19 September 2023

This announcement is released by Corre Energy B.V. and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("EU MAR") and is disclosed in accordance with the company's obligations under Article 17 of EU MAR.

Corre Energy B.V.
(the "Company")

Half Year Report for the Six Months Ended 30 June 2023

Growth strategy buoyed by project wins and market demand

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 2023.

Half Year Highlights

- Option signed on four caverns in Epe, Germany to enable 500+MW of generating capacity across three projects
- Land and grid signed in Denmark for GHH project and commercial close target maintained for H2 2023
- Commercial close criteria reached in the Netherlands for ZW1 project as progress continues
- Exclusivity agreement signed in West Texas in July providing an option to acquire a 280MW compressed air energy storage (CAES) project
- Strong EU and North American policy tailwinds as industry embraces Long Duration Energy Storage (LDES)
- Robust capital discipline maintained as operating loss of €(6.4m) reflects investment phase and is in line with expectations
- In addition to the €8.9m equity raise completed in February, the Company has secured a further €10m of funding through a successful subscription agreement, loan arrangement and FIEE drawdown to help expand and develop the pipeline of opportunities in Corre Energy's rapidly-increasing addressable market
- Liquidity and headroom in place to meet current planned priorities as portfolio-level funding process is progressing well with targeted completion planned by year-end

Keith McGrane, CEO of Corre Energy, commented:

"The first half saw the solid delivery of commercial milestones in our existing portfolio, successful funding to match our ongoing development plans and strong progress in expanding our portfolio. We have doubled the size of our European capacity with a landmark agreement in Germany and secured an exclusive option agreement to acquire our first North American project subject to completion of due diligence. At the same time, we reached commercial close of our Dutch project and are on track for commercial close in Denmark later this year.

"The political landscape and policy environment continues to underpin our business model and growth plans. As the current market for European offshore wind is showing, Long Duration Energy Storage (LDES) is a key enabler of the integration of large-scale renewable energy. Reflecting increased demand from the offtake market for our storage solution and to support the expansion of our development pipeline, we have successfully agreed a further €10m of funding. This additional funding underpins the fast-growth nature of our business as we continue to expand and ensures we are funded at a corporate and project level."

Portfolio: Development milestones and adding new projects

The Company has continued to develop our pipeline across Europe with existing projects in the Netherlands and Denmark as well as expansion into Germany and the USA.

- **ZW1 and ZW2, The Netherlands**
  - Having achieved a landmark offtake agreement with Dutch utility Eneco, part of the Mitsubishi Group, for ZW1 in late 2022, the project successfully achieved commercial close in H1 2023, as per our programme and as previously defined
  - We are now working with our partners and key stakeholders towards the achievement of financial close (FC) whilst interest in our ZW2 project is gaining new momentum with several market parties
  - Meanwhile, updated independent revenue analysis maintains previously estimated IRRs from the ZW1 project and points to upside taking into account increases in renewables' targets combined with general price trends in wholesale electricity markets

- **GHH, Denmark**
  - In H1 2023 we successfully signed the land option agreement and reserved grid connection
  - Cavern option discussions are well advanced with state-owned Gas Storage Denmark and local/national stakeholder engagement is progressing well
  - Focus remains on grid connection activity, permitting and design as we continue to be on track for commercial close in H2 2023, as previously guided

- **Epe1, Epe2 and Epe3, Germany**
  - In H1 2023, we signed a land and cavern option agreement with Solvay, a multinational chemical company, to secure up to four caverns across three projects in one German location with a total potential generating capacity of over 500MW
  - Cavern construction is already underway and the first two caverns are due to be handed over from Solvay to Corre Energy in 2027
  - Engagement by our regional team has commenced with stakeholders, while the determination of the German government towards the full transition to renewables and its link to energy production and transmission capacity creates a compelling market need for large scale energy storage projects

