Enefit Green

Q1 2025

Unaudited interim report

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Enefit Green

Chairman letter

Dear reader

Developments in the energy market created a new reality in our region at the beginning of 2025. The connection of the Baltic countries to the Continental Europe Synchronous Area, which strengthens our energy security, also led to temporary reduction in power transmission capacity during the transition period and opened up the frequency reserve market.

The quarter was also marked by the failure of a power link between Finland and Estonia and unfavourable wind conditions, which increased both the share of electricity generated from fossil fuels and electricity prices in the Baltics and Poland.

Production and financial results

Enefit Green produced 617 GWh of electricity, 25% more than in the same period last year, and 105 GWh of heat, 19% less than in the same period last year. Operating income for the period was €66.9m (down 3%), EBITDA was €31m (down 27%) and net profit was €21.7m (down 35%).

The growth in electricity generation was mainly due to the addition of new wind and solar farms. Although these assets increased our production volumes, the exceptionally calm weather in February weakened the quarterly result. Wind speeds were higher in January and March, but this could not compensate for the shortfall in February. As a result, wind conditions reduced quarterly electricity production by 57.4 GWh.

The impact of operational wind farm availability on our quarterly production results was negative at 10.4 GWh, mainly due to ice build-up on turbine blades in Lithuania and Finland.

The heat energy production result was affected for the last time in the first quarter by the sale of the biomass-based cogeneration and pellet business that took place at the end of 2023 and the beginning of 2024. The reliability of the Iru cogeneration plant remained at a high level.

Although our electricity production and the market prices for electricity in the Baltic countries and Poland increased, Enefit Green's average price for electricity sold to the market was lower than a year earlier, which affected operating income and EBITDA. This was mainly due to an increase in wind discounts in situations where production coincided with hours of very low or negative electricity prices. Digital solutions allow us to flexibly adjust production and avoid overproduction and loss-making sales during periods of extremely low prices. In such a volatile market environment, long-term power purchase agreements (PPAs) provide also a stable revenue base and mitigate the risks associated with price and profile fluctuations.

The decrease in operating revenues was also impacted by the sale of the biomass-based cogeneration and pellet business, which had resulted in a one-off positive income effect last year.

While production volumes have increased, return on invested capital and return on equity are still low. Most of the investments made in recent years have been realised and are contributing to cash flow. Active construction work continues at the Kelmė II wind farm in Lithuania, where the installation of wind turbines has started, and will start at the Strzałkowo solar farm in Poland. In total, 132 MW of production capacity is under construction. In Q1 2025, return on invested capital (ROIC) was 4.3% and return on equity (ROE) was 7.5%.

Adapting to new market conditions

The changing market situation, which requires a reassessment of strategic directions, also creates new opportunities for business development. In recent years, significant new wind and solar generation capacity has been added to the Baltic electricity market, and more is on the way. It will take time for this capacity to be integrated into the market, and electricity demand is expected to gradually adjust to the increased local supply.

In the long term, renewable energy is one of the most efficient ways of generating electricity and ensuring competitive electricity prices. At the same time, increasing the share of renewables leads to greater production and price volatility, as production is dependent on weather conditions. This, in turn, requires flexible system solutions such as storage capacities and the management of production and consumption to ensure the reliability of the electricity system under changing conditions.

Further development of the company requires strategic precision – investments must be made in markets and projects that offer high returns and strengthen Enefit Green's position in the long term. We will therefore focus on the Baltic countries and Poland, as well as wind and hybrid farm projects that offer higher returns. We will also seek development opportunities through strategic partnerships.

In February 2025, we signed a partnership agreement with Sumitomo Corporation, one of the world's leading trading and investment companies, to develop an offshore wind farm in the Gulf of Riga. Enefit Green's in-depth market knowledge and Sumitomo Corporation's global expertise will allow taking the next step in the development of the Estonian energy sector and accelerate the implementation of the project. The development teams have started work and progress is on track.

In March, we made a final investment decision to build a 45 MW solar farm in Strzałkowo, Poland. This is one of Enefit Green's largest solar farms, with an expected annual output of around 45 GWh. 75% of the output is covered by a 15-year indexed contract for differences (CfD), which helps mitigate price risk and ensure stable cash flow. Strzałkowo marks an important stage in the growth of our Polish solar portfolio, which already includes 21 operating solar farms with a total capacity of 33 MW.

Enefit Green

Commented [IA1]: Siin on eesti keeles tekst, mis võib jätta lugejale mulje, et elektritoodang tervikuna vähenes (eelmise aastaga võrreldes): … ja nii vähenes kvartali elektritoodang 57,4 GWh võrra.

