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Report on the first half year and
on the second quarter of
PNE AG
2023

THE PNE GROUP AT A GLANCE

We are a leading **Clean Energy Solutions Provider** to markets and industries, regionally, nationally and internationally. Our core competencies are the development and operation of renewable energy projects. We also drive the storage of renewable energies and power-to-X technologies. In this way, we are consistently pursuing the goal of a secure, sustainable and profitable energy supply generated 100 percent from renewables.

PNE Group key figures

in million euro	1.1. – 30.6. 2023	1.1. – 30.6. 2022
Total aggregate output	116.7	105.2
Revenues	57.1	52.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	18.1	17.5
Operating profit (EBIT)	2.0	4.1
Result from ordinary activities (EBT)	-11.3	19.9
Net income	-14.1	10.4
Basic earnings per share (euro)	-0.18	0.14
Average number of shares (million)	76.3	76.3

in million euro	30.6.2023	31.12.2022
Equity on the reporting date	209.6	232.2
Equity ratio on the reporting date (%)	22.3	25.2
Balance sheet total on the reporting date	938.9	920.3

FOREWORD OF THE BOARD OF MANAGEMENT

Dear Shareholders,

2023 has been a successful year for PNE AG so far. On the one hand, we have achieved good corporate results and, on the other, we have laid the operational foundations for further success. We have increased our project pipeline to a new record level. In Germany alone, we received permits for six wind farms in the first six months and we were extremely successful in the onshore wind tender rounds. All the projects we submitted to tender in the first half of the year were awarded contracts. These projects form the basis of our future performance. However, our current corporate results are also better than in the period last year. EBITDA is euro 18.1 million, being approx. 3 percent above last year's value.

Project development proceeds according to plan despite the sharp rise in material prices and extended supply chains. We expect the majority of revenues in this segment to be generated in the second half of the year. In the "service products" segment, we increased the order volume of managed plants compared to the previous year. The expansion of the internal portfolio in the "electricity generation" segment continued in the first half of this year. We generated more electricity than in the same period last year as a result of the increase in the number of wind farms we operate ourselves. The new wind farms are not yet fully reflected in the results, as wind supply was lower and electricity prices were also significantly lower than in the same period last year. In these circumstances, we are satisfied with first-half results.

Wind and PV project pipeline reaches record level again

Overall, the nominal capacity of our pipeline for wind and photovoltaic projects increased by 7,535 MW from 9,055 MW in the same period last year to 16,590 MW. We expect demand for fully developed projects to remain strong in the medium and long term and continue to invest in expanding our project pipeline. On this basis, we believe that we are well positioned to make further progress in our core business of project development and are optimistic about the future. The pipeline of onshore wind projects, which we are currently working on in the various stages of development, was expanded from 6,647 MW to 8,622 MW despite the continued realisation of wind farms, while the offshore wind project pipeline reached 2,500 MW for the first time in several years. There was also further progress in the first half of the year in the development of photovoltaic projects. In this field, we were able to expand our pipeline of projects in progress to 5,468 MWp.

In Germany alone, we worked on wind farms with a nominal capacity of approx. 2,314 MW (Q2 2022: 1,949 MW). Seven wind farms with a nominal capacity of 112.3 MW were under construction in Germany and one project with 10.8 MW in France, including one service project. A wind farm (60 MW) erected on behalf of a customer is under construction in Sweden. The development of other projects was further advanced both nationally and internationally.

Rapid expansion of internally operated portfolio

The wind farm portfolio operated by PNE had a capacity of 346 MW at the end of the first six months (Q2 2022: 261 MW). We expect to be able to commission further wind farms for our own portfolio this year. A total of around 308 MW of inventories is currently under construction or in the construction preparation phase. The approval procedures for further projects are underway. By the end of the year, more than 600 MW of wind farms should be in operation or under construction. Some of these projects, currently around 308 MW, will therefore contribute to the target of 500 MW in operation or under construction by the end of the year, and other projects could be sold this year or next. The final allocation of the wind farms to our own operations or sale will be made after the wind farms are commissioned. Generating electricity in PNE's own wind farms and PV plants is and remains an important pillar of our Scale up 2.0 corporate strategy.

Internal operation reduces the volatility of results and stabilises earnings and turnover at a high level. At the same time, we are making an active contribution to climate protection and energy security: In the first six months, we produced 325 GWh (Q2 2022: 268 GWh) of clean electricity, saving 245,000 tons of CO₂ (Q2 2022: 173,000 tons).

Further increase in the number of plants managed in the service business

By expanding our service business, we also help to further increase the share of steady earnings. In the first half of 2023, we were able to expand the international business of operations management as well as technical inspections and tests with additional services. This resulted in an increase of the order volume we manage in operations management to approx. 2,710 MW (Q1 2022: 2,232 MW). This represents growth of approx. 21 percent compared with the previous year.

Further positive signals from politics

Global efforts to reduce emissions from fossil fuels to protect the climate continue. Since Russia's war of aggression against Ukraine, people have become aware that a secure energy supply also means becoming less dependent on energy imports. Renewable energies, in particular, offer the solution to these challenges. The political environment in Germany and Europe is changing accordingly. In the first half of this year, two wind summits and one photovoltaic summit were held in Germany alone, bringing together politicians, the energy sector and municipal umbrella associations to exchange ideas and initiate measures to achieve the expansion targets for renewable energies. The European Union has also agreed a major revision of the EU Renewable Energy Directive (RED). The European expansion targets for renewable energies have been raised

significantly from 32.5 percent to 45 percent by 2030. Approval procedures are also to be significantly and permanently accelerated at European level. This gives PNE a further political boost. Our traditional wind power business has a firm place in the governments' energy policy concepts. At the same time, the signs for the expansion of photovoltaics are favourable. Both developments support our solutions as a clean energy solutions provider and boost our business.

Good half-yearly result as the basis for the entire year

On the basis of these business developments, the Group reported total aggregate output of euro 116.7 million (prior year: euro 105.2 million), revenues of euro 57.1 million (prior year: euro 52.1 million), and earnings before interest, taxes, depreciation and amortisation (EBITDA) of euro 18.1 million (prior year: euro 17.5 million). The half-yearly result of euro -14.1 million (prior year: euro 10.4 million) includes extraordinary interest expenses of euro 7.6 million (prior year: interest income of euro 23.0 million) from subsequent measurement of the Group's interest rate swaps and loan liabilities, which led, in particular, to the basic earnings per share of euro - 0.18 (prior year: euro 0.14).

The results of the first half of the year provide a good basis for the rest of the fiscal year. Accordingly, we can confirm our goals for the entire year: In fiscal 2023, as in previous years, we will have further upfront expenditure in the low single-digit million range for the strategic expansion of the business model. We continue to confirm our guidance for the 2023 fiscal year with positive EBITDA for the Group in the range of euro 30 to 40 million. However, due to the war in Ukraine, unstable supply chains and the aftermath of the Corona pandemic, project right sales and project implementations in the operating business may be postponed from 2023 to 2024. In addition, these factors will lead to high or rising raw material prices, resulting in higher prices for wind turbines, modules and other trades. These can, however, be partially offset by higher statutory feed-in tariffs.

PNE is on the right track and excellently positioned for further development. We look to the future with optimism.

We would like to thank you – also on behalf of our employees – for your support to date.

Maintain your confidence in us in the future!

PNE AG

The Board of Management



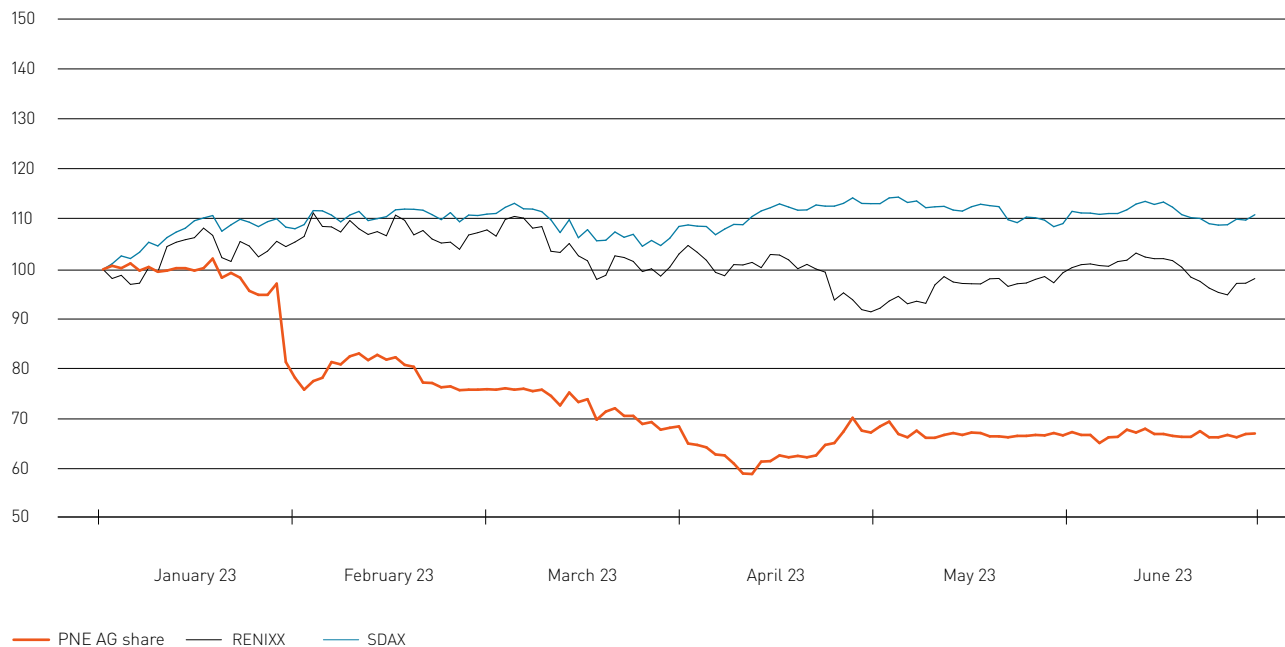
Markus Lesser
CEO



Jörg Klawat
CFO

CAPITAL MARKET INFORMATION

PNE share vs. RENIXX and SDAX indexed to 100%



SHARE

The PNE AG shares started the fiscal year on January 2, 2023 with an opening price of euro 21.05. In the first quarter, the value of the shares was in a range between euro 21.50 and 13.74. The termination of the preliminary discussions conducted by Morgan Stanley Infrastructure/Photon Management GmbH regarding a complete sale of the shareholding held by Photon Management GmbH in the Company led to a negative reaction in the share price as the speculative shareholders had exited. In the meantime, the share price has settled at around euro 14 and closed at euro 14.16 on June 30, 2023.

