

An aerial photograph of a wind farm in a hazy, overcast sky. In the foreground, a large white wind turbine tower is visible, with a yellow crane mounted on top. The crane is lifting a large, white, rectangular component, likely a nacelle or part of the nacelle, from the tower. The background shows several other wind turbines scattered across a landscape of rolling hills and dense evergreen forests. The overall scene is misty and atmospheric.

# Enefit Green

Unaudited interim report  
Q4 and 12 months 2022



Enefit Green

# Results are presented by:



**Aavo Kärmas**  
Chief Executive Officer



**Veiko Räm**  
Chief Financial Officer

# Enefit Green

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

Over  
**20 years**  
renewable energy  
experience

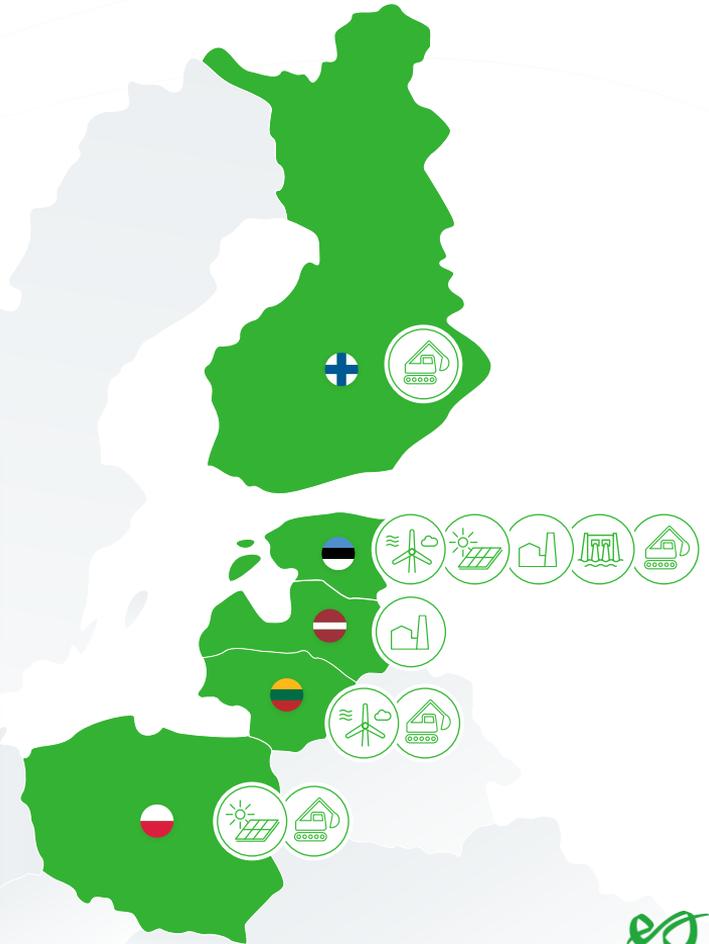
Largest  
**wind energy  
producer**  
in Baltic countries

**178  
employees**  
in Estonia, Latvia,  
Lithuania and Poland

Production 2022  
**1.12 TWh** (EI)  
**565 GWh** (Heat)

2022 operating revenue  
**€257.0m**  
EBITDA €154.8m  
Net profit €110.2m

 Nasdaq  
**~ 60 000**  
investors



# Our journey to 4x growth

Accelerated adoption of green energy is the path to CO<sub>2</sub> free way of life

## MISSION

We produce renewable energy and deliver green transition based on electrification.



- Portfolio: **800 MW**
- Fastest growth in Estonia and Lithuania



- Portfolio: **600 MW**
- Client solutions: **100 MW**
- Focus on Baltics and Poland

## VISION

By 2026 we will be the largest renewable energy producer in the Baltics and a rapidly growing renewable energy company in Poland.



Electricity production  
**4.5 TWh**



CO<sub>2</sub>-neutral thermal energy production  
**600 GWh**



Electrical capacity  
**1,900 MW**



Investments  
**EUR 1.5 billion**



Number of employees  
**220**

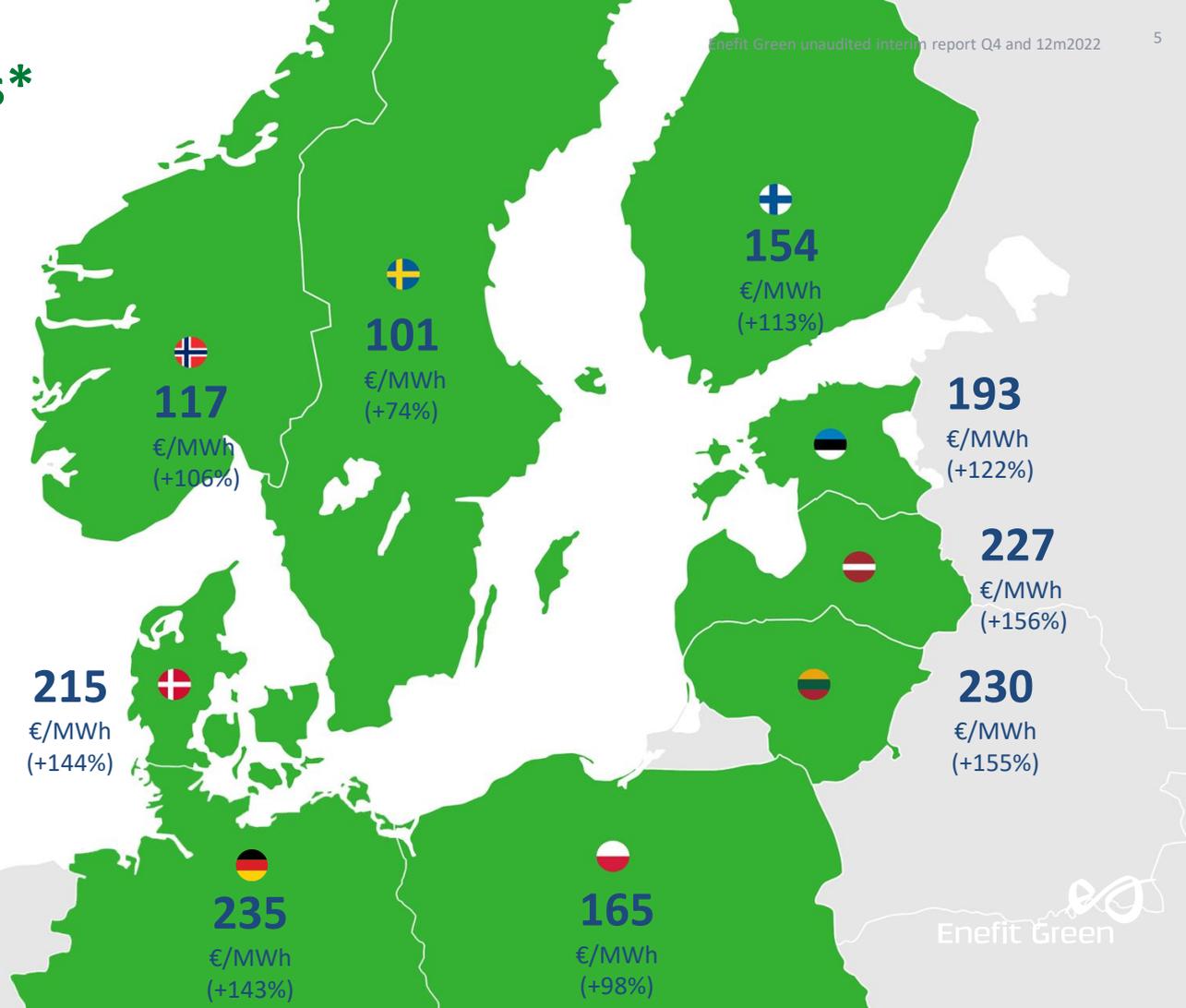
# High electricity prices\* signal the need for more renewable generation capacity in our region

