
20 September 2022

Corre Energy B.V.

Half Year Report for the Six Months Ended 30 June 2022

Continuing progress in constantly improving market backdrop

Corre Energy B.V. (EURONEXT: CORRE) (the "Company"), a leader in the development and operation of long duration energy storage ("LDES") projects and solutions for the renewable power industry, is pleased to announce its half year results for the period ended 30 June 2022.

Performance review and outlook

Keith McGrane, Group Chief Executive:

"Following our successful equity placing in June 2022, Corre Energy is well capitalised to execute our current business plan and we are pleased with the progress of the flagship project in the Netherlands and the Green Hydrogen Hub in Denmark.

"Given the dynamic and growing nature of the energy storage market we remain focused on delivery of the near-term projects and remain open to new opportunities for growth. Corre Energy is well placed to capitalize on these opportunities as we continue to deliver on our business strategy of developing a network of LDES facilities across Europe and beyond.

Highlights:

- Several proposals received for ZW1 customer offtake from investment grade entities
- Robust capital discipline; operating / development phase losses (€5.8m) in line with expectations
- €15.6m cash following successful €10.9m equity raise in May 2022; good liquidity and headroom to meet current business plan priorities
- New markets: expanding cavern portfolio (Germany) and preparations underway for entry into the US
- Outlook: EU and US recent policy announcements providing tailwinds for large-scale, long duration electricity storage

Rapidly growing addressable market

- Corre Energy has the largest TYNDP pipeline of LDES projects in Europe at a time when the market for LDES continues to accelerate driven by the growing urgency for both energy security and renewable power. The latest REPowerEU policy in response to the current energy crisis highlighted electricity storage as a critical part of energy systems infrastructure. The EU has advised member states to support the acceleration of permitting for electricity storage projects.
- The total market size for LDES is set for significant structural growth over the next decade and is forecast to reach 1.5 to 2.5 TW by 2040 from minimal amounts currently¹.
- Corre Energy is providing a grid-scale solution for critical storage of renewable energy.

Corre Energy uniquely positioned

- Corre Energy has developed a unique pipeline of eleven TYNDP Long Duration Energy Storage projects across Northern Europe, one of which has been designated an EU Project of Common Interest (PCI).
- The company has developed a strong partner network which will enable and support the build-out and operation of this pipeline including cavern operators (Nobian), Front-end engineering & Design (FEED) with Siemens Energy, funding providers (Infracapital and FIEE), grid operators (TenneT and Energinet) and offtake partners.
- Corre Energy has built a highly experienced management team to execute its business strategy. The team has extensive expertise across multiple disciplines, including large scale infrastructure project delivery, commercial offtake, corporate finance, project origination, EPC, O&M and power system modelling.

Strong Balance Sheet

- With cash reserves of €15.6m at end of June 2022, the company is well capitalized to execute its current business plan.
- The company operates a conservative project capitalisation policy, with a stable balance sheet on working capital.

Operational Highlights

The company has continued to develop its pipeline across Northern Europe, in particular its two main projects in the Netherlands (ZW1) and Denmark (GHH DK). In addition, the equity raise in May of this year has supported the expansion of Corre Energy's portfolio to include Germany and entry into North America.

- **Project ZW1, The Netherlands**
 - The process of agreeing an offtake agreement for ZW1 is now in its final phase with the remaining high-quality, investment grade partners engaged in this competitive process.
 - We are diligently working through these negotiations to select the optimal partner, in delivering a fully renewable LDES project, to best deliver on our vision and strategy.
 - We look forward to updating the market on the successful completion of this significant milestone in the coming months.
 - ZW1 land acquisitions are in the final phase and expected to conclude in this financial year.
- In parallel we are reviewing successes from the ZW1 process and applying those learnings to the upcoming customer offtake processes in GHH DK and Germany.
- **Project GHH Denmark**
 - Letter of Intent, signed on 30th August 2022, confirming that Gas Storage Denmark (GSD) and Corre Energy will explore and negotiate with each other the lease and/or use of a cavern in Lille Torup, with the objective to reach a binding agreement.
- **Germany**
 - MoU Signed 6th April 2022, setting out the principles for cavern option agreements.
- **North America**
 - Corre Energy B.V has established a team in North America which aims to build out a network of LDES storage opportunities in the rapidly growing US storage market which benefits from the Biden administration's increased focus on the development of renewable energy, of which storage plays a central role in the value chain.