Sisult on siin ilmselt püütud väljendada tuuleolude negatiivset mõju lihtsalt (st tagapool esitatud mõtet: Tuuleenergia toodangule avaldasid esimeses kvartalis negatiivset mõju tuuleolud – keskmised tuulekiirused Eestis ja Leedus jäid ootustele alla ja mõjutasid toodangut -57,4 GWh võrra.)

At the same time, we have partnered with RES Global Investment in Poland to develop onshore wind farms with a planned total capacity of more than 360 MW. These projects support Enefit Green's targeted growth in the Polish market, where we have been active since 2019.

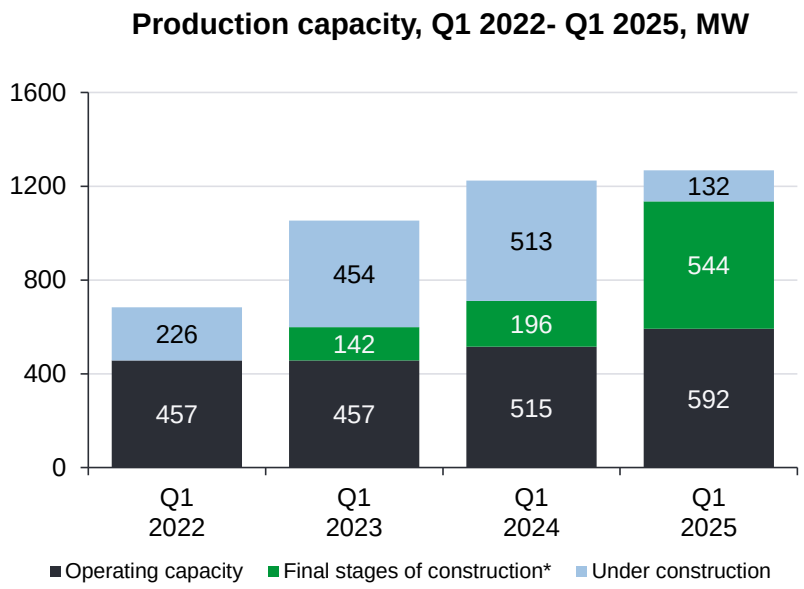
In addition to redirecting investment, adapting to the market also means reassessing the business model. It is important to find a solution that meets the requirements of the new market logic. Our majority shareholder, Eesti Energia, sees potential in creating an integrated energy group, where the electricity generation and sales portfolios are combined. At the end of March, Eesti Energia announced its intention to make a voluntary takeover bid to the other shareholders of Enefit Green in order to bring Enefit Green back under the full ownership of Eesti Energia. The combination of dispatchable power plants and renewable energy production will enable the company to offer electricity at more competitive prices and increase profitability.

Our team is committed and will continue to develop Enefit Green to strengthen the company's position in a changing market environment and create long-term value.

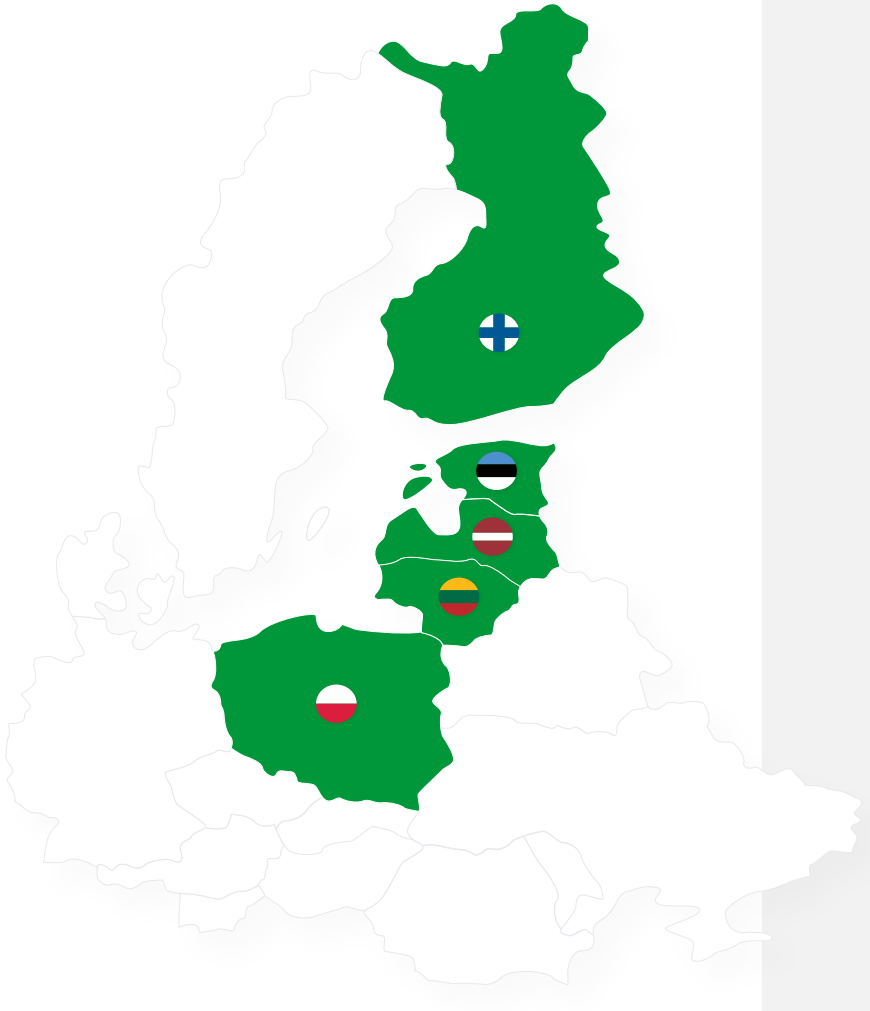
Jukan Aguraiuja
Chairman of the Management Board

