

The background of the slide features a landscape with several white wind turbines of varying sizes scattered across a field. In the foreground, there is a grid of solar panels. The sky is a clear, bright blue. A large, curved green shape is overlaid on the right side of the image, partially obscuring the turbines and solar panels.

ENEFIT GREEN

Q1 2023

Interim results presentation



Enefit Green

Results are presented by:



Aavo Kärmas
CEO

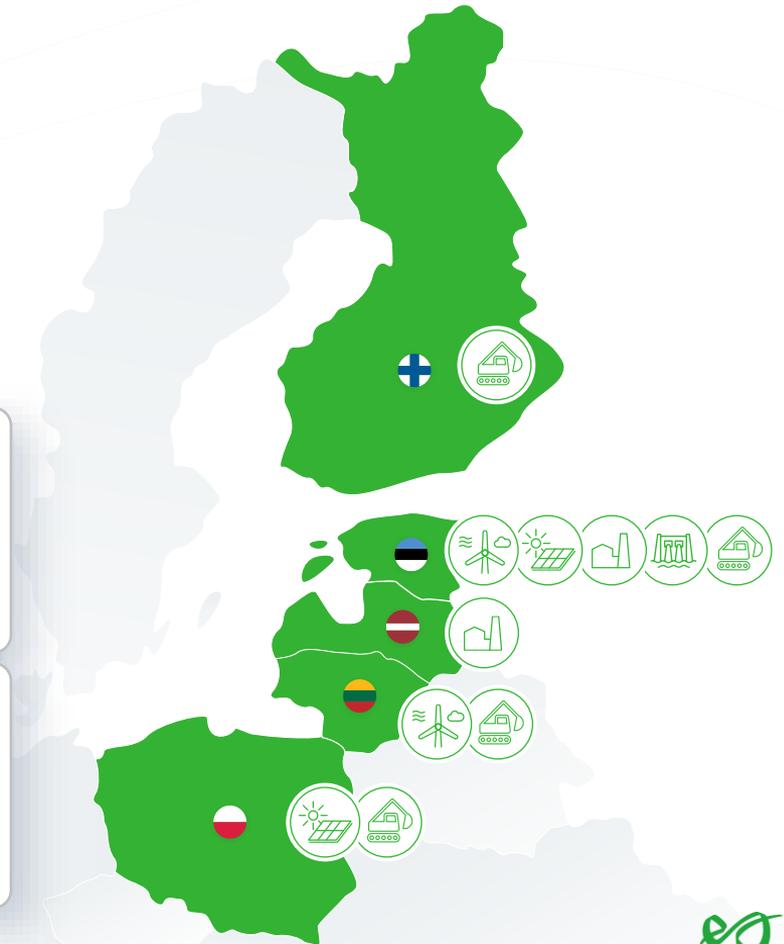


Veiko Räim
CFO

Enefit Green

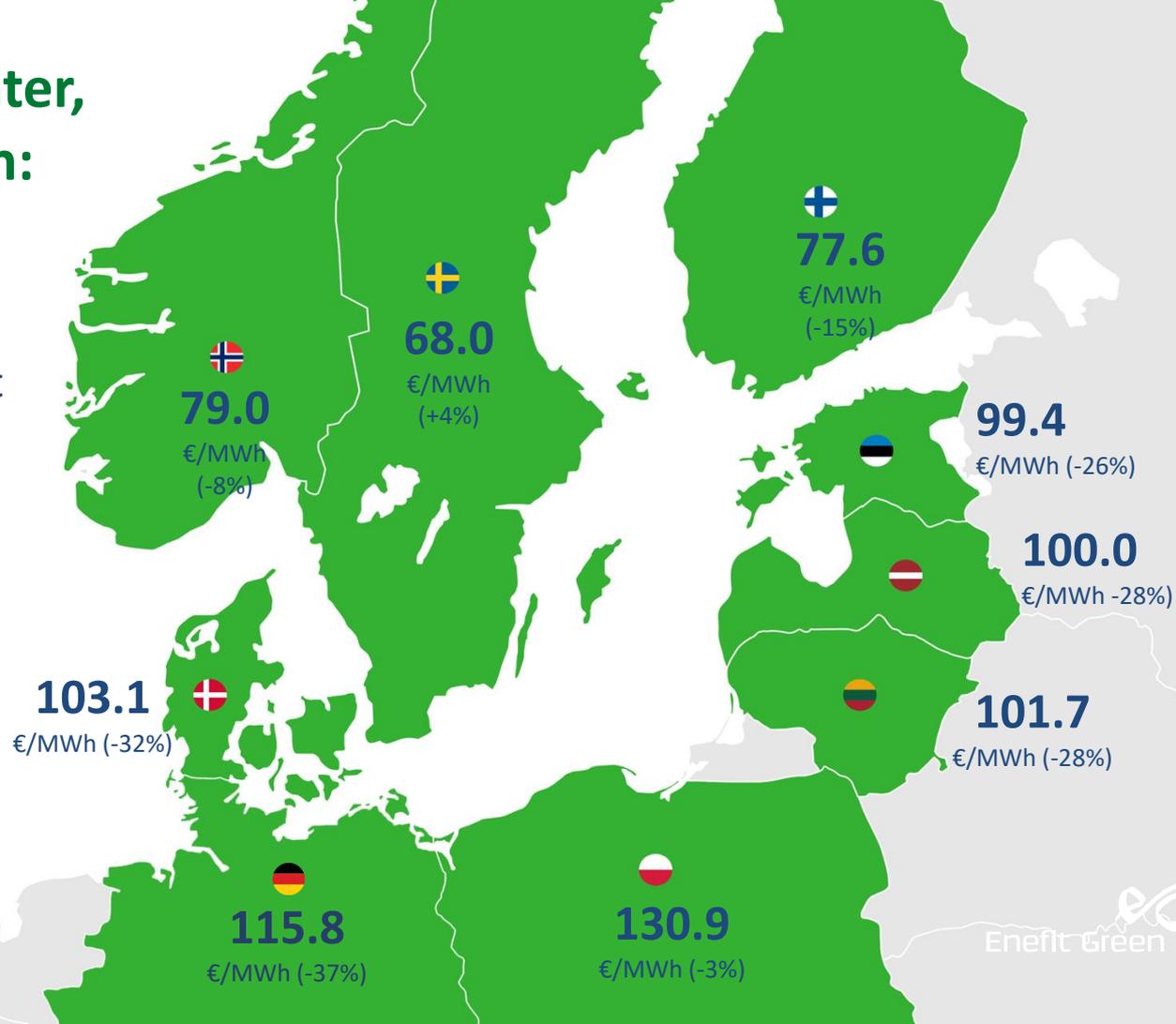
By 2026 we aim to be the largest renewable energy producer in the Baltics and a fast growing one in Poland