Policy

- EU policy is clear that electricity storage is in the overriding public interest, providing strong tailwinds
- US policy is clear that renewable energy and the associated storage is a focus of the Biden administration *

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ABOUT CORRE ENERGY

Corre Energy B.V. is a leader in the origination, development, construction, operation, and commercialisation of LDES projects, technologies and products that accelerate the transition to net zero and enhance security and flexibility of energy systems.

CAES technology has over 50 years of successful operation. A proven grid-scale energy storage solution which integrates the green Hydrogen (GH2) value chain: a co-location of air and hydrogen storage caverns with electrolyzers provides a low-cost, carbon-neutral storage solution.

The symbiosis of GH2 and CAES: provides balancing into electricity market. Our projects are scalable by adding new caverns and increasing existing cavern capacity across European jurisdictions.

Corre energy is targeting the large and growing market for renewable energy storage in Europe and globally. This market provides multiple potential revenue streams from combining compressed air storage with green hydrogen.

We have first mover advantage with our EU designated pipeline and tier-1 project partners including Infracapital (M&G) as financing partner for our ZW1 flagship project.

Other customers and partners include Siemens, Nobian, LDES Council, EASE and DEEP.KBB, and we have the support of the European Clean Hydrogen alliance.

We have a highly experienced management team and a pipeline of TYNDP 11 projects across northern Europe.

In June 2021 Corre Energy B.V. entered into an equity linked funding agreement with FIEE. Under the terms of this agreement the Company has drawn down €3m in June 2021 and €8m in October 2021, with a further €4m (or €9m at the sole discretion of FIEE) payable at commercial close of the ZW1 project.

On 23 September 2021 the Company completed its IPO, issuing 12,018,846 new shares at €1 per share. The company completed a follow-on equity raise of €10.9m in June 2022 at a price per share of €1.85. The current market cap of the company based on a closing share price of €2.22 on September 19th is €151m.

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Interim consolidated statement of comprehensive income

For the period ended 30 June

	Note	2022 €'000	2021 €'000
Revenue	1	-	5
Other operating income	2	208	903
Expenses			
Employee expenses	3	(2,877)	(1,048)
Project costs	4	(151)	(10)
Other Administrative expenses	5	(2,991)	(1,702)
Operating result		(5,811)	(1,852)
Finance expense	6	(12,565)	(18)
Result before tax		(18,376)	(1,870)
Tax	7	1,781	1,217
Loss for the period		(16,595)	(653)
Other comprehensive income			
Foreign currency translation on consolidation		45	(2)
Total comprehensive income		(16,550)	(655)

Interim consolidated balance sheet

	Note	Jun-22 €'000	Dec-21 €'000
Assets			
Non-current assets			
Intangible fixed assets	8	618	618
Tangible fixed assets	9	8,789	5,261
Lease right of use assets		111	99
Deferred tax assets	7	5,360	3,641
Total non-current assets		14,878	9,619

Current assets

Cash	10	15,607	13,375
Receivables, prepayments and accrued income	11	3,883	2,582
Total current assets		<u>19,490</u>	<u>15,957</u>

Total assets

34,368	25,576
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Equity

Share capital	14	306	279
Share premium	14	21,645	11,501
Retained earnings		(19,846)	(3,250)
Foreign currency translation		41	(4)

Total equity

2,146	8,526
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Liabilities**Non-current liabilities**

Long-term loans	12	24,017	11,646
Long-term lease liability	12	90	79
Long-term payables to participating interests	12	1,845	1,845
Total non-current liabilities		<u>25,952</u>	<u>13,570</u>

Current liabilities

Trade creditors	13	2,838	823
Payables to participating interests	13	1,405	1,123
Other current liabilities	13	2,027	1,534
Total current liabilities		<u>6,270</u>	<u>3,480</u>