CORPORATE BOND 2022/27

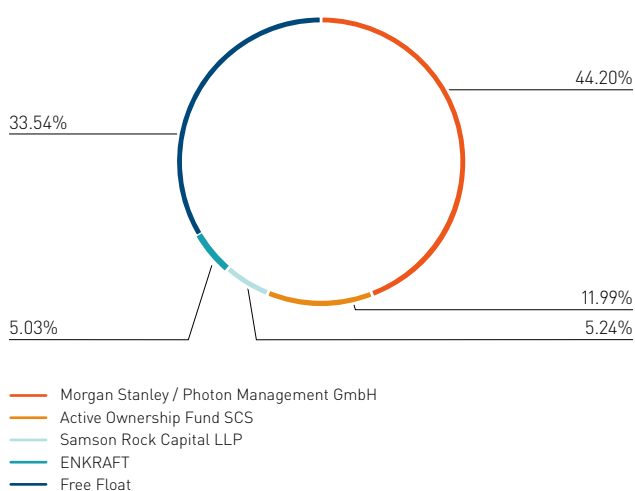
In June 2022, PNE AG successfully placed a new corporate bond 2022/27 (ISIN: DE000A30VJW3) with a volume of euro 55 million and a coupon of 5.00 percent. The aim of this measure was to improve the financing structure and to finance measures of external and internal growth as well as to use it for general business purposes. The bonds have been trading on the Open Market of the Frankfurt Stock Exchange since June 23, 2022. In the reporting period since the start of trading, the corporate bond 2022/27 has traded above 100 percent at most times. The price was 101.5 percent at the end of the reporting period on June 30, 2023.

The corporate bond has an annual interest rate of 5.0 percent. This percentage increases by 0.50 percent if the "consolidated equity ratio according to the bond conditions" (calculation: (consolidated equity plus defined "hidden reserves")/(consolidated total assets plus defined "hidden reserves")) is less than 20 percent on December 31 of a fiscal year. The Group equity ratio calculated according to these conditions was approximately 37.1 percent as at December 31, 2022.

SHAREHOLDER STRUCTURE

At the end of the reporting period on June 30, 2023, the total number of shares issued by PNE AG amounted to 76,603,334. According to published notifications relating to voting rights and directors' dealings, Morgan Stanley/Photon Management GmbH held 44.20 percent of the shares, Active Ownership Fund SCS 11.99 percent of the shares, Samson Rock 5.24 percent of the shares and ENKRAFT 5.03 percent of the shares on June 30, 2023. All other shareholdings were therefore classified as other free float. This results in the following shareholder structure at the end of the reporting period:

As at June 30, 2023



GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders of PNE AG took place as an event with personal attendance in Cuxhaven on May 9, 2023.

The shareholders voted overwhelmingly in favour of the proposal of the Board of Management and Supervisory Board to distribute a dividend of euro 0.04 and also a special dividend of euro 0.04 per eligible share.

The shareholders clearly consented to the proposed resolution to give formal approval of the actions of the members of the Board of Management Markus Lesser (CEO) and Jörg Klowat (CFO). In addition, the shareholders decided with a clear majority to give formal approval to the actions of the Supervisory Board. There were no elections to the Supervisory Board in 2023.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, was elected by a large majority as the auditor of the financial statements and consolidated financial statements.

The shareholders approved several amendments to the Articles of Association, including the amendment to be able to hold general meetings of shareholders as a purely virtual event in the future.

The necessary 75 percent majority was not reached for the proposal to create new Authorised Capital.

The general meeting of shareholders approved the remuneration report by a large majority.

KEY SHARE DATA (AS AT JUNE 30, 2023)

WKN	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	76,603,334
Market segment	Prime Standard
Indices	SDAX, CDAX, MSCI Small Cap Index
Designated Sponsors	ODDO BHF, Baader Bank
Reuters	PNEGn
Bloomberg	PNE3

FINANCIAL CALENDAR

13.11.2023	Publication of Financial Report Q3
November 2023	Analyst Conference, Frankfurt

ADDITIONAL INFORMATION

On the website www.pne-ag.com, you will find extensive information on PNE AG and a comprehensive presentation of the business model as well as current data concerning the shares in the section "Investor Relations". Furthermore, financial and quarterly reports, press announcements and background information on PNE AG can be accessed and downloaded from there.

INTERIM GROUP MANAGEMENT REPORT

for the first six months of 2023

1. OVERVIEW OF BUSINESS ACTIVITY

Summary

The internationally operating PNE Group is an operator of onshore renewable energy projects (own portfolio) and one of the longest-standing project developers of clean energy projects on land and at sea. The PNE Group operates in 15 countries on four continents.

The business focus is on wind energy and photovoltaic projects. This combines economic success with ecological responsibility. The projects developed are sold to external customers or integrated into the rapidly growing portfolio of wind farms operated by the Company itself. The PNE Group offers services covering the entire value chain, ranging from the development, planning, financing, realisation to sale and operation of clean power plants using wind, sun and storage solutions as well as substations and repowering, i.e. the replacement of older wind power turbines by new modern equipment. This is also how the products are defined: project development wind energy, project development photovoltaics and project development hybrid solutions. The PNE Group is also involved in the development of power-to-X solutions.

In addition to project development, a wide range of services is available for projects as well as for the supply of clean electricity to customers. These services include technical and commercial operations management, technical inspections and tests, construction management, grid and transformer station services, wind planning and wind measurements, electricity marketing management, energy supply services and similar services. In this field, PNE is a strong partner to its customers throughout the entire life cycle of wind farms and photovoltaic plants. This is an element of the strategic orientation to develop into a "Clean Energy Solutions Provider".

The development of national and international photovoltaic projects has been continued and significantly expanded in the reporting period.

In the first half of 2023, PNE in Germany received permits for five wind farm projects with an output of approx. 124.4 MW. Of these 124.4 MW, 69 MW were already awarded a contract in the May

tender. The other approximately 55.4 MW are registered for the August tender. The pipeline, i.e. the existing portfolio of wind farm and photovoltaic projects in the various stages of development, increased significantly compared to the previous year by 1,975 MW from 6,647 MW to 8,622 MW for onshore wind and by 3,060 MWp from 2,408 MWp to 5,468 MWp for photovoltaics. In addition, there were offshore wind energy projects with a capacity of 2,500 MW. This brings the project pipeline to a record level of 16,590 MW/MWp (as at June 30, 2022: 9,055 MW/MWp) and ensures the further development of the Company in the medium and long term.

In Germany, France and Sweden, wind farms with a total nominal output of 183.1 MW (prior year: 246.5 MW) were under construction as at June 30, 2023. For projects already sold with a capacity of 66.6 MW (prior year: 122.9 MW), PNE is active as a service provider for the buyers.

After years of successfully building wind farms for sale to customers, we made further progress towards our goal of significantly expanding our own wind farm operations and establishing an internal wind farm portfolio of up to 500 MW in operation or under construction by the end of 2023. On June 30, 2023, PNE operated wind farms with an installed nominal capacity of 346 MW (June 30, 2022: 261 MW) in its own portfolio. Individual projects, in Germany and especially abroad, will still be sold in the market in the future.

Some of these projects, currently around 308 MW, will therefore contribute to the target of 500 MW in operation or under construction by the end of the year, and other projects could be sold this year or next. The final allocation of the wind farms to our own operations or sale will be made after the wind farms are commissioned.

As a portfolio holder, PNE AG is increasingly dependent on wind conditions. As the number of MW in the Group's own portfolio increases, volatile wind conditions will have an impact on the financial indicators of the "electricity generation" segment and also on the financial indicators of the Group. The first half of 2023 was characterised by a better wind supply compared to the same period of the previous year. Nevertheless, the increase in the number of wind turbines in operation resulted in positive variations in sales and total output in the "electricity generation" segment compared with the values of the previous year.

PNE's market environment is still characterised by the effects of the Ukraine war and rising inflation including increasing interest. Based on past experience, the Company has been able to adapt to these challenges to ensure the realisation of projects and deliveries.

Nevertheless, the impact on the manufacturers' supply chains has been and continues to be felt and is reflected in longer delivery times. Added to this are the higher raw material prices, which have led to an increase in wind turbine prices. However, PNE assumes that the rising prices can be partially or fully compensated by higher electricity prices, in the form of higher statutory feed-in tariffs in the tender procedures and traded market prices above the statutory feed-in tariffs as well as more efficient plants. The good liquidity position gives the Company sufficient leeway to be able to cope well with medium to longer-term constraints.

2. SEGMENT REPORTING

The determination and presentation of segment reporting as at June 30, 2023 has not changed versus December 31, 2022.

The operating business is divided into the segments "project development", "electricity generation" and "service products".

The development of the individual segments

The following segment results are presented before consolidation at Group level.

"Project development" segment

The "project development" segment reports on the following sub-divisions: onshore wind power - national and international, offshore wind power - national and international, photovoltaic projects - national and international, as well as other projects.

Wind energy and photovoltaics onshore

Although the effects on the economy caused by Russia's war of aggression and the aftermath of the Corona pandemic also have certain implications for PNE AG, the development and realisation of onshore wind farm and photovoltaic projects were continued steadily in the first six months of the 2023 fiscal year, both in

Germany and in the foreign markets, in which the PNE Group operates through subsidiaries or joint ventures. The project pipeline for onshore wind energy, i.e. the portfolio of projects being developed by the PNE Group, was expanded to 8,622 MW (prior year: 6,647 MW) and the project pipeline for photovoltaics to 5,468 MWp (prior year: 2,408 MWp).

In recent years, photovoltaic installations have become increasingly cost-effective, efficient and also more marketable in the area of electricity generation. In addition, the legal and economic framework conditions for the development of photovoltaic projects are in place in many countries. The development of photovoltaic projects is therefore part of the strategic orientation of PNE's business model. New markets are currently being examined in detail and rights are being secured in markets already selected.

Overview of the status of onshore wind energy project activities of the PNE Group as at June 30, 2023 in MW:

Country	Phase I-II	Phase III	Phase IV	Total MW	Sold/ Service Provider
Germany	1,606	602	106	2,314	98
France	347	159	11	517	0
United Kingdom	0	43	0	43	0
Italy	0	0	0	0	0
Canada	505	0	0	505	0
Panama	224	68	0	292	0
Poland	1,168	0	0	1,168	0
Romania	0	0	0	0	78
South Africa	1,722	30	0	1,752	140
Sweden	400	0	0	400	60
Spain	184	0	0	184	0
Turkey	629	71	0	700	0
USA	577	169	0	746	0
Total	7,362	1,142	117	8,622	376

Phase I - II = Exploration & Development

Phase III = Planning

Phase IV = Implementation

Sold/Service Provider = Projects already sold, for which PNE is currently providing construction management services

Overview of the status of photovoltaic project activities of the PNE Group as at June 30, 2023 in MWp:

Country	Phase I – II	Phase III	Phase IV	Total MWp	Sold/ Service Provider
Germany	567	0	0	567	0
France	166	0	0	166	0
Italy	338	53	0	391	0
Canada	341	0	0	341	0
Poland	365	0	0	365	0
Romania	436	62	0	498	208
USA	987	0	0	987	0
South Africa	1,288	0	0	1,288	0
Spain	863	3	0	866	582
Total	5,351	118	0	5,468	790

Phase I – II = Exploration & Development

Phase III = Planning

Phase IV = Implementation

Sold/Service Provider = Projects already sold, for which PNE is currently providing construction management services

Wind energy and photovoltaics onshore – national

At the end of the first half of 2023, the PNE Group was working on wind farm projects with a nominal output of approx. 2,314 MW (prior year: 1,949 MW) in the various phases of project development. Photovoltaic projects with a nominal output of 567 MWp (prior year: 441 MWp) were under development.

