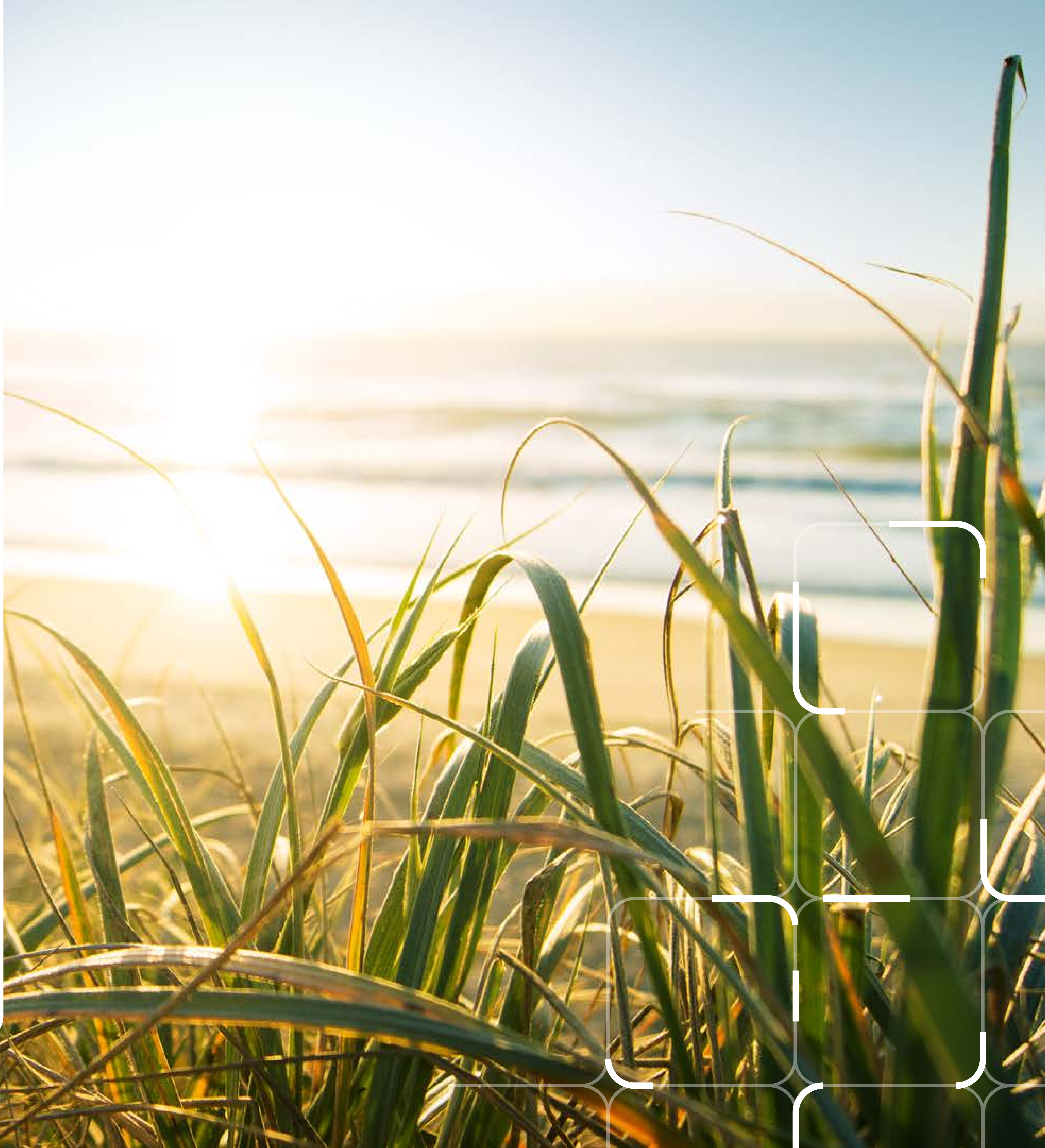
Nordic Solar

First half year 2022



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Highlights

REVENUE
Revenue amounted to EURm 38 in H1 2022. The increase of EURm 16 relative to H1 2021 constitutes year-on-year growth of 75%. The growth is driven by the high power prices and a ramp up in power production from 3 new operational solar parks of 113 MWp.

SECURED REVENUE
Secured revenue decreased to 68% from 82% in H1 2021. This is a result of high power prices and the acquisition of a full merchant 27.5 MWp project. Our strategy remains to hedge a minimum of 70% of revenue with fixed price agreements. If spot prices normalise, we expect secured revenue to stay above 70% in 2023.

EBITDA
Operating profit (EBITDA) totalled EURm 27, which is EURm 12 higher than H1 2021, an uplift of 81%. The realised EBITDA margin increased to 70.1% from 67.6%. Revenue increased while costs have remained unchanged for existing parks.

PIPELINE
In H1, we signed an additional pipeline of 703 MWp in Germany, Greece, Lithuania, Sweden, and Denmark. We increased the total pipeline to 1,700 MWp, of which we are currently constructing 33 MWp in Denmark. The target for 2022 is to reach a pipeline of 1,750 MWp and an operational pipeline of 359 MWp.

EQUITY RAISED
Equity was EURm 296 at the end of June 2022. We raised EURm 31.9 equity in H1 as we converted loan tranches into shares. A total of 1,720,293 new shares were issued.

FULL-YEAR GUIDANCE

Revenue	EURm 75
EBITDA	EURm 53
Profit before tax	EURm 15

Nordic Solar

CEO's review

The strong performance in Q1 of 2022 continued as expected in Q2 creating strong H1 2022 results. Revenue in H1 2022 increased by 75% compared to H1 2021 and EBITDA grew by 81% in the same period. In addition to the energy price increase, inclusion of solar parks that were not operational in H1 2021 influenced growth. The guidance for the revenue for the full year is on par with what has been communicated earlier, whereas guidance on earnings has been reduced slightly.

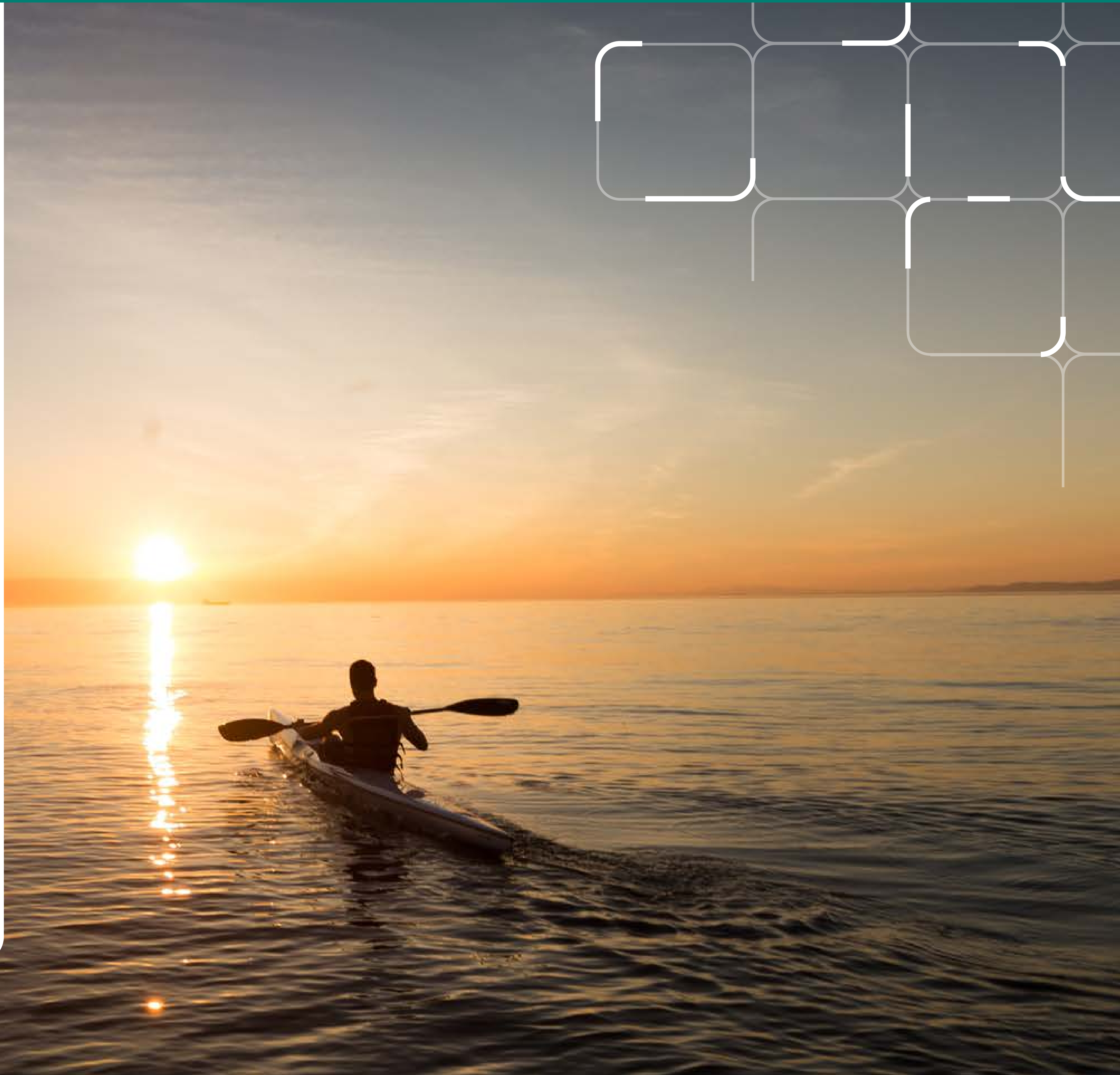
Business development is progressing as expected, and the guidance for the end-of-year signed pipeline was almost reached in H1 2022, with the entry into the Swedish market.