	Annual** Production (TWh)	Annual** Consumption (TWh)	Annual** Net export (TWh)
Norway	144.1	131.6	+12.5
Sweden	165.6	132.1	+33.5
Finland	67.0	79.2	-12.2
Estonia	7.3	8.2	-0.9
Latvia	4.5	6.8	-2.3
Lithuania	4.4	12.2	-7.8
Poland	162.7	172.4	-9.7
Denmark	32.9	34.3	-1.4

\* 2022 averages and yoy growth rates shown on the graph

\*\* 2022 data

Sources: ENTSO-E, Nord Pool



# Regulatory developments

## Electricity market model

- + Preparations by the European Commission for a reform, which seems to aim for decreasing role of day-ahead market and increasing role of PPAs
- The uncertain regulation of renewable energy subsidies in Latvia caused us to abandon the support scheme at Valka cogeneration plant
- Uncertainty regarding fixed-price electricity contracts for private individuals – reduces the potential of the market model based on PPAs to support the development of new capacities
- A revenue cap of 180 €/MWh for low-variable cost electricity producers (including those using wind, solar, waste and biomass as an energy source). A measure of a temporary nature for 7 months from 1 December 2022 to 30 June 2023, but with a possible extension
- + Implementation of the 180 €/MWh revenue cap in Estonia and Latvia, which enables to direct excess revenue to investments

## Acceleration of renewable energy investments

- + Increasing national targets for renewable electricity production for 2030: Estonia 40% -> 100%  
Lithuania 45% -> 70%
- + REPowerEU: A plan of the European Commission to speed up permitting procedures for renewable energy
- + National reverse auctions for renewable electricity in 2023-2025 in the total amount of 1650 GWh p.a., focusing on wind energy
- A joint venture between the national energy and forestry companies getting an exclusive right to develop renewable energy capacities on state land

## Wind energy

- + Preparations for the announcement of the auction for 700MW offshore wind farm in the second half of 2023
- + The introduction of a tolerability fee for wind farms in all Baltic States, which has increased the interest of local governments and communities towards wind farm development

## Solar energy

- + Preparation of regulation of direct electricity lines between producers and consumers
- Limiting development of solar farms with over 100kW capacity to avoid exceeding the 2GW total capacity target. Restricts the development of hybrid farms.

## Developments on fuel markets

- + Natural gas price volatility has increased public support for renewables, including biomass
- Recognition of natural gas and nuclear energy as sustainable under the EU taxonomy
- Delays and ambiguities in sustainability regulation for biomass

