 Q1
Operating profit (EBIT)		-1,344	2,710
Amortisation, depreciation and impairment losses		6,516	5,777
Share-based payment	7	567	0
Change in net working capital		-7,997	-10,101
Cash flows from ordinary operating activities		-2,258	-1,614
Financial income		655	959
Financial expenses		-3,155	-3,056
Corporate tax		-307	-42
Cash flow from operating activities		-5,065	-3,753
Investments in solar parks	3	-6,851	-5,060
Cash flow from investing activities		-6,851	-5,060
Proceeds from borrowings	6	4,263	25,005
Repayments of borrowings	6	-3,909	-31,828
Repayments of lease liabilities	6	-1,720	-1,209
Net sale, own shares		0	-176
Capital increases	4	0	31,513
Costs from capital increases	4	-2	-7
Cash flow from financing activities		-1,368	23,298
Net cash flow for the period		-13,284	14,485
Cash and cash equivalents, beginning of the period		110,876	51,741
Cash and cash equivalents, end of the period		97,592	66,226



Notes to the consolidated financial statements

1. Accounting policies	19
2. Segment note	19
3. Property, plant and equipment	23
4. Share capital	24
5. Financial instruments	24
6. Changes in liabilities	25
7. Share-based payments	26



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

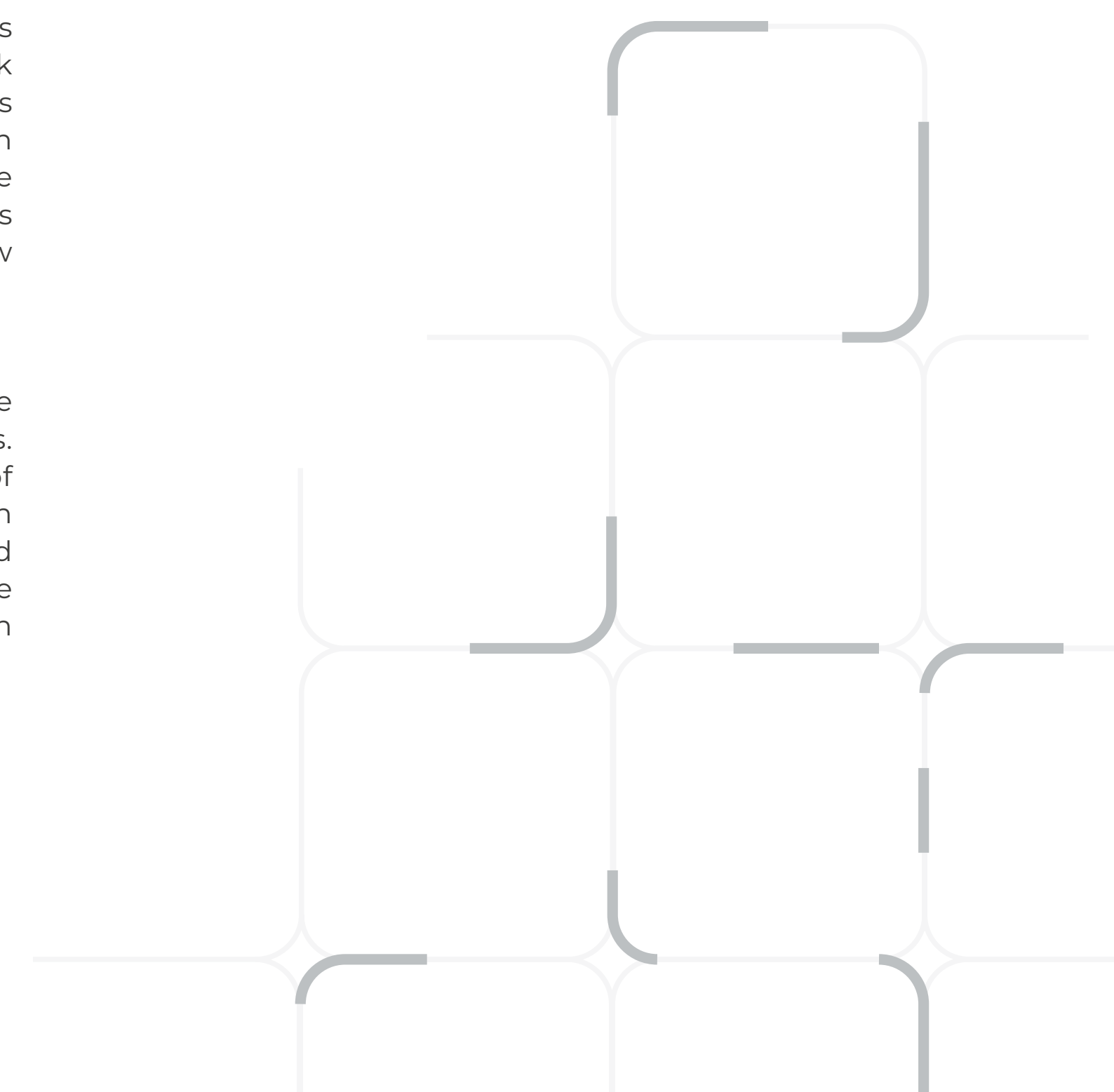
The operational solar parks include all energy-producing parks that have been operational for at least a full year.

