



# Interim report for Q1 2024

Ennogie Solar Group A/S  
Orebygårdvej 16, 7400 Herning  
Company reg. no.: DK39703416



# Letter from the CEO

## **On the back of a remarkable year,**

where revenue grew by 61% in 2023 to DKK 99m. The growth was based on a DKK 60m order backlog at the start of 2023 built on significant increases in energy prices starting in 2021 and acceleration following the outbreak of war in Ukraine in February 2022.

## **Ennogie now face a temporarily challenged market,**

with a temporary downturn in the market attributed to external factors. The recent upswing in interest rates and soaring inflation on building materials has resulting in shrinking construction markets and has introduced a degree of uncertainty into the market prolonging buying decisions. Similarly has demand been negatively affected by the normalization of energy prices. All leading to lower order intake of DKK 10.7m in Q1 2024 compared to DKK 28.5m in Q1 2023 from a healthy sales pipeline. As a result, Q1 2024 revenue decreased by 77% compared to Q1 2023.

Adding to the complexity, Ennogie's home market of Denmark is grappling with the ramifications of recent regulations imposed by lawmakers. These changes have disrupted the stability of the solar industry in Denmark, contributing to a current downturn in order uptake. The effect of this and the general market factors is a 94% reduction in Danish Q1 2024 revenue compared to Q1 2023.

Despite these challenges, Ennogie remains steadfast in its commitment to navigating through the storm, leveraging its operational agility to overcome obstacles and emerge stronger on the other side. Unfortunately, that also meant staffing in both Denmark and Germany has been reduced. Current cost reductions and improved gross margin compared to 2023 have reduced the EBITDA break-even point by DKK 20m in revenue from 2023-levels. And Ennogie will continue to optimize the cost base as a response to the current market fluctuations to sustain our guidance.

## **Ennogie has taken a number of actions in order to ignite growth**

in addition to using operational agility as response to the temporary market challenges.

Looking forward, Ennogie will explore new markets. Recognizing the global demand for sustainable solutions, Ennogie evaluates opportunities for expansion in countries where solar roof adoption is in its early stages but prioritized on the political agenda. Leveraging expertise and experience, Ennogie establishes a presence in these untapped markets, creating new revenue streams and prosperity. As part of its growth strategy, Ennogie is now venturing into new international markets, including France and Poland, along with expanding its footprint in Austria and Switzerland. This expansion is seen as a logical extension of the company's activities in Germany, providing diversification and resilience against market fluctuations.

In February 2024 Ennogie signed a MoU for a big, potential flagship project with the Polish Developer Champions Park, with the purpose of creating a new urban environment focusing on a healthy lifestyle. Champions Park is a visionary and ambitious urban development project with a total area of 23 hectares to be developed towards 2030. The project foresees approx. 200,000 m<sup>2</sup> in mixed use. The project is expected to be established as an energy community for maximum utilization of the self-produced power from the solar roofs.

In March 2024 Ennogie's solar roof received, as the first product, the newly introduced "Innovative Material Guarantee" of the ZVDH, which is the main association of the German roofers' associations. ZVDH has introduced this new material guarantee to give German roofers the security to use new innovative products in their work, especially in solar energy. For Ennogie, this means access to the large market for roofers in Germany, where both the full roof solution and Sun Spot are brought into play.

In continuation of the "Innovative Material Guarantee", Ennogie has entered into an agreement with Dachdecker-Einkauf covering initially three German regions totaling 6,500 roofing companies. The entire Dachdecker-Einkauf has collected purchases for 13,500 roofing companies. The agreement gives a much greater exposure, especially in the private sector. As a result of the signed agreement with Dachdecker-Einkauf several quotations for a solar roof solution have been given.

**Lars Brøndum Petersen, CEO**

## Our business

Ennogie Solar Group is on a mission to create a future where renewable energy in the built environment is the norm, not the exception. We are passionate about making a positive impact by developing and deploying innovative solar technologies and energy optimization practices. With our sleek and stylish active solar roofs, traditional fossil fuel power plants are becoming a thing of the past.