Enefit Green

Production portfolio development



* Assets for which active construction has been completed and production has commenced, but testing and adjustment work and/or various permitting procedures are ongoing



Enefit Green

Enefit Green's post-IPO investment programme nears completion

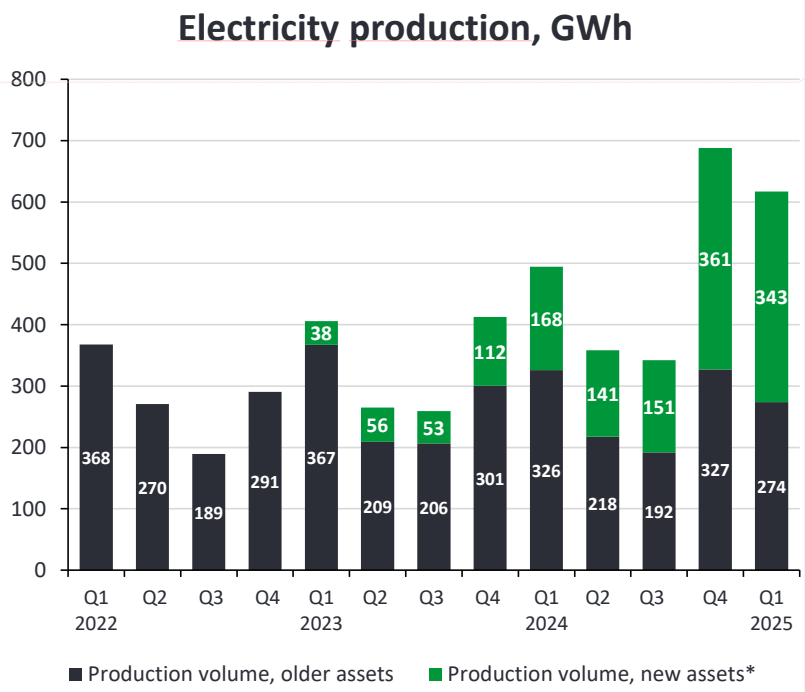
Enefit Green's aim has been to respond to market signals and regulatory developments in order to supply the market with renewable energy in line with demand.

Our ongoing investment programme for the construction of new generation capacity was launched in 2021, before Enefit Green's shares were listed. It takes time to develop and build new generation capacity: at least one year from final investment decision to first electricity generation for solar farms and two years for onshore wind farms. This is preceded by a period of pre-development activities and preparation of the investment decision. We have invested nearly €1bn over the past three years, and our new wind and solar farms have been progressively completed and started generating electricity over the past two years. The production of these assets and their increasing contribution to our quarterly electricity generation is shown in the chart on the right. The chart illustrates not only the addition of new production assets but also the seasonality of our production profile.

The table below shows a list of completed and under-construction wind and solar farms and when they started generating electricity.

In the first quarter of 2025, the Kelmė I wind farm in Lithuania and two solar farms in Latvia, which are still under construction, also started generating electricity.