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 (CONTINUED)

All figures are in EUR '000

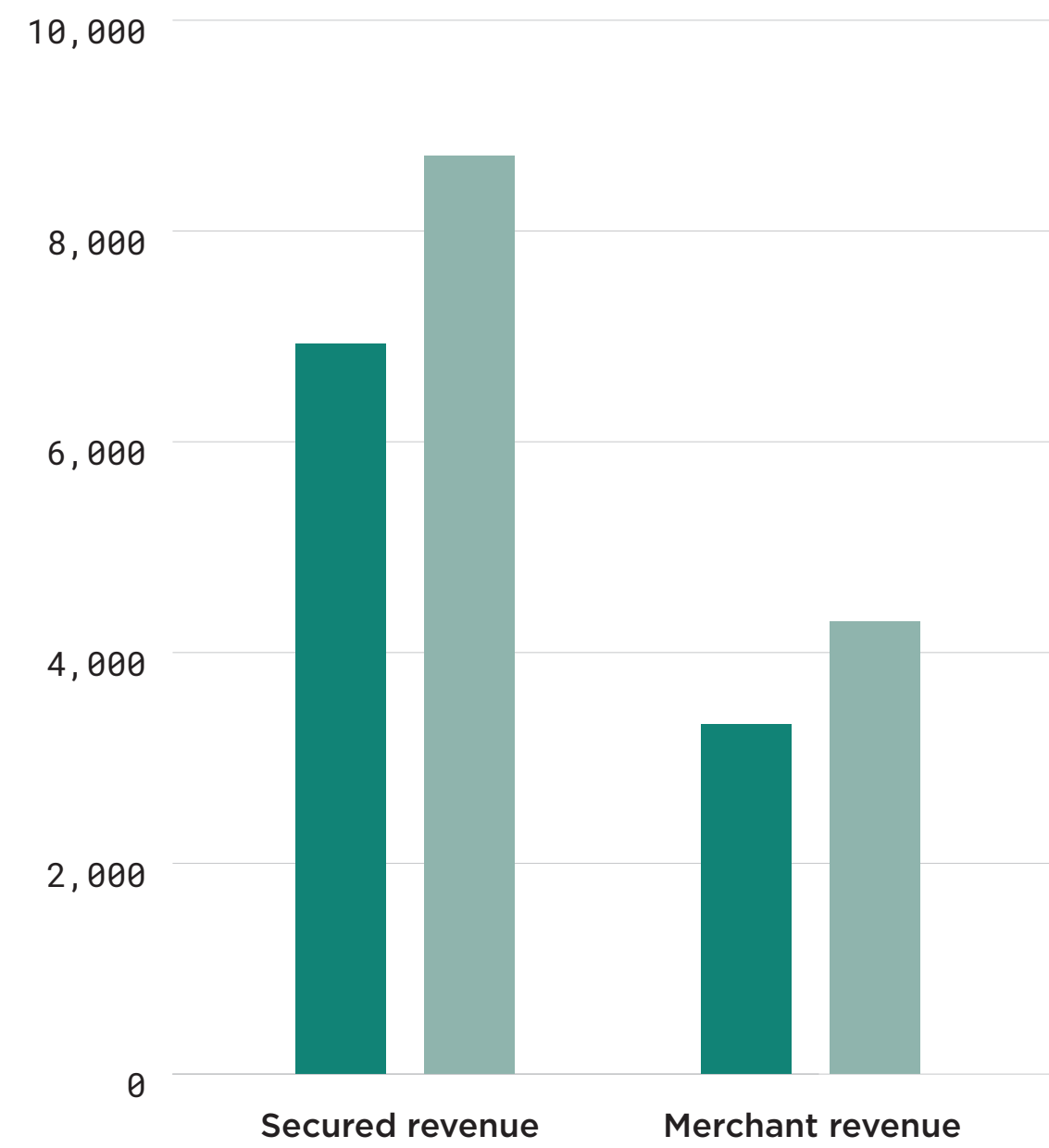
2023 Q1	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
Income statement					
Secured revenue	6,931	0	6,931	0	6,931
Merchant revenue	3,315	0	3,315	0	3,315
Total revenue	10,247	0	10,247	0	10,247
Profit before amortisation, depreciation and impairment losses (EBITDA)	6,346	-753	5,593	-421	5,172
Depreciation, amortisation and impairment	-6,132	-166	-6,298	-343	-6,641
Balance sheet					
Total assets	487,810	94,271	582,081	112,648	694,729
Investments in property, plant and equipment and solar parks under construction	71	9,000	9,069	139	9,208
Key ratios					
Free cash flow from operations	-213	-753	-966	-421	-1,387
2022 Q1	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
Income statement					
Secured revenue	8,292	422	8,714	0	8,714
Merchant revenue	4,292	0	4,292	0	4,292
Total revenue	12,584	422	13,006	0	13,006
Profit before amortisation, depreciation and impairment losses (EBITDA)	9,770	343	10,113	-1,626	8,487
Depreciation, amortisation and impairment	-5,348	-105	-5,453	-324	-5,777
Balance sheet					
Total assets	460,553	85,972	546,525	66,102	612,627
Investments in property, plant and equipment and solar parks under construction	1,680	3,011	4,691	370	5,061
Key ratios					
Free cash flow from operations	3,498	-13	3,485	307	3,792