<p>Over 20 years renewable energy experience</p>	<p>Largest wind energy producer in Baltic countries</p>	<p>186 employees in Estonia, Latvia, Lithuania and Poland</p>
<p>Production 2022 1.12 TWh (EI) 565 GWh (Heat)</p>	<p>2022 operating revenue €257.0m EBITDA €154.8m Net profit €110.2m</p>	<p> Nasdaq ~ 60 000 investors</p>



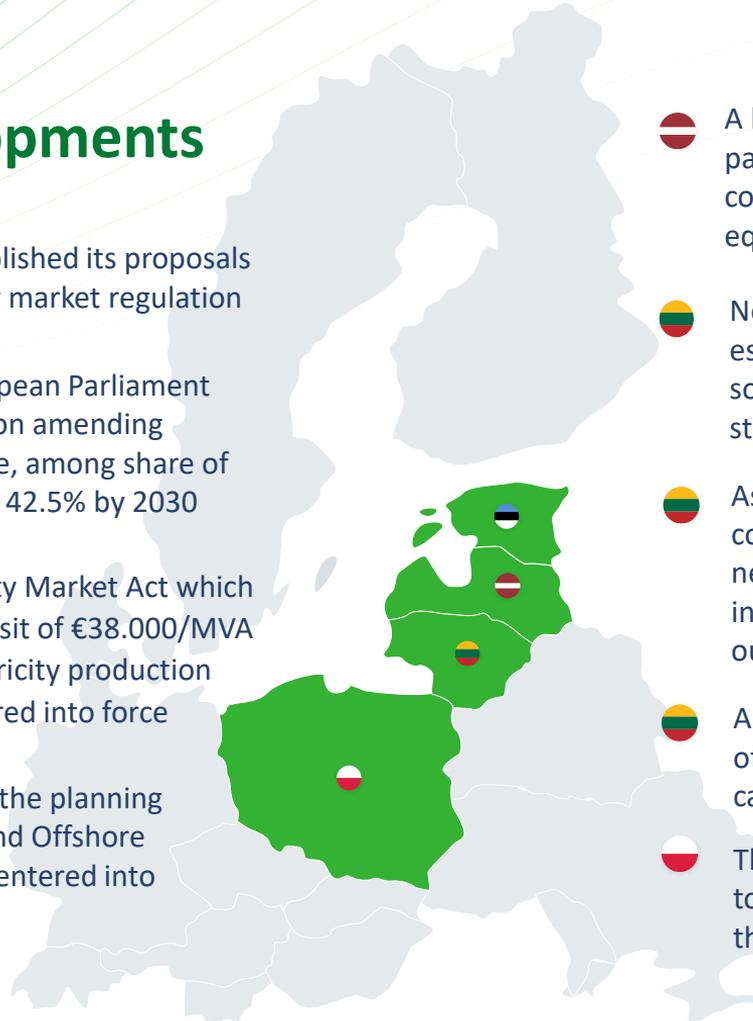
We survived the winter, but problems remain:

- Energy security
- Carbon intensity
- Structural energy deficit



Regulatory developments

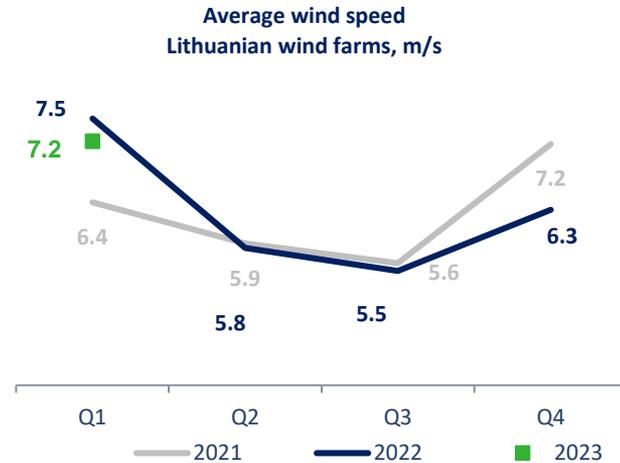
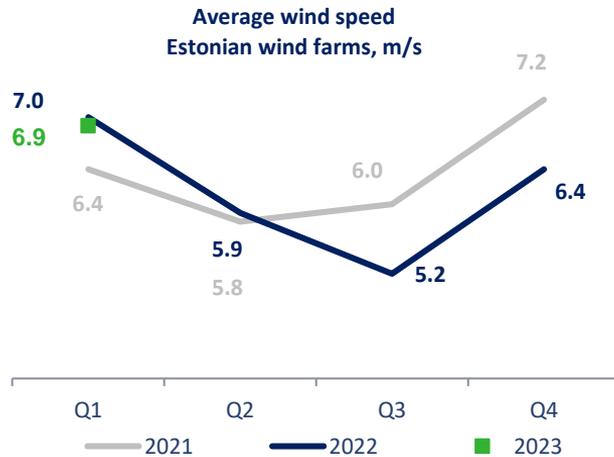
-  The European Commission published its proposals for amending the EU electricity market regulation
-  Council of the EU and the European Parliament reached a political agreement on amending the Renewable Energy Directive, among share of renewable energy from 32% to 42.5% by 2030
-  An amendment to the Electricity Market Act which requires paying a security deposit of €38.000/MVA for connecting to the grid electricity production equipment of over 15 kW entered into force
-  Legislative changes facilitating the planning and construction of onshore and Offshore wind farms entered into force



-  A legislative amendment which requires paying a security deposit of €21,630/MW for connecting to the grid electricity production equipment of over 50 kW entered into force
-  New grid connection principles were established; possibility to build hybrid solutions for electricity generation and storage were created
-  As the total capacity of solar power plants connected to the Lithuanian electricity network exceeds 2 GW, the government introduced the possibility to limit the output of new power plants if necessary
-  An auction to find a developer for an offshore wind farm with a generating capacity of 580–700 MW was announced
-  The ban on planning wind turbines closer to residential buildings than ten times the height of the wind turbine was lifted