The German wind farm Mansbach (28.5 MW) in the state of Hesse was completed in the reporting period.

At the end of the reporting period, six wind farms with a nominal capacity of 105.7 MW intended for the internal portfolio or for sale and a service project with a nominal capacity of 6.6 MW were under construction in Germany.

In addition, in the first six months of 2023, PNE received permits according to the German Federal Immission Control Act (BImSchG) for five further wind farms in Germany with a potential nominal capacity of 124.4 MW. The wind farms Heidmoor, Bebensee I and Bebensee II as well as Gnutz II are located in Schleswig-Holstein, and the Sundern-Allerndorf wind farm North Rhine-Westphalia.

Wind energy and photovoltaics onshore – international

The PNE Group also successfully continued its core business of project development and realisation of wind energy and

photovoltaics abroad. At the end of the first half of 2023, the PNE Group had wind farms with a nominal capacity of approx. 6,308 MW (prior year: 4,698 MW) in the various phases of project development in foreign markets. In addition, photovoltaic projects with 4,901 MWp (previous year: 1,967 MWp) were under development in the foreign markets at the end of the reporting period.

In France, the PNE Group received approval for the “Vignory” wind farm with a capacity of 14.4 MW in the first half year.

In Romania, the PNE Group sold five photovoltaic projects with a total output of 208 MWp to the French energy group TotalEnergies in the reporting period. PNE continues to manage the projects up to ready-to-build status.

Project development of onshore wind energy and photovoltaics in total

At the end of the first six months, the companies of the PNE Group were working on wind farm projects with approx. 8,622 MW (prior year: 6,647 MW) in Germany and in the foreign markets, in which they are active via subsidiaries or joint ventures. The pipeline of photovoltaic projects was expanded to 5,468 MWp (prior year: 2,408 MWp). In addition, the PNE Group is active as a service provider in wind projects already sold with 376 MW and in photovoltaic projects with 790 MWp. This is the basis for the future development in the sector of onshore wind energy and photovoltaics.

Wind energy offshore

Wind energy offshore – national

PNE’s high level of competence in offshore project development is reflected in the fact that eight offshore wind farm projects were sold after their realisation in recent years. These include the projects “Atlantis I” as well as the “Borkum Riffgrund” and “Gode Wind” projects of the project cluster.

In the offshore wind energy segment, the PNE Group also examines opportunities of generating electricity from other energy carriers such as hydrogen at sea. In this context, a research project on hydrogen production using offshore wind energy and its transport was completed in the second quarter of 2023. Based on the results, further offshore wind project activities may be undertaken if the outlook is positive.

Two companies of the Group had filed constitutional complaints against the Offshore Wind Energy Act (WindSeeG) in previous years. In the Senate decision of the Federal Constitutional Court of June 30, 2020, it was confirmed that parts of the WindSeeG are unconstitutional. As part of the implementation of the Federal

Constitutional Court's decision by the legislator in the sense of the WindSeeG 2020, only these two subsidiaries of PNE AG with projects in zone two can expect reimbursement for project planning services already provided. The affected subsidiaries of PNE AG have submitted applications for compensation in accordance with Section 10a of the WindSeeG in good time and have each received a declaratory decision from the Federal Maritime and Hydrographic Agency (BSH) in the first half of 2023. In the meantime, the BSH has issued cost reimbursement notices for approx. euro 2.5 million. This amount resulted in an income for the Group in the second quarter.

The two subsidiaries concerned are currently considering how to proceed. The amount of compensation paid by the German government under Section 10a WindSeeG is lower than what PNE AG considers appropriate for the development services provided (a low double-digit million amount). PNE AG therefore reserves the right to have the cost reimbursement notices reviewed by the administrative courts on behalf of the two subsidiaries concerned. As part of these proceedings, the constitutionality of Section 10a WindSeeG may also be reviewed, e.g., by a referral from the administrative courts to the Federal Constitutional Court. Overall, we expect to receive further reimbursements for project planning services already provided in the past under the compensation scheme of Section 10a WindSeeG, which may have a correspondingly positive effect on the Group's figures in the future.

Wind energy offshore – international

In the reporting period, the Company made further efforts to start the development of marine wind farms abroad.

In Vietnam, we are preparing the project development of offshore wind farms. The project covers a capacity of 2,000 MW and is to be developed in three phases.

We have signed a memorandum of understanding with the province designated for the future feed-in of energy. The future course of the project depends on the further development of the regulatory framework.

We have started another project in the size of 1,000 MW via a 50 percent stake in Latvia. This project is at an early stage of development. For this purpose, a joint venture with the Swedish company EOLUS was founded in the reporting period. PNE's share of the project is 500 MW.

We have now added both projects to the project pipeline.

Results of the "project development" segment

The operative achievements listed above have led to the following results in the "project development" segment in the 2023 reporting period.

In the first half year of 2023, the "project development" segment achieved

- total aggregate output of euro 96.1 million (prior year: euro 71.4 million),
- EBITDA of euro 9.6 million (prior year: euro -8.0 million) and
- EBIT of euro 8.3 million (prior year: euro -9.1 million).

"Electricity generation" segment

The "electricity generation" segment combines all activities of the Group companies that are engaged directly in the production of electricity from clean energies.

This division includes primarily the wind farms operated by the PNE Group with a total nominal capacity of currently approx. 346 MW (June 30, 2022: approx. 261 MW) and the Silbitz biomass power plant with approx. 5.6 MW. Furthermore, the segment includes interests in limited partnerships, in which wind farm projects will be realised in the future.

Weaker wind results were recorded in the first six months of the 2023 fiscal year compared to the long-term average. There was also less wind compared to the same period last year. The wind supply fluctuates from year to year. The projects held in PNE's own portfolio are calculated based on two independent wind resource assessments. These wind forecasts refer to an annual average value that will be achieved with a defined probability over the course of usually 20 years. Statistically, this means that high and low wind supply will balance each other out over the course of the operating period.

Another effect can be seen in the development of electricity prices and the entry into force of the Electricity Price Brake Act (StromPBG). The monthly market values for electricity from onshore plants were significantly below those of the first half of 2022. In addition, the StromPBG brought the PPA (Power Purchase Agreement) market to a virtual standstill so that no new PPA and no new fixed price agreement could be concluded in the first six months. If the current monthly market values are below the forecast/planned prices, the PPAs or fixed-price agreements concluded in the previous year can partially compensate for this, as the skimming off of surplus revenues required under the StromPBG has only a minor effect in the current year.

The provisions formed for the skimming off of surplus revenues under the Electricity Price Brake Act have been reduced compared with the first quarter of 2023. The uncertainty regarding the concrete interpretation and calculation of the surplus revenue levy that existed after the law came into force in December 2022 was only largely dispelled in the second quarter, in particular through the calculation tool provided by the transmission system operators. This led to a reassessment of the provisions and a positive effect on earnings (euro 3.1 million) compared to the first quarter, predominantly due to the calculation of the skimming amounts of wind farms marketed under PPAs when exercising the relevant option.

The Federal Ministry for Economic Affairs and Climate Action (BMWK) has waived to extend the application of the StromBPG beyond June 30, 2023 so that the surplus revenue levy will end on June 30, 2023.

In the first six months of 2023, the wind farms of the PNE Group generated 325 GWh of green electricity (Q2 2022: 268 GWh), thus reducing CO₂ emissions into the environment by 245,000 tons (Q2 2022: 173,000 tons).

Due to higher wood prices for the Silbitz wood-fired power plant, external services in the "electricity generation" segment increased from euro 0.7 million to euro 1.9 million compared to the same period last year.

Compared with the previous year, depreciation and amortisation in the "electricity generation" segment increased due to the higher number of wind turbines in operation and thus the number of MW.

With the increased number of MW in operation, other operating expenses also rose from euro 4.5 million to euro 6.1 million in the "electricity generation" segment.

In summary, the results below are influenced by the higher number of MW in operation under weaker wind conditions, lower electricity prices and higher costs.

Results of the "electricity generation" segment

In the first half of 2023, the "electricity generation" segment achieved

- total aggregate output of euro 37.0 million (prior year: euro 35.5 million),
- EBITDA of euro 28.3 million (prior year: euro 29.8 million) and
- EBIT of euro 15.2 million (prior year: euro 19.2 million).

"Service products" segment

The "service products" segment reports in summary on services. These include technical and commercial operations management of wind farms and substations, technical inspections and tests, construction management, wind & sites services, electricity marketing management, and other services.

The PNE Group is successfully implementing its strategy of continuously expanding and extending its service portfolio over the entire life cycle of wind and PV projects in addition to project development.

As a result of a significant volume of incoming orders from third party customers, both in the core market of Germany and internationally in various markets (including the largest external wind farm to date in Poland with 29 wind turbines and almost 100 MW), the independence in operations management was further significantly reduced by projects developed by PNE and compensated for by the run-time-related withdrawal of old wind farms.

The PNE Group now successfully offers efficient and high-quality drone-based visual inspections and lightning protection tests on the rotor blades of wind turbines as a technological pioneer together with a system supplier.

In addition, the PNE Group can also offer rope access-based inspections and services, which are also used in the context of framework agreements with major customers.

The "service products" segment was able to fulfil its planned contribution to the half-yearly results despite a tense personnel situation and already has a stable volume of orders across all companies for the second half of the year. Furthermore, the biggest challenge in a rapidly growing market remains the availability of qualified personnel to provide the products and services.

Results of the "service products" segment

In the first half of 2023, the "service products" segment achieved

- total aggregate output of euro 14.7 million (prior year: euro 11.4 million),
- EBITDA of euro 4.6 million (prior year: euro 3.1 million) and
- EBIT of euro 2.9 million (prior year: euro 1.4 million).

3. CORPORATE STRUCTURE

The changes in the companies included in the consolidated financial statements as compared to December 31, 2022 are explained in the condensed notes to the consolidated financial statements under item "3. Scope of consolidation".

Compared to December 31, 2022, there were no other significant changes in the area of operations.

