



Enefit Green Q1 2022

Interim report presentation

Presenting today



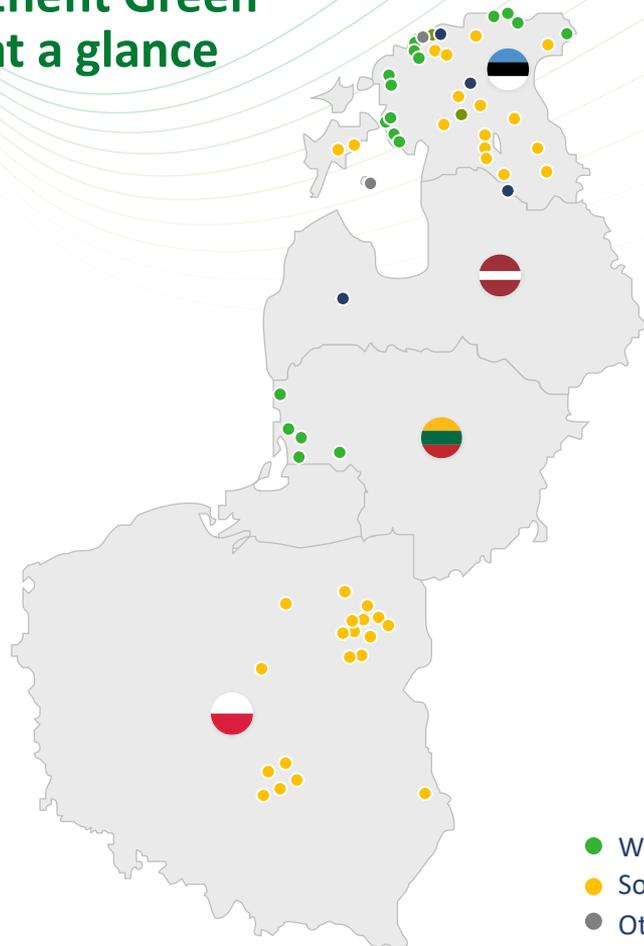
Aavo Kärmas
Chief Executive Officer
since 2017



Veiko Räim
Chief Financial Officer
since 2017

Enefit Green at a glance

One of the leading diversified renewable energy producers in the Baltic Sea region



20 years

renewable energy
experience

Largest