At Ennogie, we focus on providing great products to buildings and people in need of new roofs for both new builds and refurbishments, who like the idea of solar energy, and care about the aesthetic appearance of the building. Our decentralized approach to energy production means energy is generated closer to where it's used, resulting in a cleaner and more efficient energy system that reduces reliance on non-renewable sources and lowers energy costs for the consumer.

We are passionate about supporting the European Commission's efforts to develop energy communities through the European Green Deal, and we see this as an exciting opportunity for Ennogie to contribute to the energy transition. With the growing demand for renewable energy sources, we're excited to explore new business models such as virtual power plants, peer-to-peer energy trading, and community-owned renewable energy projects. Our team is committed to staying at the forefront of these developments to help drive the transition to a greener future.

Ennogie is dedicated to support multi-family homes, housing associations, and property developers to establish "energy communities" and optimize the use of self-produced energy. This approach not only provides the best business case but also has a positive environmental impact.

Housing associations offer enormous potential in the green transition, covering almost 30% of the overall housing market in Europe. Housing Europe, the European Federation of Public, Cooperative, and Social Housing, manages over 26 million homes, representing almost 400 million m<sup>2</sup> of roofs that could generate 50,000 GWh of energy annually.

Ennogie currently have sales entities in Denmark and Germany. In Germany, the housing market represents a market of 6 million homes or 100 million m<sup>2</sup> roofs that annually could generate 12,500 GWh, while in Denmark, the housing market represents a market of close to 600,000 homes or 10 million m<sup>2</sup> roofs that annually could generate 1,250 GWh. The German and Danish housing markets alone present a total market opportunity of approximately 110 million m<sup>2</sup> roofs or 220 billion DKK, highlighting the vast potential for energy communities.

In addition to the energy communities Ennogie also provide solar roofs to private homeowners who are looking to renovate or build a new home and are interested in sustainable solutions. These homeowners are motivated buyers who are willing to make a significant investment in their home. Choosing an Ennogie solar roof instead of a traditional roof will not only support bringing their own energy consumption down but also allow for selling excess electricity back to the grid, and thereby returning an income. With a potential market of approximately 130 million m<sup>2</sup> roofs or 260 billion DKK in Germany and Denmark, there is a significant opportunity for sustainable solutions in the single-family home market.

We're excited about the future of Ennogie Solar Group and the significant market opportunities that lie ahead. Our products are already contributing to the green transition and the restructuring of the European energy supply. With increasing support from politicians and building owners, we're well-positioned for long-term structural growth.

## Ennogie Solar Group Q1 2024 highlights



**Royal visit in Poland**  
Signing MoU with Champions Park



**Awarded "Innovative Materialgarantie"**  
Receiving ZVDH Innovative Materialgarantie



**Entering Exclusive Distribution Agreement**  
Dachdecker-Einkauf opts exclusive distribution rights

# Financial highlights

## Highlights Q1 2024

### Net revenue

In Q1 2024, net revenue reached DKK 5.1m, resulting in a 77% decrease from DKK 22.0m in Q1 2023.

The German market continues to represent the highest proportion of the Group's total revenue and increased its contribution to 85% of the Q1 2024 revenue versus 44% in Q1 2023. The German revenue decrease from DKK 9.7m in Q1 2023 to DKK 4.4m in Q1 2024. Likewise did the Danish revenue decrease from DKK 12.3m in Q1 2023 to DKK 0.8m in Q1 2024.

### Gross profit

The Q1 2024 gross profit was DKK 1.9m, equaling a gross margin of 37.2%, in contrast to DKK 5.3m and 23.9% in Q1 2023. The positive development in gross margin the result of stronger internal delivery processes and adjusted pricing on installations and goods.

Both the German and the Danish market show improved gross margins, and the continued maturity of the business is expected to result in a higher annual gross margin in 2024 compared to 2023.

### EBITDA

For Q1 2024, the EBITDA reached DKK -5.4m, compared to a negative EBITDA of DKK -3.8m in Q1 2023. The lower turnover has biggest impact on the decreased EBITDA. However, the EBITDA in Q1 2024 is positively impacted by the increased gross margin. Further, the EBITDA for Q1 2024 is positively impacted by an overall cost reduction compared to Q1 2023 of DKK 1.7m.