4. ORGANISATION AND EMPLOYEES

In the first six months of the 2023 fiscal year, the Group employed an average of 584 people including the members of the Board of Management (prior year: 498).

As at June 30, 2023, the Group employed 606 persons, including the members of the Board of Management (prior year: 499 persons). Of these,

- 218 employees (prior year: 181 employees) were employed directly by PNE AG and
- 388 employees (prior year: 318 employees) by the subsidiaries of PNE AG.

When distinguished between Germany and abroad,

- 462 employees (prior year: 402 employees) were employed directly by PNE AG and
- 144 employees (prior year: 97 employees) by the foreign subsidiaries of the Group.

The existing number of staff is reviewed regularly in order to be prepared for the Group's future developments.

5. GENERAL ACCOUNTING PRINCIPLES

In the financial report for the first six months of the 2023 fiscal year as at June 30, 2023, the Company applied the same accounting and valuation methods as in the consolidated financial statements as at December 31, 2022. The IFRS standards amended since January 1, 2023 are not relevant to the half-yearly financial statements.

The interim financial statements were drawn up in line with the regulations of IAS 34. The tax expenditure of the PNE Group is determined using an estimate of the taxable income of the relevant companies.

6. EARNINGS, FINANCIAL AND ASSET POSITION

The figures in the text and in the tables were rounded, and small rounding differences are possible.

For the turnover and some of the financial position, the values as at June 30, 2023 are compared with the values as at June 30, 2022, and for net assets and some of the financial position with the values as at December 31, 2022.

a. Earnings

In the first six months of fiscal 2023, the PNE Group achieved a total aggregate output of euro 116.7 million (prior year: euro 105.2 million). Of this, euro 57.1 million is attributable to revenues (prior year: euro 52.1 million), euro 54.0 million to changes in inventories (prior year: euro 50.5 million) and euro 5.6 million to other operating income (prior year: euro 2.6 million).

The change in revenues compared to the previous year is mainly due to the increase in revenues from the "electricity generation" segment as a result of the higher number of wind turbines in operation and from the "service products" segment.

In the first six months of 2023:

- In the "project development" segment, the Company generated internal revenues to another segment of euro 65.1 million (prior year: euro 59.9 million), including for general contractor and project development services as well as external revenues of euro 11.6 million (prior year: euro 8.7 million), including from general contractor services in Poland and the sale of project rights in Romania. The majority of sales in the "project development" segment will be realised in the second half of the year. We are currently preparing sales to external parties in our international markets, which will be reflected in the segment's sales figures for the last six months of 2023. In addition, once the wind farms have been commissioned, it will be analysed at the national level whether it is more economical to sell the respective wind farm or to include it in the internal portfolio.

→ In the “electricity generation” segment, external revenues of euro 36.2 million were generated in the reporting period (prior year: euro 34.7 million). These revenues were mainly attributable to PNE’s own wind farm portfolio with euro 34.4 million (prior year: euro 31.8 million) and the revenues from the “Silbitz” biomass power plant of euro 1.8 million (prior year: euro 2.9 million). A major reason for the higher revenues is that, in the 2023 reporting period, a higher number of wind power turbines in operation generated electricity. Although PNE’s own wind power portfolio is larger than last year, wind supply was lower than in the same period last year and electricity prices are also lower this year, so the difference compared with the same period last year is moderate.

→ In the “service products” segment, the Company billed external revenues of euro 9.2 million (prior year: euro 8.7 million) and internal revenues of euro 5.1 million (prior year: euro 2.0 million). The main revenues were generated

- from commercial and technical operations management,
- from construction management services,
- from wind planning services/wind measurements,
- from electricity marketing management,
- from activities in the area of service, maintenance and inspection of operating equipment, training for specialists and servicing of, for example, obstruction lighting systems as well as
- from transformer station services.

The increase in revenues compared to the same period of the previous year is due, among other things, to the additional services in the construction management sector for projects that have already been sold and the increase in renewable energy projects under commercial and technical operations management.

Explanation:

As the Group’s own wind farms were operated and used for electricity generation by the Group itself, irrespective of their current or future shareholder structure, they were classified as fixed assets from the date of sale within the Group in accordance with IAS 16. The reclassification from Group inventories to Group fixed assets has no impact on the statement of comprehensive

income and has therefore not resulted in a change in the item “increase/decrease in unfinished goods and work in progress” in the statement of comprehensive income. The decision whether to sell a wind farm under construction to external investors or to operate it internally is usually made after the wind farm has been commissioned. The decision-making process must take into account current economic project and market conditions, current investor enquiries and further strategic direction in relation to the Group’s long-term liquidity planning.

Other operating income includes the release of provisions related to the construction of wind farm projects, individual value adjustments and cost allocations.

The Group’s project development activities in Germany and abroad, both onshore and offshore, are reflected in the expense items. The share of cost of materials in the Group’s total aggregate output amounts to euro 61.2 million (prior year: euro 57.8 million). This means that the cost of materials ratio (cost of materials in relation to total aggregate output) in the Group compared to the previous year decreased from 55 percent to 52 percent. This is partly due to the way in which projects were sold in the reporting period, either as “turn-key” projects (high material costs) or as project rights (low material costs). The construction of wind farms for the Group’s own portfolio has a negative impact on the cost of materials ratio, as the Group’s total output does not include profits from these project implementations. On the other hand, increasing revenues from the Group’s own wind farms have a positive impact on the Group’s cost of materials ratio. In the case of the wind farms in operation, the main expense items are current depreciation and amortisation and other operating expenses. As a result, very low cost of materials ratios can be expected in these companies.

The Group’s personnel expenses amounted to euro 22.8 million in the first six months of 2023, an increase of euro 3.8 million compared to the previous year (euro 19.0 million). The number of employees in the Group as at June 30, 2023 increased to 606 (as at June 30, 2022: 499 employees). On average, 584 people (prior year: 498 people) were employed in the Group in the first six months of 2023. These figures include the two members of the Board of Management (prior year: two members). The increase in the number of employees is part of the strategy that the Group is pursuing with the “Scale up” programme. Another reason for the increase in personnel expenses is the increase in salaries and variable remuneration for employees, which has to be paid in line with the market for qualified personnel.

Personnel expenses are attributable to the segments as follows:

- "project development": euro 16.5 million (prior year: euro 13.9 million),
- "electricity generation" with euro 0.7 million (prior year: euro 0.5 million) and
- "service products" with euro 5.5 million (prior year: euro 4.6 million).

The write-downs of intangible fixed assets, property, plant and equipment as well as right-of-use assets increased by euro 2.8 million to euro 16.2 million compared to the previous year (euro 13.4 million). The increase resulted primarily from the higher average number of wind power turbines in the Group ("electricity generation" segment) compared to the prior-year period. Depreciation and amortisation of intangible fixed assets, property, plant and equipment as well as right-of-use assets are attributable to the segments as follows:

- "project development" with euro 1.3 million (prior year: euro 1.1 million),
- "electricity generation" with euro 13.1 million (prior year: euro 10.6 million) and
- "service products" with euro 1.8 million (prior year: euro 1.7 million).

The other operating expenses are mainly related to the further development and ongoing operation of the wind farms in the Group and the "Silbitz" biomass power plant. Other operating expenses changed from euro 10.9 million in the prior-year period to euro 14.6 million in the reporting period.

Other operating expenses, before consolidation effects, are distributed among the segments as follows:

- "project development" with euro 10.4 million (prior year: euro 6.7 million),
- "electricity generation" with euro 6.1 million (prior year: euro 4.5 million) and
- "service products" with euro 1.7 million (prior year: euro 1.6 million).

Since June 2022, Turkey has been classified as a hyperinflationary economy within the meaning of IAS 29. The effects of the purchasing power adjustment of non-monetary balance sheet items and items in the statement of comprehensive income are included in other operating expenses. In the first half of 2023, a negative result from the net position of monetary items of euro 1,416 thousand was recorded, which is included in other operating expenses in the "project development" segment.

Due to the continued construction and operation of the wind farms owned by the Group, the ongoing repowering projects (wind) and the "Silbitz" biomass power plant ("electricity generation" segment), other operating expenses increased, in particular in the items "repair and maintenance expenses" and "rental and leasing expenses and incidental rental costs".

Other interest and similar income changed from euro 23.1 million in the prior-year period to euro 0.5 million in the reporting period. The change is mainly due to the valuation of interest rate swaps used for project financing. In the previous year's reporting period, the sharp rise in market interest rates resulted in an exceptionally high interest income of euro 15.5 million ("electricity generation" segment) from the valuation of interest rate swaps.

Interest and similar expenses for the Group increased to euro 13.9 million from euro 7.4 million in the same period of the previous year. In the 2023 reporting period, valuations of individual interest rate swaps resulted in interest expense of euro 4.0 million (prior year: euro 1.0 million). Interest and similar expenses were incurred mainly in connection with

- the 2022/27 bond (euro 1.4 million),
- the equity and debt financing of wind farm projects and the portfolio GmbHs (euro 3.8 million),
- the application of IFRS 16 "Leases" (euro 0.8 million),
- the valuation of interest rate swaps concluded as part of the project financing for wind farm projects (euro 4.0 million) and
- other factors, such as the financing of the building at the headquarters in Cuxhaven or the effective interest on financial liabilities (euro 3.9 million).

Explanation:

For financial liabilities for which the interest rate was agreed on special terms (e.g. due to KfW subsidies), the market interest rate that would apply to a comparable instrument with a similar credit rating is to be used. The difference is spread over the term of the underlying instrument using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments through the expected life to the net carrying amount. Using the effective interest rate method, interest income or expense is amortised over the term of the financial liability based on all expected cash flows. The effective interest rate method is applied after the agreed financing has been drawn down in full and the projects financed thereby have been put into operation. Subsequent measurements are performed using the effective interest rate method in the Group if the Group's regular reviews of market expectations indicate that these have changed significantly.

The Company has created values ("hidden reserves") that are not immediately recognisable. Due to the investments in our own wind farm projects, pre-tax profits have been eliminated by the Company at Group level, which the Company defines as "hidden reserves". These "hidden reserves" thus correspond to the intercompany profits from the sale of wind farms between companies in the consolidated group, which were eliminated in the preparation of the consolidated financial statements. Whether these profits, as currently calculated, can be achieved in the future in the event of a sale depends on whether or not the assumed market conditions of the project calculations (e.g. return expectations of investors) will change. The values created by the Group's own projects ("hidden reserves") will be disclosed progressively over the useful life of the projects, based on the Group's lower depreciation assessment base. This disclosure ("hidden reserves") leads to an improvement in earnings over the term and, depending on the amount disclosed, to an improvement in the Group's equity ratio. The values disclosed to date total euro 22.2 million up to June 30, 2023, of which euro 5.0 million was disclosed in the reporting period (prior-year period: euro 3.9 million). As a result of the investments in PNE's own projects, pre-tax profits of euro 22.5 million were eliminated in the reporting period (prior year: euro 6.0 million). Accordingly, at Group level, there are "hidden reserves" totalling euro 194.6 million on June 30, 2023 (prior year: euro 136.8 million) (taking into account the disclosure of "hidden reserves").