Total liabilities

32,222	17,050
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Total equity and liabilities

34,368	25,576
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Interim consolidated statement of changes in equity

For the period ended 30 June 2022

	Share capital €'000	Share premium €'000	Retained earnings €'000	Foreign currency translation €'000	Total €'000
At 1 January 2022	279	11,501	(3,250)	(4)	8,526
Issue of share capital	26	10,144	-	-	10,171
Loss for the period	-	-	(16,595)	-	(16,595)
Other comprehensive income	-	-	-	45	44
At 30 June 2022	306	21,645	(19,846)	41	2,146

For the period ended 30 June 2021

	Share capital €'000	Share premium €'000	Retained earnings €'000	Foreign currency translation €'000	Total €'000
Incorporation on 1 March 2021	0	-	-	-	0
Capital contribution	-	742	-	-	742
Issue of share capital	225	10	-	-	235
Business combinations	-	-	664	-	664
Loss for the period	-	-	(654)	-	(654)
Other comprehensive income	-	-	-	(2)	(2)
At 30 June 2021	225	752	10	(2)	985

Interim consolidated statement of cash flows

For the period ended 30 June

	2022	2021
	€'000	€'000
Cash flow from operating activities		
Operating result	(5,811)	(1,852)
Add back depreciation	21	1
Increase in Receivables, prepayments and accrued income	(991)	(620)
Increase in Trade creditors	2,015	1,794
Increase/(Decrease) in Other Payables	662	(1,155)
Net tax (paid)/received	(135)	164
Total cash flow from operating activities	<u>(4,239)</u>	<u>(1,668)</u>
Cash flow from investment activities		
Investments in Tangible fixed assets	(3,538)	(1,158)
Investments in Intangible fixed assets	-	(618)
New consolidations	-	538
Total cash flow from investment activities	<u>(3,538)</u>	<u>(1,238)</u>
Cash flow from financing activities		
Inflows from Capital Increases	10,170	0
Proceeds/(Repayment) of Borrowings	(104)	5,096
Interest Paid	(8)	(1)
Total cash flow from investment activities	<u>10,058</u>	<u>5,095</u>
Effect of changes in foreign exchange rates	(49)	(18)
Total cash flow	<u>2,232</u>	<u>2,171</u>
Cash at start of period	13,375	0
Cash at end of period	15,607	2,171

Accounting policies

1 Corporate information

The Directors present the interim condensed consolidated financial statements of Corre Energy B.V. (the Company) and its subsidiaries (collectively, the Group) for the six months ended 30 June 2022. The Company was incorporated in the Netherlands on 1 March 2021, and is registered as a private company with limited liability under the Chamber of Commerce number 82068046, with its legal address and principal place of business in Groningen, the Netherlands.

The Company is engaged in the development and construction of energy storage facilities with projects currently being developed in the Netherlands and Denmark, with others in the pipeline.

These consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 19 September 2022.

2 Statement of compliance

The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

The principal accounting policies are summarised below and have been applied consistently throughout the year, unless stated otherwise.

3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

4 Going concern

The business is at an early stage of development, and as such requires future funding to continue its activities. The Group has been successful to date in raising the required funding and has a clear plan to achieve milestones to unlock liquidity to allow the business to continue to trade until it becomes cash generative in itself. The management of the Group has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has sufficient resources to continue into the foreseeable future, and not less than 12 months from the end of the reporting period. The Directors acknowledge the statement made by the management of the Group on the company going concern. Therefore these interim condensed consolidated financial statements have been prepared on the going concern basis.

5 Basis of preparation

The interim condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

6 Significant judgements and estimates

The preparation of the interim condensed consolidated financial statements requires the Group to make estimates and judgements that affect the reported amounts of assets and liabilities at the balance sheet date, and the reported loss for the period.

The areas that involve significant estimates and judgements are described in the Group's consolidated financial statements for the year ended 31 December 2021. There has been no material change to these areas during the six months ended 30 June 2021.