The first six months have been impacted by the increase in energy prices, inflation, and interest rates, which also have caused corrections in the financial markets. The Russian invasion of Ukraine continue to destabilise the gas market, putting pressure on the supply side of the electricity market. Further, the war has led to wide-ranging discussions of Europe's energy supply security and a general objective for Europe to become independent of Russian gas, coal, and oil.

Nordic Solar has no direct economic exposure to Ukraine, however, the indirect influence through energy prices, inflation and interest rates is significant. The result of the operational portfolio is mainly affected through increased electricity prices as inflation and interest rates have a minor effect. The pipeline projects are, however, more impacted. The changes have a negative effect on the cost of constructing new solar parks, but the effect of expected increased energy prices in the medium term outweighs these. The overall influence has been positive and we continue to expect that the war will have no significant negative impact on our business model.

Financials

The H1 2022 financial figures are compared with H1 2021 historic figures. Q2 financial reporting shows no comparative figures from 2021, as quarterly reports were not prepared until Q3 2021 (after the merger). However, pro forma figures were prepared for the first half of 2021.



Revenue for H1 2022 was realised at EURm 37.8 compared to EURm 21.7 in 2021. The 75% increase was on a par with the Q1 expectations as energy prices stayed on the level expected in Q2. The revenue guidance for the full year is unchanged with an expected revenue of EURm 75.

EBITDA increased by 81% to EURm 26.5 in H1 2022 compared to EURm 14.6 in 2021. The growth was driven by the high revenue, new solar parks and extra costs related to later than expected commissioning of the Goldalqueva solar park in Portugal in Q1 totalling EURm 0.9.

The profit before tax of H1 2022 increased significantly reflecting the above mentioned factors. At the same time, the first half of 2021 was influenced by extraordinary costs due to the merger. Consequently, the result before tax of a negative EURm 0.08 in 2021 grew to EURm 7.7 in 2022.

The asset base increased 26% over the past year from EURm 532 on 30 June 2021, to EURm 671 by the end of H1 2022. The increase reflects the completion of the construction processes in Portugal and Poland in addition to a large capital increase in Q1 2022 of EURm 31.9. The return to shareholders in H1 2022 was at a satisfactory level of 5.21%. The expected full-year return to shareholders, which was increased to 9-13% in the Q1 report, remains unchanged.

Operational performance and construction progress

The construction process initiated in Q1 in Denmark, where we are building a 33 MWp solar park in Lysabild, progressed as planned. The plant is still scheduled to be grid-connected by November 2022. Lysabild will be one of the first Danish solar park where biodiversity has been a central part of the design. The biodiversity efforts will provide ideal surroundings for animals, insects, and plants. The solar park will achieve a CO_2 reduction of 3.5 million kg on a yearly basis, and it will provide energy equal to 9,000 households' energy consumption. We gave the notice to proceed with construction on another Danish plant of 34 MWp in Q2 2022, and the construction process is expected to be initiated in Q3.

Where the Lysabild construction project experienced significant capital expenditure increases due to inflation on steel and solar panels, the development seems to reverse slightly on the second project. Costs are still above the original expectations in 2021, but the increase is reduced and the effect is offset by expected electricity price increases. Thus, construction processes planned for the remainder of 2022 are still attractive from a shareholder perspective.

In general, power production exceeded our expectations in Q1, but the production was below budget in Q2, leaving the total production on a par with the budgeted production in the first half-year. The lower than budgeted production in Q2 is to a large extent explained by high temperatures in the south of Europe reducing production equipment efficiency.

We expect the electricity prices to remain high but with a declining trend in 2022 and 2023. We update our budgets quarterly and incorporate updated expectations for future electricity price trends. The updates impact the share price; thus, the share price can become more volatile as geopolitical tensions influence the electricity market.

Business development

The year started with a signed pipeline of projects amounting to 1,000 MWp with an aim of reaching 1,750 MWp in the pipeline end of year. In Q1, a total of 250 MWp was added to the pipeline, with a purchase of project rights of 50 MWp in Germany, additional 100 MWp in Greece and entrance in Lithuania with a 100 MWp project. In Q2, the pipeline of signed projects was increased further, with 180 MWp in Lithuania, 50 MWp in Denmark and the entrance on another new market – Sweden – with a 220 MWp portfolio. A total signed pipeline of 1,700 MWp was thus achieved, which is close to the end-of-year goal.

In Denmark, we are still working on concrete development projects that may significantly

increase our footprint in Denmark towards 2025.

In the first-half year we concluded the project financings in Poland and Portugal and a refinance of a Spanish solar park with combined loan proceeds of EURm 40. At the same time, term sheets have been agreed for construction financing for the Danish project to be started in Q3 2022 and the long-term financing of the Danish Lysabild solar park that is under construction. The company's first corporate PPA was also concluded in Q2 on the Lysabild project. Here, we agreed on a 10-year PPA with the Danish paper producer Skjern Paper.

All in all, the company's development in the first half of 2022 has been satisfactory.

Nikolaj Holtet Hoff
CEO & Founder

Nordic Solar

Financial highlights

Financial highlights H1 2022

The financial highlights display that Nordic Solar's solid results from the first quarter carried into the second quarter. In total, the results of H1 2022 have exceeded both budget and the comparable results for H1 2021.

Revenue

Revenue amounted to EURm 38. The increase of 75% relative to H1 2021 was primarily due to the significantly higher power prices across all markets and the increased total operational capacity of our portfolio. The high-power prices have a high impact on Portugal, Denmark, and the UK. The common denominators of the solar parks in these countries are the high percentage of power generation sold at merchant prices. The overall secured revenue decreased from 82% in H1 2021 to 68% in H1 2022. The decrease is a result of increasing electricity prices which impact the share of the revenue from merchant sales of energy and the energisation of the Portuguese 27.5 MWp solar park where 100% of electricity production is sold at market price. Our strategy remains to hedge a minimum of 70% of revenue at Group level through either state-supported tariff regimes (FiT) or power purchasing agreements (PPA), to deliver attractive risk-adjusted returns. Merchant revenues exceed our strategic target of 30% revenue; however, the share of merchant revenue is expected to decrease as prices normalise and as Nordic Solar initiates PPAs on our pipeline projects.

In H1 2022, we experienced a revenue correction in our Spanish solar parks incited by the high power prices and a clarification of the complex Spanish subsidy regime. The revenue correction totalled EURm 3.1, partly affecting the revenue of 2022 and partly affecting the revenue of 2021 and 2020 reflected in other costs.