The Group reported income tax of euro 3.2 million in the first six months of the 2023 fiscal year (prior year: euro 9.7 million).

At Group level, the following results were achieved in the first six months of the 2023 fiscal year:

- earnings before interest, taxes, depreciation and amortisation (EBITDA = EBIT plus amortisation/depreciation of intangible assets, property, plant and equipment as well as right-of-use assets and goodwill) of euro 18.1 million (prior year: euro 17.5 million),
- operating profit (EBIT = corresponds to the value stated in line "Operating result" of the statement of comprehensive income) of euro 2.0 million (prior year: euro 4.1 million).

The consolidated net income after non-controlling interests amounted to euro -14.1 million (prior year: euro 10.4 million). This includes extraordinary interest expenses of euro 7.6 million (prior year: interest income of euro 23.0 million) resulting from the subsequent valuation of the Group's interest rate swaps and loan liabilities, which led, in particular, to the basic Group earnings per share of euro -0.18 (prior year: euro 0.14) and diluted Group earnings per share of euro -0.18 (prior year: euro 0.14).

Taking into account, in particular, the business performance and the dividend payment, the Group's retained earnings changed to euro 63.2 million in the reporting period (December 31, 2022: euro 81.9 million). A dividend of euro 6.1 million was paid in the first half of 2023 from the available retained earnings.

b. Financial situation

Finance management of PNE AG and of the PNE Group is concentrated on providing sufficient liquidity

- for financing the ongoing operations,
- to create the prerequisites for implementing the strategy and to
- counteract the risks of project business.

This financing will be provided at the level of the relevant project companies by way of loans, and at the level of PNE AG by way of emission of bonds. Derivative financial instruments such as interest swaps will only be used at the level of the project companies to secure interest risks of variable-interest loans. As at June 30, 2023, the Group held derivative financial instruments in relation to several project financing transactions for wind farms.

The statement of cash flows provides information on the liquidity situation and the financial position of the Group. As at June 30, 2023, the Group companies had available liquidity of euro 165.5 million, including credit lines for interim project financing, of which euro 3.6 million is pledged to banks (as at December 31, 2022: euro 168.7 million, of which euro 2.1 million pledged).

The available liquidity is broken down as follows:

- cash and cash equivalents of euro 104.7 million (as at December 31, 2022: euro 121.6 million),
- freely available working capital lines of euro 4.9 million (as at December 31, 2022: euro 12.1 million) and
- freely available project interim debt financing available of euro 55.9 million (December 31, 2022: euro 35.0 million).

As at June 30, 2023, the Group had working capital facilities totalling euro 20.1 million (as at December 31, 2022: euro 15.1 million) and credit lines for guarantee and contract fulfilment obligations (excluding guarantee lines granted by banks in connection with ongoing project financing) of euro 38.2 million (as at December 31, 2022: euro 40.0 million). One of these guarantee lines, amounting to euro 15 million, can also be used as a pre-financing line for purchases such as wind power turbines. As at June 30, 2023, the Group had drawn down euro 15.2 million of the working

capital facilities (as at December 31, 2022: euro 3.0 million) and euro 5.7 million of the guarantee and contract fulfilment credit lines (as at December 31, 2022: euro 6.3 million).

The cash flow from operating activities shown in the statement of cash flows of euro -43.6 million (prior year: euro 1.6 million) was primarily attributable to

- the consolidated results of non-controlling interests in the reporting period,
- the expenses for the further development of the project pipeline and the realisation of wind farm projects, which are reflected in the changes in the inventories, receivables and liabilities and were mainly financed by project interim funds (see Cash flow from financing activities).

The cash flow from investing activities in the reporting period included outgoing and incoming payments for investments in Group property, plant and equipment, non-current financial assets and intangible assets totalling euro -15.9 million (prior year in total: euro -52.3 million). The investments in property, plant and equipment in the first six months of the 2023 fiscal year and in the previous year related mainly to investments in the realisation of wind farms for the wind farm portfolio being established ("electricity generation" segment) and in transformer stations for these wind farm projects ("service products" segment).

Payments for the acquisition of financial assets or consolidated companies totalled euro -0.5 million in the reporting period (prior year: euro -0.2 million). The main payment relates to the purchase price for 50.0 percent of the shares in Kurzeme Offshore SIA (Riga, Latvia).

During the reporting period, the cash flow from financing activities of euro 42.5 million (prior year: euro 61.8 million) was influenced primarily by

- the taking of bank loans of euro 69.2 million, which are mainly used for the project financing of the wind farm projects owned by the Group,
- the repayment of credit liabilities of euro 16.3 million,
- the repayment of lease liabilities totalling euro 4.3 million (according to IFRS 16 to be recorded as cash outflow in the cash flow from investing activities) and
- the payment of dividends of euro 6.1 million.

c. Statement of financial position

Assets

in million euro	30.6.2023	31.12.2022
Total long-term assets	609.7	585.4
Intangible assets	64.7	64.9
Property, plant and equipment	371.8	353.7
Right-of-use assets	90.3	87.3
Long-term financial assets	13.5	14.2
Deferred taxes	69.4	65.3
Total short-term assets	329.2	334.9
Inventories	163.4	147.4
Receivables and other assets	59.3	63.9
Tax receivables	1.8	2.0
Cash and cash equivalents	104.7	121.6
Total liabilities and equity	938.9	920.3

On the reporting date, the consolidated total assets amounted to euro 938.9 million. This is a change of approx. 2 percent in comparison with December 31, 2022 (euro 920.3 million).

Total long-term assets increased from euro 585.4 million at the end of 2022 to euro 609.7 million on the reporting date.

As at June 30, 2023, intangible assets totalled euro 64.7 million, which primarily include goodwill of euro 64.4 million (as at December 31, 2022: euro 64.4 million). As at December 31, 2022, the goodwill was attributable to the segments as follows:

- "project development": euro 54.0 million (as at December 31, 2022: euro 54.0 million),
- "electricity generation": euro 0.0 million (as at December 31, 2022: euro 0.0 million) and
- "service products": euro 10.4 million (as at December 31, 2022: euro 10.4 million).

In the same period, property, plant and equipment changed by euro 18.1 million to euro 371.8 million (December 31, 2022: euro 353.7 million).

- Land and buildings: euro 13.0 million (as at December 31, 2022: euro 13.2 million),
- transformer stations owned: euro 20.7 million (as at December 31, 2022: euro 18.9 million),
- technical equipment and machinery of the Company's own wind farms: euro 330.1 million (as at December 31, 2022: euro 305.0 million) and
- other plant and machinery, fixtures and fittings: euro 7.6 million (as at December 31, 2022: euro 5.9 million).

The change in property, plant and equipment is mainly due to the "growing" wind farm portfolio with related depreciation on property, plant and equipment of the wind farms and the application of the effective interest rate method due to KfW subsidies.

Explanation:

In the case of financial liabilities for which the interest rate was concluded on special terms (e.g. due to KfW subsidies), the market interest rate that would apply to a comparable instrument with a similar credit rating is to be used. The difference is spread over the term of the underlying instrument using the effective interest rate method. The effective interest rate method is applied after the agreed financing has been drawn down in full and the projects financed thereby have been put into operation. At that point in time, the amount is offset against the acquisition cost of the wind power turbines constructed using these funds.

IFRS 16 specifies how to account for leases. According to the standard, the lessee is generally obliged to recognise rights and obligations arising from leases. Therefore, lessees must recognise the right of use relating to a leased asset ("right-of-use asset") either under fixed assets in the balance sheet item "right-of-use assets" (long-term assets such as internally operated wind) or under the balance sheet item "inventories" (short-term assets such as wind farm projects to be sold during or after construction). The "right-of-use assets" in the PNE Group include rights under leasing agreements (e.g. car leasing), rental agreements (e.g. for the building in Husum) and lease contracts (e.g. in connection with the wind farms operated by PNE or wind farms under construction). As at June 30, 2023, the Group recognised right-of-use assets of euro 90.3 million under the fixed assets (as at December 31, 2022: euro 87.3 million).

As at June 30, 2023, the right-of-use assets were attributable to the segments as follows:

- "project development": euro 10.3 million (as at December 31, 2022: euro 10.5 million),
- "electricity generation": euro 75.2 million (as at December 31, 2022: euro 71.8 million) and
- "service products": euro 4.9 million (as at December 31, 2022: euro 5.0 million).

For all assets within the scope of IAS 36 (in particular intangible assets (IAS 38), goodwill (IFRS 3), property, plant and equipment (IAS 16) and investment property measured at cost (IAS 40)), the reporting entity must assess at each balance sheet date whether there is any indication (triggering event) for an impairment loss. The Board of Management is of the opinion that there are no indications that the value of the reported goodwill as at June 30, 2023 might be impaired.

Non-current financial assets decreased to euro 13.5 million as at June 30, 2023 (as at December 31, 2022: euro 14.2 million). This item includes the pro rata long-term loan receivables of euro 10.7 million from SWAP transactions conducted within the Group ("electricity generation" segment) (as at December 31, 2022: euro 12.0 million). Further pro rata loan receivables from SWAP transactions are included in the amount of euro 0.7 million (as at December 31, 2022: euro 0.8 million) in the short-term assets (receivables and other assets).

Short-term assets changed in the reporting period from euro 334.9 million (December 31, 2022) to euro 329.2 million on June 30, 2023. This change is mainly due to the increase in cash and cash equivalents. Of the short-term assets, euro 24.0 million is attributable to trade receivables (on December 31, 2022: euro 38.1 million), mainly from project invoices for project development and general contractor services for wind farms and milestone receivables.

The work in progress shown under the inventories changed from euro 110.1 million (on December 31, 2022) to euro 122.2 million. The increase in inventories is mainly due to the development work carried out in the Group to expand the project pipeline.

Work in progress is divided as follows:

- Onshore projects/national: euro 93.9 million
(as at December 31, 2022: euro 83.3 million),
- Onshore projects/international: euro 28.2 million
(as at December 31, 2022: euro 26.8 million).

The inventories included right-of-use assets of euro 13.8 million as at June 30, 2023 (as at December 31, 2022: euro 18.2 million), which are attributable to the "electricity generation" segment.

The prepayments made in connection with onshore projects under construction, which are included in the inventories item, changed from euro 37.0 million (as at December 31, 2022) by euro 4.0 million to euro 41.0 million.