- **West Texas, USA**
  - Having established a presence in North America in 2022, potential projects were quickly targeted and in July 2023 an exclusivity agreement was signed in West Texas providing the option to acquire a 280MW CAES project
  - Confirmatory diligence has been taking place and a funding solution to fulfil the acquisition subject to satisfactory due diligence is being arranged

Market: Growing demand for LDES

- As we further scale our portfolio, governments and the broader energy industry are embracing our CAES solution to help accelerate the transition to renewables and secure energy supplies
- Our key EU and North American markets are creating strong regulatory environments for nations and states to deliver on clean energy targets
- In Europe, nine nations signed a declaration in April, aiming to jointly produce at least 120GW of offshore wind energy by 2030
- The vast majority of new renewables will need LDES and CAES offers energy firms a compelling integration solution

Outlook: Acceleration of growth plans

- Corre Energy continues to hold and grow the largest pipeline of LDES projects in Europe
- We have end-to-end delivery capability operating at 26GWh with proven equipment solution provided by Siemens
- Our existing portfolio is focused on reaching key commercial milestones ahead of final investment decision
- We are also actively seeking future projects in our core markets of Europe and North America to further drive our international pipeline of infrastructure grade assets
- Supporting this growth, we continue to cement and expand our relationships with key partners, across technology, land and cavern formation, energy producers and energy providers
- Finally, we continue to build and invest in a highly experienced and motivated team to work with our partners and supply chain to deliver on our strategic growth plans

Funding: additional €10m secured ahead of further portfolio funding

Corre Energy has agreed a combined total of €10m of new funding to support the build-out of an additional pipeline of development opportunities across Europe and North America and to deliver key project milestones on these projects. The combined funding comprises:

- A subscription agreement of €4m raised by way of a private placement with a private investor, comprising 1,142,857 ordinary shares at €3.50 per share ("the Subscription Shares"), adding to the oversubscribed capital raising in February 2023. Application will be made to Euronext Dublin for the Subscription Shares to be admitted to trading on Euronext Growth ("Admission") and it is expected that Admission will become effective, and trading will commence on 22 September. The Subscription Shares, when issued, will be fully paid and will rank pari passu in all respects with the existing issued shares. After Admission, the total number of shares in issue will be 71,603,999
- Final agreement with Italian Energy Efficiency Fund II, an investment fund of FIEE SGR, enables the planned transfer of €4m to the Company
- A three-year loan received totalling €2m from Corre Energy Group Holdings C.V., the Company's majority shareholder. This loan is for a 3-year term with rolled up interest at market standard terms for infrastructure investment. The loan was used to finance the initial consideration for the Epe projects announced on 13 June 2023.

To support our wider development plans, the Company continues to make good progress with its portfolio-level funding process with a continued target to confirm the selected solution during Q4 2023.

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ABOUT CORRE ENERGY: Corre Energy designs, develops, constructs, and operates utility-scale Long Duration Energy Storage (LDES) projects in Europe and North America. Through our project development activities, Corre Energy is working to accelerate the energy transition to net zero, while enhancing the security and flexibility of large-scale energy systems.

Contents

Interim consolidated statement of comprehensive income

For the period ended 30 June

	Note	2023 €'000	2022 €'000
Other operating income	1	**6**	**208**
Expenses			
Employee expenses	2	(3,445)	(2,933)
Project costs	3	(238)	(151)
Other Administrative expenses	4	(2,772)	(2,935)
Operating result		**(6,449)**	**(5,811)**
Finance expense	5	(4,978)	(12,565)
Result before tax		**(11,427)**	**(18,376)**
Corporation tax	6	1,516	1,781
Loss after tax		**(9,911)**	**(16,595)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operations		(49)	45
Total comprehensive income		**(9,960)**	**(16,550)**