**wind energy
producer**
in the Baltics

171
employees
in Estonia, Latvia,
Lithuania and Poland

Target to increase
production capacity by
2025

2.4 times

Electricity production 2021:

1.19 TWh

Heath production 2020:

618 GWh

59,000+

investors

● Wind energy **398 MW**

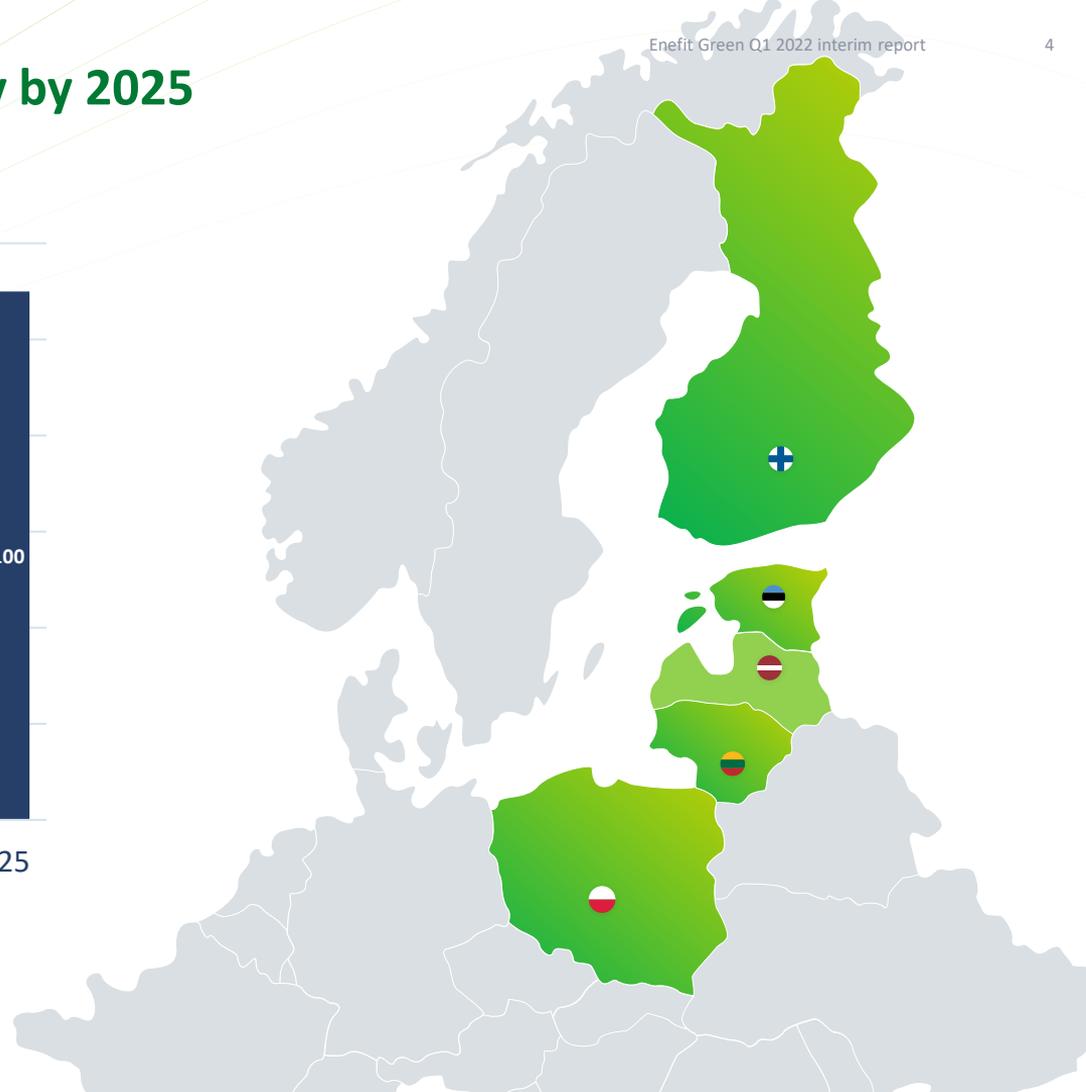
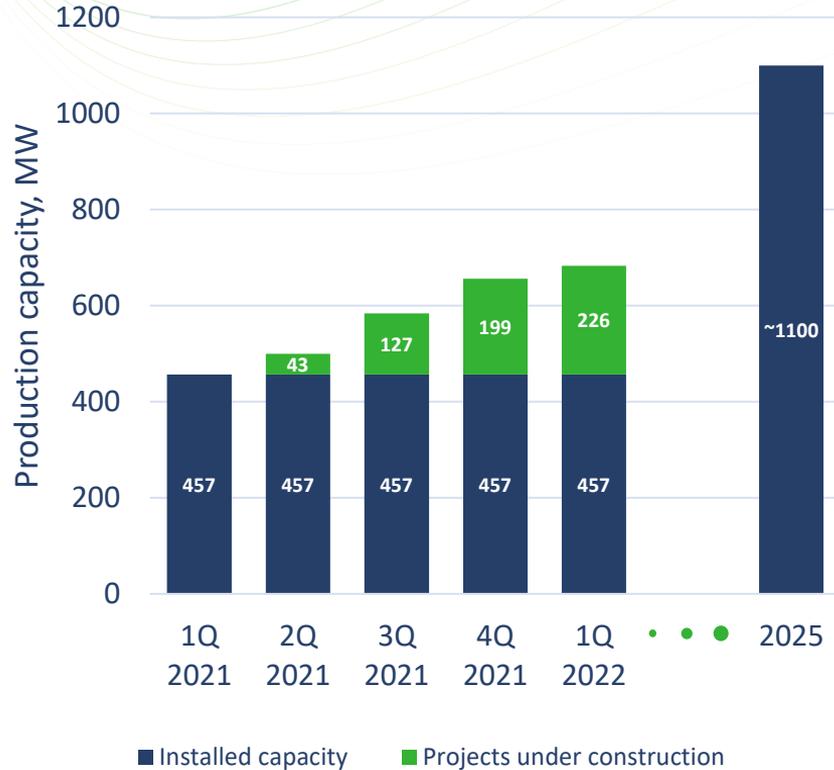
● Solar energy **30 MW**