Wind or solar farm	Country	Wind/ solar	Status	Capacity (MW)	Start of generation**
Šilale II	Lithuania	Wind	Under construction	43	January 2023
Akmenė***	Lithuania	Wind	Under construction	75	March 2023
Purtse	Estonia	Wind	Operating	21	March 2023
Zambrow	Poland	Solar	Operating	9	April 2023
Purtse	Estonia	Solar	Operating	32	May 2023
Estonia	Estonia	Solar	Operating	3	October 2023
Tolpanvaara	Finland	Wind	Operating	72	December 2023
Debnik	Poland	Solar	Operating	6	February 2024
Sopi-Tootsi	Estonia	Wind	Under construction	255	September 2024
Sopi	Estonia	Solar	Under construction	74	December 2024
Kelmė I	Lithuania	Wind	Under construction	80	January 2025
Carnikava A+D	Latvia	Solar	Under construction	17	February 2025
			Total	**687**	



* New assets include assets completed in 2023 or later or still under construction but generating electricity – essentially all assets completed or under construction as part of the investment programme launched in 2021.
** The month in which the asset made its first significant contribution to Enefit Green's generation results.
*** The Akmenė wind farm was offline for most of the period May–October 2023.

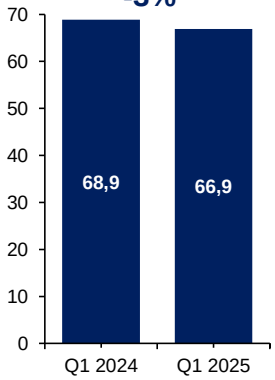
Commented [IA2]: Diagrammil on tärn nii vanemate kui ka uuemate varade juures. Vbl piisaks, kui see oleks ainult uuemate juures, sest selgitus on ainult uute varade kohta

Enefit Green

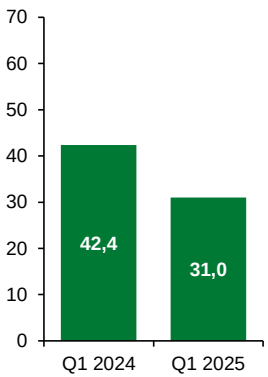
Q1 2025 key highlights

	NEW ASSETS*	TOTAL
ELECTRICITY PRODUCTION	343 GWh +104%	617 GWh +25%
IMPLIED CAPTURED ELECTRICITY PRICE**		55 €/MWh -33%

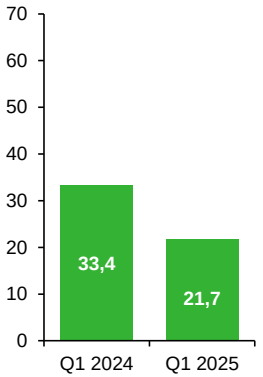
Operating income €66.9m -3%



EBITDA €31.0m -27%



Net profit €21.7m -35%



Liivi
Agreement with Sumitomo Corporation to develop the Liivi offshore wind farm in the Gulf of Riga

45 MW
Final investment decision for the Strzałkowo solar farm

Commented [IA3]: Liivi võib jääda siis, kui kasutate nime Liivi offshore wind farm.
Geograafiiselt on see Gulf of Riga offshore wind farm ja vajadusel võib rasvane pealkiri olla:
Offshore wind farm
Või (kujundaja peab kasti suuremaks tegema):
Gulf of Riga offshore wind farm
Tekst siis:
Agreement with
Sumitomo Corporation to develop an offshore wind farm in the Gulf of Riga

Liivi Bay (mida veebis leidub) ei maksa kasutada, see on sama, kui Läänemeri tõlkida otse Western Sea, mitte Baltic Sea 😉

Enefit Green

* New assets – production assets (wind and solar farms) completed in 2023 or later
** Implied captured electricity price = (Electricity sales revenue + renewable energy support and efficient cogeneration support + revenue from sale of guarantees of origin – day-ahead and intraday purchases on Nord Pool – balancing energy purchases – purchases of fixed supply) / production

Operating environment

Key factors influencing the operating environment

Enefit Green's operations are strongly influenced by seasonality, weather conditions and electricity prices, as well as energy industry regulations and political decisions. Factors affecting our development projects also include market competition, the development and cost of renewable energy technologies, the cost and availability of capital, customers' willingness to enter into long-term green power purchase agreements (PPAs) and renewable energy support schemes.

Most of Enefit Green's generation assets are either partly or fully exposed to market risk resulting from fluctuations in the market price of electricity. We mitigate the electricity price risk mainly through long-term PPAs. The proportion of income from various national renewable energy support schemes has decreased significantly compared to previous years. A more detailed overview of the PPAs and other risk mitigation measures covering our expected electricity generation in the coming years is provided at the end of the management report.

Electricity market

The electricity markets in the region where Enefit Green operates are well interconnected. Therefore, electricity generation and prices are affected by various factors both in our core markets and beyond.