4x

# production capacity growth by 2026



**Projects under construction**

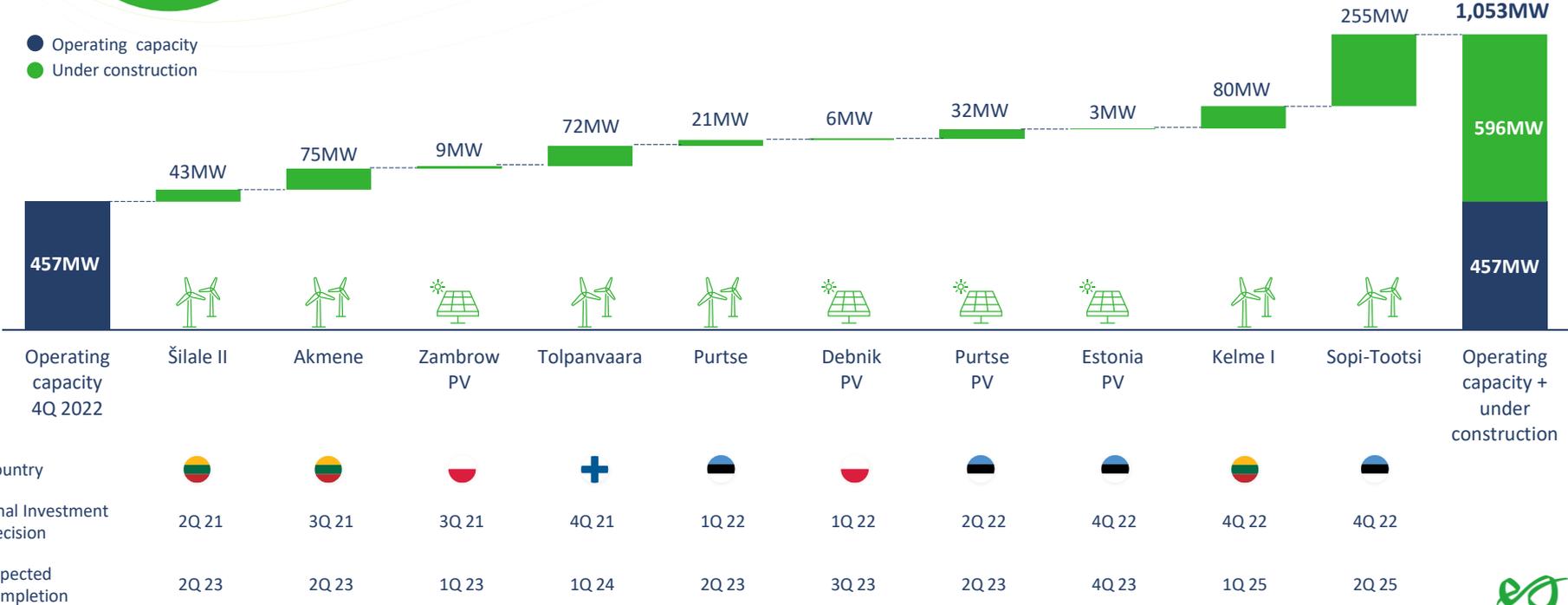


546 MW



50 MW

● Operating capacity  
● Under construction



**Near term development portfolio**

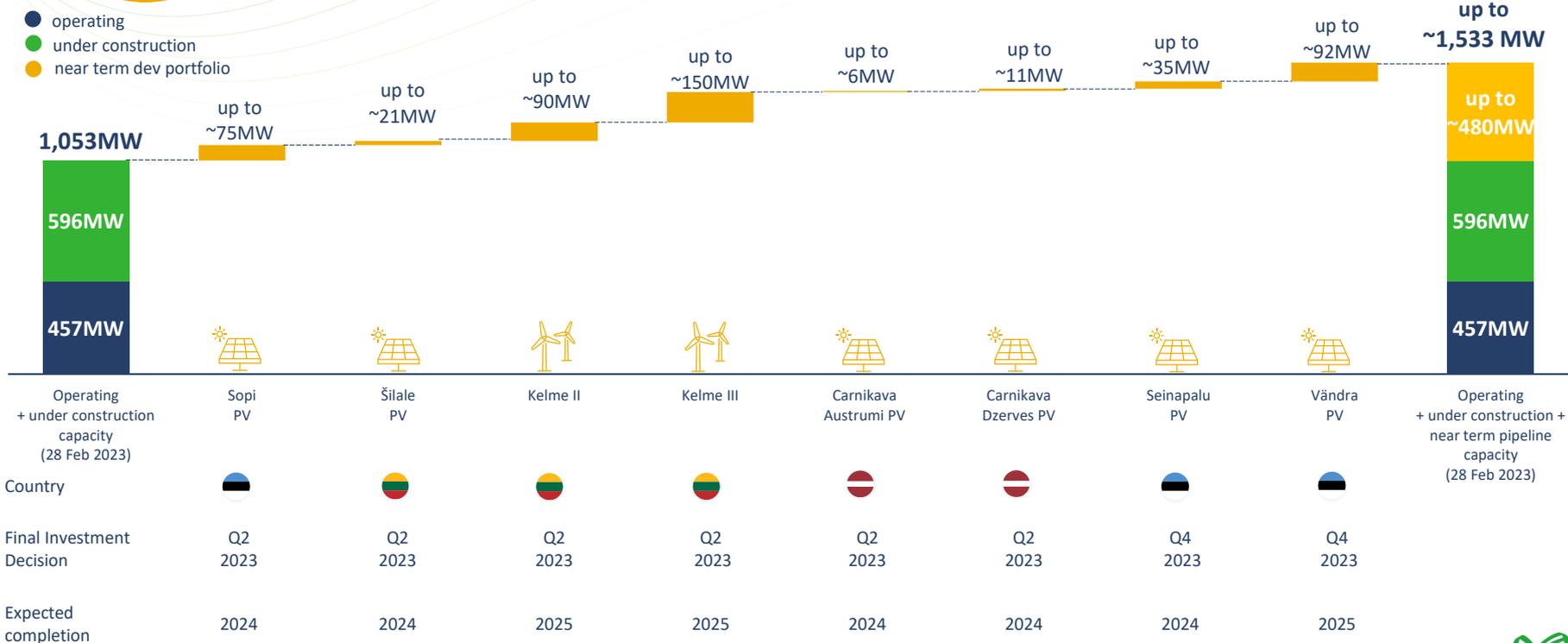
Targeted investment decisions until the end of 2023



240 MW



240 MW



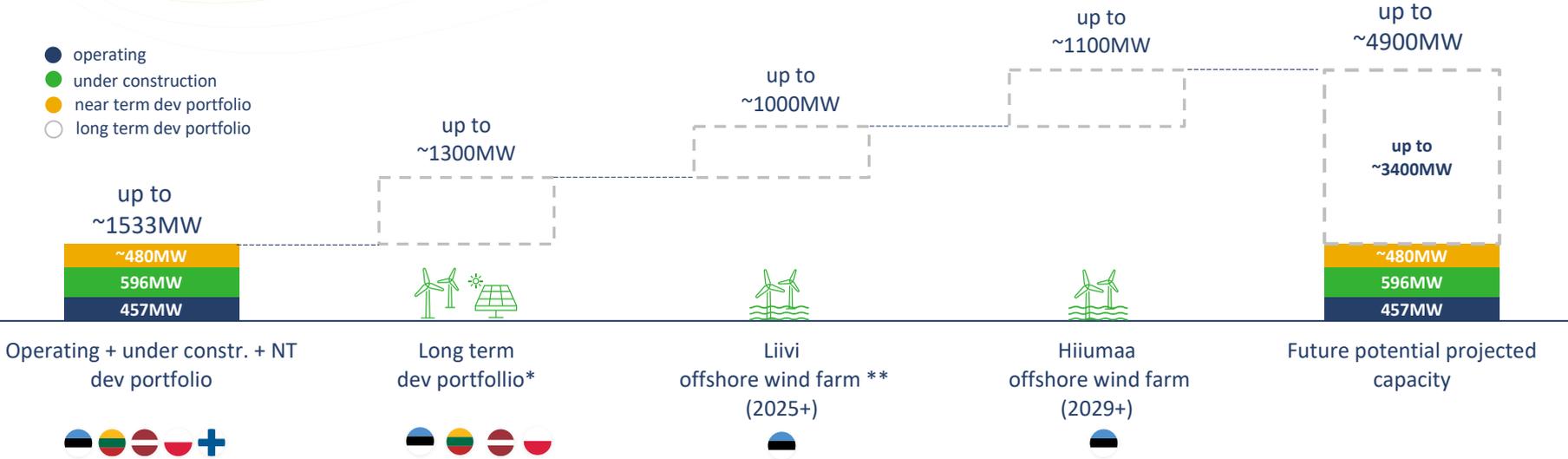
Project Name	Country	Final Investment Decision	Expected completion
Operating + under construction capacity (28 Feb 2023)			
Sopi PV		Q2 2023	2024
Šilale PV		Q2 2023	2024
Kelme II		Q2 2023	2025
Kelme III		Q2 2023	2025
Carnikava Austrumi PV		Q2 2023	2024
Carnikava Dzerves PV		Q2 2023	2024
Seinapalu PV		Q4 2023	2024
Vändra PV		Q4 2023	2025
Operating + under construction + near term pipeline capacity (28 Feb 2023)			

**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 28 Feb 2023

# Complete view of the development portfolio



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



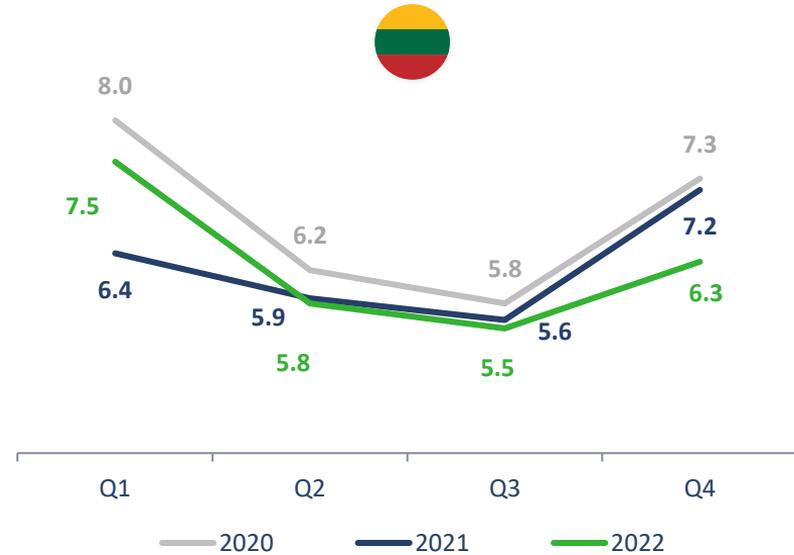
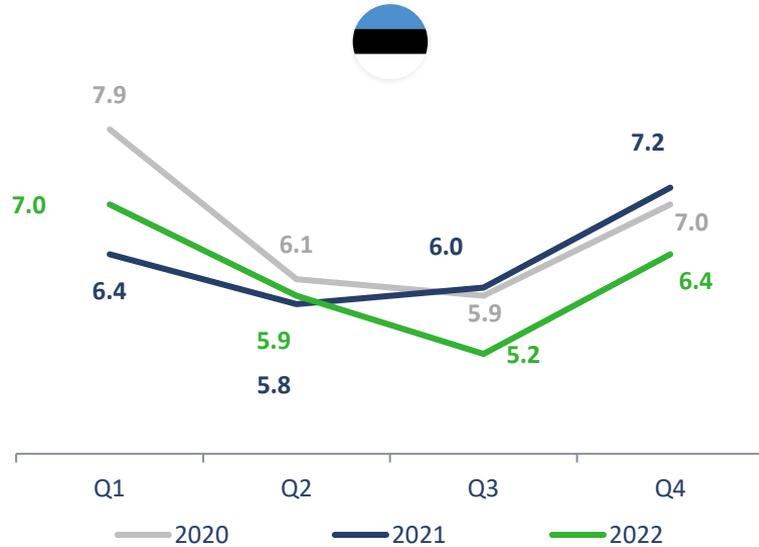
NB! Development projects are in continuous change.