Electricity generation from Nordic Solar's operational solar parks increased by 86% compared to the first half of 2021 and the power production is approximately 1% higher than budgeted for 2022. The total power production of H1 2022 was 213.9 GWh which is enough power to generate yearly electricity for 57,500 European households. Ramp-up of power production from two Portuguese solar projects of a total of 76 MWp and the Polish 37 MWp project is driving the significant increase in power production from H1 2021 to H1 2022.

In addition to the full half-year effect of the newly operational solar projects, electricity generation is positively affected by the portfolio located in Northern Europe. Especially Denmark and Poland are great contributors to the high production. Poland and Denmark are 7% and 10% ahead of budget, respectively. Irradiation in Denmark was up by 10% in H1 2022, while Polish irradiation was 14% ahead of

FINANCIAL HIGHLIGHTS

All figures are in EUR '000

Key figures	2022 H1 IFRS	2021 H1 IFRS	2022 Q2 IFRS	2021 FY IFRS
Revenue	37,826	21,673	24,821	46,463
Profit before amortisation, depreciation and impairment losses (EBITDA)	26,532	14,645	18,045	32,242
Profit before tax	7,697	-85	7,299	2,450
Profit/loss for the period	5,317	-208	5,117	1,552
NSE's share of profit/loss for the period	5,060	-85	4,865	1,406
Balance sheet key figures				
Property, plant and equipment	439,803	298,501	439,803	379,763
Cash	94,853	45,917	94,853	51,741
Total assets	670,980	532,139	670,980	592,449
Equity	296,303	245,705	296,303	254,092
Investment in property, plant and equipment and right-of-use assets	26,614	0	21,554	94,503
Interest-bearing debt (loans)	305,660	235,456	305,660	280,388
FINANCIAL RATIOS				
EBITDA margin	70.1%	67.6%	72.7%	69.4%
Solvency ratio	44.2%	46.2%	44.2%	42.9%
CASH FLOW				
Profit/loss before tax	7,697	-85	7,299	2,450
Corporation tax paid	-687	-50	-645	-1,567
Non-cash transactions under profit and loss other than depreciation	1,137	468	534	350
Depreciation and impairment of property, plant and equipment	12,327	10,238	6,550	20,229
Repayment of project-related loans	-5,800	-8,090	-2,854	-15,872
Non-controlling interests' share of free cash	169	0	167	-5
FREE CASH FLOW FROM OPERATIONS	**14,843**	**2,481**	**11,051**	**5,584**

expected irradiation. During the first half of 2022, no major issues were reported in respect of our solar parks. The more recently constructed solar parks have shown great availability and performance during the summer where warm weather conditions can put pressure on the technical components. The two solar parks constructed by Nordic Solar in 2021 are showing satisfying production. The Polish 37 MWp solar park, Energy Solar, produced 2% more than the budget in the first half of 2022. The Portuguese solar park Goldalqueva's solid technical performance carried into Q2. Goldalqueva shows high and stable performance during various weather conditions unaffected by irradiation and temperature fluctuations. The stable performance of Goldalqueva is evident in the realised production in spite of general low irradiation in the first half of 2022. If the technical performance of a solar park is as budgeted, then irradiation will impact one to one, meaning a 1% irradiation deficit will translate into a 1% production loss. H1 2022 production in Goldalqueva was 6.6% lower than budget, while irradiation was down by 9.2%.

EBITDA

Operating profit (EBITDA) totalled EURm 27, which is EURm 12 higher than H1 2021 EBITDA. The EBITDA margin for H1 2022 was 70.1%, 2.5 percentage points higher than H1 2021. The increase is to a large extent driven by high prices as costs have remained nearly constant. Further, the newly operational solar parks in Portugal and Poland generate higher revenue, which translates into an expected higher EBITDA compared to 2021.

Profit before tax

Profit before tax increased by EURm 8 to EURm 8 in H1 2022. The increase was primarily a result of the significantly higher EBITDA in H1 2022. Profit before tax is negatively impacted by EURm 0.9 due to the over-hedge in the Portuguese solar park that was a result of a later than expected commercialisation date.

Solvency ratio

By H1 2022, Nordic Solar's solvency ratio (equity/assets) was 44% a 2%-point decrease from H1 2021. The decrease is mainly driven by new equity investments in the pipeline. We expect to decrease the solvency ratio over the coming years with project and holding company finance.

Cash flow

Nordic Solar's free cash flow from operations was high as a result of the high electricity prices that also affected both revenue, EBITDA, and EBIT. The free cash flow was EURm 15, which is considered satisfying.

Equity

Equity was EURm 297 at the end of June 2022 compared to EURm 245 in H1 2021. The increase was mainly related to the four capital raises conducted in July 2021, October 2021, December 2021, and January 2022, when Nordic Solar converted loan tranches of EURm 64 into shares. A total of 3,597,875 new shares were issued in the period.

Financial highlights Q2 2022

The Q2 financials show no comparative figures from 2021, as quarterly reports were not prepared until Q3 2021.

Revenue

Revenue totalled EURm 25 in the second quarter of 2022, which is an expected increase compared to the presented EURm 13 in the first-quarter report. The increase of EURm 12 is a result of the bell-shaped profile of solar production: high in the summer and low in the winter. Q2 revenue is EURm 2 above the original budget of EURm 23 for the period, but approximately 12% lower than estimated in Q1 2022, mainly due to a full provision for an expected market price cap for the two Spanish parks.

EBITDA

Operating profit (EBITDA) amounted to EURm 18, which is at budget level depite lower production. Production was on a portfolio level 1.1% lower than budget. The production deficit is a consequence of lower than simulated realised irradiation in the Iberian Peninsula while extreme heat and high production have impacted technical issues in a negative direction. In total, operating profit is EURm 0.7 ahead of the original 2022 budget.

Profit before tax

Profit before tax increased by EURm 7 to EURm 7 in Q2 2022 compared to Q1 2022. The increase is primarily a result of the significantly higher EBITDA in Q2.

Cash flow

Nordic Solar's free cash flow from operations was high because of the high electricity prices, which also affected both revenue, EBITDA, and EBIT. The free cash flow was EURm 11, which is considered satisfactory.

Equity

Equity was EURm 296 at the end of June 2022 compared to EURm 287 in Q1 2022. There were no capital increases in Q2 2022.

Segment reporting

The segmented reporting is split into three main working areas of the company: Operational solar parks, development & constructional solar parks, 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. The operational business represented 76% of the asset base in H1 2022, approximately equal to the asset base presented in Q1 2022, as no additional solar parks have been added to this segment. Operational solar parks depict a well-performing operational portfolio in the first half of 2022. The segment does not include costs related to asset management in the corporate services. The costs are eliminated in the consolidation. Had the asset management costs been included, the operational solar park segment results would be reduced by EURm 0.9 in the first half-year. The operational activities are showing solid results, and the majority of the Group's free cash flow in H1 2022 stems from operational activities. Loans totalled EURm 303 in H1, which increased loans by EURm 27 compared the balance in H1 2021. The main contributors were the project financing conducted in the 37 MWp Energy Solar project, project financing of the 27.5 MWp project in Portugal, the construction financing of the 33 MWp project in Denmark and the refinancing of a 2 MWp operational solar park in Spain.

Development & construction

The development and construction activities mainly consist of costs associated with two solar park development and construction as well as solar parks that have not been operational for a whole year. The asset base reflects both the cost of construction projects as well as costs related to acquisitions of new development and project rights. The development and construction projects represented a total asset base of EURm 86 equal to 12.8% of the Group's assets in H1 2022. We have initiated the construction of the 33 MWp project in Denmark resulting in an asset base increase of approximately EURm 11.7. Significant investments were made in the acquisition of project rights during the first half of 2022, which increased the asset base by EURm 10.3. The project rights acquired during H1 2022 are 54 MWp in Germany, 100 MWp in Greece, 280 MWp in Lithuania, 50 MWp in Denmark, and 220 MWp in Sweden.

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. The corporate services have developed as expected in the first half of 2022, and we expect that expenses in the corporate service segment will continue to grow as we deliver on our growth ambitions.