7 Significant events in the reporting period

7.1 Issue of share capital

On 8 June 2022 the Company issued a further 5,880,498 shares at €1.85 per share, increasing share capital by €26,462 and share premium by €10,143,696 after accounting for costs incremental to the placing.

7.2 Incorporation of USA subsidiaries

In April 2022 the Company incorporated two new companies registered in the state of Delaware in the USA. Corre Energy US Development Company LLC is fully owned and controlled by Corre Energy US LLC, which in turn is fully owned and controlled by Corre Energy B.V.

At the time of publishing these interim condensed consolidated financial statements no capital contribution has been made, nor have any other financial transactions occurred.

Notes to the interim condensed consolidated financial statements

1 Revenue

	2022	2021
	€'000	€'000
Revenue from related parties	-	5
Total Revenue	-	5

In the comparative period the Group earned revenue from related parties for IT and administrative services.

2 Other operating income

	2022	2021
	€'000	€'000
NZIP income	174	-
Rental income	34	-
CINEA grant income	-	903
Total Other operating income	208	903

In 2022 Corre Energy Ltd received €174,000 from the UK Government's Department for Business, Energy & Industrial Strategy (BEIS) for its work on Phase 1 of the Longer Duration Energy Storage Demonstration Programme, part of the Net Zero Innovation Portfolio (NZIP).

The Group received rental income for office space provided to Gibson Watts Limited, a company controlled by Darren Green, a Director.

In December 2019 Corre Energy Storage B.V. was awarded a grant by the European Innovation and Networks Executive Agency (now the European Climate, Infrastructure and Environment Agency, CINEA) for development of its Zuidwending 1 project. Under this agreement a prefinancing amount of €1,774,000 was received in March 2020, and in March 2022 a claim for a final payment of €1,726,000 was submitted to CINEA.

The portion of the grant that relates to expenses incurred has been recognised in the statement of comprehensive income in 2021 resulting in accrued income in the balance sheet. The remainder of the grant relates to Cavern construction costs, which have been capitalised on the balance sheet. This has not been accrued, and when received the amount will be deferred on the balance sheet and will be recognised over the life of the asset when construction is completed.

3 Employee expenses

	2022	2021
	€'000	€'000
Salaries	(2,509)	(1,076)
Pension costs	(54)	(6)
Social security costs	(262)	(67)
Other benefits	(66)	(1)
Capitalised staff costs	122	132
Staff costs	(2,769)	(1,018)
Non-executive director pay	(45)	(30)
Contractor costs	(43)	-
Other employee expenses	(20)	-
	<u>(2,877)</u>	<u>(1,048)</u>

Capitalised staff costs represent the value of staff costs capitalised to caverns under construction as part of the Zuidwending 1 project.

The average number of full-time equivalent employees during the period is broken down below.

	2022	2021
Corre Energy Storage B.V.	1	1
Corre Energy ApS	3	-
Corre Energy Ltd	25	8
Corre Energy Storage Limited	6	4
Total	<u>35</u>	<u>13</u>

The Group operates defined contribution pension schemes, and as such the commitment to the participating employees consists of paying any outstanding contribution. Participation in the pension scheme is optional, employees are automatically enrolled but can choose to opt out.

4 Project costs

	2022	2021
	€'000	€'000
Commercial development	(72)	(10)
Planning and permitting	(39)	-
Engineering design, surface and caverns	(35)	-
Project legals	(5)	-
Total	<u>(151)</u>	<u>(10)</u>

Project costs represent amounts spent on projects that are not yet capitalisable due to the project's stage of development, primarily the Green Hydrogen Hub in Denmark.

5 Other administrative expenses

	2022 €'000	2021 €'000
Management fees	(1,472)	-
Legal & professional costs	(737)	(1,504)
Travel costs	(295)	(41)
Office costs	(154)	(5)
Marketing & Communications costs	(103)	(27)
Insurance Costs	(96)	(5)
IT costs	(92)	(32)
Other operating expenses	(42)	(88)
	<u>(2,991)</u>	<u>(1,702)</u>

Management fees are paid to Corre Energy Group Holdings C.V., the Company's immediate parent company.