Cash and cash equivalents amounted to euro 104.7 million as at June 30, 2023, of which euro 3.6 million is pledged to banks (as at December 31, 2022: euro 121.6 million, of which euro 2.1 million pledged).

As at June 30, 2023, cash and cash equivalents were attributable to the segments as follows:

- "project development": euro 44.4 million
(as at December 31, 2022: euro 76.7 million),
- "electricity generation": euro 57.4 million
(as at December 31, 2022: euro 43.7 million) and
- "service products": euro 2.9 million
(as at December 31, 2022: euro 1.2 million).

Parts of the cash and cash equivalents reported in the "electricity generation" segment are project financing funds that have already been drawn down and are required for the further development of the projects.

Liabilities

in million euro	30.6.2023	31.12.2022
Equity	209.6	232.2
Deferred subsidies from public authorities	0.6	0.6
Provisions	16.1	9.8
Long-term liabilities	596.4	547.7
Short-term liabilities	102.1	101.5
Deferred revenues	14.1	28.5
Total liabilities and equity	938.9	920.3

Group equity changed to euro 209.6 million as at June 30, 2023 from euro 232.2 million (December 31, 2022). The equity ratio of the Group was approx. 22 percent as at June 30, 2023 (as at December 31, 2022: approx. 25 percent).

As at June 30, 2023, the share capital of PNE AG amounted to euro 76,603,334.00 (as at December 31, 2022: euro 76,603,334.00).

The treasury stock has not changed in the reporting period and amounted to 266,803 shares as at June 30, 2023.

The long-term liabilities changed from euro 547.7 million (as at December 31, 2022) to euro 596.4 million. This item consists mainly of long-term financial liabilities totalling euro 580.7 million (as at December 31, 2022: euro 530.6 million).

The long-term liabilities are attributable primarily to

- the 2022/27 bond issued in 2022 with a carrying amount of euro 53.8 million (as at December 31, 2022: euro 53.8 million),
- long-term liabilities to banks of euro 411.3 million (as at December 31, 2022: euro 363.8 million) and
- liabilities from leases of euro 112.0 million (as at December 31, 2022: euro 111.2 million).

The significant long-term liabilities to banks relate to the "non-recourse" project financing of wind farm projects operated by the Company in its own portfolio ("electricity generation" segment).

As at June 30, 2023, the liabilities to banks were attributable to the segments as follows:

- "project development": euro 12.7 million
(of which long-term euro 7.2 million),
- "electricity generation": euro 438.6 million
(of which long-term euro 404.1 million),
- "service products": euro 0.0 million
(of which long-term euro 0.0 million).

Mainly due to IFRS 16 "Leases", approx. euro 112.0 million (as at December 31, 2022: euro 111.2 million) of lease liabilities is included in long-term liabilities and approx. euro 6.2 million (as at December 31, 2022: euro 5.8 million) under short-term liabilities as at June 30, 2023.

The liabilities from leases are attributable to the following segments as at June 30, 2023:

- "project development": euro 11.0 million
(of which long-term euro 9.6 million),
- "electricity generation": euro 99.6 million
(of which long-term euro 95.9 million),
- "service products": euro 7.5 million
(of which long-term euro 6.5 million).

In the first six months of the 2023 fiscal year, the short-term liabilities changed from euro 101.5 million (as at December 31, 2022) to euro 102.1 million. The short-term liabilities to banks, included in this item, changed from euro 35.4 million (as at December 31, 2022) to euro 40.0 million. In the reporting period, trade liabilities changed from euro 44.6 million (December 31, 2022) to euro 42.5 million. These mainly originate from project invoices that are issued by subcontractors for wind farms and are to be settled for the most part at the time of receipt of the corresponding trade receivables from the wind farm companies.

During the 2023 reporting period, the Company raised or drew down approx. euro 58.4 million of non-recourse financing, approx. euro 6.9 million of the available project equity bridge loan and approx. euro 4.0 million of the working capital lines, which contributed to the above changes in short-term and long-term liabilities to banks.

The liabilities to banks (long-term and short-term) mainly include:

in million euro	Valuted per	Of which
	30.6.2023	long-term 30.6.2023
Non-recourse project financing of wind farms	456.3	432.4
Interim equity financing of wind farm portfolios	42.9	31.7
Syndicated credit facilities in the Group	4.0	0.0
Other loans (incl. financing of the company headquarters in Cuxhaven)	3.7	3.4

Taking the liquid funds into account, the net debt (cash and cash equivalents less the short-term and long-term financial liabilities) as at June 30, 2023 amounted to euro -523.1 million (as at December 31, 2022: net debt of euro -451.2 million).

7. TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

There were no significant changes compared to December 31, 2022.

8. DEVELOPMENT AND INNOVATION

There were no research and development activities outside the operative business purpose of "project development" in the PNE AG Group during the reporting period.

9. MAJOR EVENTS AFTER THE REPORTING PERIOD

Acquisition of 51.0 percent of Bitbloom Ltd (Bristol, UK)

In July 2023, a subsidiary of PNE AG acquired 51.0 percent of the shares in the British digital company Bitbloom Ltd. The purchase price can be in the low single-digit million range with milestone payments, which are dependent on the achievement of economic goals in the next few years.

After the end of the reporting period, no other significant events affecting the results of operations, financial position and net assets have occurred.

10. REPORT ON OPPORTUNITIES AND RISKS

For information about the opportunities and risks of PNE AG, refer to the chapter "Report on opportunities and risks" in the 2022 annual report or the combined management and group management report, which are available on the Company's website www.pne-ag.com.

All discernible risks arising from the current challenging market environment, which is still characterised by the aftermath of the Corona pandemic, high raw material prices, unstable supply chains and geopolitical uncertainties, are continuously assessed by the Company with regard to their potential impact on the net assets, financial position and results of operations as well as the well-being of the employees and have been taken into account in this report or the outlook.

During the first six months of the 2023 fiscal year, the Board of Management has not identified any other significant additions or changes to the risks presented in the annual report or the combined management and group management report for the 2022 fiscal year.

11. MANAGEMENT DECLARATION (SECTION 289F AND SECTION 315D OF THE GERMAN COMMERCIAL CODE (HGB))

The management declaration, summarised with the declaration pursuant to Section 289f HGB, in accordance with Section 315d HGB is published on our internet site www.pne-ag.com under "Investor Relations" in the Corporate Governance section and can be downloaded there.

12. OUTLOOK/FORECAST

PNE AG is a "Clean Energy Solutions Provider" for markets and industries regionally, nationally and internationally. Core competences are project planning and the operation of renewable energy projects. In addition, the storage of renewables and power-to-X technology are promoted. With the projects developed and operated, the PNE Group is making an important contribution to avoiding climate-damaging emissions and, with its full service in the areas of wind energy and photovoltaics, is ensuring that the expansion of clean energies moves forward one step faster – for a better climate worldwide. In this way, the PNE Group is consistently pursuing the goal of a secure, sustainable and profitable energy supply, which is powered 100 percent by renewable energies.

With the "Scale up" programme, the PNE Group has been continuously advancing its strategic development from a wind farm project developer to a "Clean Energy Solutions Provider" since 2017. With this strategy, the PNE Group is responding to changes in the clean energy markets. The expertise from the successful development, project planning and realisation of onshore and offshore wind farms was transferred to other fields. The operating business was placed on a significantly broader basis both nationally and internationally in order to establish PNE as a specialist in photovoltaic projects and a broadly positioned provider of clean energy solutions, in addition to being a specialist in wind well as. Key elements of the strategy are the expansion of the range of services and the development of new markets and technologies.

A central component of the "Scale up" programme is the objective of expanding the Company's own portfolio to up to 500 MW/MWp in operation or under construction by the end of 2023. Together with the expansion of the service business, this is designed to contribute to further increasing the share of steady earnings. With this broader positioning, market risks will be minimised, new potential and markets will be opened up and, above all, the results, which were volatile in the past, will be stabilised in the medium term. In this way, the PNE business model is continuously gaining in stability and future viability. In this way, the PNE Group has reached a completely new dimension and would like to continue to grow in the future. This makes PNE more and more valuable for investors and partners and also offers employees attractive long-term prospects.

With "Scale up 2.0", PNE has further developed this successful strategy in 2022 and set the course for a phase of accelerated growth. The medium-term goals are to increase the internal portfolio to 1,500 MW/MWp of projects in operation or under construction, to sell wind and PV projects in Germany and abroad, to expand the project pipeline to more than 20 GW/GWp and to increase Group EBITDA to more than euro 150 million by the end of 2027.

The following forecasts are based on the results from the implementation of operationally planned projects and the expansion of the pipelines in Germany and abroad (onshore, offshore, photovoltaics), both from the service business and from the electricity generation business.

In fiscal 2023, as in previous years, we will have further upfront expenditure in the low single-digit million range for the strategic expansion of the business model. The Board of Management continues to expect positive Group EBITDA of euro 30 to 40 million for the guidance for the 2023 fiscal year. However, due to the war in Ukraine, unstable supply chains and the aftermath of the Corona pandemic, project right sales and project implementations in the operating business may be postponed from 2023 to 2024. In addition, these factors will lead to high or rising raw material prices, resulting in higher prices for wind turbines, modules and other trades. However, these can be partially offset by higher statutory payments in the tenders for EEG remuneration. In addition, the goal remains that the figures in the project pipeline for onshore wind energy (as of December 31, 2022: around 7.6 GW) and photovoltaics (as of December 31, 2022: around 4.3 GW) will at a minimum remain constant in the Group at the end of 2023 compared to 31 December 2022.