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

\*\* Liivi (Gulf of Riga) Offshore wind farm development is owned by Eesti Energia as of the reporting date. Eesti Energia has agreed to offer Enefit Green a possibility to participate in the project and/or acquire the project based on market terms.

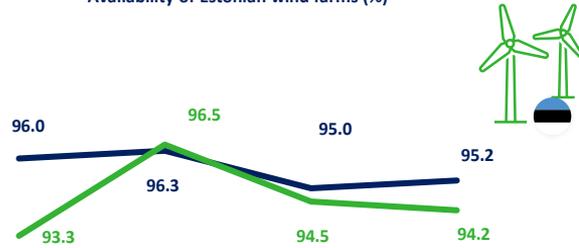
## Weakest wind conditions in last three years

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

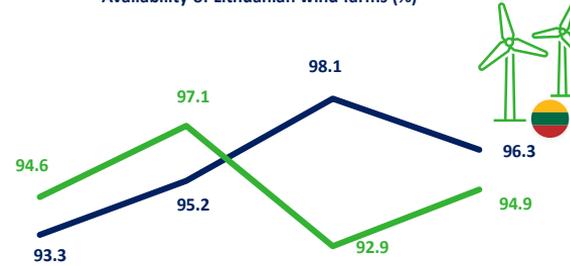


# Challenges with availabilities in 2H 2022

Availability of Estonian wind farms (%)



Availability of Lithuanian wind farms (%)



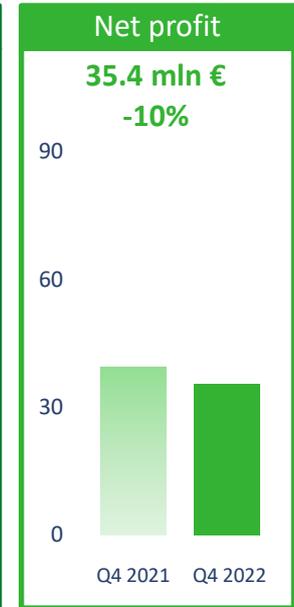
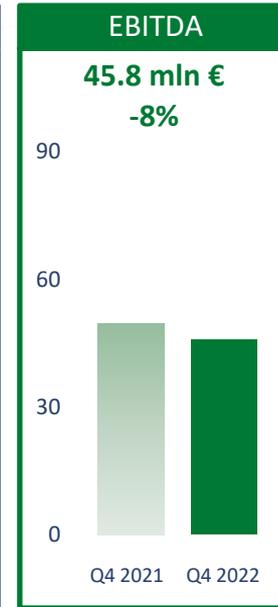
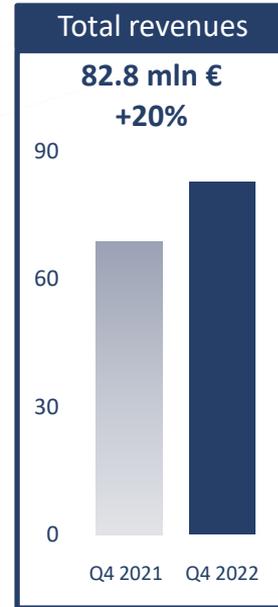
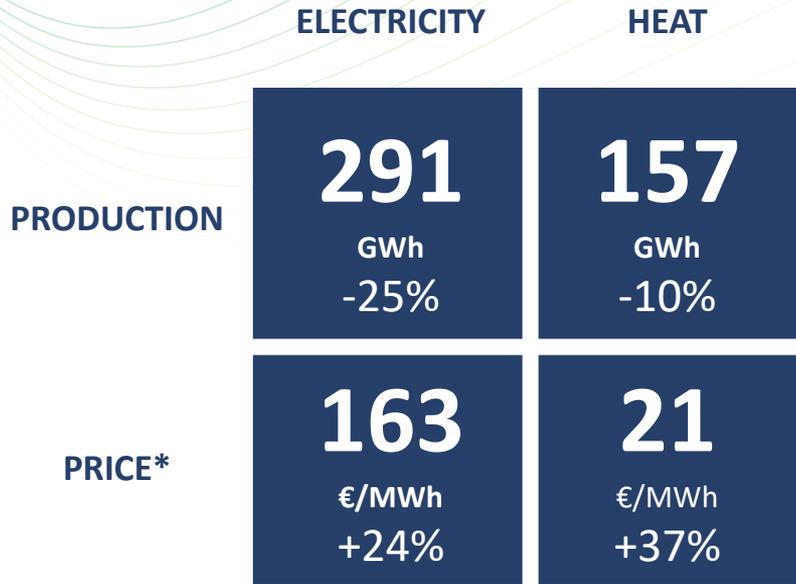
CHP availabilities (%)



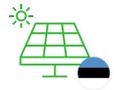
Availabilities of solar farms (%)



# Q4 2022 key highlights



**+255 MW Sopi-Tootsi**  
(final investment decision)



**+ 3MW Estonia**  
(final investment decision)



**+80 MW Kelme**  
(final investment decision)

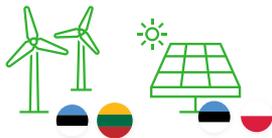
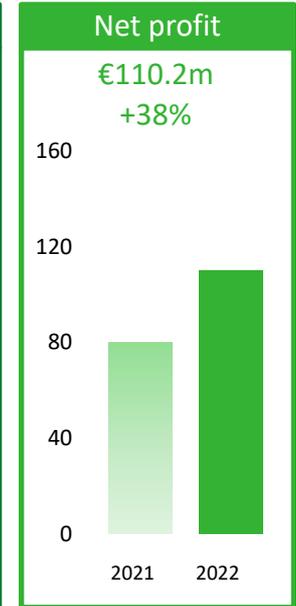
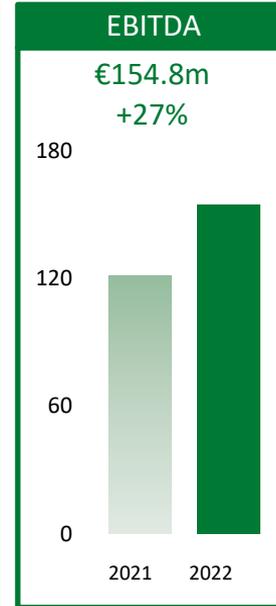
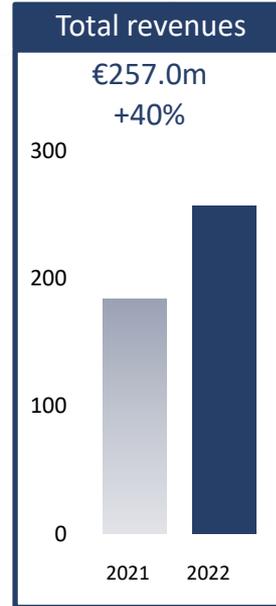