6 Finance expense

	2022 €'000	2021 €'000
Interest and similar expenses	(644)	(1)
Option revaluation	(11,827)	-
Foreign exchange losses	(94)	(17)
	<u>(12,565)</u>	<u>(18)</u>

The option revaluation charge relates to the equity linked funding agreement with Italian Energy Efficiency Fund II (IEEF II). See note 12 for further information on the agreement. The charge is due to an increase in the value of the option, due primarily to an increase in the underlying share price.

7 Corporation tax

7.1 Income tax recognised in statement of comprehensive income

	2022 €'000	2021 €'000
Current tax charge	(4)	-
Deferred tax income	1,785	1,217
	<u>1,781</u>	<u>1,217</u>

7.2 Taxes receivable and payable

	Jun-22 €'000	Dec-21 €'000
Non-current receivables:		
- Deferred tax asset	5,360	3,641
Current receivables:		
- VAT receivable	466	222
- Deferred tax asset	82	16
	<u>548</u>	<u>238</u>
Current payables:		
- Corporate tax payable	8	4
- VAT payable	27	-
- Payroll tax payable	165	84
	<u>200</u>	<u>88</u>

8 Intangible fixed assets

The movement in intangible fixed assets is as follows:

	Cavern options €'000
Cost and Net book value	
At 1 March 2021	-
Additions	618
At 31 December 2021 and 30 June 2022	<u>618</u>

Cavern options represent the cost of entering into a contract with Nouryon Salt B.V., which forms part of the Nobian group (hereafter referred to as Nobian), to develop caverns for the purpose of the energy storage business in the Netherlands and Denmark. These contracts are exclusive, preventing the Group or Nobian from entering into discussions concerning CAES projects in the Netherlands or Denmark with any other party.

These are held as intangible assets until such time as a project reaches a capitalisable stage of development, at which point these are transferred to tangible assets as caverns under construction. Cavern options are not in use, therefore they are not amortised.

9 Tangible fixed assets

The movement in tangible fixed assets is as follows:

	Caverns under construction €'000	Furniture €'000	IT equipment €'000	Total €'000
Cost				
At 1 March 2021	-	-	-	-
Acquired through business combination	3,159	-	-	3,159
Additions	2,065	3	39	2,107
At 31 December 2021	5,224	3	39	5,266
Additions	3,520	-	17	3,537
At 30 June 2022	8,744	3	56	8,803
Accumulated depreciation				
At 1 March 2021	-	-	-	-
Acquired through business combination	-	-	-	-
Charge for the period	-	(1)	(4)	(5)
At 31 December 2021	-	(1)	(4)	(5)
Charge for the period	-	(0)	(9)	(9)
At 30 June 2022	-	(1)	(13)	(14)
Net book value at 31 December 2021	5,224	2	35	5,261
Net book value at 30 June 2022	8,744	2	43	8,789

Caverns under construction comprises costs that are directly attributable to development or construction of caverns for use in the energy storage business. These are not depreciated but are reviewed for indicators of impairment at each reporting date.

10 Cash

	Jun-22 €'000	Dec-21 €'000
Cash	15,607	13,375
	<u>15,607</u>	<u>13,375</u>

All cash is held in on demand facilities and is at free disposal. The Group has no current account credit facilities with its banks.

11 Receivables, prepayments and accrued income

Amounts falling due within one year:

	Jun-22 €'000	Dec-21 €'000
Accrued grant income	164	164
Receivables from participating interests	2,360	1,466
Receivables from other related parties	56	16
Prepayments	755	698
Taxes receivable	548	238
	<u>3,883</u>	<u>2,582</u>

See note 7 for information on items included in taxes receivable and note 16 for information on items included in receivables from participating interests and receivables from other related parties.

Prepayments includes €383,000 of legal and advisory costs incremental to obtaining a loan facility with Infracapital, described more fully in the Group's annual report & accounts. When the loan is drawn these costs will be recognised over the life of the loan using the effective interest rate method.

The Directors consider that the carrying amount of receivables, prepayments and accrued income approximates their fair value.