Interim consolidated balance sheet

	Note	Jun-23 €'000	Dec-22 €'000
Assets			
Non-current assets			
Intangible fixed assets	7	4,710	618
Tangible fixed assets	8	15,978	12,012
Lease right of use assets		389	517
Deferred tax assets	6	9,224	7,704
Other non-current assets	9	148	-
Total non-current assets		30,449	20,851
Current assets			
Cash	10	1,866	3,432
Receivables, prepayments and accrued income	11	11,908	9,678
Total current assets		13,774	13,110
Total assets		**44,223**	**33,961**
Equity			
Share capital	14	317	306
Share premium	14	29,973	21,560
Retained earnings		(43,137)	(33,467)
Foreign currency translation		21	70
Total equity		**(12,826)**	**(11,531)**
Liabilities			
Non-current liabilities			
Long-term loans	12	36,211	31,559
Long-term lease liability	12	184	294
Long-term payables to participating interests	12	1,845	1,845
Total non-current liabilities		38,240	33,698
Current liabilities			
Trade creditors	13	2,865	1,044
Payables to participating interests	13	9,077	7,293
Other current liabilities	13	6,867	3,457
Total current liabilities		18,809	11,794
Total liabilities		**57,049**	**45,492**
Total equity and liabilities		**44,223**	**33,961**

Interim consolidated statement of changes in equity

For the period ended 30 June 2023

	Share capital €'000	Share premium €'000	Retained earnings €'000	Foreign currency translation €'000	Total €'000
At 1 January 2023	306	21,560	(33,467)	70	(11,532)
Issue of share capital	12	8,955	-	-	8,966
Share issue transaction costs	-	(541)	-	-	(541)
Loss for the period	-	-	(9,911)	-	(9,911)
Other comprehensive income	-	-	-	(49)	(49)
Long-term incentive plan	-	-	241	-	241
At 30 June 2023	**317**	**29,973**	**(43,137)**	**21**	**(12,826)**

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**

Interim consolidated statement of cash flows

For the period ended 30 June

	2023 €'000	2022 €'000
Cash flow from operating activities		
Operating result	(6,449)	(5,811)
Depreciation	99	21
(Increase)/Decrease in Receivables, prepayments and accrued income	(2,157)	(3,060)
Increase/(Decrease) in Trade creditors	1,821	2,176
Increase/(Decrease) in Other payables	5,269	2,573
Long-term incentive plan	241	-
Taxes paid	(5)	(135)
Total cash flow from operating activities	(1,181)	(4,236)
Cash flow from investment activities		
Investments in Tangible fixed assets	(3,979)	(3,538)
Investments in Intangible fixed assets	(4,092)	-
Investments in Other non-current assets	(148)	
Total cash flow from investment activities	(8,219)	(3,538)
Cash flow from financing activities		
Inflows from Capital Increases	8,425	10,170
Proceeds/(Repayment) of Borrowings	(529)	(104)
Interest Paid	(45)	(8)
Interest Received	22	-
Total cash flow from investment activities	7,873	10,058
Effect of changes in foreign exchange rates	(39)	(52)
Total cash flow	**(1,566)**	**2,232**
Cash at start of period	3,432	13,375
Cash at end of period	1,866	15,607

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 2023. 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 pursued in the Netherlands, Denmark, Germany and the USA.

These consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 13 September 2023.

2 Statement of compliance

The interim condensed consolidated financial statements for the six months ended 30 June 2023 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 2022.

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

3 New standards, interpretations and amendments adopted by the Group

With the exception of the new share-based payments accounting policy described below, 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 2022. 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 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

3.1 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 16.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

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 allow the business to continue to trade until it becomes cash generative. Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has, or has plans to mobilise, sufficient resources to continue into the foreseeable future. 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, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment and leasing transactions that are within the scope of IFRS 16 Leases.

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 2022. There has been no material change to these areas during the six months ended 30 June 2023.

7 Significant events in the reporting period

7.1 Issue of share capital

On 22 February 2023 the Company issued 2,561,798 shares at €3.50 per share, increasing share capital by €11,528 and share premium by €8,413,859 after accounting for costs incremental to the placing.

7.2 Incorporation of Germany subsidiary

In March 2023 the Company acquired a company registered in Germany, which was renamed Corre Energy Germany GmbH following the transfer. The Company acquired 100% of the share capital for €29,000.