Cuxhaven, August 10, 2023

PNE AG, Board of Management

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

in thousand euro (differences due to rounding possible)	2nd Quarter	2nd Quarter	Period	Period
	1.4.2023 – 30.6.2023	1.4.2022 – 30.6.2022	1.1.2023 – 30.6.2023	1.1.2022 – 30.6.2022
1. Revenues	24,818	22,605	57,064	52,129
2. Changes in inventories of finished goods and work in progress	43,092	42,995	54,000	50,450
3. Other operating income	3,439	1,666	5,620	2,628
4. Total aggregate output	71,349	67,266	116,685	105,208
5. Cost of materials and purchased services	-44,830	-49,129	-61,218	-57,833
6. Personnel expenses	-12,515	-10,240	-22,772	-18,989
7. Write-downs of intangible assets, property, plant and equipment, right-of-use assets and long-term financial assets	-8,405	-6,835	-16,178	-13,365
8. Other operating expenses	-4,423	-6,161	-14,557	-10,897
9. Operating result	1,176	-5,099	1,959	4,125
10. Income from participations and associated companies	52	-9	161	59
11. Other interest and similar income	163	16,435	523	23,065
12. Expenses from assumption of losses of associated companies	21	-5	-14	-14
13. Interest and similar expenses	-8,718	-4,243	-13,943	-7,384
14. Result before taxes	-7,306	7,079	-11,313	19,851
15. Taxes on income	-1,325	-7,002	-3,197	-9,669
16. Other taxes	-89	12	-441	-39
17. Result before non-controlling interests	-8,720	89	-14,951	10,143
18. Share of non-controlling interests in the result	-498	-240	-900	-236
19. Consolidated net result	-8,222	329	-14,051	10,379
Undiluted earnings per share in euro	-0.11	0.00	-0.18	0.14
Diluted earnings per share in euro	-0.11	0.00	-0.18	0.14
Weighted average of shares in circulation (undiluted), in million	76.3	76.3	76.3	76.3
Weighted average of shares in circulation (diluted), in million	76.3	76.3	76.3	76.3
19. Consolidated net result	-8,222	329	-14,051	10,379
Other comprehensive income/items that may be reclassified in the future in the profit and loss account				
20. Currency translation differences	-2,006	-498	-3,122	-336
21. Others	1,619	0	1,386	0
22. Other comprehensive income for the period	-387	-498	-1,736	-336
23. Total comprehensive income for the period	-9,107	-409	-16,687	9,807
Consolidated profit/loss for the period attributable to				
Owners of the parent company	-8,222	329	-14,051	10,379
Non-controlling interests	-498	-240	-900	-236
	-8,720	89	-14,951	10,143
Total comprehensive income for the period attributable to				
Owners of the parent company	-8,609	-169	-15,787	10,043
Non-controlling interests	-498	-240	-900	-236
	-9,107	-409	-16,687	9,807

The quarterly disclosures presented separately here and the related notes were not reviewed by the auditors.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

Assets

in thousand euro (differences due to rounding possible)	as per 30.6.2023	as per 31.12.2022
Intangible assets	64,715	64,858
Property, plant and equipment	371,607	353,798
Right-of-use assets	90,311	87,333
Long-term financial assets	13,521	14,203
Deferred taxes	69,402	65,309
Total long-term assets	609,556	585,501
Inventories	163,447	147,371
Receivables, other assets and tax claims	61,182	65,882
Cash and cash equivalents	104,709	121,582
Total short-term assets	329,338	334,835
Total assets	938,894	920,336

Liabilities

in thousand euro (differences due to rounding possible)	as per 30.6.2023	as per 31.12.2022
Subscribed capital	76,603	76,603
Capital reserve	82,953	82,953
Treasury shares	-707	-707
Retained earnings	51	51
Foreign currency reserve	-6,158	-3,036
Consolidated profit	63,161	81,886
Non-controlling interests	-6,302	-5,590
Total equity	209,601	232,160
Other provisions	0	0
Deferred subsidies from public authorities	597	620
Long-term financial liabilities*	580,695	530,571
Deferred tax liabilities	15,660	17,134
Total long-term liabilities	596,952	548,325
Provisions for taxes	9,246	3,782
Other provisions	6,897	6,047
Short-term financial liabilities	47,124	42,238
Trade liabilities	42,486	44,572
Other liabilities and tax liabilities	26,588	43,213
Total short-term liabilities	132,341	139,851
Total shareholders' equity and liabilities	938,894	920,336

* thereof liabilities from bonds euro 53,823 thousand (as at 31.12.2022: euro 53,754 thousand)

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

For the period from January 1 to June 30

in thousand euro	2023	2022
Consolidated net result before non-controlling interests	-14,951	10,143
-/+ Income tax benefit/expense	3,197	9,669
-/+ Income tax paid/received	-3,155	-3,913
-/+ Interest income and expense	13,420	-15,681
- Interest paid	-6,618	-4,743
+ Interest received	457	115
+/- Write-downs/write-ups of intangible fixed assets, property, plant and equipment, right-of-use assets and long-term financial assets	16,178	13,365
+/- Increase/decrease in provisions	6,313	710
+/- Non-cash effective expenses and income	-1,278	-519
-/+ Profit/loss from the disposal of fixed assets and from consolidation	0	0
+/- Decrease/increase in inventories and other assets	-48,862	-28,241
+/- Decrease/increase in trade receivables and stage of completion accounting	14,201	21,323
+/- Increase/decrease in trade liabilities and other liabilities	-22,473	-671
Cash flow from operating activities	-43,571	1,557
+ Inflow of funds from disposal of items of property, plant and equipment	2,193	57
- Outflow of funds for investments in property, plant and equipment and intangible assets	-17,551	-52,129
+ Inflow of funds from disposal of financial assets	0	0
- Outflow of funds for investments in financial assets	-500	-233
- Payments made for investments in consolidated entities	0	0
Cash flow from investing activities	-15,858	-52,305
+ Inflow of funds from the issue of bonds	0	55,000
+ Inflow of funds from financial loans	69,200	58,627
- Outflow of funds for the redemption of bonds	0	-32,073
- Outflow of funds for bond transaction costs	0	-1,273
- Outflow of funds for the redemption of financial loans	-16,317	-8,751
- Outflow of funds for the redemption of lease liabilities	-4,277	-3,645
- Outflow of funds for dividend payment	-6,107	-6,107
Cash flow from financing activities	42,499	61,778
Cash-effective change in liquid funds	-16,930	11,030
+ Change in liquid funds due to changes in scope of consolidation	57	0
+ Liquid funds at the beginning of the period	121,582	149,625
Liquid funds at the end of the period*	104,709	160,655
* of which are pledged to a bank as security	3,562	2,911

Supplementary information: The value of liquid funds on June 30 corresponds to the "Cash and cash equivalents" item in the balance sheet.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

in thousand euro (differences due to rounding possible)	Subscribed capital	Capital reserve	Treasury shares	Profit reserves	Foreign exchange reserve	Retained results	Equity before non- controlling interests	Non- controlling interests	Total share- holders' equity
Status as at									
31.12.2021	76,603	82,953	-707	51	-3,109	73,384	229,175	-7,382	221,793
First-time appli- cation of IAS 29 due to "Turkey"	0	0	0	0	-3,272	0	-3,272	0	-3,272
Status as at									
1.1.2022	76,603	82,953	-707	51	-6,381	73,384	225,903	-7,382	218,521
Net income	0	0	0	0	0	10,379	10,379	-236	10,143
Other result	0	0	0	0	-336	0	-336	0	-336
Total result for the period									
1.-6.2022	0	0	0	0	-336	10,379	10,043	-236	9,807
Dividend	0	0	0	0	0	-6,107	-6,107	0	-6,107
Other changes	0	0	0	0	0	0	0	0	0
Status as at									
30.6.2022	76,603	82,953	-707	51	-6,717	77,656	229,840	-7,618	222,222
Status as at									
1.1.2023	76,603	82,953	-707	51	-3,036	81,886	237,750	-5,590	232,160
Net income	0	0	0	0	0	-14,051	-14,051	-900	-14,951
Other result	0	0	0	0	-3,122	1,386	-1,736	0	-1,736
Total result for the period									
1.-6.2023	0	0	0	0	-3,122	-12,665	-15,787	-900	-16,687
Dividend	0	0	0	0	0	-6,107	-6,107	0	-6,107
Other changes	0	0	0	0	0	47	47	188	235
Status as at									
30.6.2023	76,603	82,953	-707	51	-6,158	63,161	215,903	-6,302	209,601

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of PNE AG, Cuxhaven, for the first six months of 2023

1. ACCOUNTING AND VALUATION PRINCIPLES

The financial report on the first six months of the 2023 fiscal year of PNE AG and its subsidiaries is drawn up according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are applied in the European Union (EU). New standards adopted by the IASB are in principle applied as from the time of their becoming effective, as they are to be taken into consideration in the EU.

The interim financial statements were drawn up in line with the regulations of IAS 34. The tax expenditure of the PNE Group is determined using an estimate of the taxable income of the relevant companies.

For all assets within the scope of IAS 36 (in particular intangible assets (IAS 38), goodwill (IFRS 3), property, plant and equipment (IAS 16) and investment property measured at cost (IAS 40)), the reporting entity shall assess at each balance sheet date whether there is any indication (triggering event) of an impairment loss. The Board of Management is of the opinion that there are no indications that the value of the reported goodwill as at June 30, 2023 might be impaired.

Turkey has been classified as a hyperinflationary economy under IAS 29 since June 30, 2022. PNE applied IAS 29 for the first time as of December 31, 2022, retroactively as of January 1, 2022 and therefore also applies in the consolidated financial statements as

at June 30, 2023 for the included financial statements of Turkish subsidiaries. In fiscal 2023, the application of IAS 29 resulted in a loss on the net position of monetary items of euro 1,416 thousand, which is included in other operating expenses. The consumer price index of the Statistics Institute of Turkey was used to adjust the purchasing power effects. As at January 1, 2023, this was 1,128 basis points and increased to 1,352 basis points as at June 30, 2023. In accordance with IAS 21, the prior-year figures in the consolidated financial statements have not been adjusted.

In the financial report for the first six months of the 2023 fiscal year as at June 30, 2023, the Company applied the same accounting and valuation methods as in the consolidated financial statements as at December 31, 2022. The IFRS standards amended since January 1, 2023 are not relevant to the half-yearly financial statements.

2. FINANCIAL ASSETS

During the first six months of the 2023 fiscal year, no material additions or changes occurred in the interim group management report for the first half of 2023 compared with the figures presented in the group management report for the 2022 financial year.

The following tables show the carrying amounts and the fair values of financial assets and financial liabilities by the relevant categories.

in thousand euro	Category acc. to IFRS 9	Total	Fair value
As per 30.6.2023			
Short-term financial assets			
Cash and cash equivalents	AC	104,709	104,709
Trade receivables	AC	23,976	23,976
Other short-term loan receivables	AC	507	507
Receivables from affiliated companies	AC	13,590	13,590
Receivables from associated companies and those in which an investment is held	AC	381	381
Long-term financial assets			
Shares in affiliated companies	FVOCI	477	477
Shares in companies in which an investment is held	FVOCI	800	800
Other borrowings	AC	423	423
Other long-term loan receivables	AC	10,679	10,679
		155,542	155,542
Total AC		154,265	154,265
Total FVOCI		1,277	1,277
As per 31.12.2022			
Short-term financial assets			
Cash and cash equivalents	AC	121,582	121,582
Trade receivables	AC	38,152	38,152
Other short-term loan receivables	AC	90	90
Receivables from affiliated companies	AC	9,673	9,673
Receivables from associated companies and those in which an investment is held	AC	221	221
Long-term financial assets			
Shares in affiliated companies	FVOCI	474	474
Shares in companies in which an investment is held	FVOCI	804	804
Other borrowings	AC	424	424
Other long-term loan receivables	AC	11,986	11,986
		183,406	183,406
Total AC		182,128	182,128
Total FVOCI		1,278	1,278

AC = measured at amortised cost

FVOCI = measured at fair value (changes in value in OCI)

Shares in affiliated companies classified as "FVOCI and shares in companies in which an investment is held were valued at cost of acquisition, which is a reasonable estimate of fair value, of euro 1,277 thousand (December 31, 2022: euro 1,278 thousand). Currently, there are no net results and dividends attributable to the "FVOCI" category. On the reporting date, there was no intention of selling these.