Q1 wind conditions were somewhat above average

Average recorded wind speed in Enefit Green wind farms, m/s



Good availability in Q1 2022

Availability of Estonian wind farms (%)



Availability of Lithuanian wind farms (%)



Availability of CHPs (%)



Availabilities of solar farms (%)



Four times production capacity growth by 2026



Projects under construction



546 MW



50 MW

● Operating capacity
● Under construction



	Operating capacity 1Q 2023	Šilale II	Akmene	Zambrow PV	Tolpanvaara	Purtse	Debnik PV	Purtse PV	Estonia PV	Kelme I	Sopi-Tootsi	Operating capacity + under construction
Country												
Final Investment Decision		2Q 21	3Q 21	3Q 21	4Q 21	1Q 22	1Q 22	2Q 22	4Q 22	4Q 22	4Q 22	
First electricity / % in testing phase		92% (11/12)	64% (9/14)	100%	3Q 23	100%	3Q 23	100%	4Q 23	4Q 24	1Q 25	
COD		3Q 23	2Q 23**	3Q 23	1Q 24	2Q 23	4Q 23	4Q 23	1Q 24	1Q 25	2Q 25	

* COD – Commercial Operating Date

** On 2May 2023 there was an incident in Akmene wind farm resulting in a destruction of a wind turbine (see [stock exchange announcement](#)). The circumstances and causes of the incident and effect on timing of COD are being investigated.