Intraday electricity prices on the Nord Pool power exchange have been highly volatile in recent years. During peak hours, the electricity price is usually determined by the more expensive carbon-intensive power, while during off-peak hours it is determined by renewable power.

In Q1 2025, Enefit Green's electricity prices in its main markets were significantly affected by the decoupling of the Baltic countries from the electricity grid with Russia. The connection of the Baltic countries to the Continental European grid led to a temporary reduction in electricity transmission capacity and the opening of the frequency reserve market. Electricity prices in the Baltic countries were also affected by the failure of the interconnector between Finland and Estonia, the repair of which will start in May. Due to the outage of the power link, the amount of cheaper Nordic electricity reaching the Baltic countries is lower than usual.

Despite the fact that the number of renewable energy production units operating in the Baltic markets has increased compared to Q1 2024, renewable energy production in Q1 2025 was relatively modest. This was mainly due to unfavourable wind conditions, which reduced the share of renewables and increased the share of fossil fuels in the overall electricity generation mix. Lower than expected electricity production in the Baltic countries also contributed to the increase in electricity prices in the region.

Average electricity price (€/MWh)	Q1 2025	Q1 2024	Change
Estonia	110.0	90.4	21.7%
Latvia	110.6	87.0	27.1%
Lithuania	109.9	87.1	26.3%
Poland	115.1	81.7	40.9%
Finland	49.3	72.8	(32.4)%
Norway	43.0	58.1	(26.0)%
Denmark	98.8	64.9	52.1%
Sweden	39.2	53.3	(26.3)%

In Q1 2025, the average price of traded natural gas was €46.8/MWh (+€16.3/MWh, +53.4% compared to Q1 2024). At the beginning of the year, the weather in Central Europe was colder than usual, which increased heating demand and led to higher gas consumption and a relatively rapid drawdown of inventories. In addition, the price increase in Q1 was influenced by calm weather, higher demand for LNG and the end of Russian gas transit through Ukraine to Europe. Europe's growing dependence on LNG supplies further supported the price increase, as Europe has to compete with Asian markets, where demand was also high. Political and geopolitical factors, including possible sanctions on Russian LNG, added uncertainty to natural gas prices.

The average price of CO_2 allowances in the first quarter of 2025 was €75.1/t, a fifth higher than a year earlier. From 2026, the supply of CO_2 allowances is expected to decline as a result of the EU's Fit for 55 climate package and the end of the sale of additional allowances temporarily placed on the market under REPowerEU. Higher allowance prices will increase the cost of carbon-intensive power generation and thus improve the competitiveness of renewable energy.

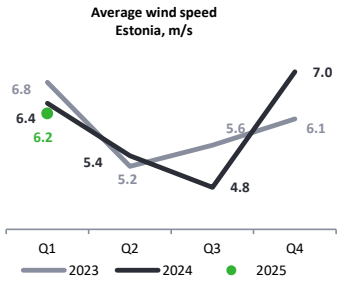
Renewable energy discounts

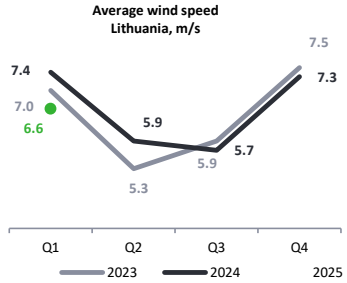
The captured renewable energy price is the average market price, weighted by hourly production. Due to the volatility of renewable energy production, the captured renewable energy price differs from the market price (the arithmetic mean of hourly prices). Market prices tend to be lower during periods of high renewable energy production and higher during periods of low renewable energy production, which is why the captured renewable energy price is usually lower than the market price. The renewable energy discount measures the difference between the captured price and the market price of renewable energy as a percentage. When renewable energy supply increases while demand remains the same, the discounts for the corresponding renewable energy profile also increase. The charts below show a sharp increase in the discounts for wind profiles (wind discounts) in Q1 compared to last year.

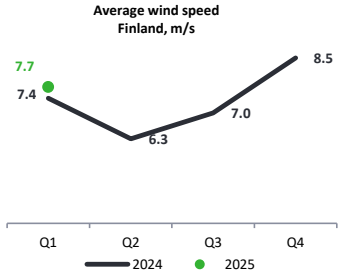
Impacts of seasonality and weather conditions

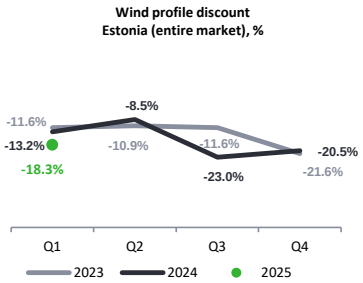
Due to seasonal factors, wind conditions in Q1 and Q4 tend to be more favourable for wind power production in our region than the rest of the year. This year, however, the weather in our main markets was calmer than usual in Q1, with average wind speeds of 6.2 m/s (-0.2 compared to the same period last year) in Estonia and 6.6 m/s (-0.8) in Lithuania. In Tolpanvaara (Finland), wind conditions were relatively good with an average wind speed of 7.7 (+0.3) m/s, but as most of Enefit Green's wind power capacity is located in Estonia and Lithuania, wind conditions had a negative impact on our electricity production in Q1.