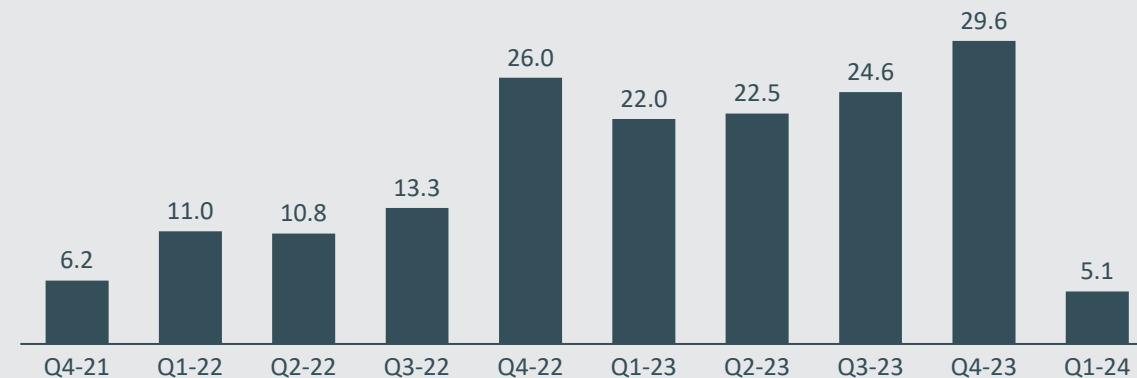
### Depreciations and amortization

In Q1 2024, depreciation and amortization costs reached DKK 0.8m, compared to DKK 0.9m in the same quarter of the previous year. The decrease manly reflects a relocation of the German office in Q1 2023.

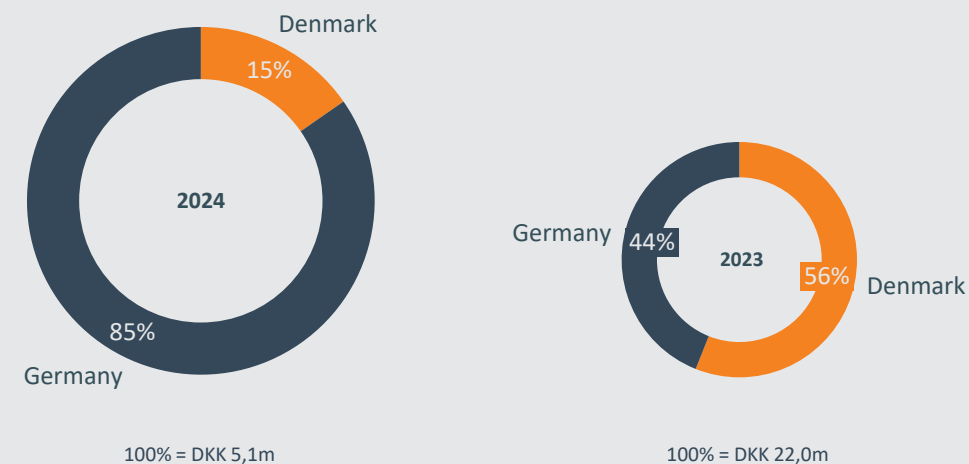
### Financial items

The net financial items for Q1 2024 was DKK -0.27m compared to DKK -0.35m in Q1 2023. The development in financial items for Q1 2024 compared to Q1 2023 primarily reflect the decreased interest-bearing debt.

Revenue per quarter (DKKm)



Q1 revenue per country



# Financial highlights

## Working capital

The working capital amounted to DKK 20.2m at the end of Q1 2024 compared to DKK 3.2m end of Q1 2023. Increases in inventories (DKK 7.0m), contract assets (DKK 1.3m) and receivables (DKK 5.2m) combined with a drop in trade payables (DKK 1.7m) and prepayments from customers (DKK 2.9m) causes the raise in working capital with 17.0 m.