● Other **1 MW**

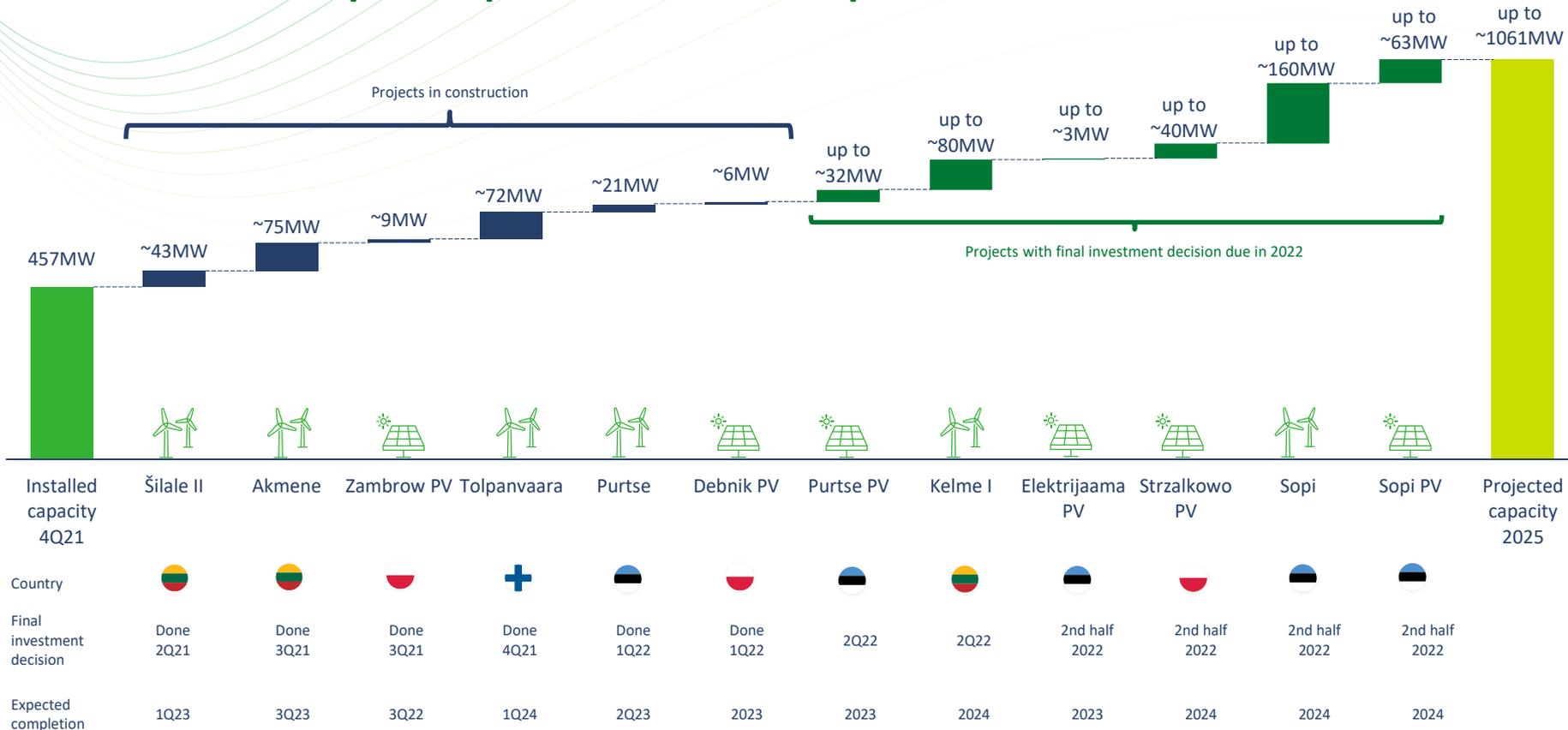
● Cogeneration and pellet factory

28 MW (electricity) / **81 MW** (heat)

2.4X growth in production capacity by 2025

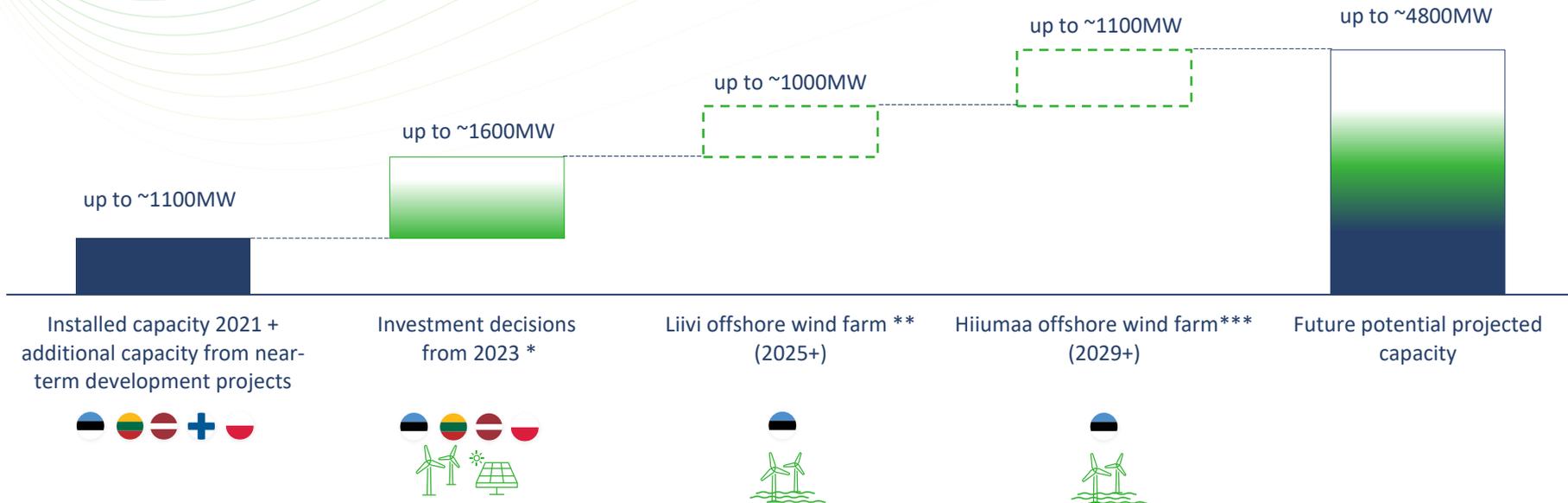


Near-term development portfolio as of 30 April 2022



Note! Development pipeline is in continuous dynamic change. The presented information is management team's best assessment and comment on the current status of the near-term development pipeline

Long-term development portfolio as of 30 April 2022



Development pipeline is in continuous dynamic change.

* Different wind and solar farm developments that are not expected to get final investment decision before 2023.

** Liivi Offshore wind farm development is owned by Eesti Energia as at the end of 2021. Eesti Energia is willing to offer Enefit Green a possibility to participate in the project and/or acquire the project based on market terms.

*** Environmental impact assessment of the project is approaching completion, preliminary design expected during autumn 2022