CONSOLIDATED FINANCIAL STATEMENTS

All figures are in EUR '000

	1 January - 30 June 2022			
	Solar parks in operation	**Dev. & con-structional solar parks**	**Corporate services**	**Group**
Revenue	37,826	0	0	37,826
Gross profit	29,136	-1,910	3,087	30,313
Profit before amortisation, depreciation and impairment losses (EBITDA)	29,135	-1,911	-692	26,532
Operating profit (EBIT)	17,583	-1,911	-1,467	14,205
Profit before tax	12,417	-2,556	-2,164	7,697
FREE CASH FLOW FROM OPERATIONS	**19,530**	**-3,545**	**-1,395**	**14,590**

(EUR 1,000)	30 June 2022			
	Operational solar parks	**Dev. & con-structional solar parks**	**Coporate services**	**Group**
Balance sheet key figures				
Property, plant and equipment	396,468	74,805	210	471,483
Cash	44,396	10,679	39,778	94,853
Total assets	508,352	85,944	76,684	670,980
Loans	258,450	27,304	17,250	303,004

Pipeline

Our strategic ambitions of ensuring growth through the building of a solid pipeline remains in place. The strategic target is to deliver a signed pipeline of 2,000 MWp and have an operational capacity of 1,000 MWp by the end of 2024. Our expectations for 2022 remain that we, by year end, have a signed pipeline of minimum 1,750 MWp while having constructed 33 MWp, reaching 359 MWp operational projects.

In H1 2022, we signed 54 MWp solar project rights in Germany, 100 MWp project rights in Greece, 280 MWp project rights in Lithuania, a 50 MWp project in Denmark, and a portfolio of 220 MWp project rights in Sweden. With the signed project rights, Nordic Solar's pipeline totalled 1,700 MWp, including the current 33 MWp construction process in Lysabild. We are continuously being provided with attractive investement opportunities, which our team of investment professionals assesses.

The construction process of the 33 MWp in Denmark proceeds according to plan. The engineering and procurement process has been concluded, and the construction process has commenced. The project cost has been somewhat indirectly affected by the war in Ukraine. The increase in the price of steel and the rising panel price has increased the cost by approximately 25%. This is partly offset by the supply side, where higher gas prices have put upward pressure on electricity prices all over Europe. We have, together with Skjern Paper, agreed on a corporate PPA that will secure 78% of the revenue in the coming ten years. The construction is financed by Sparekassen Kronjylland, which has granted construction financing of EURm 21. The construction financing will, after Lysabild's commercial operational date, be converted into a long term project finance, a deal that is currently under negotiation.

Increased construction costs have been included in the business cases in the full pipeline. In general, the increase in expected electricity prices offsets the increased construction costs, which implies that realisation of the pipeline is still attractive, with variations in individual markets.

We have commenced the preparations for another 34 MWp construction project in Denmark. We have, thus, initiated the engineering and procurement phases and expect to launch the construction phase in the autumn. The construction processes are handled by our Engineering, Procurement, and Construction (EPC) team, which performs the full EPC service using external resources only for the actual construction. The EPC team has grown significantly during the year to ensure the capacity to handle the growing pipeline. We expect to conclude the construction finance process in the second half of 2022. Our ambition is to have the majority of capital expenditures associated with the construction process financed similarly to the Lysabild construction financing terms.

Nordic Solar

Outlook 2022

Based on the solar park portfolio owned by the end of H1 2022 and the realised electricity prices, including the expected price development, our guidance is close to the guidance communicated in the Q1 2022 report.

The guidance assumes that:

- Electricity prices gradually decrease from the current high level reaching expected average 2023 price by January
- Stable regulatory regimes, incl. lower expected revenue in the Spanish projects as a result of the subsidy clarification
- Stable interest rates
- Historic mean irradiation and tempera-tures
- Production as budgeted.

Revenue
Revenue 2022 is expected to be EURm 75, which is unchanged relative to the guidance in our Q1 report for 2022.

EBITDA and profit before tax
EBITDA in 2022, excluding new acquisitions and potential divestments, is expected to be EURm 53, which is a decrease of EURm 3 relative to the Q1 2022 guidance. The expected EBITDA decrease is predominantly driven by higher staff costs, warrant inclusion, and other costs.

Expected profit before tax and minority interests is EURm 15 an EURm 1 decrease relative to Q1 2022 guidance. The guidance is only decreased by EURm 1 despite an EURm 3 lower EBITDA, as we had a positive correction in expected interest rate payments.

Shareholder's return
A shareholder's return at the level of 9-13% is expected for 2022.

Dividend
The company expects to distribute dividends in the range of DKK 3-4 per share for the year 2022. The expected 2022 dividend is on the budgeted level. The dividend guidance takes into account the company's considerable growth expectations and capital need.

Outlook 2022	2021 realised	Guidance AR 2021	Guidance Q1 2022	Guidance Q2 2022
Revenue	EURm 46	EURm 62	EURm 75	EURm 75
EBITDA	EURm 32	EURm 44	EURm 56	EURm 53
Profit before tax	EURm 2	EURm 7	EURm 16	EURm 15

Financial Statements

Nordic Solar

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

All figures are in EUR '000

	Note	2022 H1	2021 H1	2022 Q2	2021 FY
Revenue	2	**37,826**	**21,673**	**24,821**	**46,463**
Direct costs		-2,786	-2,485	-1,473	-4,538
Other operating income		110	215	-108	582
Other external costs		-4,837	-1,744	-2,787	-6,386
Gross profit		**30,313**	**17,659**	**20,453**	**36,121**
Staff costs		-3,781	-3,014	-2,408	-3,879
Profit before amortisation, depreciation and impairment losses (EBITDA)		**26,532**	**14,645**	**18,045**	**32,242**
Amortisation, depreciation and impairment losses	6	-12,327	-10,238	-6,550	-20,229
Operating profit (EBIT)		**14,205**	**4,407**	**11,495**	**12,013**
Financial income		896	378	149	836
Financial expenses		-7,404	-4,870	-4,345	-10,399
Profit before tax		**7,697**	**-85**	**7,299**	**2,450**
Income taxes		-2,380	-123	-2,182	-898
PROFIT FOR THE PERIOD		**5,317**	**-208**	**5,117**	**1,552**
Profit is attributable to:					
Owners of Nordic Solar A/S		5,060	-85	4,865	1,406
Non-controlling interests		257	-123	252	146
		5,317	**-208**	**5,117**	**1,552**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All figures are in EUR '000

	Note	2022 H1	2021 H1	2021 Q2	2021 FY
PROFIT FOR THE PERIOD		**5,317**	**-208**	**5,117**	**1,552**
Items that have been or may be reclassified to the income statement:					
Exchange rate adjustments on translation of subsidiaries (net)		-931	175	333	-1,189
Fair value adjustment of hedging instruments		15,697	309	13,068	-7,019
Tax on other comprehensive income	7	-2,934	-74	-2,591	1,166
Other comprehensive income for the period		**11,832**	**410**	**10,810**	**-7,042**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**17,149**	**202**	**15,927**	**-5,490**
Comprehensive income is attributable to:					
Nordic Solar A/S' share		16,588	325	15,372	-5,769
Non-controlling interests		561	-123	555	279
		17,149	**202**	**15,927**	**-5,490**

Nordic Solar

CONSOLIDATED BALANCE SHEET
All figures are in EUR '000

ASSETS	Note	30 June 2022	31 December 2021	30 June 2021
Goodwill		44,256	44,256	81,489
Property, plant and equipment	3	439,803	379,763	298,501
Solar parks under construction	3	31,680	79,946	30,807
Non-current financial assets		164	160	29
Deferred tax asset		12,953	14,158	44,372
Other receivables		10,083	5,875	0
Non-current assets		**538,939**	**524,158**	**455,198**
Trade receivables		8,706	3,235	2,785
Other receivables		19,369	12,385	16,610
Prepayments		9,113	930	11,629
Cash		94,853	51,741	45,917
Current assets		**132,041**	**68,291**	**76,941**
TOTAL ASSETS		**670,980**	**592,449**	**532,139**