Notes to the interim condensed consolidated financial statements

1 Other operating income

	2023 €'000	2022 €'000
NZIP income	-	174
Rental income	6	34
Total Other operating income	6	208

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

2 Employee expenses

	2023 €'000	2022 €'000
Salaries	3,244	2,261
Pension costs	157	54
Social security costs	270	262
LTIP costs	241	-
Other benefits	68	66
Capitalised staff costs	(706)	(122)
Staff costs	3,274	2,521
Management Fees	65	348
Contractor costs	78	43
Other employee expenses	28	21
Employee expenses	3,445	2,933

Capitalised staff costs represent the value of staff costs capitalised to caverns under construction as part of the Zuidwending 1 and Green Hydrogen Hub projects.

Long-term Incentive Plan (LTIP) costs are described in note 16.

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

	2023	2022
Corre Energy Storage B.V.	-	1
Corre Energy Ltd	19	25
Corre Energy Storage Limited	5	6
Corre Energy ApS	6	3
Corre Energy Germany GmbH	1	-
Corre Energy US Development Company LLC	1	-
Total	32	35

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.

3 Project costs

	2023 €'000	2022 €'000
Commercial Development	1	72
Planning and Permitting	-	39
Engineering Design, Surface and Caverns	74	35
Project Management	43	-
Project Legals	120	5
	238	151

Project costs represent amounts spent on projects that are not yet capitalisable due to the project's stage of development, primarily the Epe 1 project in Germany.

4 Other administrative expenses

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

5 Finance expense

	2023 €'000	2022 €'000
Interest and similar expenses	421	644
Option revaluation	4,567	11,827
Foreign exchange losses	(10)	94
	4,978	12,565

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.

6 Corporation tax

6.1 Income tax recognised in statement of comprehensive income

	2023 €'000	2022 €'000
Current tax charge	(38)	(4)
Deferred tax income	1,554	1,785
	1,516	1,781

6.2 Taxes receivable and payable

	Jun-23 €'000	Dec-22 €'000
Non-current receivables:		
- Deferred tax asset	9,224	7,704
Current receivables:		
- VAT receivable	454	382
	454	382
Current payables:		
- Corporate tax payable	5	1
- Payroll tax payable	306	238
	311	239

7 Intangible fixed assets

The movement in intangible fixed assets is as follows:

	Cavern options €'000	Project acquisition option €'000	Total €'000
Cost and Net book value			
At 1 January 2022 and 31 December 2022	618	-	618
Additions	4,000	92	4,092
At 30 June 2023	**4,618**	**92**	**4,710**

Cavern options represent the cost of entering into contracts to develop caverns for the purpose of energy storage. 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.

The Project acquisition option represents the cost to secure an exclusive option to acquire a further compressed air energy storage (CAES) project in Texas, USA.

8 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 31 December 2021	5,224	3	39	5,266
Additions	6,738	-	33	6,771
At 31 December 2022	11,962	3	72	12,037
Additions	3,977	-	2	3,979
At 30 June 2023	15,939	3	74	16,016
Accumulated depreciation				
At 31 December 2021	-	0	5	5
Charge for the period	-	1	19	20
At 31 December 2022	-	1	24	25
Charge for the period	-	1	12	13
At 30 June 2023	-	2	36	38
Net book value at 31 December 2022	11,962	2	48	12,012
Net book value at 30 June 2023	15,939	1	38	15,978

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.

9 Other non-current assets

	Jun-23 €'000	Dec-22 €'000
Land acquisition option	148	-
	148	-

The land acquisition option represents the cost of an option to acquire land to be used for the Green Hydrogen Hub project in Denmark.

10 Cash

	Jun-23 €'000	Dec-22 €'000
Cash	1,866	3,432
	1,866	3,432

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-23 €'000	Dec-22 €'000
Receivables from participating interests	10,523	8,363
Receivables from other related parties	17	12
Prepayments	914	921
Taxes receivable	454	382
	11,908	9,678

See note 6 for information on items included in taxes receivable and note 17 for information on items included in receivables from participating interests and receivables from other related parties.