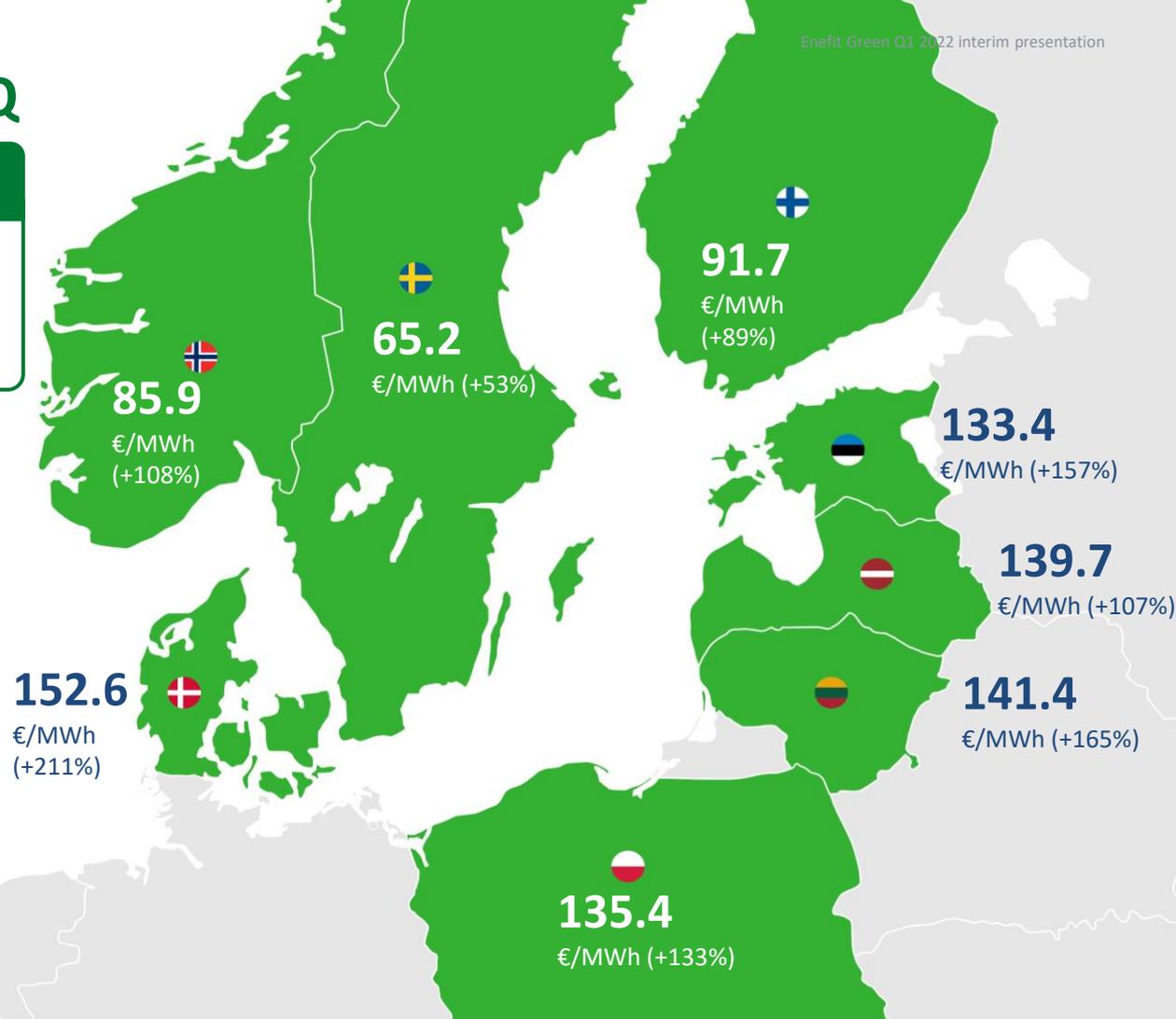
Electricity prices in 1Q

Drivers

- Low Nordic hydro reserves
- Very high natural gas prices
- Very high CO₂ prices

	Annual* Production (TWh)	Annual* Consumption (TWh)	Annual* Net export (TWh)
Norway	155.0	138.9	+16.1
Sweden	163.2	139.4	+23.8
Finland	63.7	84.7	-21
Estonia	5.9	8.4	-2.5
Latvia	5.6	7.3	-1.7
Lithuania	4.2	12.4	-8.2
Poland	161.5	174.6	-13.1
Denmark	32.6	36.3	-3.7

* 2021 data. Annual import from Russia 13.9 TWh
Sources: ENTSO-E, Nord Pool



Regulatory developments

Estonia On the adoption of the EU Internal Electricity Market Directive, an opportunity was created to sign (investment assurance providing) **fixed-price electricity agreements with household customers** also in Estonia.



Amendments to the **Building Code**. The rules for building offshore wind farms will change. Development of wind farms will become riskier, as it will be possible to deny a building permit on the grounds of national defence reasons, to revoke an already issued building permit and to deny a permit for use.

Latvia Cabinet Regulations No. 560 and No. 561 governing payment of **renewable energy support** were changed once again. Negative impact on previous investments and thus contradicting with state's obligations under EU Renewable Energy Directive.



The government initiated regulatory changes that should **simplify development of wind farms of over 50 MW**. The precise nature and scope of the amendments will become clear in Q2.

Lithuania The country set a **new goal** according to which at least 70% of electricity consumed in 2030 must be produced from renewable sources.



Draft legislation that will **considerably simplify the development of wind and solar farms** was submitted.

Regulations were adopted on the basis of which a tender for a 700 MW offshore wind farm will be announced in 2023.

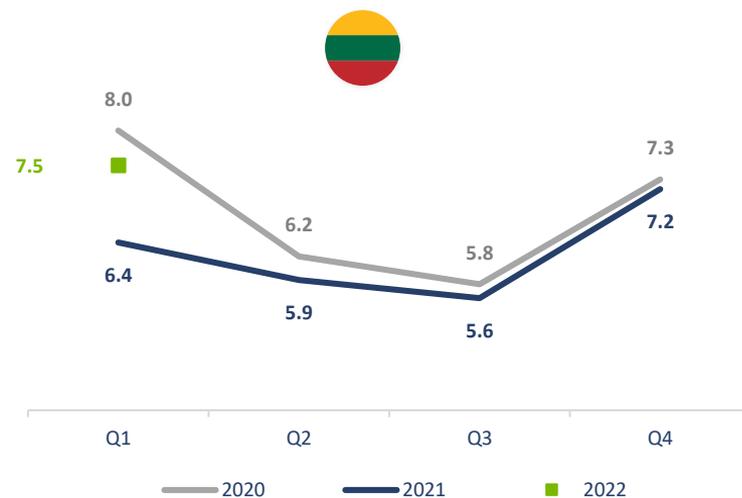
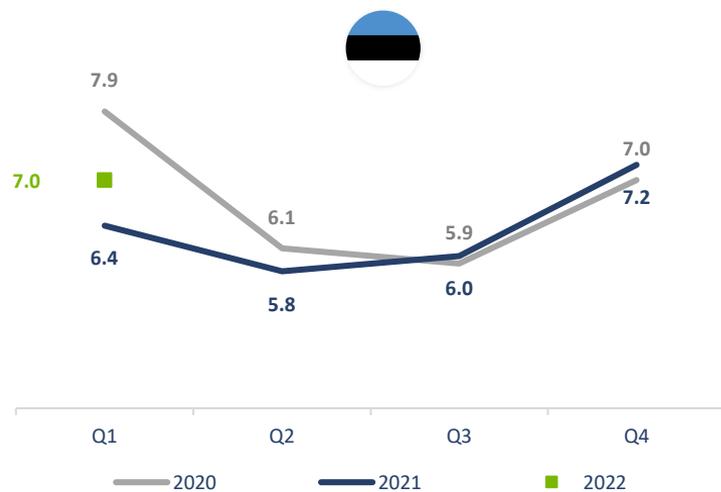
Poland Amendments to Poland's Energy Policy until 2040 (PEP2040) were published. An additional strategic goal is now **energy independence**. Measures will be taken to increase renewable power production, to facilitate households' and controllable energy production, and to develop nuclear energy, energy storage and electricity networks.