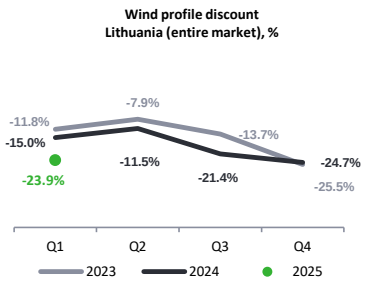
The charts below show both the wind speed data (wind conditions) and the wind discounts for each market. They reflect the overall market situation and not necessarily the conditions in Enefit Green's generation portfolio. Larger wind discounts are caused by hours with negative or very low prices, which energy producers can counter by actively curtailing their generation assets. In addition, uncorrelated assets can help producers achieve profile discounts below the market average.

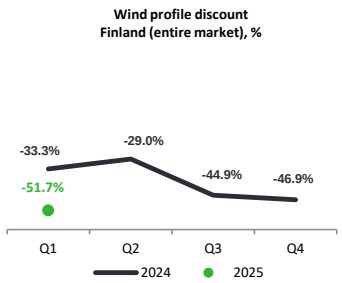












Regulatory environment

EU

At the end of February, the European Commission unveiled its Clean Industry Deal, which focuses on supporting the development of Europe's energy-intensive industries and green technologies, and limiting greenhouse gas emissions. The plan is to cut taxes on electricity. A €100bn Industrial Decarbonisation Bank will be set up to finance the transition of industrial companies to cleaner energy, state aid and public procurement rules will be updated, a requirement to use locally sourced components in investments will be introduced, sustainability reporting requirements will be simplified, etc. The Clean Industry Deal requires the implementation of the new electricity market rules adopted in 2024 (promotion of long-term power purchase agreements, measures to reduce the risk of power purchase agreements, changes to risk hedging rules, etc.) and simplification of planning. While the new policy will reduce the long-term risks of investing in renewable electricity generation in Europe, it will also increase short-term uncertainty until the details of the changes are known.

Estonia

In March, the new Estonian government decided to abandon plans to launch a tender for the construction of an offshore wind farm this year.

After consultation with market participants, the new government also decided to postpone the introduction of a frequency reserve charge for electricity generators and consumers. The previous plan was to introduce a frequency reserve charge of €5.31/MWh from 1 July 2025. The new plan is to introduce the charge on 1 January 2026. Latvia and Lithuania have decided to introduce the new charge only for electricity consumers.

In February, the Chancellor of Justice sent a memorandum to the Estonian parliament pointing out that the regulation of the network service underutilisation fee for power producers set out in the Electricity Market Act is partially in conflict with the Constitution, as it does not allow taking into account circumstances independent of the producer, such as the market situation. The position of the Chancellor of Justice supports the discretionary power of the network operator in applying the underutilisation fee to existing power plants in 2025.

The Ministry of Climate submitted a proposal to the Estonian parliament to amend the Electricity Market Act for retroactive payment of renewable energy and efficient cogeneration support for electricity produced by waste incineration at the Iru CHP plant, which was suspended at the beginning of the year. The amendment is expected to be adopted in Q2 2025.

In March, the Ministry of Climate published an updated draft of the waste reform. The draft abandons the idea of including waste incineration at the Iru CHP plant in the European Union Emissions Trading System.

According to the draft, from 1 January 2026 mixed municipal waste and other non-hazardous waste accepted for energy recovery will be subject to a fee of €60/t and €50/t respectively. There will be no new fees for wood waste and hazardous waste accepted for energy recovery. The taxation of energy recovery from waste will affect Enefit Green, as both the amount of waste incinerated and revenue from waste-to-energy operations is expected to decrease.

Latvia

In March, the Latvian parliament adopted amendments to the Electricity Market Law, including rules for hybrid power plants (plants using different technologies) and new principles for the creation of grid connections for power plants and the release of reserved grid connections. The Latvian transmission system operator is required to publish information on available grid connection capacities at the beginning of June. The changes do not currently have a direct impact on Enefit Green's development projects in Latvia.