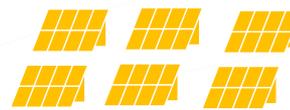


Near term development portfolio

Targeted investment decisions until the end of 2023

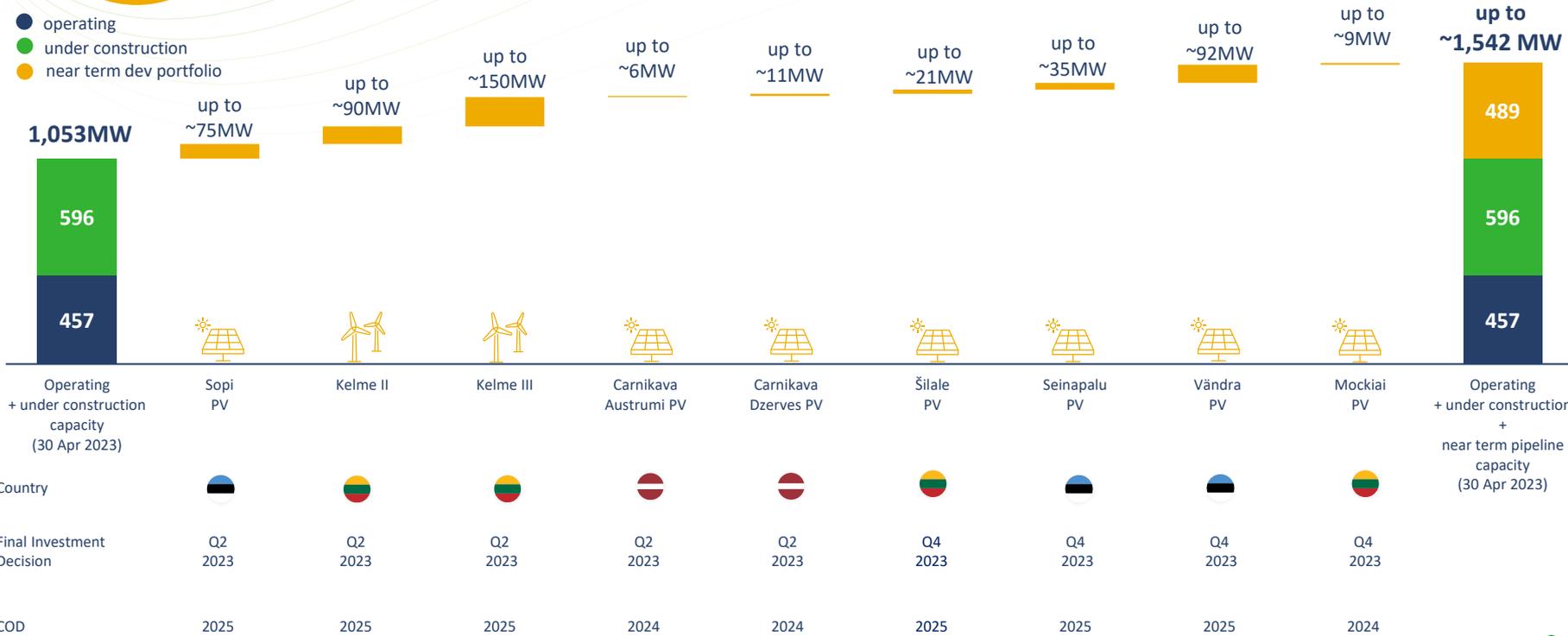


240 MW



249 MW

- operating
- under construction
- near term dev portfolio

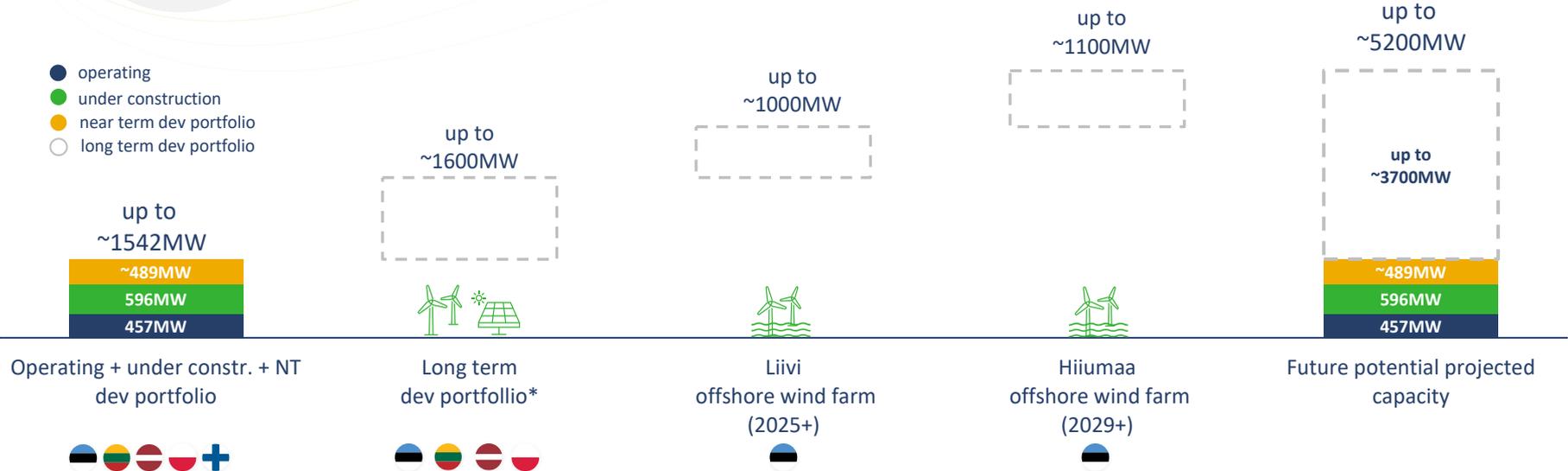


NB! Development projects are in continuous change. The presented information is management team's best assessment of the current status of the near-term development portfolio as of 30 April 2023

Complete view of the development portfolio



- operating
- under construction
- near term dev portfolio
- long term dev portfolio

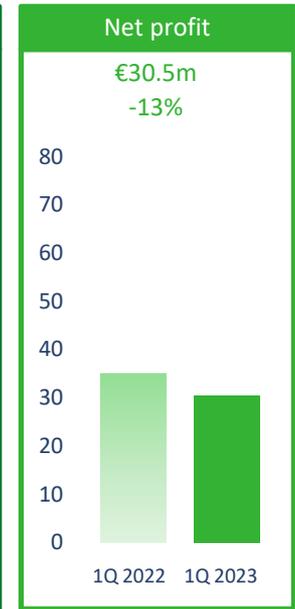
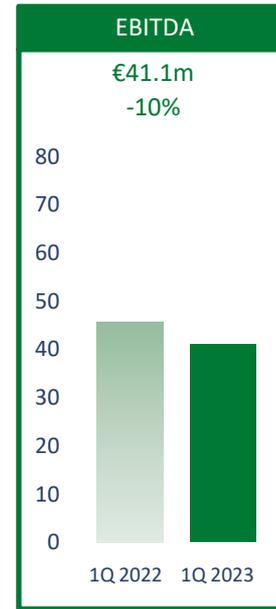
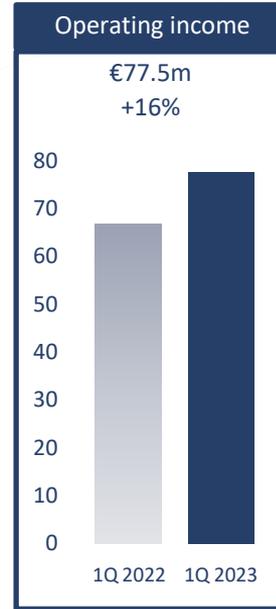


NB! Development projects are in continuous change.

* Various onshore wind and solar farm developments that are not expected to get final investment decision before 2024.

1Q 2023 Key highlights

	ELECTRICITY	HEAT
PRODUCTION	<p>406 GWh +10%</p>	<p>176 GWh +2%</p>
PRICE	<p>101* €/MWh -20%</p>	<p>24 €/MWh +38%</p>



Liivi (Gulf of Riga)

Acquisition of the Liivi Offshore Wind Farm project (up to 1GW capacity)



+38 GWh

(electricity production from new wind farms under construction)

* (electricity sales revenue + renewable energy support and efficient cogeneration support + revenues from sale of guarantees of origin - day-ahead and intraday purchases on Nord Pool - balancing energy purchases) / production

Importance of electricity purchases has increased

Example of transactions in a wind energy portfolio with baseload PPAs during a theoretical 24h period

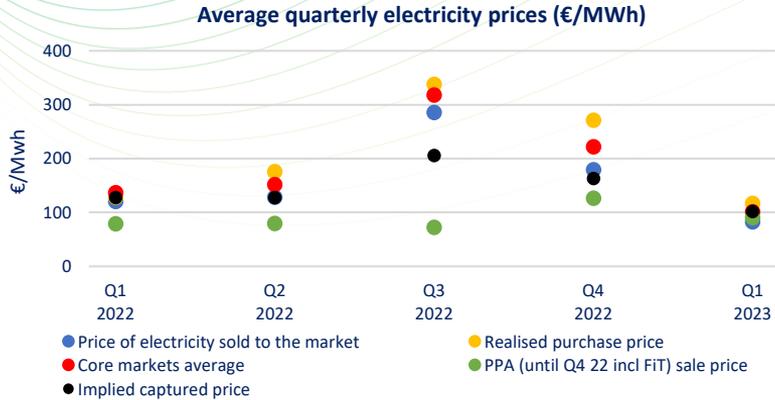


The need for electricity purchases

Short-term production shortfalls arising from the difference between the realised wind profile and base load PPAs have to be covered with electricity purchases from the day-ahead market

Difference between day-ahead forecast and actual realized production are covered with transactions on the open supply market

Summary of 1Q electricity prices



Electricity produced, purchased and sold (GWh)



Electricity prices €/MWh	1Q 2022	1Q 2023
Core markets average*	136.4	100.5
Price of electricity sold to the market	119.9	82.4
PPA (until Q4 22 incl FiT) sale price	78.8	89.8
Realised purchase price	128.1	116.7
Implied captured price**	127.3	101.4

* Production weighted average market price on group's core markets

** (electricity sales revenue + renewable energy support and efficient cogeneration support + revenues from sale of guarantees of origin - day-ahead and intraday purchases on Nord Pool - balancing energy purchases) / production