Prepayments includes €383,000 (2022: €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-23 €'000	Dec-22 €'000
IEEF II loan	35,908	30,942
CINEA grant payable	303	617
Long-term loans	36,211	31,559
Long-term lease liability	184	294
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 Long-term payables to participating interests

Long-term payables to 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.

12.3 Fair value

The Directors consider that the fair value of the non-current lease liability is not materially different to its carrying amount, 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-23**	**Dec-22**
	€'000	**€'000**
IEEF II loan	37,650	32,729
Long-term payables to participating interests	1,540	1,517

13 Current liabilities

Amounts falling due within one year:

	Jun-23	**Dec-22**
	€'000	**€'000**
Third party creditors	2,863	1,016
Payables to related parties	2	28
Trade creditors	2,865	1,044
Corre Energy Group Holdings C.V.	8,927	7,172
Corre Energy General Partner B.V.	150	121
Payables to participating interests	9,077	7,293
Long-term debt due within 12 months	675	780
Taxes payable	311	239
Deferred income	482	482
Accruals and other liabilities to third parties	5,375	1,932
Accruals and other liabilities to related parties	24	23
Other current liabilities	6,867	3,457

For further information on payables to related parties, payables to participating interests and accruals and other liabilities to related parties see note 17.

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 January 2022	62,018,846	0.0045	279,085	11,501,327
Issued share capital	5,880,498	0.0045	26,462	10,852,459
Share issue transaction costs	-	-	-	(794,240)
At 31 December 2022	67,899,344	0.0045	305,547	21,559,546
Issued share capital	2,561,798	0.0045	11,528	8,954,765
Share issue transaction costs	-	-	-	(540,906)
At 30 June 2023	70,461,142	0.0090	317,075	29,973,405

On 8 June 2022 the Company issued 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.

On 22 February 2023 the Company issued a further 2,561,798 shares at €3.50 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.

As documented more fully in note 16, the Company has granted 520,000 share options during the six months ended 30 June 2023. 345,000 of the shares vest in two years and 145,000 of the shares vest in three years, both of which have a future service condition as part of the Long-term Incentive Plan (LTIP). A further 30,000 shares vest in two years and have no future service condition.

15 Earnings per share

Earnings per share for the six months ended 30 June 2023 (2022: six months ended 30 June 2022) are as follows:

	2023	2022
	€ cents	€ cents
Basic	(14.2)	(26.4)
Diluted	(5.8)	(5.6)

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

Earnings	**2023**	**2022**
	€'000	**€'000**
Earnings for the purpose of basic earnings per share		
- Net loss attributable to owners of the Company	(9,911)	(16,594)
Effect of dilutive potential ordinary shares:		
- Finance costs of equity linked funding agreement	4,967	12,463
- Finance costs of LTIP	241	-
Earnings for the purpose of diluted earnings per share	(4,703)	(4,131)

Number of shares	**2023**	**2022**
	Number	**Number**
Weighted average number of ordinary shares for basic earnings per share	69,711,002	62,770,243
Effect of dilutive potential ordinary shares:		
- Equity linked funding agreement/LTIP	11,398,177	11,000,000
Weighted average number of ordinary shares for diluted earnings per share	81,109,179	73,770,243

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.

The share options granted to employees under the Long-term Incentive Plan (LTIP), which is described in more detail in note 16, give rise to potential ordinary shares. These have been included in the determination of diluted earnings per share but not basic earnings per share.

16 Share-based payments

During the period The Company created a share option plan for employees of the Group and Corre Energy General Partner B.V., a participating interest. This is referred to as the Long-term Incentive Plan (LTIP).

Each employee share option converts into one ordinary share of the Company on exercise at an exercise price of €0.0045, equal to the nominal value of a share. There is no cash settlement of the options, and the options carry neither rights to dividends nor voting rights. Options vest over either two years or three years and may be exercised at any time from the date of vesting to the date of their expiry.