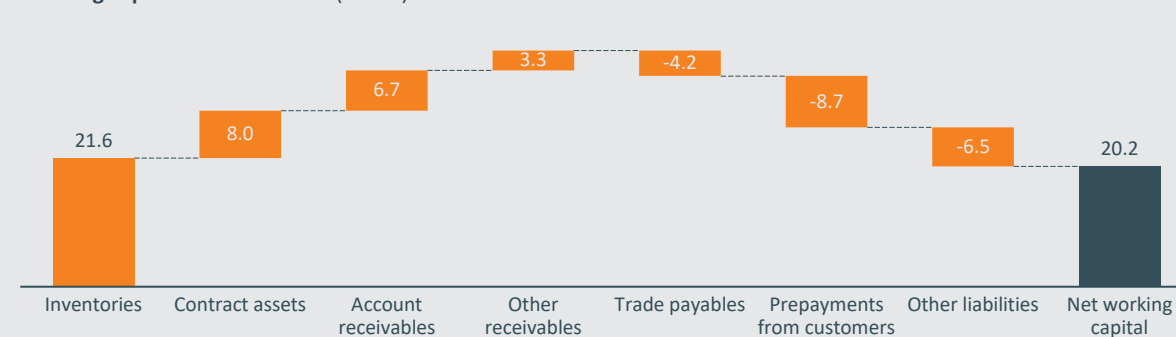
This increase can largely be attributed to the development in activity level during 2023, expectations for deliveries in early 2024 and long lead times on raw materials. Consequently, the inventory balance that was DKK 7.0m higher at the end of Q1 2024 compared to the same period last year. It is expected that the inventory will be lowered during Q2, thereby reducing working capital and releasing liquidity.

## Cash flow

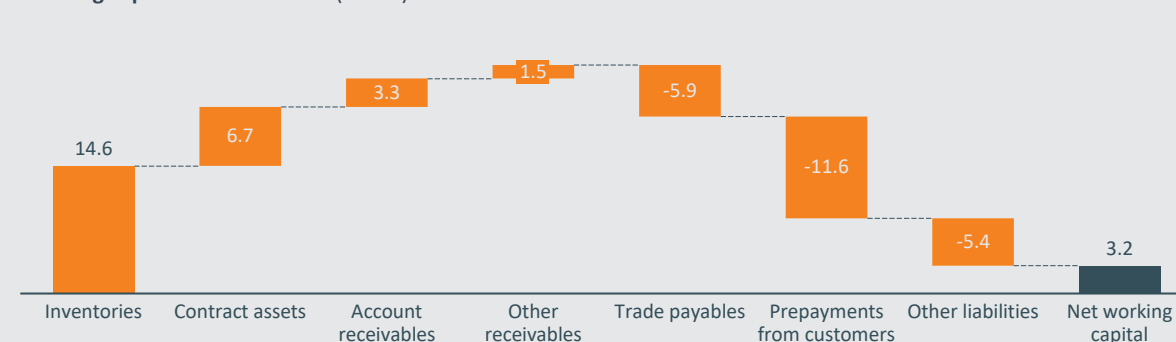
The free cash flow for Q1 2024 was DKK -11.5m compared to DKK -2.4m in Q1 2023, mainly driven by the development in working capital and the negative operating result for the periods.

Cash flow from financing activities for Q1 2024 was DKK -1.2m and Q1 2023 cash flow from financing activities was DKK -1.3m. Both quarters were only impacted by repayment of debts.

Working capital 31 March 2024 (DKKm)



Working capital 31 March 2023 (DKKm)





## Outlook 2024

Due to a general decline in the 2024 constructions activities in both Germany and Denmark caused by a rapid rise in interest rates and inflation of building component costs, Ennogie's 2024 revenue is expected to decrease from 2023 to DKK 70-90 million. With restrained spending compared to 2023, expectations for the 2024 EBITDA are DKK -5 to 0 million.