EQUITY AND LIABILITIES	Note	30 June 2022	31 December 2021	30 June 2021
Share capital	4	64,308	58,535	54,313
Translation reserve		-2,725	-1,794	-425
Hedge reserve		3,291	-9,295	-3,079
Retained earnings		230,705	198,883	195,067
Proposed dividend for the year		4	7,604	0
Equity attributable to shareholders of the parent company		**295,583**	**253,933**	**245,876**
Non-controlling interests' share of equity		720	159	-171
Total equity		**296,303**	**254,092**	**245,705**
Loans	6	262,672	225,400	209,874
Provisions		9,036	8,984	8,845
Other payables		21,281	29,680	26,399
Deferred tax liabilities		1,904	1,060	1,302
Deferred income		197	211	0
Non-current liabilities		**295,090**	**265,335**	**246,420**
Loans	6	40,332	50,689	25,582
Trade payables		18,120	6,436	4,875
Current income tax liabilities		4,160	1,582	599
Other payables		16,975	14,315	8,958
Current liabilities		**79,587**	**73,022**	**40,014**
Total liabilities		**374,677**	**338,357**	**286,434**
TOTAL EQUITY AND LIABILITIES		**670,980**	**592,449**	**532,139**

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

	Note	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 1 JANUARY 2022		**58,535**	**-1,794**	**-9,295**	**198,883**	**7,604**	**253,933**	**159**	**254,092**
Profit for the period		0	0	0	5,060	0	**5,060**	257	**5,317**
Exchange rate adjustments regarding subsidiaries		0	-931	0	0	0	**-931**	0	**-931**
Fair value adjustment of hedging instruments		0	0	15,408	-127	0	**15,281**	416	**15,697**
Tax on other comprehensive income		0	0	-2,822	0	0	**-2,822**	-112	**-2,934**
Total comprehensive income for the period		**0**	**-931**	**12,586**	**4,933**	**0**	**16,588**	**561**	**17,149**
Transactions with shareholders									
Capital increases including related costs		5,773	0	0	26,056	0	**31,829**	0	**31,829**
Value of share-based payments		0	0	0	1,113	0	**1,113**	0	**1,113**
Acquisition of own shares		0	0	0	-443	0	**-443**	0	**-443**
Sale of own shares		0	0	0	163	0	**163**	0	**163**
Dividends distributed		0	0	0	0	-7,600	**-7,600**	0	**-7,600**
EQUITY 30 JUNE 2022		**64,308**	**-2,725**	**3,291**	**230,705**	**4**	**295,583**	**720**	**296,303**

Nordic Solar

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

	Note	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 1 JANUARY 2021		**23,113**	**-600**	**-3,314**	**60,869**	**5,158**	**85,226**	**-48**	**85,178**
Profit for the period		0	0	0	-85	0	-85	-123	-208
Exchange rate adjustments regarding subsidiaries		0	175	0	0	0	175	0	175
Fair value adjustment of hedging instruments		0	0	309	0	0	309	0	309
Tax on other comprehensive income		0	0	-74	0	0	-74	0	-74
Total comprehensive income for the period		**0**	**175**	**235**	**-85**	**0**	**325**	**-123**	**202**
Transactions with shareholders									
Merger		25,321	0	0	104,063	0	129,384	0	129,384
Capital increases including related costs		5,879	0	0	30,220	0	36,099	0	36,099
Value of share-based payments		0	0	0	0	0	0	0	0
Acquisition of own shares		0	0	0	0	0	0	0	0
Sale of own shares		0	0	0	0	0	0	0	0
Dividends distributed		0	0	0	0	-5,158	-5,158	0	-5,158
EQUITY 30 JUNE 2021		**54,313**	**-425**	**-3,079**	**195,067**	**0**	**245,876**	**-171**	**245,705**

CONSOLIDATED STATEMENT OF CASH FLOWS

All figures are in EUR '000

	Note	2022 H1	2021 H1	2022 Q2	2021 FY
Operating profit (EBIT)		**14,205**	**4,407**	**11,495**	**12,013**
Amortisation, depreciation and impairment losses		12,327	10,238	6,550	20,229
Share-based payment		1,113	10	1,113	10
Change in net working capital		-3,041	-4,185	7,060	12,268
Cash flows from ordinary operating activities		**24,604**	**10,470**	**26,218**	**44,520**
Financial income		927	378	180	836
Financial expenses		-7,092	-5,220	-4,248	-10,116
Income taxes paid		-687	-504	-645	-1,567
Cash flow from operating activities		**17,752**	**5,124**	**21,505**	**33,673**
Investments in solar parks		-26,613	-14,789	-21,553	-96,922
Acquired cash asset deals		1,274	0	1,274	8,248
Acquired cash business combinations		0	1,973	0	1,973
Cash flow from investing activities		**-25,339**	**-12,816**	**-20,279**	**-86,701**
Proceeds from borrowings		63,028	143	38,023	42,647
Repayments of borrowings		-34,926	-11,777	-3,098	-12,267
Repayments of lease liabilities		-1,352	511	-143	-3,605
Net sale, own shares		-280	0	-104	-807
Capital increases		31,513	36,253	0	50,875
Costs from capital increases		316	-154	323	-635
Dividend paid		-7,600	-5,158	-7,600	-5,230
Cash flow from financing activities		**50,699**	**19,818**	**27,401**	**70,978**

	2022 H1	2021 H1	2022 Q2	2021 FY
Net cash flow for the period	**43,112**	**12,126**	**28,627**	**17,950**
Cash and cash equivalents, beginning of the year	51,741	33,791	66,226	33,791
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**94,853**	**45,917**	**94,853**	**51,741**

Notes to the financial statements

1. ACCOUNTING POLICIES

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

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

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

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

Critical accounting estimates and judgements

When preparing the interim financial reporting of Nordic Solar, Management makes a number of accounting estimates and assumptions, which form the basis of recognition and measurement of Nordic Solar's assets and liabilities. The estimates and assumptions made are based on experience and other factors considered reasonable by Management in the circumstances. Reference is made to the consolidated financial statements in the annual report for the year ended 31 December 2021, note 2.

New accounting standards, amendments and interpretations

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

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

Nordic Solar

2. SEGMENT NOTE

All figures are in EUR '000

H1 2022

	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
Income statement					
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**
Balance sheet					
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**
Key ratios					
FCF	19,431	-3,197	**16,234**	-1,391	**14,843**