The share options outstanding during the period may be summarised as follows:

	2023		**2022**	
	Number of share options	**Weighted average exercise price**	**Number of share options**	**Weighted average exercise price**
		€		**€**
Outstanding at 1 January	-	-	-	-
Granted during the period	520,000	0.0045	-	-
Outstanding at 30 June	520,000	0.0045	-	-
Exercisable at 30 June	-	-	-	-

The fair values at grant date were estimated using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Projected future dividend yields were assumed to be 0% and the volatility inputs to the models were calculated by means of a historical estimate based on the company's traded share price due to the unavailability of any traded options from which implied volatilities could be derived.

Information about each tranche including inputs to the Black-Scholes model and the resulting fair values are shown in the table below.

Issue date	Number of options granted	Share price €	Vesting conditions	Vesting date	Exercise period end date	Volatility	Fair value €'000
03/02/2023	270,000	3.40	Two years' service	03/02/2025	03/02/2033	50.65%	916
03/02/2023	75,000	3.40	Two years' service	03/02/2025	03/02/2030	50.65%	254
27/02/2023	125,000	3.80	Three years' service	27/02/2026	27/02/2033	50.86%	474
27/02/2023	20,000	3.80	Three years' service	27/02/2026	27/02/2030	50.86%	76
22/03/2023	30,000	3.46	None	22/03/2026	22/03/2033	50.01%	104

For the six months ended 30 June 2023, the Group incurred €241,000 of share-based payment expense. Of this, €235,000 was recognised in the Statement of comprehensive income, and the remaining €6,000 was capitalised as part of Caverns under construction.

17 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.

17.1 Remuneration of key management personnel

The Group's key management personnel are considered to be the Executive Directors 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.

	2023 €'000	2022 €'000
Short-term employee benefits	-	107
Post-employment benefits	-	4
Remuneration via group companies	153	141
Remuneration via management companies	55	145
	208	396

17.2 Other transactions with related parties

The following other transactions occurred with related parties:

	2023 €'000	2022 €'000
Income		
Sales to entities controlled by key management personnel	6	34
Purchases		
Reimbursement of expenses	55	28
Purchases of services from participating interests	1,507	2,245
Purchases of services from other entities controlled by key management personnel	10	109

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; and
- IT services

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 recruitment services from Gibson Watts Limited, which is controlled by Darren Green, a Director.

17.3 Balances with related parties

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

	2023 €'000	2022 €'000
Current receivables:		
- Participating interests	10,523	8,363
- Companies controlled by key management personnel	17	12
Current payables:		
- Payables to companies controlled by key management personnel	2	28
- Payables to participating interests	9,077	7,293
- Accruals and other liabilities to key management personnel	20	72
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 17.2. No interest is payable on this amount and there is no repayment schedule.

Payables to companies controlled by key management personnel represents amounts due to Gibson Watts Limited, a company controlled by Darren Green, a Director, for recruitment services.

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

18 Commitments

Refer to the 2022 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 2022.

18.1 Capital commitments

Capital expenditure that has been contracted but not provided for in the financial statements amounts to €542,000 (31 December 2022: €280,000), in respect of caverns under construction.

18.2 Lease commitments

The undiscounted commitment for lease payments recognised as a lease liability on the balance sheet at 30 June 2023 is €179,000 (31 December 2022: €207,000) for vehicles and €235,000 (31 December 2022: €344,000) for office space.

In addition to this the Group has contractual commitments of €65,000 (31 December 2022: €123,000) for short-term leases of office space.

19 Events after the reporting period

On 9 August 2023 the Company entered into an agreement with its immediate parent, Corre Energy Group Holdings C.V., for a loan facility of €2m. The amount is repayable in full on 14 August 2026, including interest charged at 12.5% per annum. The Directors consider this to be at arm’s length.

The Directors have considered this event and all other 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.