**325 + 100 m€ debt financing**  
(new loans SEB & NIB +  
refinancing SEB & Swedbank )

\*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

# 2022 key highlights

	ELECTRICITY	HEAT
<b>PRODUCTION</b>	<b>1 118</b> GWh -6%	<b>566</b> GWh -9%
<b>PRICE*</b>	<b>149</b> €/MWh +39%	<b>16</b> €/MWh +14%



**+394 MW**  
6 final investment decisions



**ca €500m**  
value of 2022 final investment decisions

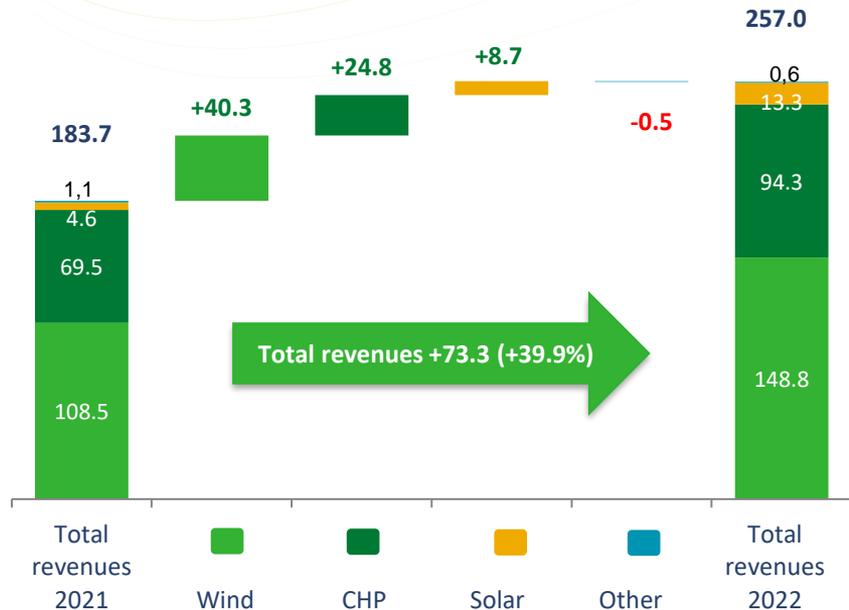


**+4.9 TWh PPAs**  
new contracts signed during 2022

\* (Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

# Revenue growth driven by strong NP prices

## Total revenues by segment, €m



**Total revenues €257.0m**  
+40%

### Wind

- Implied captured electricity price\* in Estonia 175 €/MWh (+41%) and in Lithuania 87 €/MWh (+9%)
- Lower electricity production in Estonian and Lithuanian wind farms

### CHP

- Implied captured electricity price\* 213 €/MWh (+84%)
- Higher pellet revenues
- Lower heat and electricity production

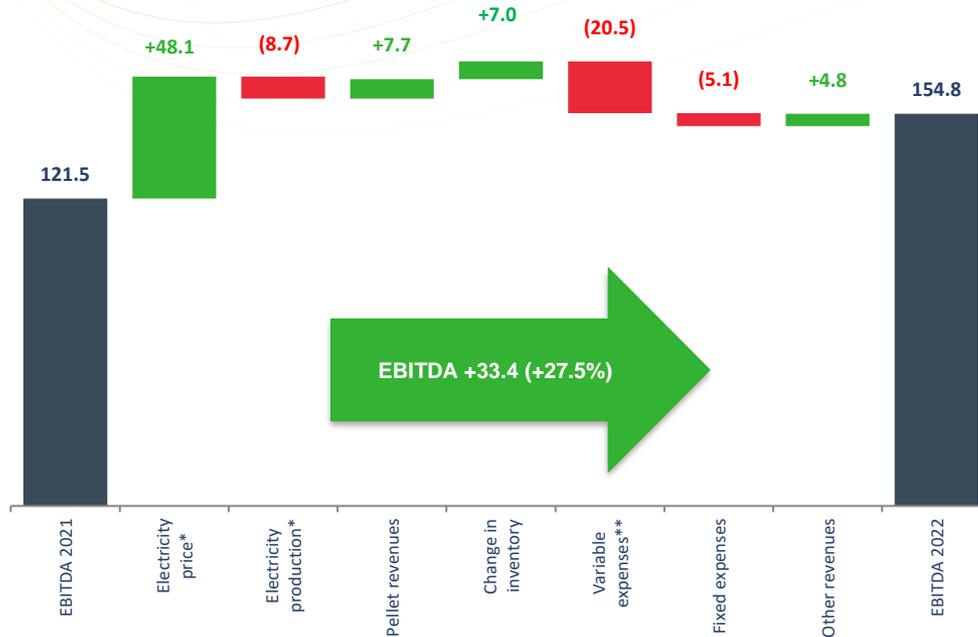
### Solar

- Growing revenues in solar services „Turn-key“ business

\*Implied captured electricity price = (electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

# EBITDA growth driven by strong NP prices

Group's EBITDA development by drivers, €m



\*Calculated based implied electricity prices in 2021 and 2022 and respective electricity quantities. Also included PPA revenues.

\*\*Purchase of balance power is excluded from variable costs, because it is already included in electricity price and electricity production columns.

**EBITDA €154.8m**  
+28%

- **Higher electricity price +€48.1m**  
 Net of higher electricity purchase costs
- **Lower production -€8.7m**
- **Pellet revenues +€7.7m**
- **Change in inventories +€7.0m**
- **Impact of variable expenses -€20.5m**  
 Higher biomass prices  
 Higher solar services costs
- **Impact of fixed expenses -€5.1m**  
 Increased labor costs  
 Increased development related costs

# Wind energy segment: high prices, lower wind speeds

Electricity production, GWh

-52.3 (-8.9%)      -19.1 (-4.8%)



Implied captured electricity price, €/MWh\*

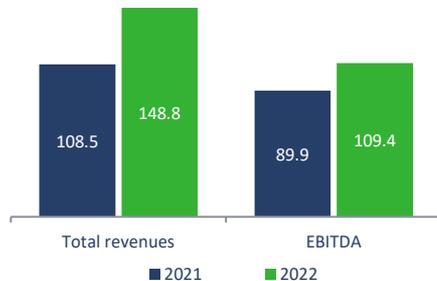
+50.7 (+40.9%)      +7.4 (+9.3%)