12 Non-current liabilities

	Jun-22 €'000	Dec-21 €'000
IEEF II loan	24,017	11,553
N.V. NOM loan	-	93
Long-term loans	<u>24,017</u>	<u>11,646</u>
Long-term lease liability	90	79
Long-term payables to participating interests	1,845	1,845

12.1 IEEF II loan

In June 2021 Corre Energy B.V. entered an equity linked funding agreement with IEEF II. Under the terms of this agreement the Company has drawn down €3m in June 2021 and €8m in October 2021, with a further €4m up to €9m (at the sole discretion of IEEF II) payable at commercial close of the Zuidwending 1 project.

No interest shall accrue and be paid on the principal amount of the funding outstanding, unless Corre Energy B.V. is in breach of certain obligations under the equity linked funding agreement, in which case interest is payable at 10%. The principal amount and any accrued interest shall be repaid no later than the funding end date of 30 June 2028.

IEEF II has the option to convert the instruments to shares in Corre Energy B.V. at €1 per share at any point from 12 months after a tranche has paid out to 30 June 2028.

If the Company pays a dividend IEEF II is entitled to receive the same amount per 'share' as if the amount paid by IEEF II under the equity linked funding agreement had been converted to shares at that point in time.

During the period the value of the conversion option has increased due primarily to an increase in the underlying share price.

12.2 N.V. NOM loan

In August 2021 Corre Energy Storage B.V. drew down €360,000 on a loan facility from N.V. NOM, Investerings- en Ontwikkelingsmaatschappij voor Noord-Nederland. Interest of €11,000 was subsequently capitalised into the loan value. The loan is repayable in eight quarterly instalments beginning on 30 September 2021, with interest payable at 3% per annum, hence at 30 June 2022 there is no remaining long-term element.

12.3 Long-term payables to participating interests

Loans from participating interests represents amounts payable to Corre Energy Partnership SCSp under the following facilities:

- On 28 March 2021, Corre Energy Partnership SCSp provided Corre Energy Storage B.V. with an interest free shareholder loan in the amount of €1,800,000. At the balance sheet date €1,600,000 was outstanding. The loan has a term of five years and is repayable in full at the end of the term or as the parties may otherwise agree.
- On 19 April 2021 Corre Energy Partnership SCSp provided the Company with an interest free shareholder loan in the amount of €500,000. At the balance sheet date €245,000 was outstanding. The latest date for full repayment of this loan is 30 April 2026 unless otherwise agreed by the parties.

12.4 Fair value

The Directors consider that the fair value of the N.V. NOM loan and the non-current lease liability are not materially different to their carrying amounts, since the interest payable is close to current market rates and the values are relatively low.

In accordance with our accounting policies, the embedded derivative in the IEEF II loan is held at fair value, and the host loan is held at amortised cost. The below table compares the fair value of the whole instrument with its carrying value. The fair value of long-term payables to participating interests is also presented.

Both are classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

	Jun-22	Dec-21
	€'000	€'000
IEEF II loan	26,477	15,839
Long-term payables to participating interests	1,526	1,590

13 Current liabilities

Amounts falling due within one year:

	Jun-22 €'000	Dec-21 €'000
Third party creditors	2,510	765
Payables to related parties	328	58
Trade creditors	<u>2,838</u>	<u>823</u>
Corre Energy Group Holdings C.V.	1,405	1,123
Payables to participating interests	<u>1,405</u>	<u>1,123</u>
Long-term debt due within 12 months	186	186
Taxes payable	200	88
Accruals and other liabilities to third parties	1,641	642
Accruals and other liabilities to related parties	-	618
Other current liabilities	<u>2,027</u>	<u>1,534</u>

For further information on payables to related parties, payables to participating interests and accruals and other liabilities to related parties see note 16.

Long-term debt due within 12 months represents the portion of the N.V. NOM loan that is repayable within one year. See note 12 for further information on the N.V. NOM loan.

The Directors consider that the carrying amount of current liabilities approximates their fair value.