2. SEGMENT NOTE (CONTINUED)

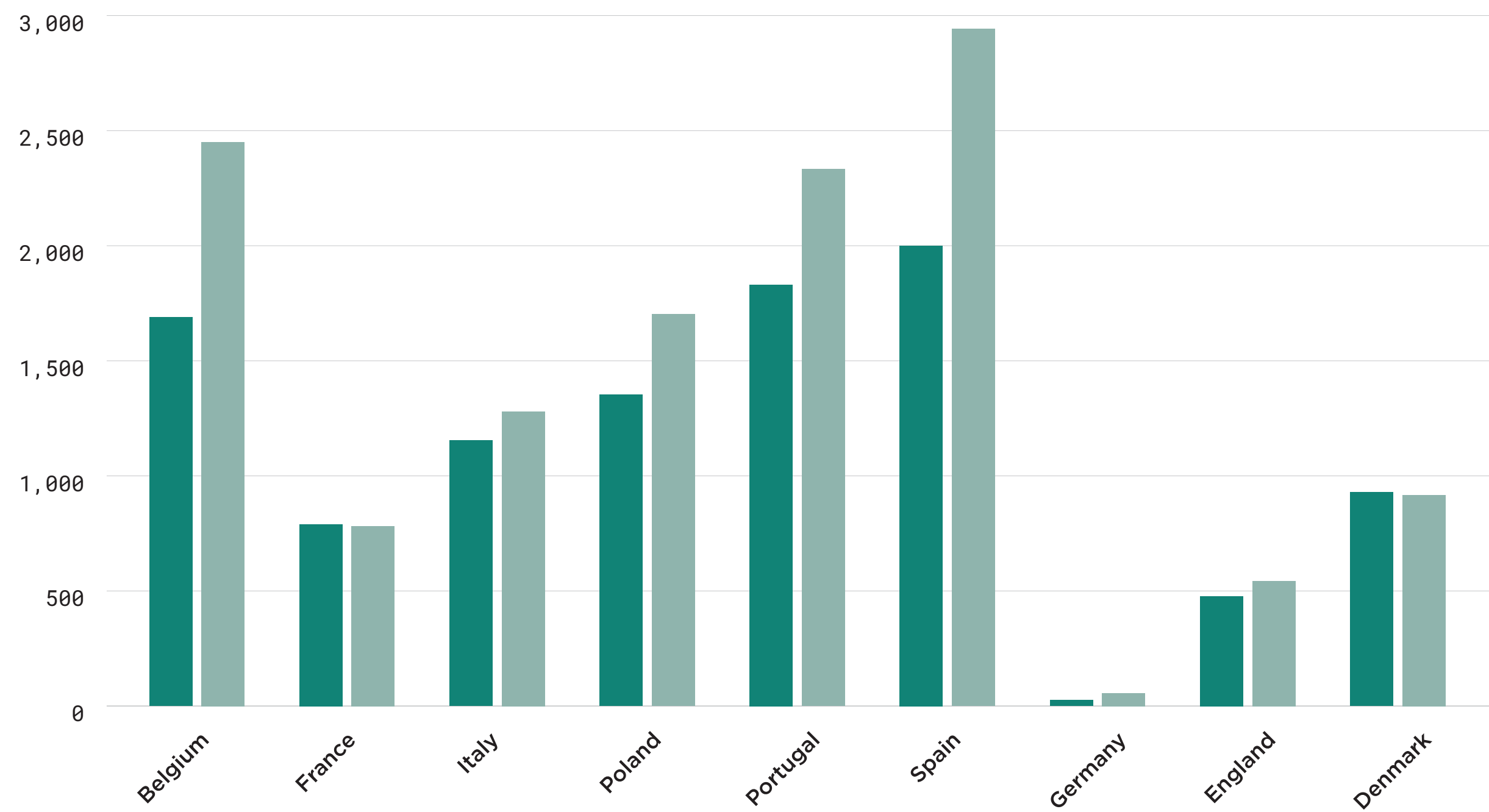
All figures are in EUR '000

● Q1 2023 ● Q1 2022

Type of revenue



Net revenue by country

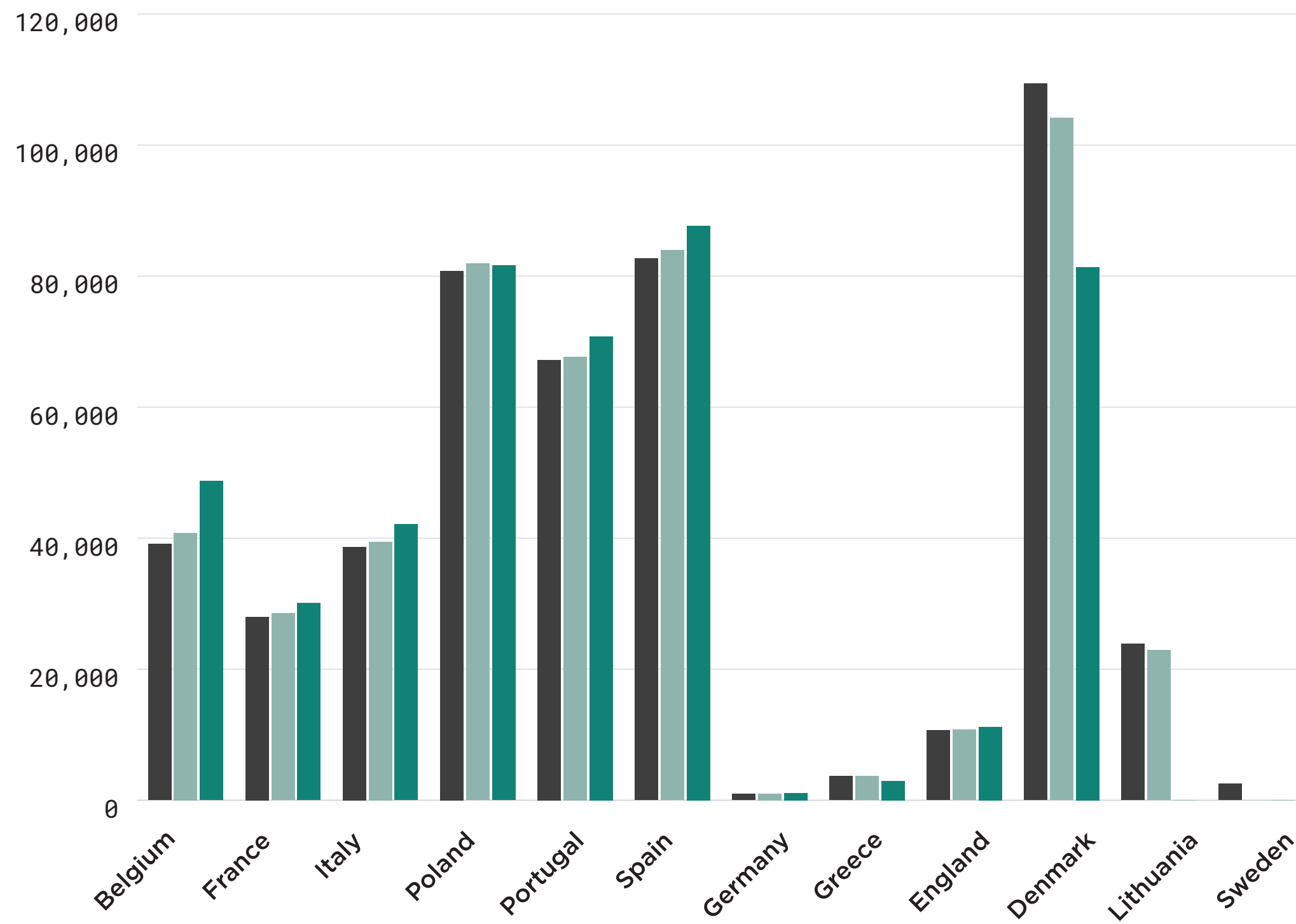


2. SEGMENT NOTE (CONTINUED)

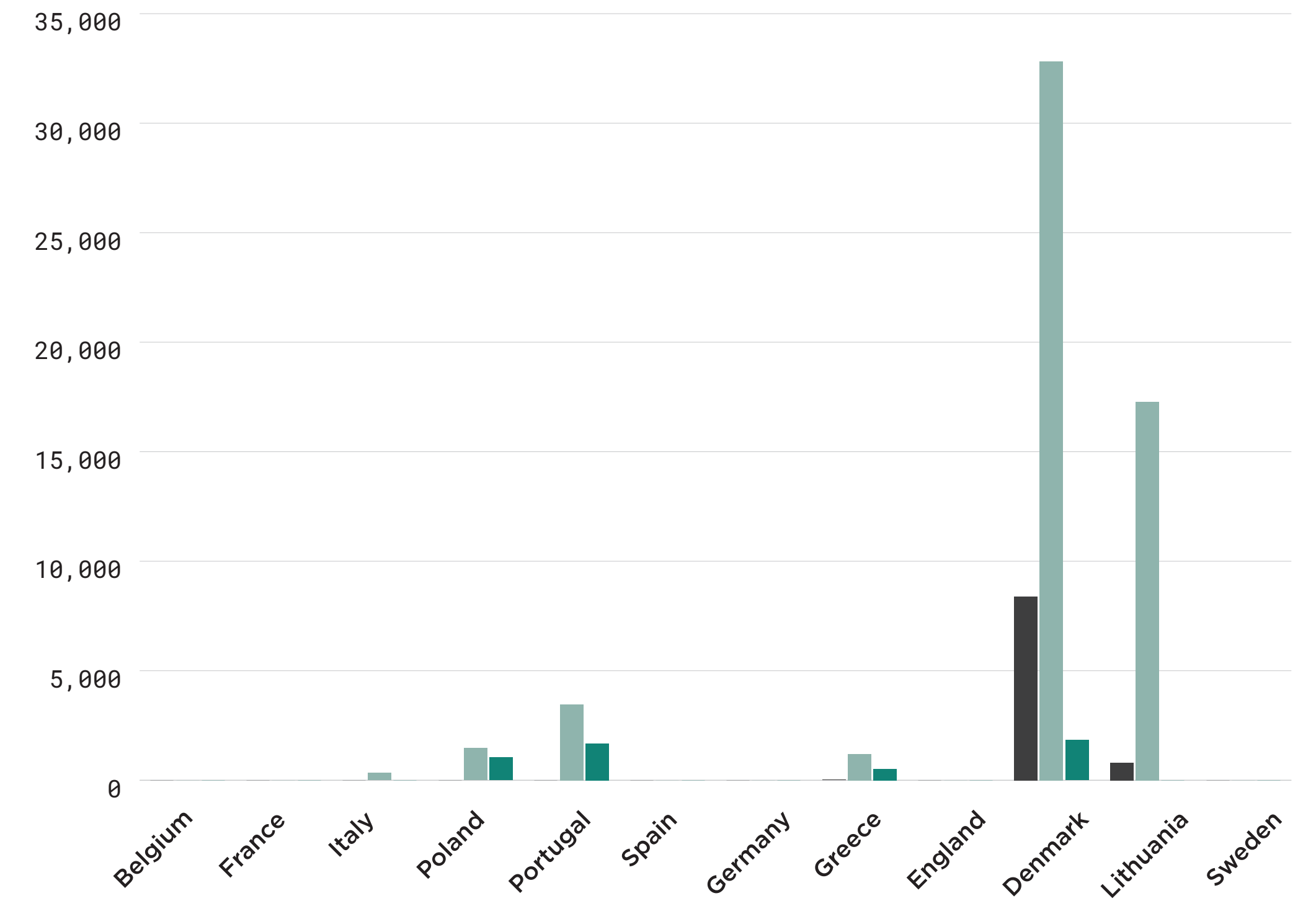
All figures are in EUR '000

● Q1 2023 ● FY 2022 ● Q1 2022

Property, plant and equipment and solar parks under construction



Investment in property, plant and equipment



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 2023	440,128	1,111	71,266	45,008	25,402	582,915
Additions during the period	86	139	0	2,357	6,626	9,208
Disposals during the year	-27	0	0	-52	0	-79
Transfer to/from other asset type	319	0	0	0	-319	0
Exchange rate adjustments	200	0	0	0	-7	193
Cost 31 March 2023	440,706	1,250	71,266	47,313	31,702	592,237
Depreciation and impairment 1 January 2023	-50,704	-622	-40,212	-6,705		-98,243
Depreciation for the period	-5,045	-49	-926	-621		-6,641
Disposals during the period	0	0	0	52		52
Exchange rate adjustments	-39	0	0	0		-39
Depreciation and impairment 31 March 2023	-55,788	-671	-41,138	-7,274		-104,871
Carrying amount 31 March 2023	384,918	579	30,128	40,039	31,702	487,366

4. SHARE CAPITAL

All figures are in EUR '000

	2023 31/3	2022 31/12
Changes in share capital:		
Share capital 1 January	71,354	58,535
Capital increases	0	12,819
SHARE CAPITAL END OF PERIOD	71,354	71,354
Fees related to capital increase	-2	789