\*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

Total revenues and EBITDA, €m

+40.3 (+37.1%)      +19.6 (+21.8%)

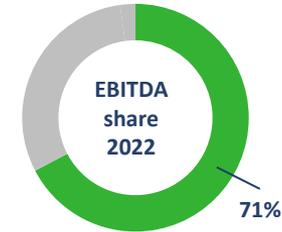


Operating expenses per MW for last 4 quarters, €/MW\*

+0.4 (+1.1%)



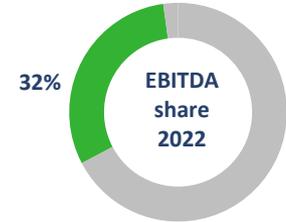
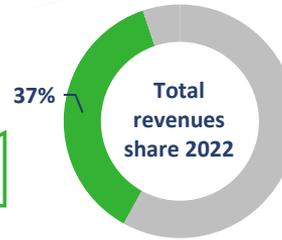
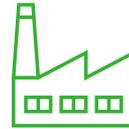
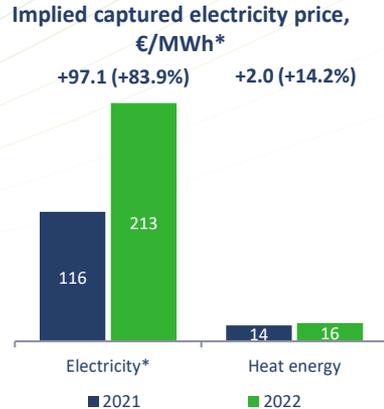
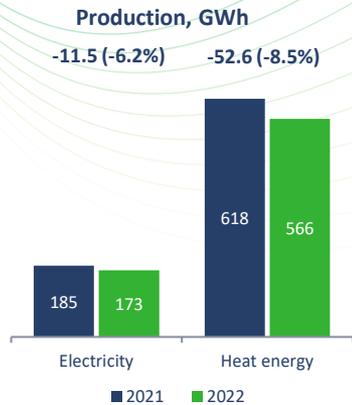
\*(Total operating expenses - balancing energy purchase - D&A) / operating capacity. Only operating wind assets are included: Enefit Wind OÜ and Enefit Wind UAB



**EBITDA €109.4m**  
**+22%**

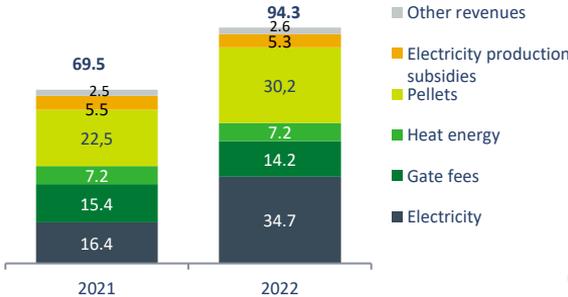
- High NP electricity prices in Estonia and bigger NP price impact to Lithuanian parks
- Stable wind farm operating expenses
- Lower production volume due to weak wind conditions

# Cogeneration segment: higher income, slightly lower production

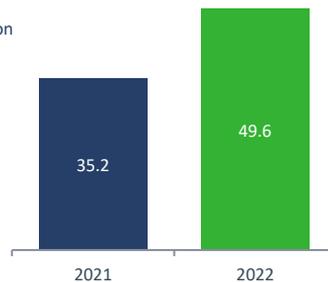


\*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

**Total revenues, €m**  
+24.8 (+35.7%)



**EBITDA, €m**  
+14.4 (+41.0%)

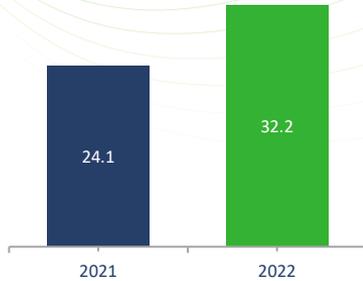


**EBITDA €49.6m**  
**+41%**

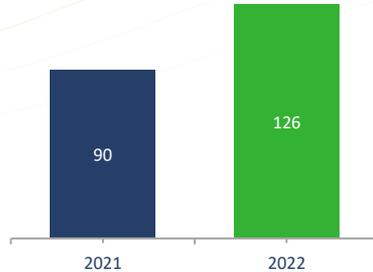
- Implied captured electricity price driven by NP prices
- Higher pellet revenue
- Heat energy revenue stable, despite lower production
- Variable costs increased from higher biomass prices
- Iru stoppage, which decreased electricity and heat production

# Solar segment growth on weather driven production increase

Electricity production, GWh  
+8.1 (+33.4%)



Implied captured electricity price, €/MWh\*  
+35.5 (+39.2%)



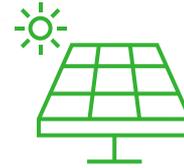
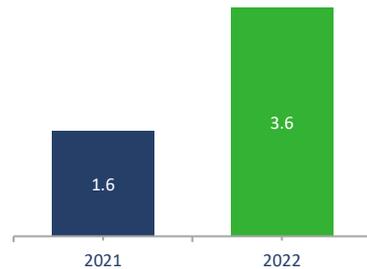
\*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

Total revenues, €m  
+8.7 (+187.6%)



■ Solar services revenues  
■ Operating parks' revenues

EBITDA, €m  
+1.9 (+118.3%)



**EBITDA €3.6m (+118%)**

- Production higher due to good weather conditions
- Higher solar energy implied captured electricity price in Estonia
- Exit from Solar services „turn-key“ solution business

# 2022 Earnings Per share €0.417

## Management's dividend proposal: €0.208 per share



### Dividend proposal

In coordination with the Supervisory Board, the Management Board proposes to distribute to shareholders EUR 55.0 million in dividends (**0.208 euros per share**) from earnings of previous periods in 2022, which is equivalent to 49.9% of group's unaudited net profit in 2022.