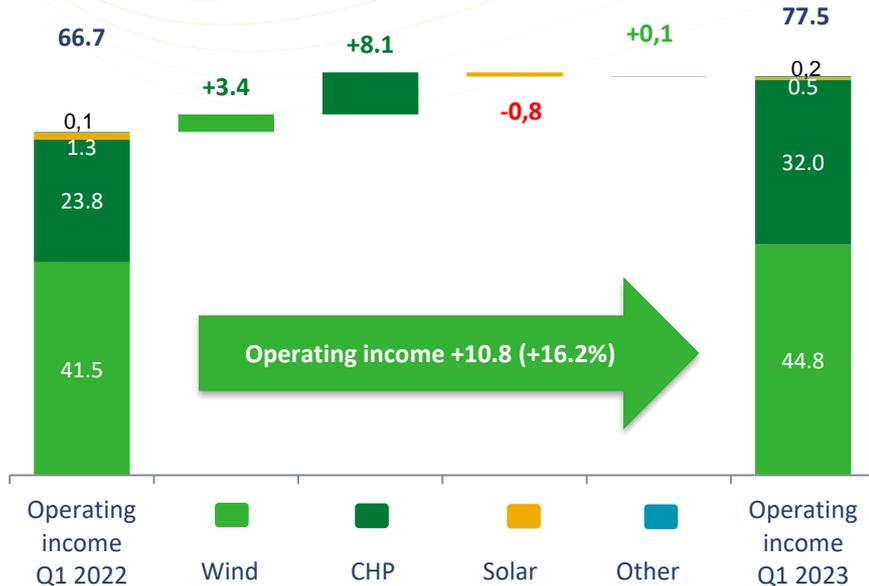
Implied captured price

-20%

- Core markets average price -26%
- Increased electricity purchase volume (3.2 times)
- PPA/FiT average price +14%
- Realised purchase price -9%

Operating income growth driven by pellet sales price and heat sales price

Operating income by segment, €m



Operating income €77.5m +16%

Wind

- Higher electricity production in Estonian and Lithuanian wind farms
- Implied captured price* of the segment was 99,8 €/MWh (-19%)

CHP

- Higher pellet sales volumes and higher sales price
- Implied captured price* 132.6 €/MWh (-13%)

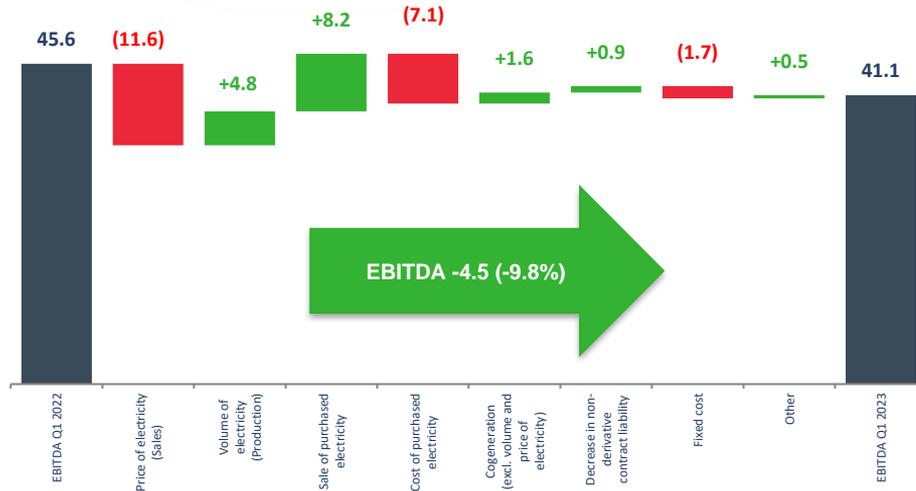
Solar

- Exit from „turn-key“ solar services business

* (electricity sales revenue + renewable energy support and efficient cogeneration support + revenues from sale of guarantees of origin - day-ahead and intraday purchases on Nord Pool - balancing energy purchases) / production

EBITDA decreased due to lower electricity prices and higher power purchase costs

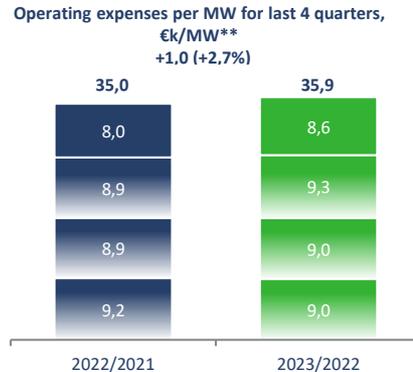
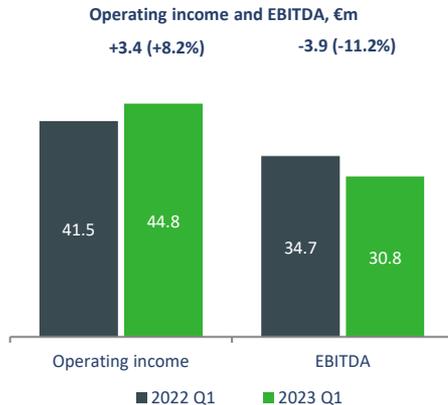
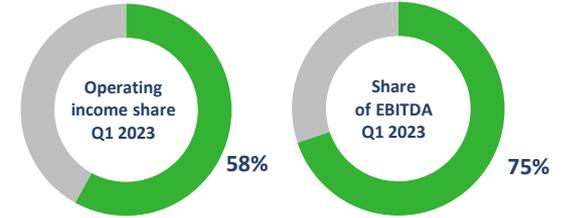
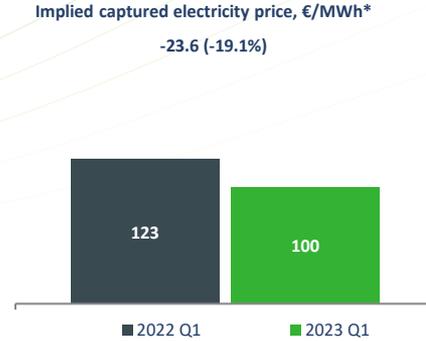
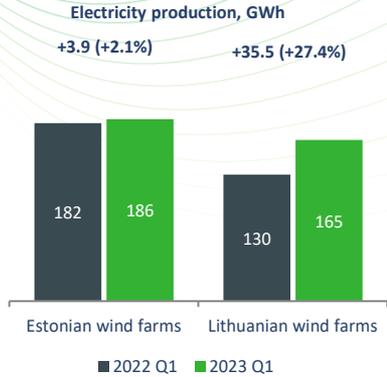
Group's EBITDA change by drivers, €m