H1 2021

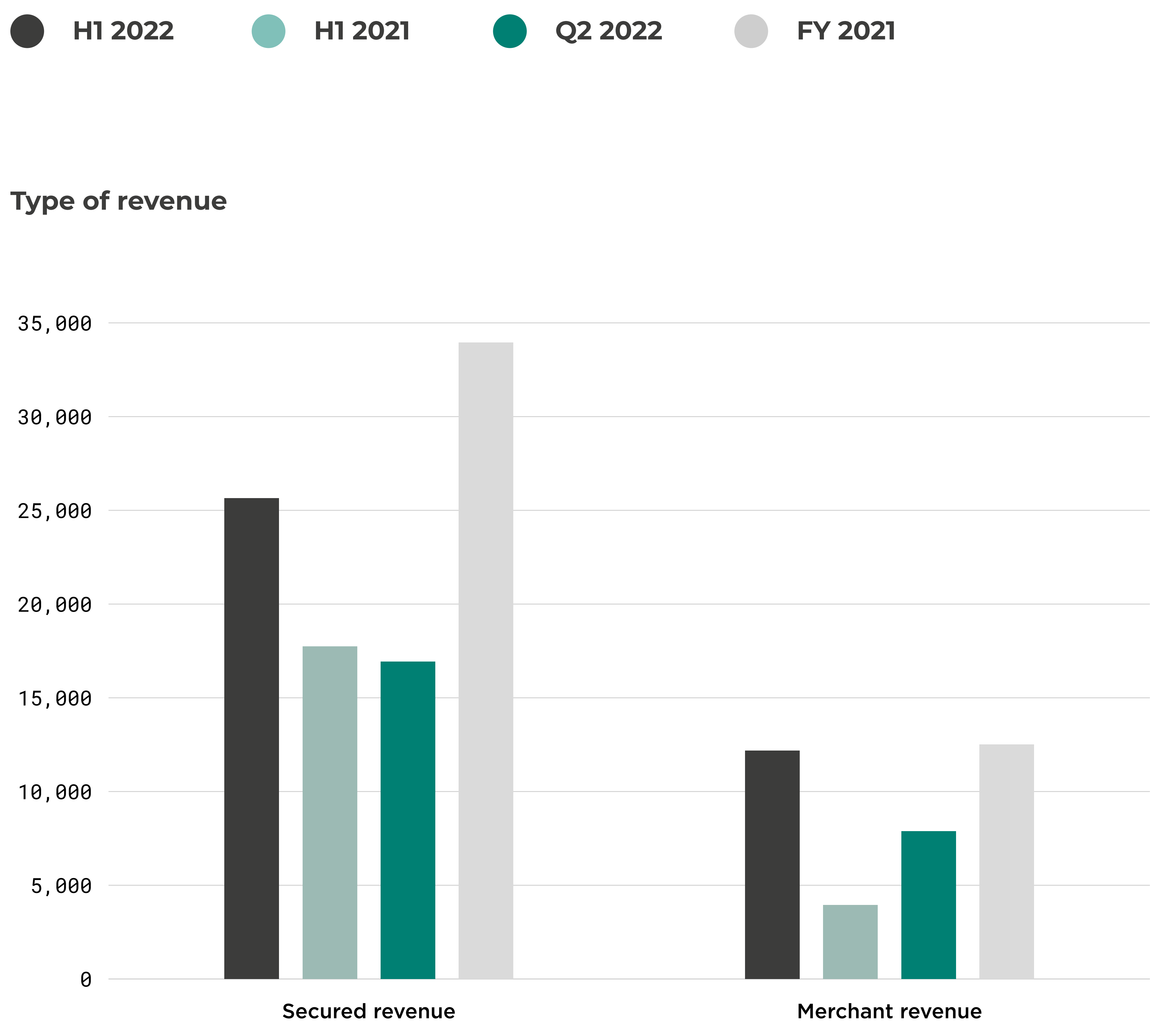
	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
Income statement					
Secured revenue	17,736	0	**17,736**	0	**17,736**
Merchant revenue	3,937	0	**3,937**	0	**3,937**
Total revenue	21,673	0	**21,673**	0	**21,673**
Profit before amortisation, depreciation and impairment losses (EBITDA)	15,938	275	**16,213**	-1,567	**14,646**
Depreciation, amortisation and impairment	-9,644	-534	**-10,178**	-60	**-10,238**
Balance sheet					
Total assets	357,686	102,657	**460,343**	71,796	**532,139**
Investments in property, plant and equipment and solar parks under construction	1,027	19,875	**20,902**	0	**20,902**
Key ratios					
Free cash flow	4,222	-329	**3,893**	-1,412	**2,481**

2. SEGMENT NOTE (CONTINUED)

All figures are in EUR '000

Q2 2022

	Operational solar parks	Dev. & construction activities	Reportable segments	Corporate services and eliminations	Total
Income statement					
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	**17,111**	934	**18,045**
Depreciation, amortisation and impairment	-6,207	105	**-6,102**	-448	**-6,550**
Balance sheet					
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**
Key ratios					
Free cash flow	15,933	-3,184	**12,749**	-1,698	**11,051**