**Net profit €110.2m**  
+38%

#### Financial expenses

- Decreased due to capitalization of loan interest payments

#### Corporate income tax

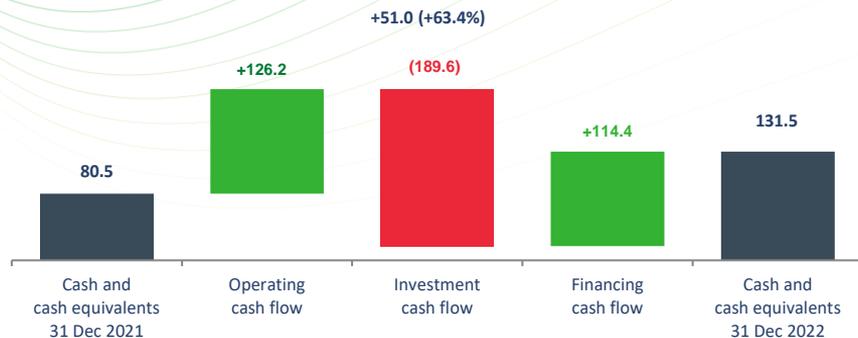
- Increase due to dividend payment

#### Net profit

- High electricity market prices
- Lower production volumes

# Strong operating cash flows

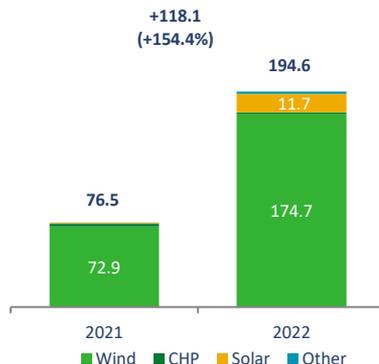
Liquidity development 2022, €m



Investments by type, €m



Investments by segments, €m



**Investments €194.6m**  
**+154%**

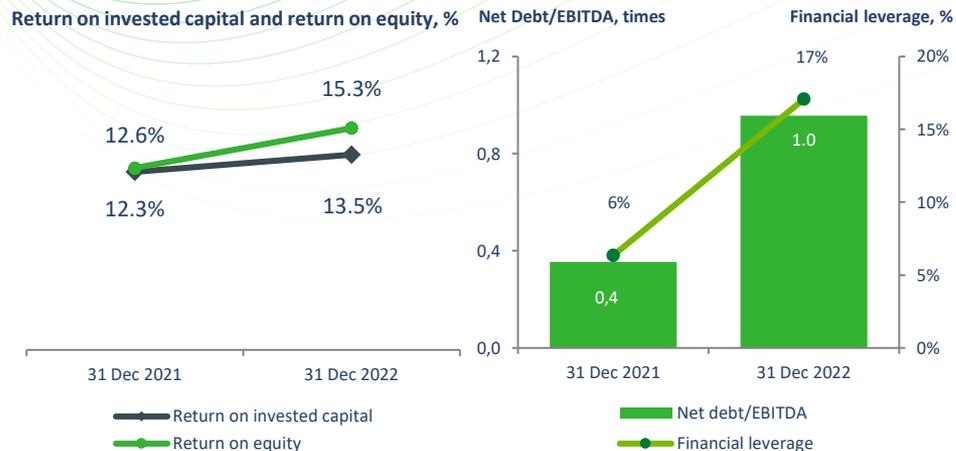
## Operations

- Strong operating cash flow supports growing investments

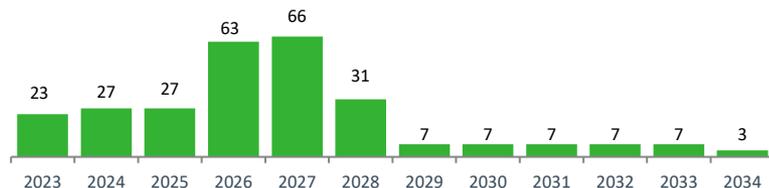
## Investments

- 2022 investments in the amount of €194.6m, majority into wind developments:
  - Akmene €62.5m
  - Šilale II €30.7m
  - Acquisition of Tootsi windpark €26.9m
  - Tolpanvaara €18.3m
  - Purtse windpark €14.6m

# Strong capital structure



## Loan repayment schedule, €m



## Financial leverage 17%

### Capital structure

- Increasing but still low leverage and net debt / EBITDA levels

### Financing

- Balance of outstanding loans €275m
- Average interest rate 2.60%, including interest rate swaps (2021: 1.44%). Swaps cover 61% of loans.
- Unutilised revolving credit facilities €50m
- Refinanced €100m of loans (2023 maturity) in December
- Signed €325m of new loans with SEB & NIB in January

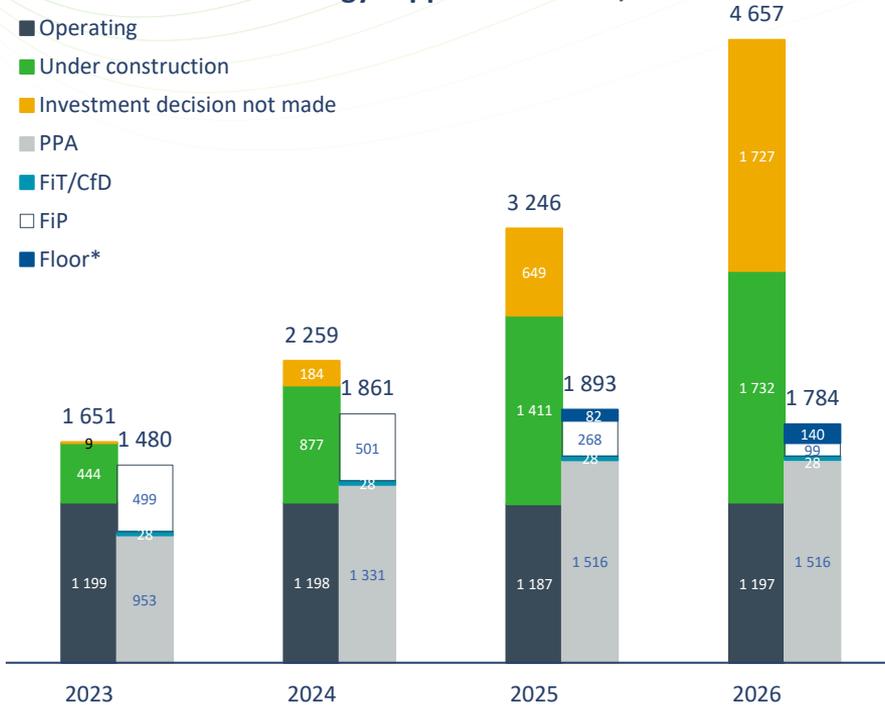
## Return on equity 15.3%

### Returns

- Return on invested capital improved due to higher operating profit
- Return on equity increased due to higher net profit

# Power sales portfolio: PPAs support new development

Expected production from current and newly constructed assets and coverage by PPAs and renewable energy support measures, GWh



## Power Purchase Agreements

### 2023-2026

- 5,317 GWh PPAs signed (58% of expected production)
- Average locked price 69.4 €/MWh

### 2027+

- Longest PPA contracts span to 2033
- Of the production expected after 2026 5,209 GWh is fixed with PPAs with an average price of 75.4 €/MWh

### New contracts in 2022

- During 2022, we signed new PPAs with terms of up to 10 years in the volume of 4,949 GWh at an average price of 108,5 €/MWh.