EBITDA €41.1m
-10%

- **Lower electricity price** -€11.6m
- **Higher production and sales of purchased electricity** +€13m
- **Cost of purchased electricity** -€7.1m
- **Other cogeneration segment result** +€1.6m:
Higher sales of pellets
- **Decrease of non-derivative liability** +€0.9m
Non-monetary impact from 2021 trade
- **Impact of fixed expenses** -€1.7m:
Increased development related consultation costs

Wind energy segment: higher production from new wind farms



EBITDA €30.8m
-11%

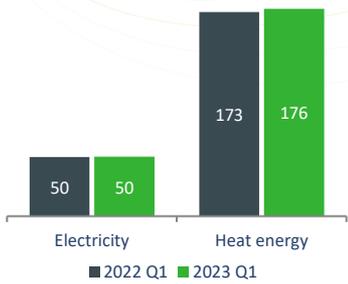
- Higher production volume due to the addition of new wind farms in Lithuania
- Power purchase costs and lower NP electricity prices

* (electricity sales revenue + renewable energy support and efficient cogeneration support + revenues from sale of guarantees of origin - day-ahead and intraday purchases on Nord Pool - balancing energy purchases) / production
 ** *(Total operating expenses - power and balancing energy purchase - D&A) / operating capacity. Only operating wind assets are included: Enefit Wind OÜ and Enefit Wind UAB

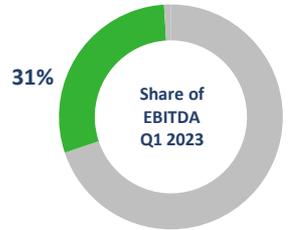
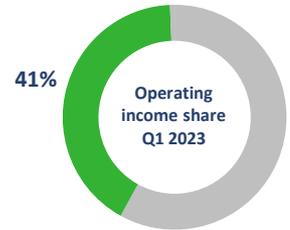
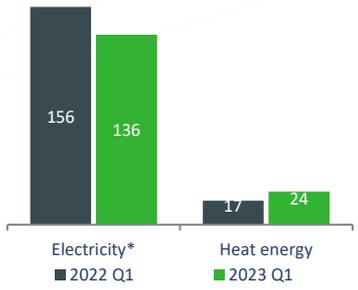
Cogeneration segment: higher pellet sales and prices



Production, GWh
+0.2 (+0.3%) +2.6 (+1.5%)



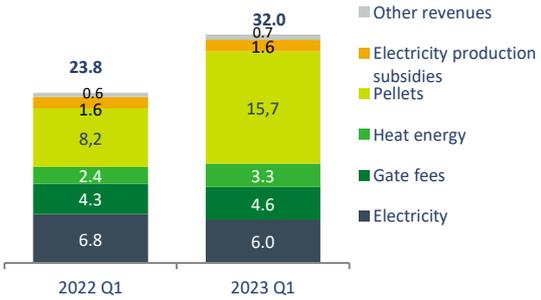
Implied captured electricity price, €/MWh*
-19.9 (-12.8%) +6.5 (+38.0%)



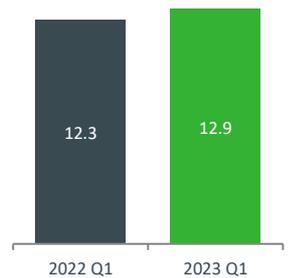
**EBITDA €12.9m
+5%**

- ➔ Higher pellet sales (62 th tonnes, +13%) due to timing differences between compared periods and 69% higher sales prices of pellets
- ➔ Implied captured electricity price driven by NP prices

Operating income, €m
+8.1 (+34.2%)

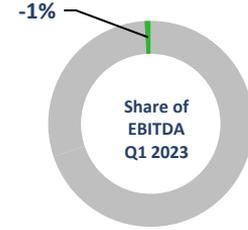
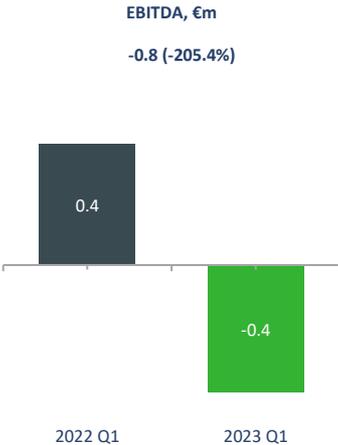
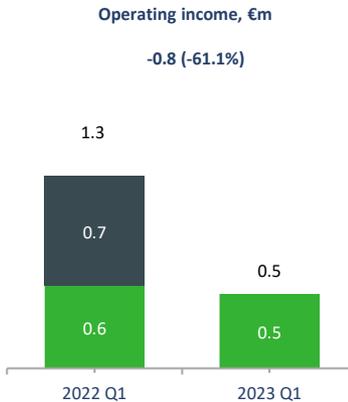
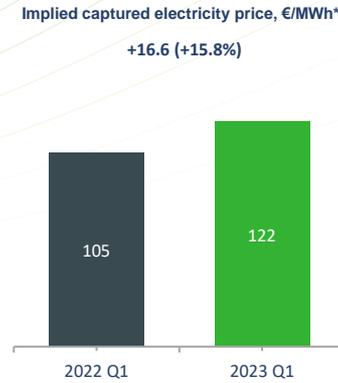
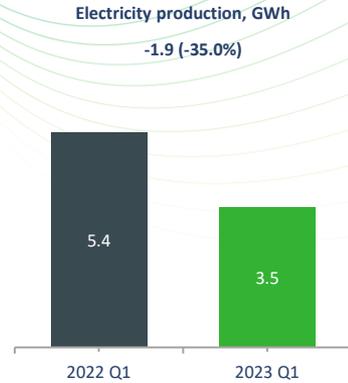


EBITDA, €m
+0.6 (+4.8%)



* (electricity sales revenue + renewable energy support and efficient cogeneration support + revenues from sale of guarantees of origin - day-ahead and intraday purchases on Nord Pool - balancing energy purchases) / production

Solar segment: lower production due to bad weather conditions



EBITDA -€0.4m

- Higher solar energy implied captured electricity price due to the sale of Guarantees of Origin (GoO)
- Lower production due to bad weather conditions
- Growth in development related fixed costs (incl. personnel and consultation expenses)