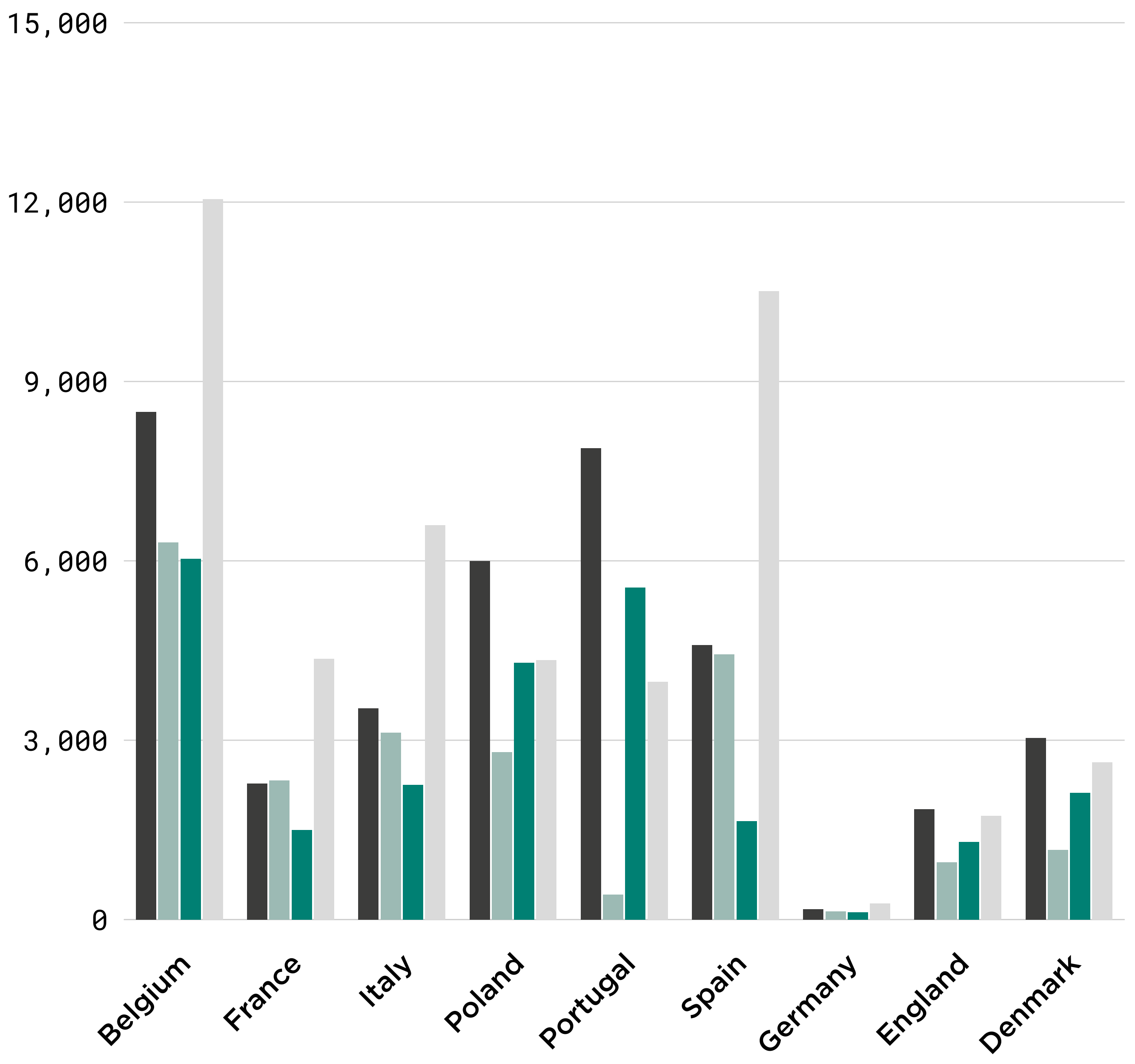


2. SEGMENT NOTE (CONTINUED)

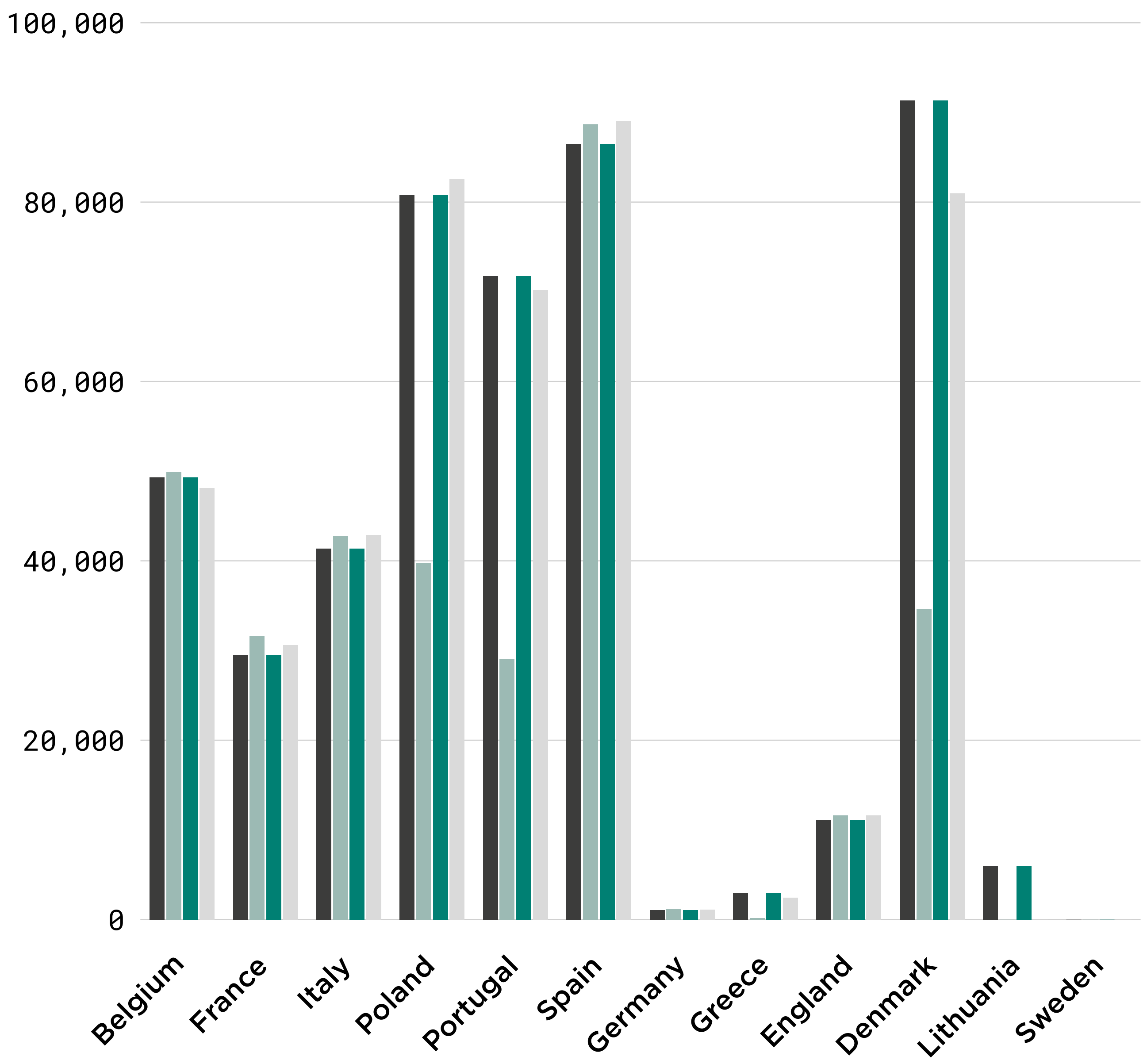
All figures are in EUR '000

H1 2022   H1 2021   Q2 2022   FY 2021

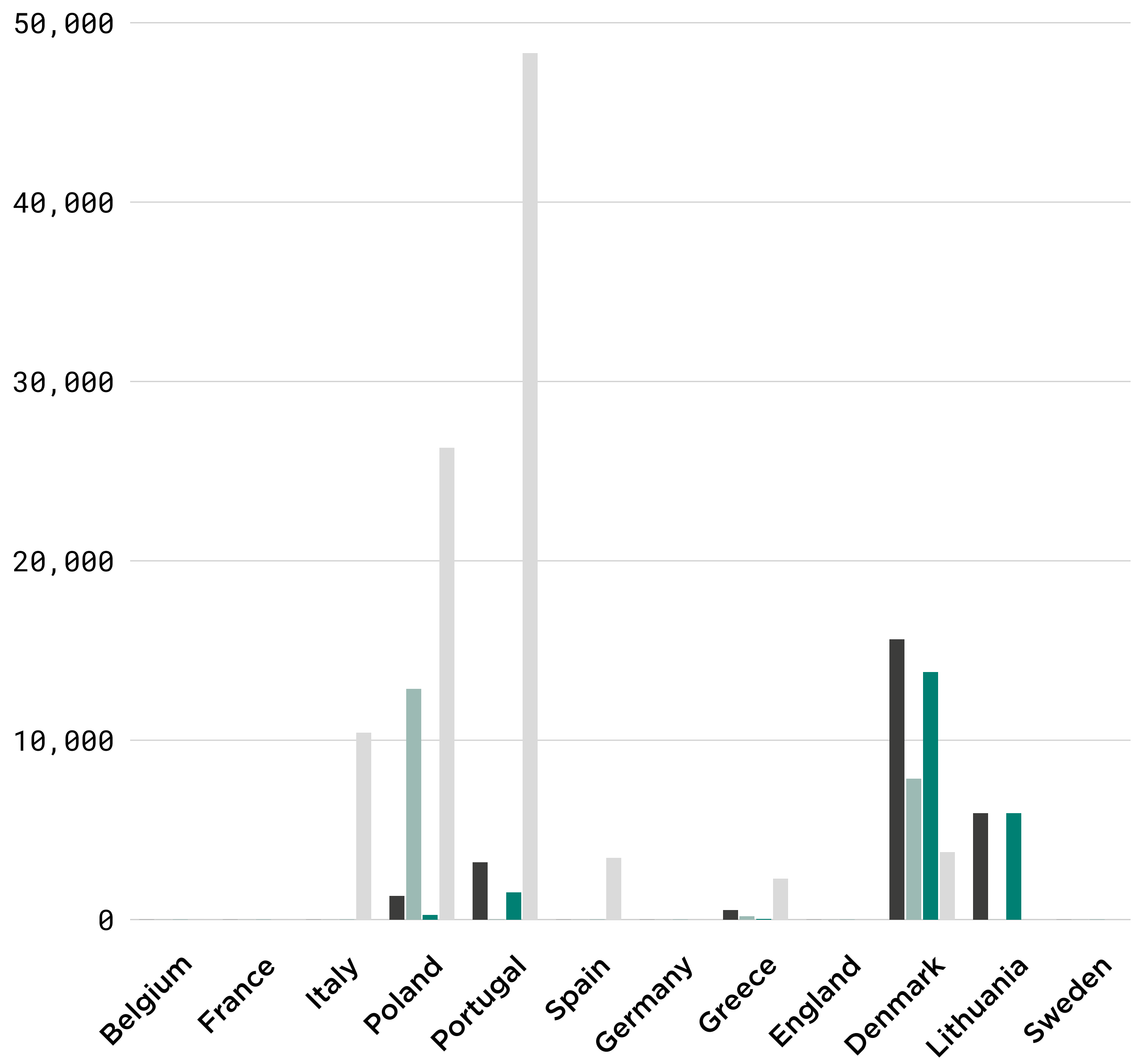
Net revenue by country



Property, plant and equipment and solar parks under construction



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



Nordic Solar

3. PROPERTY, PLANT AND EQUIPMENT

All figures are in EUR '000

	Solar parks	Fixtures and fittings, tools and equipment	Solar parks leased	Land and roof tops leased	Solar parks under construction	Total
Cost 1 January 2022	355,556	901	56,481	39,669	79,946	532,553
Additions during the year	7,767	121	0	1,898	16,828	26,614
Remeasurements during the year	0	0	0	-959	0	-959
Transfer to/from other asset type	64,665	0	0	684	-64,645	704
Exchange rate adjustments	-1,250	0	0	0	-449	-1,699
Cost 30 June 2022	**426,738**	**1,022**	**56,481**	**41,292**	**31,680**	**557,213**
Depreciation and impairment 1 January 2022	-46,731	-424	-21,737	-3,952		-72,844
Depreciation for the year	-9,392	-207	-1,850	-878		-12,327
Disposals during the year	0	0	0	0		0
Transfer to/from other asset type	0	0	0	-704		-704
Exchange rate adjustments	145	0	0	0		145
Depreciation and impairment 30 June 2022	**-55,978**	**-631**	**-23,587**	**-5,534**		**-85,730**
CARRYING AMOUNT 30 JUNE 2022	**370,760**	**391**	**32,894**	**35,758**	**31,680**	**471,483**