From 1 April a new measure was rolled out to support the **installation of solar panels on rooftops**.

1Q wind conditions were beneficial

Average wind speed in Enefit Green's wind parks, m/s



1Q key highlights

PRODUCTION

ELECTRICITY

368

GWh
+22%

HEAT

173

GWh
-1%

PRICE (average sales price)

127

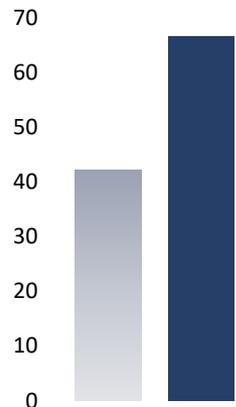
€/MWh
+47%

17

€/MWh
-6%

Total revenues

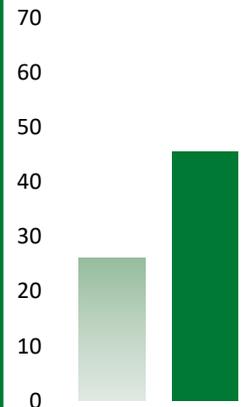
€66.7m
+58%



Q1 2021 Q1 2022

EBITDA

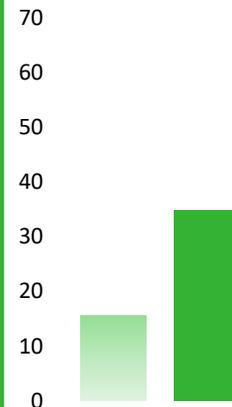
€45.6m
+75%



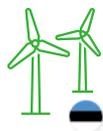
Q1 2021 Q1 2022

Net profit

€34.9m
+124%



Q1 2021 Q1 2022



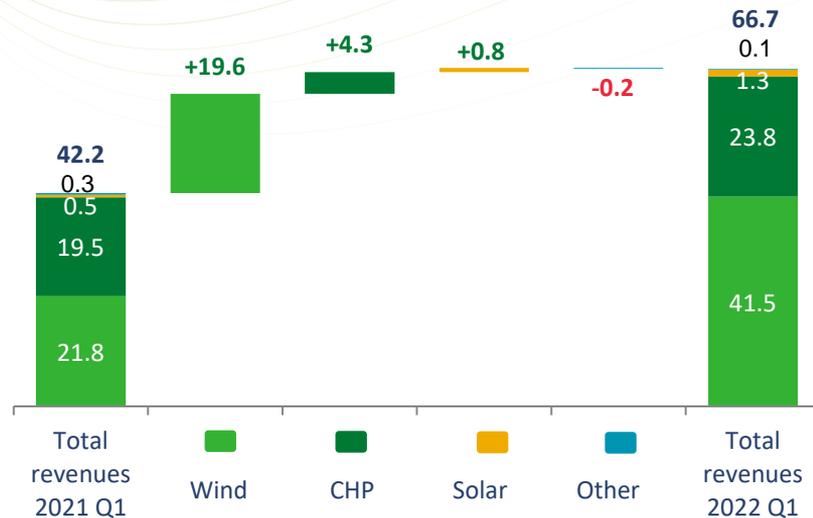
+21 MW Puritse
(final investment decision)



+6 MW Debnik
(final investment decision)

Revenue growth driven by high electricity prices in Estonia

Total revenues by segment, €m



Total revenues €66.7m
+58%

Wind

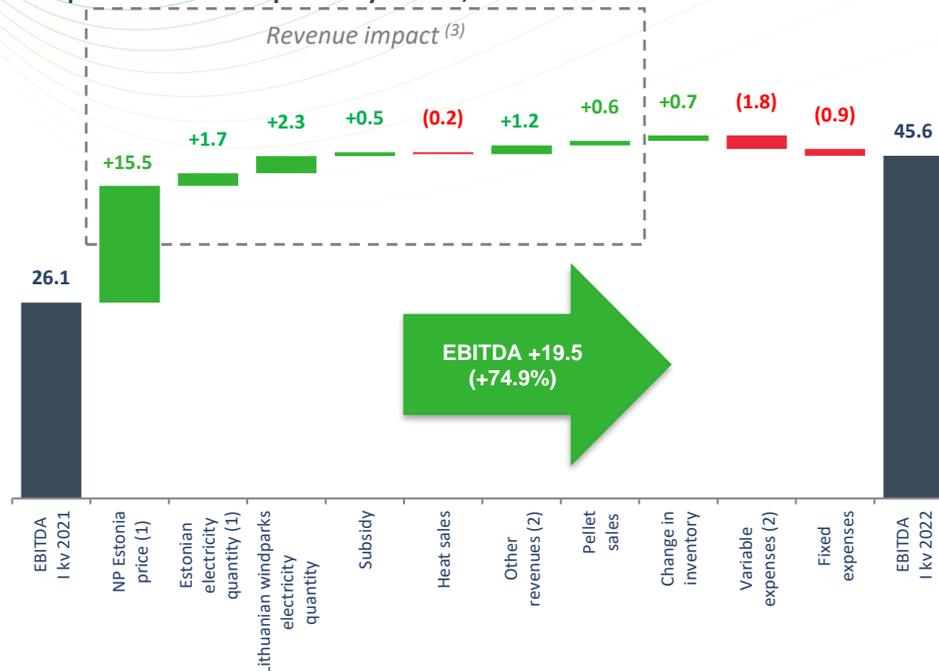
- Implied captured NP Estonia electricity price 118 €/MWh (+148%)
- Good wind conditions in Estonia and Lithuania
- Aulepa I subsidy period ended in July 2021