Lithuania

In January, the Lithuanian Ministry of Energy suspended the country's second offshore wind farm auction. The terms of the 700 MW offshore wind tender, originally announced in November last year, will be amended to require at least two bidders to participate, to change the period for indexing the bid price to inflation, to remove the advantage of offshore wind over onshore wind and solar in terms of market access, and to increase the number of communities benefiting from the wind farm. The aim is to ensure that the offshore wind farm will bring maximum benefit to consumers and will not disadvantage other renewable energy producers.

Poland

By the end of 2025, all local authorities in Poland must prepare comprehensive spatial plans (new planning documents). The government is drafting amendments to legislation that will extend the deadline for the preparation of comprehensive spatial plans by six months, i.e. until mid-2026. This will reduce the time pressure on the adoption of local plans.

Legislative changes resulting from the EU Electricity Market Regulation, which will have a profound impact on the Polish electricity market, are being prepared. The amendments are expected to be adopted in Q2 2025.

The implementation of the EU's second cybersecurity directive will impose new cybersecurity obligations on electricity producers, including the requirement to adopt certain cybersecurity principles and other documents.

Significant events

Construction of the Strzałkowo solar farm (45 MW)

We have made an investment decision and started the construction of one of Enefit Green's largest solar farms in Poland. The 45 MW Strzałkowo solar farm with a planned annual production capacity of around 45 GWh is expected to be completed in the summer of 2026. 75% of the expected production is covered by a 15-year indexed CfD.

We will invest close to €26m in the construction of the solar farm.

Partnership with Sumitomo Corporation to develop an offshore wind farm in the Gulf of Riga

We have signed an agreement with Sumitomo Corporation, a leading global trading and investment firm and a Fortune Global 500 company. Under the agreement, Enefit Green will sell a 50% stake in Liivi Offshore OÜ, the project company for the Liivi offshore wind farm.

Enefit Green's in-depth market knowledge and Sumitomo Corporation's global expertise will enable the Estonian energy sector to take the next step towards increased security of supply. The construction of the offshore wind farm will lay the foundation for the emergence of a new centre of excellence in Estonia and the creation of long-term, highly skilled jobs in the energy, transport and logistics sectors.

Eesti Energia's voluntary takeover bid to the shareholders of Enefit Green

On 27 March, Eesti Energia, the majority shareholder of Enefit Green, announced its intention to make a voluntary takeover bid to the other shareholders of Enefit Green at a price higher than the market price in order to bring Enefit Green back under 100% ownership of Eesti Energia. The aim of the transaction is to transform Eesti Energia into an integrated energy group where the power generation and sales portfolios are combined.

The voluntary takeover bid started on 8 April and will run until 12 May 2025. If the bid is successful, Eesti Energia will pay for the shares on 16 May 2025.

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Group performance in Q1 2025

In Q1 2025, the Enefit Green group's operating income decreased by 3% while operating expenses (excl. D&A) increased by 35% compared to Q1 2024. As a result, EBITDA fell by 27% to €31.0m and net profit for the period decreased by €11.8m to €21.7m.

Impact of assets sold on group performance

The comparison of the group's performance indicators for Q1 2025 with those for the same period in 2024 is affected by the sale of the Paide and Valka CHP plants, which was completed in March 2024 ('assets sold'). In the following parts of the report, the term 'continuing business' is used in the context of figures and indicators from which the impact of the assets sold has been eliminated.

The group's results for Q1 2024 include operating income of €8.0m, operating expenses of €1.5m and EBITDA of €6.5m related to the assets sold.

Electricity and heat production and electricity sales

The group's Q1 electricity production increased by 123 GWh (+25%) to 617 GWh. The figure includes the production from new wind and solar farms completed and under construction, which increased by 175 GWh year on year. Heat production decreased by 24 GWh (-19%). The decrease in heat production was mainly due to the assets sold in Q1 2024. The impact of the assets sold on electricity and heat production is shown in the table below.

GWh	Q1 2025	Q1 2024	Change	Change %
Electricity production (net)	**617**	**494**	**123**	**25%**
Of which by new wind and solar farms	343	168	175	104%
Of which by assets sold	0	4	(4)	(100)%
Electricity sales*	**763**	**627**	**136**	**22%**
Heat production	**105**	**129**	**(24)**	**(19)%**
Of which by assets sold	0	21	(21)	(100)%

Operating income

Operating income for Q1 2025 decreased by €2.0m compared to the same period last year – revenue increased by €6.3m and renewable energy support and other operating income decreased by €8.3m. Operating income from continuing business grew by €6.0m as relevant revenue grew by €8.3m and other operating income declined by €2.4m.