14 Called up share capital

The below table shows the movements in allotted, called up and fully paid ordinary shares of Corre Energy B.V.:

	Number	Nominal value €	Share capital €	Share premium €
At 1 March 2021	100	0.1000	10	-
Capital contribution				<u>742,110</u>
Capital conversion	2,300	0.0045	10	742,110
Issued share capital	49,997,700	0.0045	224,990	10,004
Initial public offering (IPO)	12,018,846	0.0045	54,085	11,964,761
IPO transaction costs				<u>- 1,215,548</u>
At 31 December 2021	62,018,846	0.0045	279,085	11,501,327
Share issue	5,880,498	0.0045	26,462	10,852,459
Share issue transaction costs				<u>- 708,764</u>
At June 2022	<u>67,899,344</u>	<u>0.0045</u>	<u>305,547</u>	<u>21,645,022</u>

On 1 March 2021 the Company was incorporated with an initial issued share capital of 100 ordinary shares of €0.10, which were issued to Corre Energy Partnership SCSp.

On 29 March 2021 the Company acquired 100% of the share capital of Corre Energy Storage B.V. as a contribution with an attributed value of €742,110.

On 7 May 2021:

- Corre Energy Partnership SCSp transferred the 100 ordinary shares to Corre Energy Group Holdings C.V. by means of a deed of transfer of shares;
- The Company executed a deed of amendment to its Articles of Association to divide the issued share capital of 100 ordinary shares of €0.10 each into 2,300 ordinary shares of €0.0045 each; and
- The Company issued a further 49,997,700 ordinary shares with a nominal value of €0.0045 each to Corre Energy Group Holdings C.V., which settled these by payment of €234,994, the additional €10,004 above the nominal value being accounted for as share premium.

On 23 September 2021 the Company completed its initial public offering (IPO), issuing 12,018,846 new shares at €1 per share. Incremental costs directly attributable to the IPO that otherwise would have been avoided have been accounted for as a deduction from equity.

On 8 June 2022 the Company issued a further 5,880,498 shares at €1.85 per share. Incremental costs directly attributable to the share issue that otherwise would have been avoided have been accounted for as a deduction from equity.

As documented more fully in note 12, the Company has entered into an equity linked funding arrangement with IEEF II. Under the terms of this agreement IEEF II may provide up to €20m of funding, and has the option to convert the funding to shares in Corre Energy B.V. at €1 per share. If the Company pays a dividend IEEF II is entitled to receive the same amount per 'share' as if the amount paid by IEEF II under the equity linked funding agreement had been converted to shares at that point in time.

15 Earnings per share

Earnings per share for the six months ended 30 June 2022 (2021: four months ended 30 June 2021) are as follows:

	2022	2021
	€ cents	€ cents
Basic	-26.4	-2.9
Diluted	-5.6	-2.9

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

	2022	2021
	€'000	€'000
Earnings for the purpose of basic earnings per share		
- Net loss attributable to owners of the Company	(16,595)	(653)
Effect of dilutive potential ordinary shares:		
- Finance costs of equity linked funding agreement	12,463	-
Earnings for the purpose of diluted earnings per share	<u>(4,132)</u>	<u>(653)</u>

Number of shares

	2022	2021
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	62,770,243	22,728,527
Effect of dilutive potential ordinary shares:		
- Equity linked funding agreement	11,000,000	74,380
Weighted average number of ordinary shares for diluted earnings per share	<u>73,770,243</u>	<u>22,802,907</u>

The equity linked funding agreement with IEEF II, which is described in more detail in note 12, gives rise to potential ordinary shares. These have been included in the determination of diluted earnings per share but not basic earnings per share.

16 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

16.1 Remuneration of key management personnel

The Group's key management personnel are considered to be the Executive Directors, Chief Financial Officer, Chief Development Officer, Chief Strategy Officer, Group Operations Director and Non-Executive Directors. The remuneration of key management personnel is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Note that some key management personnel were remunerated via management companies, and this is included here to improve disclosure.