### Assumptions for 2024 financial outlook

The financial outlook for 2024 is based on a number of assumptions. Management considers the most significant assumptions to be related to the following:

#### Order intake is an important parameter for revenue over the next 6-24 months

Ennogie is working to secure a number of large B2B orders that are maturing. Individual orders and their timing, especially within the B2B segment, can have a significant impact on order intake and consequently revenue.

Changes in market conditions, especially developments in interest rates, electricity prices, and the price of and access to craftsmen, may also affect Ennogie's 2024 order intake.

#### Revenue to decrease slightly

Ennogie expects a slightly negative development in the group's revenue in 2024 compared to 2023:

- The new initiative with Dach Decker Einkauf is expected to have a positive impact on the order intake and deliveries in 2024 as the nature of Dach Decker Einkauf is a much faster quotation to order to delivery process than housing associations and developers in general.
- In addition, a growing focus on housing associations and developers and a consequently healthy project pipeline is expected to have significant impact on the 2024 order intake and deliveries.
- The new markets, Poland and France, are not expected to have any significant impact on 2024.
- Revenue from the residential sector will decrease compared to 2023.

The revenue forecast is based on an end 2023 order backlog of DKK 27 million, 2024 year-to-date order intake and a healthy quotation pipeline.

#### Ability to scale organization and production

The outlook is based on the group's ability to scale the organization up and down according to the activity level. Functions involved in processes related to order deliveries are crucial to deliver the expected revenue with the expected gross margin.

Production capacity was increased in the fourth quarter of 2023, and the outlook is based on Ennogie having the ability to adjust capacity to a lower level in the first half of 2024.

# Financial Statements



# Comprehensive Income Statement

Amounts in DKK '000	Note	Q1 2024	Q1 2023	FY 2023
<b>Revenue</b>	3, 4	<b>5.142</b>	<b>21.969</b>	<b>98.775</b>
Cost of sales		(3.231)	(16.713)	(71.545)
<b>Gross profit</b>		<b>1.911</b>	<b>5.256</b>	<b>27.230</b>
Work performed by the entity and capitalized		436	375	2.442
Other external expenses		(2.303)	(3.334)	(13.559)
Staff costs		(5.863)	(6.437)	(20.203)
Other operating income		452	373	1.350
<b>Operating result before depreciations and amortizations (EBITDA)</b>		<b>(5.367)</b>	<b>(3.767)</b>	<b>(2.740)</b>
Depreciation, amortization and impairment		(770)	(878)	(3.423)
<b>Operating result (EBIT)</b>		<b>(6.137)</b>	<b>(4.645)</b>	<b>(6.163)</b>
Financial items net		(271)	(351)	(1.810)
<b>Result before tax</b>		<b>(6.408)</b>	<b>(4.996)</b>	<b>(7.973)</b>
Corporation tax for the period		0	0	0
<b>Result for the period</b>		<b>(6.408)</b>	<b>(4.996)</b>	<b>(7.973)</b>
<b>Other comprehensive income</b>				
Exchange rate adjustments of foreign subsidiaries		(9)	(10)	(14)
<b>Comprehensive income for the period</b>		<b>(6.417)</b>	<b>(5.005)</b>	<b>(7.987)</b>
Earnings per share, DKK		(0,20)	(0,18)	(0,29)
Earnings per share, diluted, DKK		(0,20)	(0,16)	(0,26)

# Financial position statement

Amounts in DKK '000	Note	31.03.24	31.03.23	31.12.23
Intangible assets		15.878	13.714	15.603
Tangible assets		2.365	2.243	2.626
Deposits		201	201	201
Other financial assets		2.629	2.096	2.629
<b>Non-current assets</b>	3	<b>21.073</b>	<b>18.253</b>	<b>21.059</b>
<b>Inventories</b>		<b>21.585</b>	<b>14.613</b>	<b>19.306</b>
Accounts receivable		6.745	3.254	4.520
Contract assets		7.951	6.735	11.628
Tax receivables		0	294	0
Other receivables		2.564	656	2.165
Prepayments		746	892	671
<b>Receivables</b>		<b>18.006</b>	<b>11.831</b>	<b>18.985</b>
Cash & cash equivalents		2.318	9.565	13.840
<b>Current assets</b>		<b>41.909</b>	<b>36.008</b>	<b>52.131</b>
<b>Total assets</b>		<b>62.982</b>	<b>54.261</b>	<b>73.190</b>