CHP

- Implied captured NP Estonia electricity price 118 €/MWh (+148%)
- Iru increased revenue due to one-off correction of received subsidy in 1Q 2021
- Increase in sales price of pellets

EBITDA growth driven by strong NP Estonia prices

Group's EBITDA development by drivers, €m



(1) Calculated based on Estonian wind parks, Iru CHP and Paide CHP implied electricity prices and respective electricity quantities

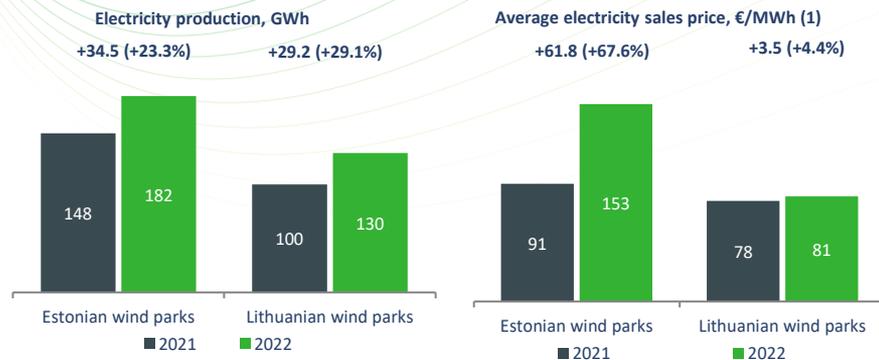
(2) Impact of balancing energy purchases is included in NP Estonia price and Estonian electricity quantity. Therefore, it is not part of Variable expenses impact nor Remaining income impact.

EBITDA €45.6m

+75%

- **Revenue impact +€21.5m** ⁽³⁾
- **Change in inventories +€0.7m**
 - Lower sales, higher production
- **Variable expenses** ⁽²⁾ increase of €1.8m:
 - Biomass prices increased
 - Electricity cost increased (incl. change in accounting principles, no EBITDA impact)
- **Fixed expenses increased €0.9m (+13%):**
 - Increased labor cost
 - Increased development related costs

Wind energy segment: high prices, strong volume growth



(1) (Total electricity revenues - balancing energy purchase + renewable energy support)/production



(2) (Total operating expenses - balancing energy purchase - D&A) / operating capacity. Only operating wind assets are included: Enefit Wind OÜ and Enefit Wind UAB

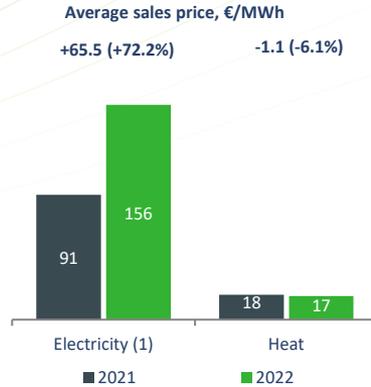
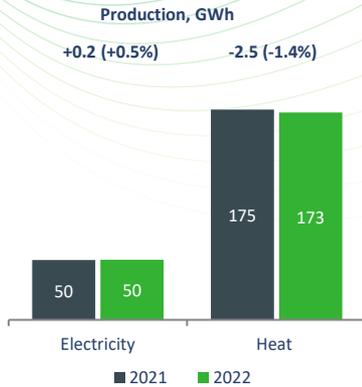


EBITDA €34.7m

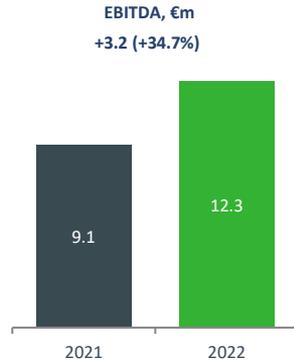
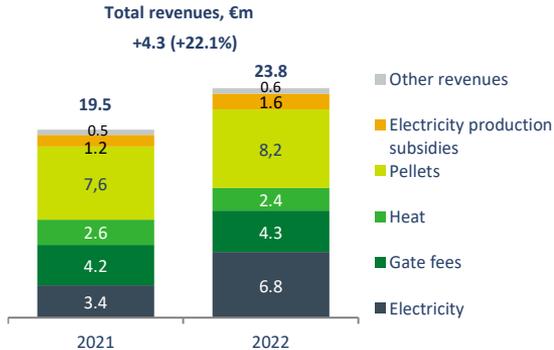
+92.4%

- High electricity prices in Estonia
- Strong Estonian and Lithuanian production volume due to good wind conditions

Cogeneration segment: improved income, improved margins



(1) (Total electricity revenues - balancing energy purchase + renewable energy support)/production