	2022	2021
	€'000	€'000
Short-term employee benefits	580	241
Post-employment benefits	8	1
Termination benefits	36	-
Remuneration via group companies	265	78
Remuneration via management companies	145	244
	<u>1,034</u>	<u>564</u>

16.2 Other transactions with related parties

The following other transactions occurred with related parties:

	2022 €'000	2021 €'000
Sales		
Sales to entities controlled by key management personnel	34	5
Purchases		
Reimbursement of expenses	28	-
Purchases of services from participating interests	2,245	-
Purchases of services from other entities controlled by key management personnel	109	495
Capital purchase from other entity controlled by key management personnel	-	618

The Group received rental income for office space provided to Gibson Watts Limited, a company controlled by Darren Green, a Director.

Purchases of services from participating interests represent the following services acquired from the Company's parent, Corre Energy Group Holdings C.V.:

- Consultancy and management services;
- Recruitment services;
- IT services; and
- Use of office space.

Corre Energy Group Holdings C.V. is the head office of the wider group and as such incurs the majority of corporate costs, either on its own account or through its general partner Corre Energy General Partner B.V.. Invoiced costs relating to activities of the Group are recharged to Group companies at cost with no mark-up. Staff costs relating to activities of the Group are recharged with a small mark-up, appropriate to compensate Corre Energy Group Holdings C.V. for its work performed.

The Group acquired the following services from Procorre UK Ltd and Gibson Watts Limited, which are controlled by Darren Green, a Director:

- Recruitment services;
- Consultancy and management services;
- Administrative and other support;
- Marketing and social media services; and
- Use of office space.

16.3 Balances with related parties

At the end of the period the following balances were outstanding with related parties:

	2022 €'000	2021 €'000
Current receivables:		
- Receivables from key management personnel	1	-
- Participating interests	2,360	1,466
- Companies controlled by key management personnel	56	16
Current payables:		
- Payables to key management personnel	-	30
- Payables to companies controlled by key management personnel	328	28
- Payables to participating interests	1,405	1,123
- Accruals and other liabilities to companies controlled by key management personnel	-	618
Loans from related parties:		
- Participating interests	1,845	1,845

Receivables from participating interests represents amounts due from Corre Energy General Partner B.V. arising from short-term funding provided and intercompany service agreements. Corre Energy General Partner B.V. is the managing partner of Corre Energy Group Holdings C.V., the Company's immediate parent. No interest is payable on this amount and there is no repayment schedule.

Payables to participating interests represents amounts payable to Corre Energy Group Holdings C.V., the Company's immediate parent, resulting from purchases of services described in note 16.2. No interest is payable on this amount and there is no repayment schedule.

Payables to companies controlled by key management personnel represents the remaining amount due to Corre Energy Limited, a company registered in Malta and controlled by Darren Green, a Director, for the purchase of cavern options agreed in 2021. The amount due is being settled based on a monthly repayment schedule, the balance will be fully paid by the end of 2022.

Loans from participating interests represents amounts payable to Corre Energy Partnership SCSp as described in note 12.

17 Commitments

Refer to the 2021 Annual Report & Accounts of Corre Energy B.V. for full details of commitments. See below for information on significant changes to commitments since 31 December 2021.

17.1 Capital commitments

Capital expenditure that has been contracted but not provided for in the financial statements amounts to €280,000 (31 December 2021: €428,000), in respect of caverns under construction.

17.2 Lease commitments

The undiscounted commitment for lease payments for vehicles recognised as a lease liability on the balance sheet at 30 June 2022 is €62,000 (31 December 2021: €146,000).

In addition to this the Group has contractual commitments of €129,000 (31 December 2021: €136,000) for short-term leases of office space, all payable in 2022.

18 Events after the reporting period

The Directors have considered events that occurred between the balance sheet date and the date of approval of these interim condensed consolidated financial statements. They do not consider that any events have occurred during this period that require a change to or additional disclosure in the interim condensed consolidated financial statements.

Note*

H.R.5376 - Inflation Reduction Act of 2022

<https://www.congress.gov/bill/117th-congress/house-bill/5376/text>

H.R.3684 - Infrastructure Investment and Jobs Act

<https://www.congress.gov/bill/117th-congress/house-bill/3684/text>