# Sustainable Enefit Green

- At Enefit Green we are committed to operating sustainably and reducing our environmental footprint
- Our sustainability principles are in alignment with UN Sustainable Development Goals
- We will gradually integrate selected environmental, social and governance criteria into our business goals





## Building a greener future in balance with the environment

- We are focusing on wind and solar energy
- More sustainable cogeneration of heat and power
- Sustainable pellet production
- Overall energy efficiency



### 2022 developments

- Publishing Enefit Green’s carbon footprint



## Accelerating the green transition together with people and communities

- An employee-centric culture
- Attracting future talent
- Cooperation with local communities and partners



### 2022 developments

- Employee engagement index: 86 -> 91
- Management quality index: 84 -> 95
- Zero workplace accidents



## Building a better future through trust and transparency

- Rule of law and fight against corruption
- Supervisory board and audit committee independence
- Protection of labour and human rights
- Sustainable supply chain



### 2022 developments

- Raising the topic of supply chain sustainability
- Code of Ethics for Partners

## 2022 summary

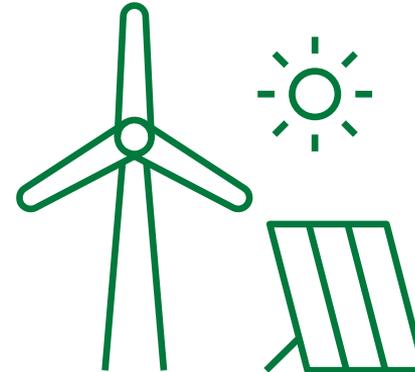
Total revenue	EBITDA	Net profit
€257.0m	€154.8m	€110.2m
+40%	+27%	+38%

- **Clear pipeline** to deliver on strategy to quadruple operating capacity by 2026
- **6 new FIDs for 394MW taken (~€500m)**
- **€100m** of 2023 loans **refinanced** and **€325m** of new debt **raised** (Jan '23)
- **4.9TWh PPAs** signed in 2022
- **€0.208 per share dividend** proposed for 2022
- **Sustainability** principles set, working on details and goals

**Total renewable capacity currently under construction**

# 596 MW

**+130% additional capacity**  
when completed





# Q&A

Aavo Kärmas, CEO  
Veiko Räim, CFO



Enefit Green

## Appendices

Condensed consolidated  
interim financial statements 2022

# Condensed consolidated interim income statement

€ thousand	Q4 2022	Q4 2021	2022	2021
Revenue	76 381	59 346	233 280	153 002
Renewable energy support and other income	6 372	9 562	23 735	30 705
Change in inventories of finished goods and work in progress	-1 304	-1 468	3 303	-3 708
Raw materials, consumables and services used	-30 486	-13 854	-85 954	-44 038
Payroll expenses	-2 470	-1 781	-9 111	-6 713
Depreciation, amortisation and impairment	-8 847	-9 553	-37 777	-38 146
Other operating expenses	-2 690	-2 236	-10 411	-7 790
<b>OPERATING INCOME</b>	<b>36 956</b>	<b>40 016</b>	<b>117 065</b>	<b>83 312</b>
Finance income	240	503	337	721
Finance costs	-1 688	-669	-2 342	-2 833
<b>Neto finance costs</b>	<b>-1 448</b>	<b>-166</b>	<b>-2 005</b>	<b>-2 112</b>
Profit from associates under the equity method	27	36	714	46
<b>PROFIT BEFORE TAX</b>	<b>35 535</b>	<b>39 886</b>	<b>115 774</b>	<b>81 246</b>
Income tax expense	-126	-516	-5 567	-1 585
<b>PROFIT FOR THE PERIOD</b>	<b>35 409</b>	<b>39 370</b>	<b>110 207</b>	<b>79 661</b>
<b>Basic and diluted earnings per share</b>				
Weighted average number of shares, thousand	264 276	256 405	264 276	86 707
Basic earnings per share, €	0.13	0.15	0.42	0.92
Diluted earnings per share, €	0.13	0.15	0.42	0.92
<b>Basic earnings per share based on post-IPO number of shares</b>				
Post-IPO number of shares, thousand	264 276	264 276	264 276	264 276
Basic earnings per share, €	0.13	0.15	0.42	0.30

# Condensed consolidated interim statement of financial position

€ thousand	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	776 870	612 503
Intangible assets	60 382	68 239
Right-of-use assets	4 239	2 750
Prepayments for property, plant and equipment	19 412	20 710
Deferred tax assets	1 321	442
Investments in associates	506	578
Derivative financial instruments	11 277	0
Long-term receivables	40	78
<b>Total non-current assets</b>	<b>874 047</b>	<b>705 300</b>
<b>Current assets</b>		
Inventories	14 227	9 529
Trade and other receivables and prepayments	41 091	22 373
Cash and cash equivalents	131 456	80 454
Derivative financial instruments	3 349	0
<b>Total current assets</b>	<b>190 123</b>	<b>112 356</b>
<b>Total assets</b>	<b>1 064 170</b>	<b>817 656</b>

€ thousand	31 Dec 2022	31 Dec 2021
<b>EQUITY</b>		
<b>Equity and reserves attributable to owners of the parent</b>		
Share capital	264 276	264 276
Share premium	60 351	60 351
Statutory capital reserve	3 259	479
Other reserves	166 419	151 793
Foreign currency translation reserve	-762	-965
Retained earnings	225 190	157 673
<b>Total equity</b>	<b>718 733</b>	<b>633 607</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	255 755	93 884
Government grants	7 115	7 458
Non-derivative contract liability	18 086	23 207
Deferred tax liabilities	12 326	12 568
Other non-current liabilities	3 000	3 000
Provisions	9	13
<b>Total non-current liabilities</b>	<b>296 291</b>	<b>140 130</b>
<b>Current liabilities</b>		
Borrowings	23 808	29 572
Trade and other payables	20 215	14 291
Provisions	2	56
Non-derivative contract liability	5 121	0
<b>Total current liabilities</b>	<b>49 146</b>	<b>43 919</b>
<b>Total liabilities</b>	<b>345 437</b>	<b>184 049</b>
<b>Total equity and liabilities</b>	<b>1 064 170</b>	<b>817 656</b>

# Condensed consolidated interim statement of cash flows

€ thousand	Q4 2022	Q4 2021	2022	2021
<b>Cash flows from operating activities</b>				
Cash generated from operations	30 481	48 634	136 223	121 532
Interest and loan fees paid	-1 360	-1 016	-3 202	-3 377
Interest received	239	3	251	25
Corporate income tax paid	-829	-270	-7 046	-970
<b>Net cash generated from operating activities</b>	<b>28 531</b>	<b>47 351</b>	<b>126 226</b>	<b>117 210</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment and intangible assets	-60 487	-23 119	-190 436	-74 844
Proceeds from sale of property, plant and equipment	0	74	3	96
Dividends received from associates	0	0	62	0
Proceeds from sale of shares in an associate	0	0	724	68
<b>Net cash used in investing activities</b>	<b>-60 487</b>	<b>-23 045</b>	<b>-189 647</b>	<b>-74 680</b>
<b>Cash flows from financing activities</b>				
Change in overdraft(net)	0	0	0	33 312
Bank loans received	100 000	0	270 000	10 000
Repayments of bank loans	-100 131	-52 529	-115 277	-83 634
Repayments of lease liabilities	-168	-291	-431	-262
Dividends paid	0	0	-39 906	-27 100
Proceeds from issue of shares	0	100 000	0	100 000
Share issue costs paid	0	-5 166	0	-5 166
Other adjustments	0	0	37	0
<b>Net cash used in financing activities</b>	<b>-299</b>	<b>42 014</b>	<b>114 423</b>	<b>27 150</b>
<b>Net cash flow</b>	<b>-32 255</b>	<b>66 320</b>	<b>51 002</b>	<b>69 680</b>
Cash and cash equivalents at the beginning of the period	163 711	14 134	80 454	10 774
Cash and cash equivalents at the end of the period	131 456	80 454	131 456	80 454
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-32 255</b>	<b>66 320</b>	<b>51 002</b>	<b>69 680</b>