	Solar parks	Fixtures and fittings, tools and equipment	Solar parks leased	Land and roof tops leased	Solar parks under construction	Total
Cost 1 January 2021	266,794	432	56,481	17,256	0	340,963
Merger	45,565	0	0	14,818	38,030	98,413
Additions during the year	42,553	469	0	7,595	41,946	92,563
Remeasurements during the year	0	0	0	0	0	0
Transfer to/from other asset type	0	0	0	0	0	0
Exchange rate adjustments	644	0	0	0	-30	614
Cost 31 December 2021	**355,556**	**901**	**56,481**	**39,669**	**79,946**	**532,553**
Depreciation and impairment 1 January 2021	-31,667	-120	-18,039	-2,597		-52,423
Depreciation for the year	-14,872	-304	-3,698	-1,355		-20,229
Disposals during the year	0	0	0	0		0
Transfer to/from other asset type	0	0	0	0		0
Exchange rate adjustments	-192	0	0	0		-192
Depreciation and impairment 31 December 2021	**-46,731**	**-424**	**-21,737**	**-3,952**		**-72,844**
CARRYING AMOUNT 31 DECEMBER 2021	**308,825**	**477**	**34,744**	**35,717**	**79,946**	**459,709**

Nordic Solar

4. SHARE CAPITAL

All figures are in EUR '000

Changes in share capital:	2022 H1	2021 FY
Share capital 1 January	58,535	23,113
Merger	0	25,321
Capital increases	5,773	10,101
SHARE CAPITAL END OF PERIOD	**64,308**	**58,535**
Transactions of capital increases	309	-260

5. FINANCIAL INSTRUMENTS

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

In Portugal, the Group has entered into a PPA classified as a hedging instrument. This contract locks the energy price by up to 70% of the produced energy over a period of 10 years. Measurement of the PPA's fair value is 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 yiels curves, as informed by the credit institutions in the mark to market statement.

Nordic Solar

6. CHANGES IN LIABILITIES

All figures are in EUR '000

	Beginning of year	Proceeds from borrow-ings	Repayments	Non-cash changes*	Year end
2022					
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**
CASH FLOW FROM FINANCIAL ITEMS 30 JUNE 2022	**276,087**	**63,028**	**-36,278**	**167**	**303,004**
2021					
Mortgage loans	158,606	42,317	-11,500	10,416	**199,839**
Finance leases	49,119	0	-3,605	21,861	**67,375**
Other credit institutions	10,678	25	-767	-644	**9,292**
Loan costs	-3,372	-822	0	-104	**-4,298**
Loans from investor	2,752	1,127	0	0	**3,879**
CASH FLOW FROM FINANCIAL ITEMS 31 DECEMBER 2021	**217,783**	**42,647**	**-15,872**	**31,529**	**276,087**

'* Non-cash changes in 2022 mainly relates to exchange rate differences.

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 warrants programme is measured at the time of grant and is 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.

Specification of outstanding warrants	Average exercise price EUR	Number
Outstanding 1 January 2021	14.11	688,772
Exercised during the year	14.14	-802,020
Granted during the year	17.32	1,697,482
Outstanding 1 January 2022	**14.11**	**1,584,234**
Granted during the year	17.32	46,500
Outstanding 30 June 2022		**1,630,734**

Fair value of warrants at the grant date	Number of warrants	Fair value EUR
10 June 2021	1,552,234	6,511,630
29 December 2021	32,000	146,969
16 June 2022	46,500	248,976

In 2022, costs relating to the warrant programme were recognised at EURk 1,113 (2021: EURk 1,213).

Assumptions	2021
Share price ranges (EUR)	17.30 - 19.09
Expected lifetime (years)	4.50
Volatility	30%
Risk-free interest rate	-0.43% - 1.79%

Statement by Management

The Board of Directors and the Executive Management have discussed and approved the interim report for the period 1 January to 30 June 2022.

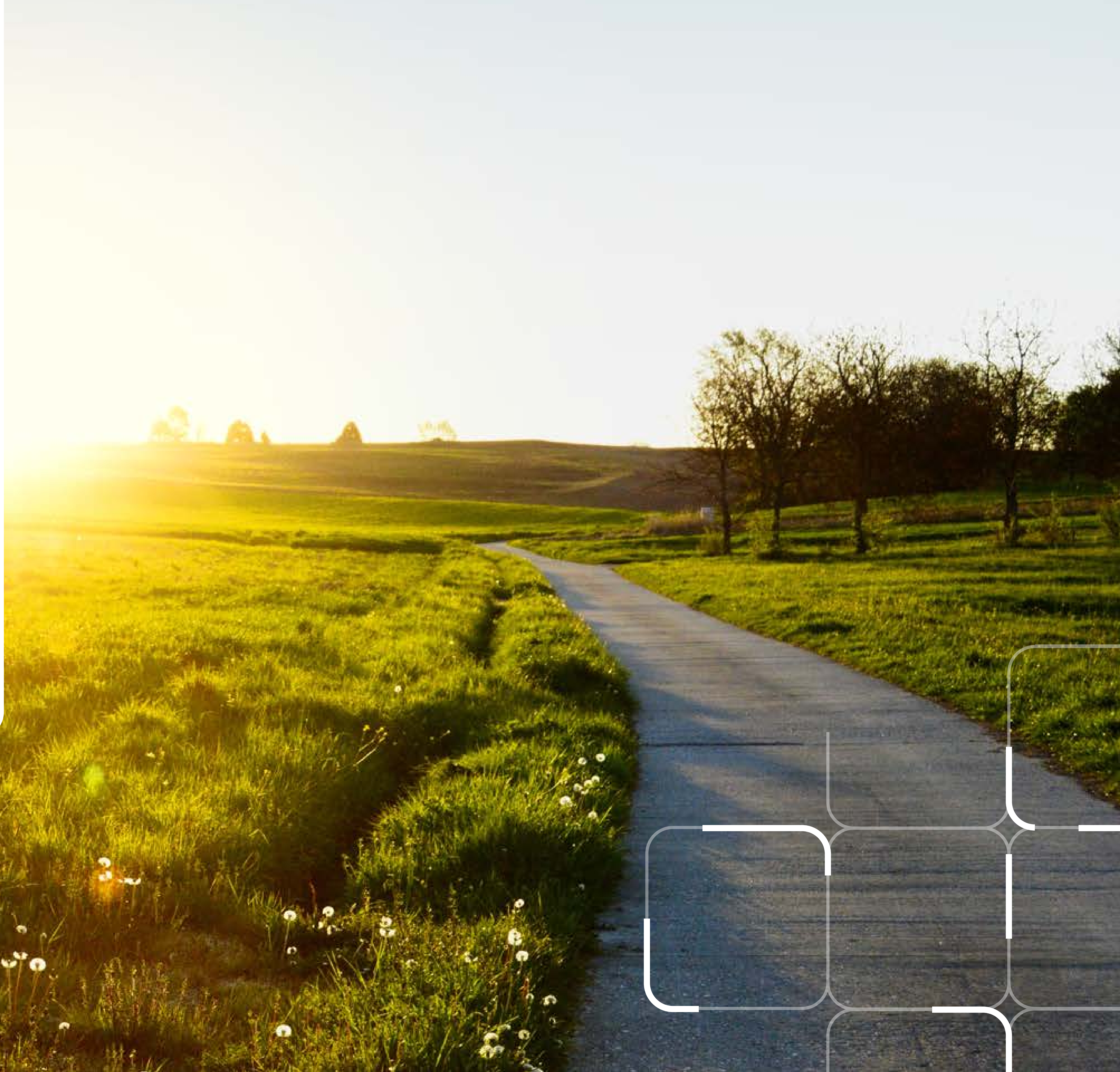
The interim report has not been audited or reviewed by the auditors.

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

In our opinion, the interim report gives a true and fair view of the company and the company’s financial position on 30 June 2022 and of the results of its operations as well as the cash flows for the financial period 1 January 2022 to 30 June 2022.

In our opinion, Management’s review includes a fair account of the matters dealt with.

Hellerup, 7 September 2022



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Grafisk design: Westring kbh