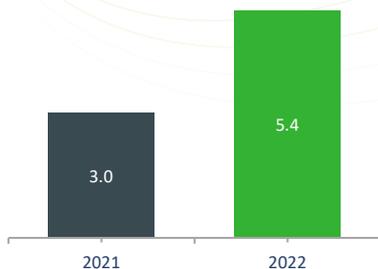
EBITDA €12.3m
+34.7%

- Stable volumes, realised price driven by market (Iru & Paide)
- Efficient cogeneration subsidy (Iru)
- Fixed costs stable

Solar segment: higher production due to good weather conditions

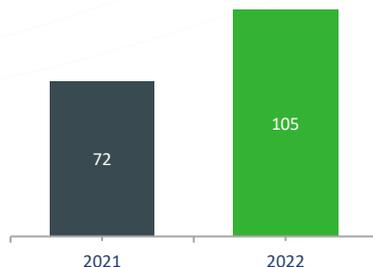
Electricity production, GWh

+2.4 (+82.3%)



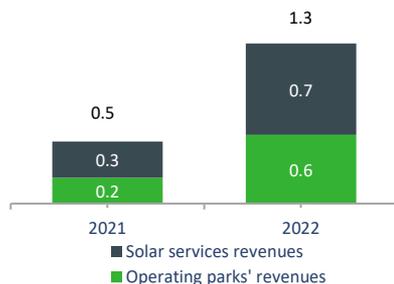
Average electricity sales price, €/MWh (1)

+32.9 (+45.9%)



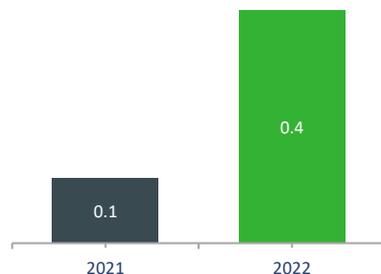
Total revenues, €m

+0.8 (+158.8%)



EBITDA, €m

+0.3 (+257.6%)



EBITDA €0.4m
+257.6%

- Higher production due to good weather conditions
- Higher revenue from inflation indexed price
- Increased solar services revenue from expansion to Poland and Latvia

Q1 2022 Earnings Per post-IPO shares €0.13



Dividends for 2021

The Management Board has proposed to distribute to shareholders EUR 39.9 million in dividends (**0.151 euros per share**) for the financial year 2021.

Ex-dividend date 31 May 2022, payment date 8 June 2022

Net profit €34.9m

+124%

Financial expenses

➤ Decreased due to lower loan balances

Corporate income tax expense

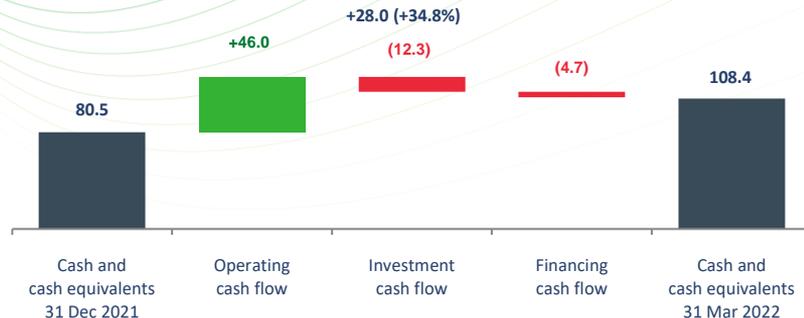
➤ Increased due to higher Enefit Wind UAB (Lithuania) income tax from increased EBITDA

Net profit

➤ High electricity market prices
➤ Growth in production volumes

Strong operating cash flows

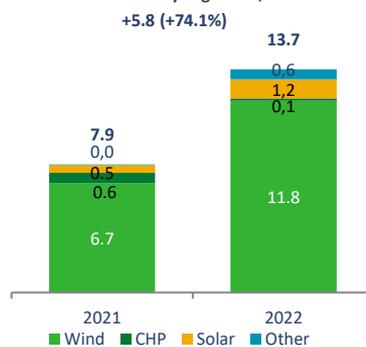
Liquidity development in Q1 2022, €m



Investments by type, €m



Investments by segments, €m



Investments €13.7m
+74.1%

Operations

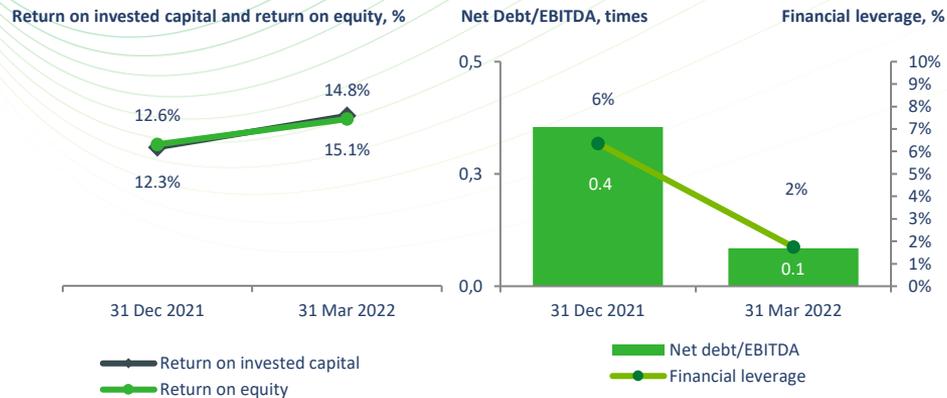
➔ High cash conversion of operations (101%)

Investments

➔ Q1 2022 investments in the amount of 13.7 mln, majority into wind developments:

- ✓ Purtsse €4.4 m
- ✓ Šilale II €4.2m
- ✓ Tolpanvaara €1.4m
- ✓ Zambrow €1.1m
- ✓ Sopi €0.8m