■ Solar services revenues
■ Operating farms' revenues

* (electricity sales revenue + renewable energy support and efficient cogeneration support + revenues from sale of guarantees of origin - day-ahead and intraday purchases on Nord Pool - balancing energy purchases) / production

Q1 2023 Earnings per share €0.12



Return on invested capital and return on equity, %



Return on invested capital = LTM operating profit / (net debt + equity)
 Return on equity = LTM net profit / equity

Net profit €30.5m -13%

- Net finance cost**
 - Decreased by €0.2m due to higher interest income

- Corporate income tax expenses**
 - Stayed at the same level

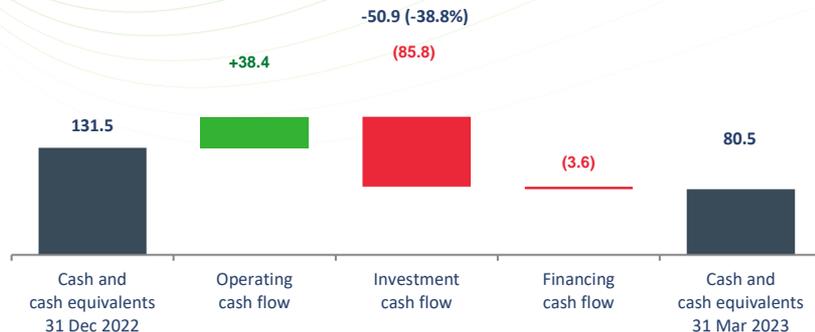
- Net profit**
 - Increase of production volumes
 - Low electricity market prices

Return on equity 14.1%

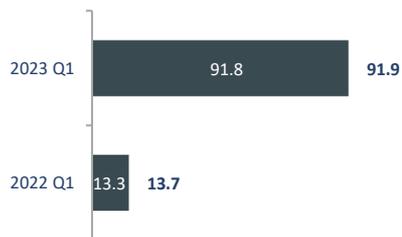
- Returns**
 - Return on invested capital declined due to lower EBIT and higher invested capital
 - Return on equity declined due to lower net profit

€91.9m of investments in Q1 2023

Liquidity development 2023 Q1, €m

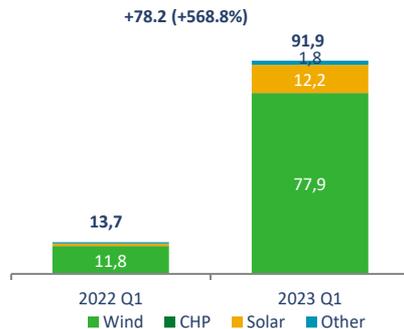


Investments by type, €m



■ Base investments ■ Development investments

Investments by segments, €m



■ Wind ■ CHP ■ Solar ■ Other

Investments €91.9m
+569%

Operating cash flow

- Strong operating cash flow supports growing investments

Investments

- Q1 2023 investments in the amount of €91.9m, majority into wind developments:
 - Sopi-Tootsi €32.4m
 - Kelme €17.2m
 - Purtse wind farm €10.1m, Purtse PV park €10.9m
 - Acquisition of Liivi/Gulf of Riga offshore wind project €6.2m

€375m of unused credit facilities



Financial leverage 20%

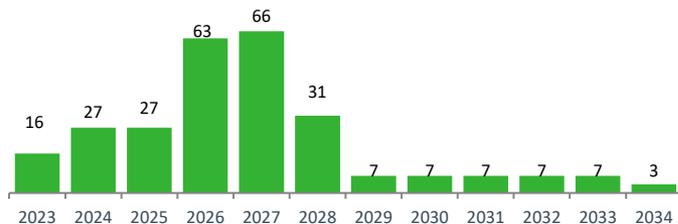
Capital structure

- Low leverage and net debt / EBITDA

Financing

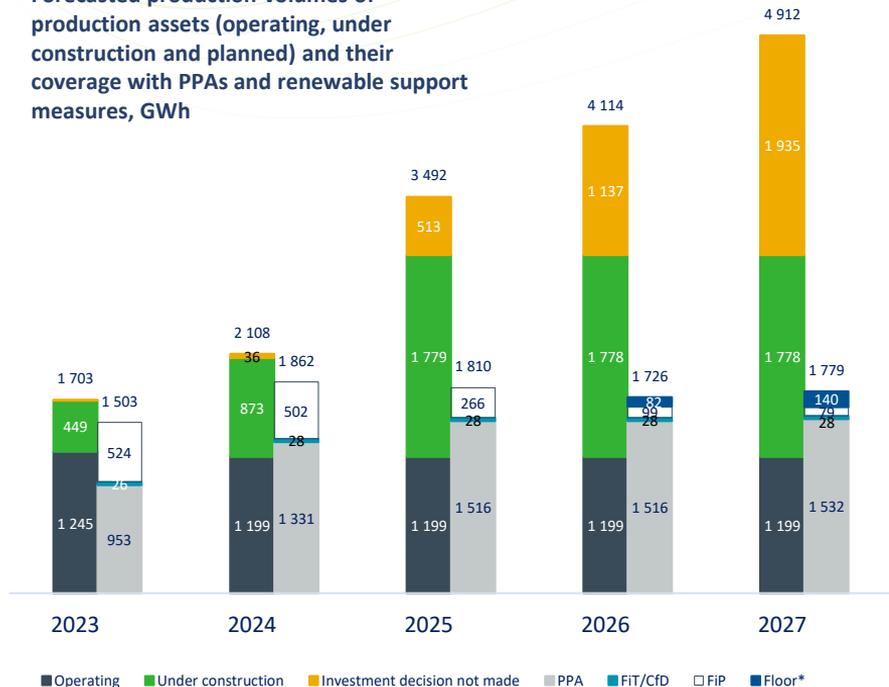
- €325m of new loan agreements signed (with SEB and NIB) in early Q1 2023, which remained unused at the end of the quarter
- Unused revolving credit facilities €50m
- Outstanding loan balance €267.9m
- Average effective interest rate increased from 2.60% to 2.75%
- The interest rate risk of investment loans in volume of €164m is hedged until maturity

Loans repayment schedule, €m



Overview of power portfolio hedging

Forecasted production volumes of production assets (operating, under construction and planned) and their coverage with PPAs and renewable support measures, GWh



Power Purchase Agreements

2023-2027

- 6,848 GWh of PPAs signed (54% of expected production)
- Average locked price 69.3 EUR/MWh