Amounts in DKK '000	Note	31.03.24	31.03.23	31.12.23
Share capital		31.360	27.784	31.360
Treasury shares		(561)	(561)	(561)
Currency adjustments		(10)	(10)	(14)
Retained earnings		(8.129)	(19.745)	(1.721)
<b>Equity</b>		<b>22.660</b>	<b>7.468</b>	<b>29.064</b>
Provisions		616	440	603
Lease liabilities		943	1.102	1.015
Interest-bearing debt		13.377	17.688	14.652
Deferred income		1.895	2.365	1.895
<b>Non-current liabilities</b>		<b>16.831</b>	<b>21.596</b>	<b>18.165</b>
Current part of long term interest-bearing debt		4.653	3.719	4.396
Bank debts		321	447	307
Lease liabilities		981	455	1.147
Prepayments from customers		8.665	11.626	5.580
Trade payables		4.222	5.894	12.498
Other liabilities		4.008	2.430	1.392
Deferred income		642	627	642
<b>Current liabilities</b>		<b>23.491</b>	<b>25.197</b>	<b>25.961</b>
<b>Total liabilities</b>		<b>40.322</b>	<b>46.792</b>	<b>44.126</b>
<b>Total equity and liabilities</b>		<b>62.982</b>	<b>54.261</b>	<b>73.190</b>

# Equity Statement

Amounts in DKK '000

	Share capital	Treasury shares	Currency adjustments	Retained earnings	Total
<b>Equity at 1 January 2024</b>	<b>31.360</b>	<b>(561)</b>	<b>(14)</b>	<b>(1.721)</b>	<b>29.064</b>
Result for the period	0	0	0	(6.407)	(6.407)
Other comprehensive income	0	0	4	0	4
<b>Equity at 31 March 2024</b>	<b>31.360</b>	<b>(561)</b>	<b>(10)</b>	<b>(8.129)</b>	<b>22.660</b>

	Share capital	Treasury shares	Currency adjustments	Retained earnings	Total
<b>Equity at 1 January 2023</b>	<b>27.784</b>	<b>(561)</b>	<b>0</b>	<b>(15.418)</b>	<b>11.806</b>
Result for the period	0	0	0	(4.996)	(4.996)
Other comprehensive income	0	0	(10)	0	(10)
Share-based payments	0	0	0	668	668
<b>Equity at 31 March 2023</b>	<b>27.784</b>	<b>(561)</b>	<b>(10)</b>	<b>(19.745)</b>	<b>7.468</b>

# Cash Flow Statement

Amounts in DKK '000	Q1 2024	Q1 2023	FY 2023
<b>Operating result (EBIT)</b>	<b>(6.408)</b>	<b>(4.996)</b>	<b>(7.987)</b>
Depreciation, amortization and impairment	770	878	3.423
Share-based payments	0	548	(138)
Changes in provisions	13	0	163
<b>Operating cash flows before changes in working capital</b>	<b>(5.625)</b>	<b>(3.570)</b>	<b>(4.539)</b>
Working capital movements			
- Change in inventories	(2.280)	1.030	(3.663)
- Change in receivables	1.378	884	(5.339)
- Change in other receivables	(399)	312	(913)
- Change in trade payables, etc.	(8.276)	1.960	8.564
- Change in prepayments from customers	3.085	1.715	(4.331)
- Change in prepayments	0	(157)	(627)
- Change in other liabilities	2.616	(1.974)	(3.012)
<b>Cash flow from operating activities</b>	<b>(9.501)</b>	<b>200</b>	<b>(13.861)</b>
Income taxes paid	0	(294)	0
<b>Cash flow from operations</b>	<b>(9.501)</b>	<b>(94)</b>	<b>(13.861)</b>
Acquisition of property, plant and equipment	(123)	(359)	(358)
Investment in intangible assets	(661)	(554)	(3.611)
Change in financial assets	(0)	(39)	(572)
<b>Cash flow from investments</b>	<b>(784)</b>	<b>(952)</b>	<b>(4.541)</b>
<b>Free cash flow</b>	<b>(10.286)</b>	<b>(1.046)</b>	<b>(18.402)</b>
Proceeds from capital increase	0	0	25.490
Transaction costs charged to equity	0	0	(215)
Repayment of borrowings	(1.004)	(1.075)	(3.574)
Repayment of leasing liabilities	(238)	(272)	(1.415)
<b>Cash flow from financing activities</b>	<b>(1.241)</b>	<b>(1.347)</b>	<b>20.287</b>
<b>Net cash flow for the period</b>	<b>(11.527)</b>	<b>(2.392)</b>	<b>1.885</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>13.840</b>	<b>11.966</b>	<b>11.966</b>
Exchange rate adjustments on cash	4	(9)	(12)
Net cash flow for the period	(11.527)	(2.392)	1.885
<b>Cash and cash equivalent at the end of the period</b>	<b>2.318</b>	<b>9.565</b>	<b>13.840</b>