Strong capital structure



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

Loans repayment schedule, €m



Financial leverage 2%

Capital structure

- Low leverage and net debt / EBITDA levels

Financing

- Undrawn credit facilities of 220 €m
- Average interest rate reduction on outstanding loan portfolio: 1.17% -> 1.13%
- New loan contract from Nordic Invest Bank of 80 €m with 12 years term
- Interest rate swaps to fix interest rate of undrawn loans (between 1.049% to 1.125%)

Return on equity 14.8%

Returns

- Return on invested capital improved due to higher operating profit and net debt decrease of €31m
- Return on equity increased due to higher net profit

Power portfolio overview

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



Power Purchase Agreements

2022-2025

- 2,352 GWh of PPA's signed for the period (29% of expected production)
- Average locked price 45.5 EUR/MWh

2026+

- Longest PPA contracts span to 2033
- Production fixed with PPA's after 2025 in the amount of 3,776 GWh

Q1 2022 Summary

Total revenue	EBITDA	Net profit
€66.7m +58%	€45.6m +75%	€34.9m +124%

- ➔ Two new final investment decisions
- ➔ Preparing next 100MW+ of investment decisions
- ➔ High electricity prices, good wind speeds



+21 MW Purtsė
(final investment decision)



+6 MW Debnik
(final investment decision)

**Total renewable
production capacity
under construction**

226 MW

**+49% additional
installed capacity**
when completed

Annual General Meeting of Shareholders

- Shareholders are invited to participate on Enefit Green Annual General Meeting of Shareholders on **17 May at 13.00 EET** in Noblessner Foundry
- Please pre-register your participation by **10 May** using this [web form»](#)
- [Read meeting agenda»](#)
- The meeting will be held **in Estonian**, simultaneous translation to English is available at the venue





Q&A

Aavo Kärmas, CEO

Veiko Räim, CFO

Appendices

Condensed consolidated interim financial statements
Q1 2022

Condensed consolidated interim income statement

€ thousand	Note	Q1 2022	Q1 2021
Revenue	9	58,141	34,114
Other income	10	8,579	8,053
Change in inventories of finished goods and work-in-progress		(2,067)	(2,784)
Raw materials, consumables and services used	11	(14,134)	(9,579)
Payroll expenses		(2,443)	(1,830)
Depreciation, amortisation and impairment		(9,648)	(9,579)
Other operating expenses		(2,504)	(1,914)
OPERATING PROFIT		35,924	16,481
Finance income		408	375
Finance costs		(563)	(834)
Net finance costs		(155)	(459)
Profit from associates under the equity method		4	22
PROFIT BEFORE TAX		35,773	16,044
Corporate income tax expense		(849)	(432)
PROFIT FOR THE PERIOD		34,924	15,612

Basic and diluted earnings per share

Weighted average number of shares, thousand	6	264,276	4,793
Basic earnings per share, €	6	0.13	3.26
Diluted earnings per share, €	6	0.13	3.26
Basic earnings per share based on post-IPO number of shares			
Post-IPO number of shares, thousand	6	264,276	264,276
Basic earnings per share	6	0.13	0.06

Condensed consolidated interim statement of financial position

€ thousand	Note	31 Mar 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	616,258	612,503
Intangible assets		68,591	68,239
Right-of-use assets		4,340	2,750
Prepayments	4	20,642	20,710
Deferred tax assets		333	442
Investments in associates		591	578
Derivatives	5, 7	937	-
Long-term receivables		40	78
Total non-current assets		711,732	705,300
Current assets			
Inventories		7,789	9,529
Trade and other receivables and prepayments		23,817	22,373
Cash and cash equivalents		108,441	80,454
Total current assets		140,047	112,356
Total assets		851,779	817,656

€ thousand	Note	31 Mar 2022	31 Dec 2021
EQUITY			
Share capital	6	264,276	264,276
Share premium		60,351	60,351
Statutory capital reserve		479	479
Other reserves	5, 7	152,730	151,793
Foreign currency translation reserve	7	(1,102)	(965)
Retained earnings		192,597	157,673
Total equity		669,331	633,607
LIABILITIES			
Non-current liabilities			
Borrowings	8	100,721	93,884
Government grants		7,415	7,458
Non-derivative contract liability	5, 7	23,207	23,207
Deferred tax liabilities		12,412	12,568
Other long-term liabilities		3,000	3,000
Provisions		12	13
Total non-current liabilities		146,767	140,130
Current liabilities			
Borrowings	8	19,613	29,572
Trade and other payables		16,012	14,291
Provisions		56	56
Total current liabilities		35,681	43,919
Total liabilities		182,448	184,049
Total equity and liabilities		851,779	817,656

Condensed consolidated interim statement of cash flows

€ thousand	Note	Q1 2022	Q1 2021
Cash flows from operating activities			
Cash generated from operations	12	46,035	26,381
Interest and loan fees paid		(502)	(725)
Interest received		2	23
Corporate income tax paid		(500)	(3)
Net cash generated from operating activities		45,035	25,676
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	4	(12,326)	(7,941)
Proceeds from sale of property, plant and equipment		3	-
Net cash used in investing activities		(12,323)	(7,941)
Cash flows from financing activities			
Repayments of bank loans	8	(4,643)	(9,286)
Repayments of lease principal	8	(82)	(61)
Net change in an intragroup liability		-	55
Net cash generated from (used in) financing activities		(4,725)	(9,292)
Net cash flow		27,987	8,443
Cash and cash equivalents at the beginning of the period		80,454	44,086
Cash and cash equivalents at the end of the period		108,441	52,529
Net increase (decrease) in cash and cash equivalents		27,987	8,443