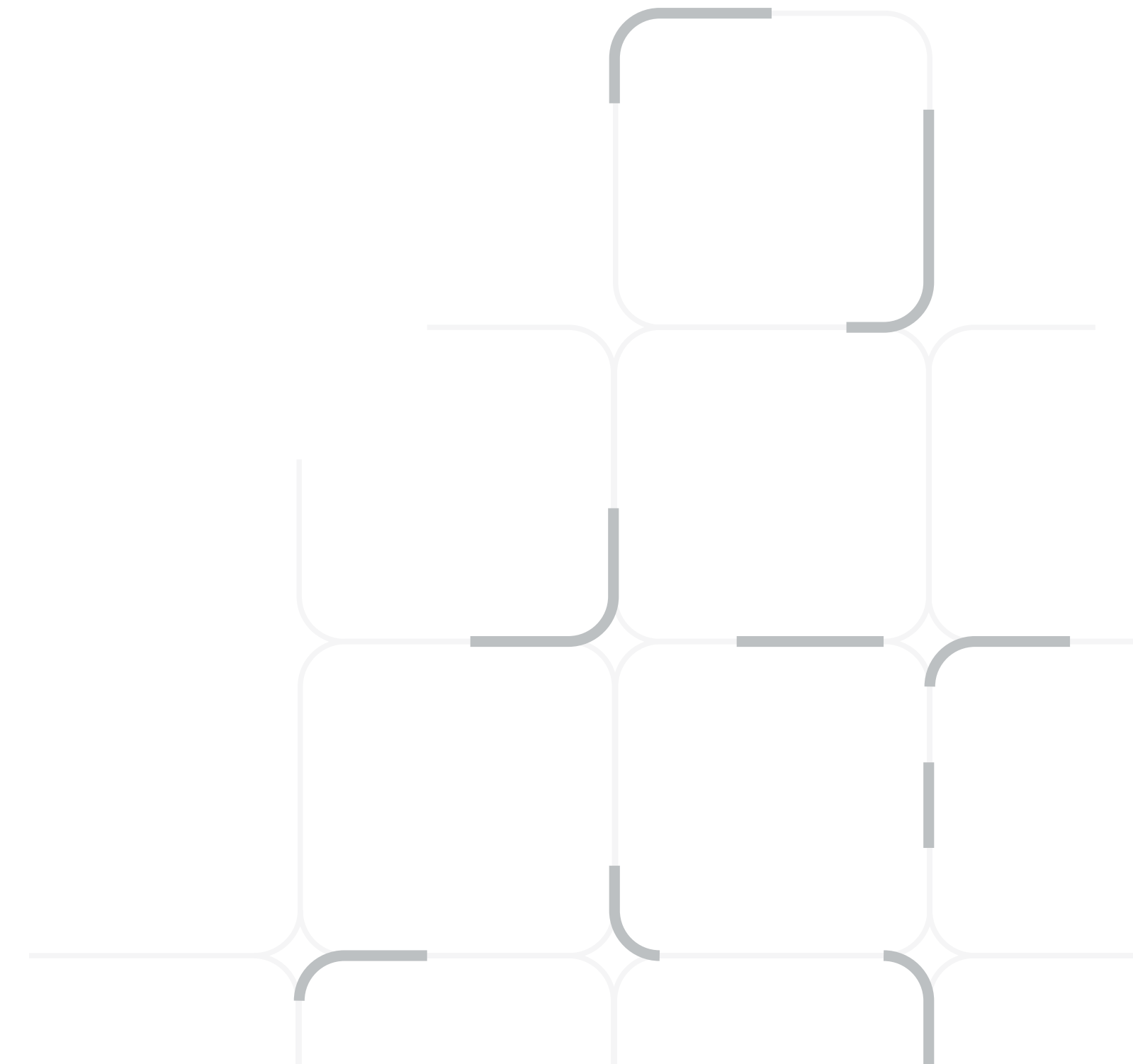
5. FINANCIAL INSTRUMENTS

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
Mortgage loans	204,367	0	-2,805	0	201,562
Financial leases	65,942	0	-1,720	1,827	66,049
Other credit institutions	27,023	4,257	-1,104	0	30,176
Loan costs	-4,441	0	0	111	-4,330
Loans from investor	720	6	0	0	726
Cash flow from financial items 31 March 2023	293,611	4,263	-5,629	1,938	294,183

* Non-cash changes in Q1 2023 are related to exchange rate differences including liabilities from acquired assets.

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
Specification of outstanding warrants		
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
Outstanding 1 January 2023	16.45	1,616,748
Outstanding 31 March 2023		1,616,748

	Number of warrants	Fair value EUR	Assumptions			
			Share price ranges EUR	Expected life-time (years)	Volatility	Risk-free interest rate
Fair value of warrants at the grant date						
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 Q1 2023, costs relating to the warrant programme have been recognised at EUR 567k (Q1 2022: EUR 547k).

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 31 March 2023.

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 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 12-16) give a true and fair view of Nordic Solar's consolidated assets, liabilities and financial position at 31 March 2023 and of the results of Nordic Solar's consolidated operations and cash flows for the period 1 January 2023 to 31 March 2023.

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 2022.

Hellerup, 24 May 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 Søggaard-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 11 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 2022 annual report, available at 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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