# Notes

## 1. Accounting policies

The interim report is presented in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim reporting of listed companies. An interim report has not been prepared for the Parent company.

The accounting policies applied in this interim report are consistent with those applied in the Company’s 2023 annual report which was presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We refer to the 2023 annual report for a more detailed description of the accounting policies.

The applied accounting policies are unchanged compared to the annual report for 2023. New or amended standards and interpretations becoming effective for the financial year 2024 have no material impact on the interim report.

## 2. Estimates and assumptions

The preparation of interim financial reports require management to make financial estimates and assumptions that have an impact on how accounting policies are applied on the recognition of assets, liabilities, income and expenses. Actual results might be different from these estimates.

The significant assumptions made by management in preparing the interim report, and the material uncertainties associated with these assumptions and estimates, are unchanged from those used in preparing the annual report as per 31 December 2023.

# Notes

## 3. Segment information

The Group does not have reportable segments, as management does not make decisions on aggregated financials. Revenue and non-current assets are the only segmented areas. All decisions and the ongoing review of the financial performance are based on the consolidated figures of the Group.

Amounts in DKK '000	Q1 2024	Q1 2023	FY 2023
<b>Revenue, geographical segments</b>			
Denmark	788	12.313	25.786
Germany	4.354	9.655	72.989
<b>Total revenue</b>	<b>5.142</b>	<b>21.969</b>	<b>98.775</b>

Amounts in DKK '000	Q1 2024	Q1 2023	31.12.23
<b>Non-current assets, geographical segments</b>			
Denmark	18.799	16.591	18.802
Germany	2.274	1.661	2.257
<b>Total non-current assets</b>	<b>21.073</b>	<b>18.252</b>	<b>21.059</b>

## 4. Revenue

Amounts in DKK '000	Q1 2024	Q1 2023	FY 2023
<b>Timing of revenue recognition</b>			
At a point in time	5.071	18.371	86.764
Over time	71	3.597	12.011
<b>Revenue from contracts with customers</b>	<b>5.142</b>	<b>21.969</b>	<b>98.775</b>

## 5. Events after the reporting date

No events have occurred since the reporting date that have had a material impact on the financial position of the Group.

# Management's statement

The Board of Directors and the Executive Management have today considered and approved the interim report of Ennogie Solar Group A/S for the period 1 January - 31 March 2024.

The interim report has not been audited or reviewed by the Company's independent auditors.

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

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 31 March 2024 and of the results of the Group's operations and cash flows for the financial period 1 January - 31 March 2024.

Furthermore, in our opinion, the Management's review includes a fair review of developments in the operations and financial position of the Group, the financial results for the period and the Group's financial position.

Herning, 23 May 2024

## **Executive Management**

Lars Brøndum Petersen

Martin Woldby Papsø

Leif Arnbjerg

## **Board of Directors**

Henrik Golman Lunde, chairman

Peter Ott

Klaus Lorentzen

Silke Weiss