The carrying amounts of financial assets in the category "measured at amortised cost" (AC) approximate their fair values on the reporting date.

The financial liabilities shown are attributable to corporate bonds, liabilities to banks, other financial liabilities, liabilities from leasing contracts as well as derivatives.

The book values of financial liabilities have the following remaining terms or the following fair values:

in thousand euro	Category acc. to IFRS 9	Total	up to 1 year	1 to 5 years	more than 5 years	Fair value
As per 30.6.2023						
Trade liabilities	AC	42,486	42,486	0	0	42,486
Fixed interest						
Bonds	AC	53,823	0	53,823	0	55,825
Liabilities to banks	AC	447,331	36,064	160,240	251,027	500,601
Other financial liabilities	AC	875	744	125	7	875
Liabilities under leases	AC	118,123	6,171	22,914	89,039	118,123
Variable interest						
Liabilities to banks	AC	3,963	3,963	0	0	3,963
Derivatives						
Interest rate swaps	FVPL	3,703	182	728	2,793	3,703
		670,305	89,610	237,830	342,865	725,577
As per 31.12.2022						
Trade liabilities	AC	44,572	44,572	0	0	44,572
Fixed interest						
Bonds	AC	53,754	0	53,754	0	55,000
Liabilities to banks	AC	396,198	32,350	132,902	230,947	451,017
Other financial liabilities	AC	1,683	1,018	665	0	1,683
Liabilities under leases	AC	117,010	5,803	20,500	90,708	117,010
Variable interest						
Liabilities to banks	AC	3,006	3,006	0	0	3,006
Derivatives						
Interest rate swaps	FVPL	1,156	60	240	856	1,156
		617,380	86,809	208,061	322,510	673,445

AC = measured at amortised cost

FVPL = measured at fair value through profit or loss

The fair values of financial instruments listed in the tables were derived from market information available on the reporting date. The fair value is determined in line with generally accepted pricing models based on discounted cash flow analyses and using observable current market prices for similar instruments. In the current reporting period, as in the comparable period of the previous year, no reclassifications were made between the hierarchy levels.

The fair values of liabilities to banks and other financial liabilities are determined using current interest rates at which similar loans with identical maturities could have been taken out on the reporting date.

The determination of the fair values of bonds is based on the observable price quotations as at the reporting date.

The fair values of interest rate swaps are calculated using forward interest rates (observable yield curves on the reporting date) and the estimated contractual interest rates, which were discounted on the reporting date using the yield curve.

The valuation of trade liabilities and other financial liabilities is based on the assumption that the fair values correspond to the carrying amounts of these financial instruments in view of their short remaining terms.

The following table analyses the financial liabilities of the Group by the relevant maturity bands:

in thousand euro	Total contractual cash flows	up to 1 year	1 to 5 years	more than 5 years	Carrying amount
As per 30.6.2023					
Trade liabilities	42,486	42,486	0	0	42,486
Bonds	64,823	2,750	62,073	0	53,823
Liabilities to banks	565,471	46,273	180,283	338,915	451,294
Other financial liabilities	918	770	141	7	875
Liabilities under leases	140,921	8,336	30,527	102,058	118,123
Interest rate swaps	3,703	182	728	2,793	3,703
	818,322	100,797	273,751	443,774	670,305
As per 31.12.2022					
Trade liabilities	44,572	44,572	0	0	44,572
Bonds	67,504	2,750	64,754	0	53,754
Liabilities to banks	510,770	41,670	151,883	317,217	399,204
Other financial liabilities	1,814	1,069	745	0	1,683
Liabilities under leases	140,022	7,699	27,991	104,332	117,010
Interest rate swaps	1,156	60	240	856	1,156
	765,838	97,820	245,613	422,405	617,380

The table analyses the financial liabilities of the Group by the relevant maturity bands, based on their contractual terms for:

- (a) all non-derivative financial liabilities and
- (b) all derivative financial instruments that are settled on a net basis and whose contractual maturities are material to an understanding of the timing of cash flows.

The amounts shown in the table are the contractual non-discounted cash flows. Balances due within twelve months correspond to their carrying amounts, as the effect of discounting is not significant. In the case of interest rate swaps, the cash flows were estimated using the forward interest rates applicable at the end of the reporting period.

3. SCOPE OF CONSOLIDATION

The corporate structure has changed in the first six months of 2023 versus December 31, 2022.

During the reporting period, the following companies were included for the first time in the scope of consolidation:

- 1. PNE WIND Park XXIII GmbH & Co. KG, Cuxhaven (100 percent), (first consolidation on January 1, 2023), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- 2. PNE Windpark Großer Mittelberg GmbH & Co. KG, Cuxhaven (100 percent), (first consolidation on January 1, 2023), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- 3. PNE WIND Park XXI GmbH & Co. KG, Cuxhaven (100 percent), (first consolidation on January 1, 2023), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- 4. WKN Windpark Stußenborn GmbH & Co. KG, Husum (100 percent), (first consolidation on January 1, 2023), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- 5. WKN Windkraft Nord GmbH & Co. Windpark Beensee KG, Husum (100 percent), (first consolidation on January 1, 2023), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- 6. WKN WERTEWIND Windpark Gnutz Zwei GmbH & Co. KG, Husum (100 percent), (first consolidation on January 1, 2023), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),

- 7. WKN Windpark Neu Benthen GmbH & Co. KG, Husum (100 percent), (first consolidation on January 1, 2023, "electricity generation" segment), (reclassified from "non-consolidated companies due to minor significance"),
- 8. PNE Offshore Lettland GmbH, Cuxhaven (100 percent), (first consolidation on February 28, 2023), "project development" segment, (established).

The reclassification of subsidiaries from "non-consolidated companies due to minor significance" to full consolidation is generally made as soon as it is clear that the business activity or the project planning/implementation phase will begin in the near future.

The book values and fair values of the identifiable assets and liabilities of companies no. 1-8 were insignificant for the asset, financial and earnings position on the date of first-time consolidation.

In the reporting period, the following Group company was liquidated:

Windkraft Nord USA Inc., Chicago, USA, (100 percent), previously "project development" segment.

The liquidation had no significant impact on the Group's net assets, financial position and results of operations.

4. MAJOR EVENTS AFTER THE REPORTING PERIOD

Regarding any major events which have occurred after the end of the reporting period, we refer to the interim group management report.

CONSOLIDATED SEGMENT REPORTING (IFRS)

	Project development		Electricity generation		Services		Consolidation		PNE AG Group	
in thousand euro (differences due to rounding possible)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales	11,625	8,676	36,205	34,747	9,234	8,706	0	0	57,064	52,129
Inter-segment sales	65,094	59,869	150	150	5,104	1,953	-70,348	-61,972	0	0
Changes in inventories	14,854	1,579	0	0	0	0	39,146	48,872	54,000	50,450
Other operating income	4,530	1,288	690	562	400	778	0	0	5,620	2,628
Total aggregate output	96,103	71,411	37,046	35,459	14,738	11,438	-31,202	-13,100	116,685	105,208
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	9,586	-8,019	28,317	29,750	4,636	3,077	-24,402	-7,319	18,137	17,489
Depreciation and amortisation	-1,301	-1,071	-13,111	-10,591	-1,766	-1,703	0	0	-16,178	-13,365
Operating profit (EBIT)	8,285	-9,089	15,206	19,159	2,870	1,374	-24,402	-7,319	1,959	4,125
Interest and similar income	7,892	3,438	161	22,990	367	248	-7,897	-3,610	523	23,065
Interest and similar expenses	-8,733	-5,405	-12,583	-5,178	-524	-412	7,897	3,610	-13,943	-7,385
Tax expense and income	-2,235	916	-873	-11,090	-821	-366	733	871	-3,197	-9,669
Investments	1,368	724	35,056	45,730	12,177	5,908	0	0	48,601	52,362
Segment assets	601,798	639,731	784,574	723,584	69,295	60,136	-516,774	-503,115	938,894	920,336
Segment liabilities	379,402	380,101	666,010	619,794	52,077	46,257	-368,197	-357,976	729,292	688,176
Segment equity	222,396	259,630	118,564	103,790	17,218	13,879	-148,577	-145,139	209,601	232,160

The figures as at June 30, 2023 are compared with the figures as at June 30, 2022 or, in the case of segment assets/segment liabilities, with the figures as at December 31, 2022.

Cuxhaven, August 10, 2023

PNE AG, Board of Management

REVIEW REPORT

To PNE AG, Cuxhaven/Germany

We have reviewed the condensed interim consolidated financial statements of PNE AG, Cuxhaven/Germany, which comprise the consolidated balance sheet as at 30 June 2023, the consolidated statement of profit and loss and the consolidated statement of comprehensive income for the period from 1 January to 30 June 2023, the consolidated statement of cash flows, the consolidated statement of changes in equity as well as selected explanatory notes to the consolidated financial statements, and the interim group management report for the period from 1 January to 30 June 2023, that are part of the half-year financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to issue a review report on the interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit.

Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of PNE AG, Cuxhaven/Germany, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Without modifying our opinion, we draw attention to the fact that we have not reviewed the content of the corporate governance statement under Section 289f German Commercial Code (HGB) combined with the condensed interim consolidated corporate governance statement under Section 315d HGB, which is referred to in the interim group management report.

Furthermore, we draw attention to the fact that the separately presented quarterly information as well as the respective explanatory comments within the condensed interim consolidated financial statements and the interim group management report have not been subject of our review.

Hamburg/Germany, 10 August 2023

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

(Dr. Jan Fürwentsches)

Wirtschaftsprüfer

(German Public Auditor)

Signed:

(Niclas Terheyden)

Wirtschaftsprüfer

(German Public Auditor)

STATEMENT MADE BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

PNE AG, The Board of Management



Markus Lesser



Jörg Klowat

IMPRINT

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Board of Management

Markus Lesser (CEO),
Jörg Klowat
Registergericht: Tostedt
Registernummer: HRB 110360
As per: August 2023

The report on the first half year and on the second quarter of 2023 is also available in German. In case of discrepancies the German version is decisive. The digital version of the annual report and the quarterly statements of PNE AG are available online at www.pne-ag.com in the section "Investor Relations/Financial reports".

This report includes statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of PNE AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised with terms such as "expect", "estimate", "intend", "can", "will" and similar terms relating to the Company. Factors, which can have an effect or influence are, for example (without all being included): the development of the wind power market, competitive influences including price changes, regulatory measures and risks with the integration of newly acquired companies and participations. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of PNE AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.



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