2028+

- Longest PPA contracts span to 2033
- Production fixed with PPAs after 2027 in the amount of 3,677 GWh with average price of 78.1 EUR/MWh

* Price floor – state support in a form of a price floor received from reverse auction at price level of 34.9 €/MWh (maximum 20 €/MWh) with a duration of 12 years

Annual General Meeting of Shareholders

- Shareholders are invited to participate on Enefit Green Annual General Meeting of Shareholders on 24 May at 13.00 EEST in Kai Art Centre (Peetri 12, Tallinn)
- Koosolekust osavõtjate registreerimine algab kell 12.00 ja lõpeb kell 12.50
- [Read meeting agenda»](#)
- The meeting will be held in Estonian, simultaneous translation to English is available at the venue



Q1 2023 Summary

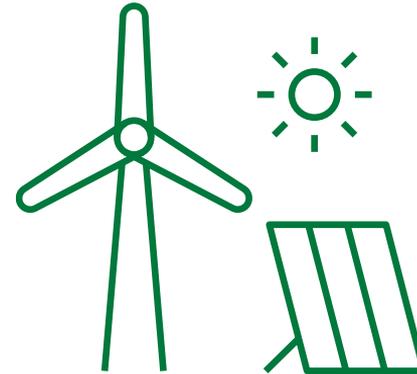
Operating income	EBITDA	Net profit
€77.5m	€41.1m	€30.5m
+16%	-10%	-13%

- Acquisition of Liivi/Gulf of Riga offshore project
- Construction works ongoing in 6 wind and 4 solar farms
- Significant production contribution from wind farms under construction
- Incident with GE wind turbine in Akmene
- Electricity prices normalising
- Growth in PPA portfolio balancing costs
- Starting to explore strategic alternatives for biomass assets

Total renewable capacity under construction

596 MW

+130% additional capacity when completed





Q&A

Aavo Kärmas, juhatuse esimees
Veiko Räm, juhatuse liige



Enefit Green

Appendix

Condensed consolidated interim
financial statements Q1 2023

Condensed consolidated interim income statement

€ thousand	Note	Q1 2023	Q1 2022
Revenue	9	68,785	58,141
Renewable energy support and other operating income	10	8,719	8,579
Change in inventories of finished goods and work in progress		(5,060)	(2,067)
Raw materials, consumables and services used	11	(24,792)	(14,134)
Payroll expenses		(2,486)	(2,443)
Depreciation, amortisation and impairment		(9,815)	(9,648)
Other operating expenses		(4,055)	(2,504)
OPERATING PROFIT		31,296	35,924
Finance income		407	170
Finance costs		(380)	(325)
Net finance income (costs)		27	(155)
Profit from associates under the equity method		19	4
PROFIT BEFORE TAX		31,342	35,773
Income tax expense		(820)	(849)
PROFIT FOR THE PERIOD		30,522	34,924

Basic and diluted earnings per share

Weighted average number of shares, thousand	6	264,276	264,276
Basic earnings per share, €	6	0.12	0.13
Diluted earnings per share, €	6	0.12	0.13

Condensed consolidated statement of other comprehensive income

€ thousand	Note	Q1 2023	Q1 2022
PROFIT FOR THE PERIOD		30,522	34,924
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Remeasurement of hedging instruments in cash flow hedges (2023: incl. reclassifications to profit or loss; 2022: no reclassifications to profit or loss)	5, 7	(689)	937
Exchange differences on the translation of foreign operations	7	(35)	(137)
Other comprehensive income (loss) for the period		(724)	800
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		29,798	35,724

Condensed consolidated interim statement of financial position

€ thousand	Note	31 Mar 2023	31 Dec 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	843,998	776,870
Intangible assets		60,342	60,382
Right-of-use assets		4,528	4,239
Prepayments for property, plant and equipment	4	34,538	19,412
Deferred tax assets		1,344	1,321
Investments in associates		524	506
Derivative financial instruments	5, 7	9,206	11,277
Non-current receivables		40	40
Total non-current assets		954,520	874,047
Current assets			
Inventories		8,628	14,227
Trade and other receivables and prepayments		46,777	41,091
Cash and cash equivalents		80,509	131,456
Derivative financial instruments	5	3,871	3,349
Total current assets		139,785	190,123
Total assets		1,094,305	1,064,170

€ thousand	Note	31 Mar 2023	31 Dec 2022
EQUITY			
Equity and reserves attributable to shareholders of the parent			
Share capital		264,276	264,276
Share premium	6	60,351	60,351
Statutory capital reserve		3,259	3,259
Other reserves	5, 7	165,730	166,419
Foreign currency translation reserve	7	(797)	(762)
Retained earnings		255,712	225,190
Total equity		748,531	718,733
LIABILITIES			
Non-current liabilities			
Borrowings	8	252,470	255,755
Government grants		6,991	7,115
Non-derivative contract liability	5, 7	18,086	18,086
Deferred tax liabilities		12,297	12,326
Other non-current liabilities		3,000	3,000
Provisions		9	9
Total non-current liabilities		292,853	296,291
Current liabilities			
Borrowings	8	20,266	23,808
Trade and other payables		29,298	20,215
Provisions		2	2
Non-derivative contract liability	5	3,355	5,121
Total current liabilities		52,921	49,146
Total liabilities		345,774	345,437
Total equity and liabilities		1,094,305	1,064,170

Condensed consolidated interim statement of cash flows

€ thousand	Note	Q1 2023	Q1 2022
Cash flows from operating activities			
Cash generated from operations	12	44,337	46,035
Interest and loan fees paid		(2,053)	(502)
Interest received		311	2
Income tax paid		(574)	(500)
Net cash generated from operating activities		42,021	45,035
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	4	(85,747)	(12,326)
Proceeds from sale of property, plant and equipment		0	3
Net cash used in investing activities		(85,747)	(12,323)
Cash flows from financing activities			
Repayments of bank loans	8	(7,137)	(4,643)
Repayments of lease principal	8	(84)	(82)
Net cash used in financing activities		(7,221)	(4,725)
Net cash flow		(50,947)	27,987
Cash and cash equivalents at the beginning of the period		131,456	80,454
Cash and cash equivalents at the end of the period		80,509	108,441
Increase in cash and cash equivalents		(50,947)	27,987