€m	Q1 2025	Q1 2024	Change	Change %
Total operating income	**66.9**	**68.9**	**(2.0)**	**(3)%**
Revenue	62.4	56.2	6.3	11%
Renewable energy support and other operating income	4.4	12.7	(8.3)	(65)%
Total operating expenses (excl. D&A)	**35.9**	**26.5**	**9.4**	**35%**
Electricity purchase costs	21.6	14.8	6.8	46%
Other variable costs	3.5	2.2	1.3	57%
Fixed costs	10.8	9.5	1.4	15%
EBITDA*	**31.0**	**42.4**	**(11.4)**	**(27)%**
Depreciation, amortisation and impairment (D&A)	10.0	9.3	0.7	7%
Operating profit	**21.0**	**33.1**	**(12.1)**	**(37)%**
Net finance income and costs	0.01	0.3	(0.3)	(98)%
Profit (loss) from associates under the equity method	0.02	(0.01)	0.03	(320)%
Income tax income (expense)	0.7	0.1	0.6	516%
Net profit	**21.7**	**33.4**	**(11.8)**	**(35)%**
Impact of assets sold on income statement line items				
Total operating income	0.0	8.0	(8.0)	(100)%
Total operating expenses (excl. D&A)	0.0	1.5	(1.5)	(100)%
EBITDA*	**0.0**	**6.5**	**(6.5)**	**(100)%**
Depreciation, amortisation and impairment (D&A)	0.0	0.0	0.0	(100)%

** EBITDA – earnings before net finance income or costs, profit or loss from associates under the equity method, tax, depreciation, amortisation and impairment losses.*

Commented [IA11]: Siit tekstist jääb mulje, et jätkuva äri äritulu kasvu näitajas (6,0 mln) ei ole arvesse võetud jätkuva äri taastuvenergia toetuste langust. On arvestatud ainult müügitulu ja muu äritulu muutust. Kui taastuvenergia toetuste muutus ka arvesse võtta, oleks tulemus teine.
Allpool tekst:
Jätkuva äri muud äritulud vähenesid 2,4 miljoni euro võrra 4,4 miljoni euro tasemele (2024 I kvartal: 6,8 mln eurot). Jätkuva äri taastuvenergia toetused vähenesid 2,0 miljoni euro võrra 4,3 miljoni euro tasemele.

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Revenue

Revenue from the continuing business grew by €8.3m, driven by electricity revenue, which grew by €6.7m due to higher electricity production (+127 GWh, +26%). In Q1 2025, the average electricity price* in the group's core markets was €107.4/MWh (Q1 2024: €87.0/MWh) and the group's average implied captured electricity price** was €54.5/MWh (Q1 2024: €81.4/MWh).

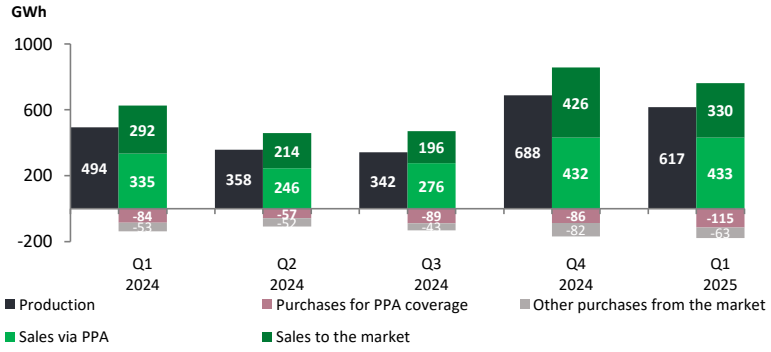
The implied captured electricity price differs from the average market price in the group's core markets, because it takes into account long-term fixed-price power purchase agreements (PPAs), renewable energy support, purchases of balancing energy, electricity purchases from the Nord Pool day-ahead and intraday markets, and the fact that the renewable energy generation profile differs significantly from the base load profile.

The group's average price of electricity supplied to the market in Q1 2025 was €74.6/MWh (Q1 2024: €77.6/MWh). The amount of electricity supplied to the market in Q1 2025 was 330 GWh compared with 292 GWh a year earlier.

In Q1 2025, 433 GWh of the group's electricity production was covered by PPAs at an average price of €65.2/MWh. In Q1 2024, 335 GWh of electricity was supplied under PPAs at an average price of €75.0/MWh. The amount of electricity sold under PPAs has increased, but the average price of that electricity has decreased compared to the same period last year because the supply periods under the PPAs signed at lower prices started in July 2024.

An overview of the amounts of electricity produced, purchased and sold, the realised prices and the resulting implied captured electricity price over the past five quarters is presented in the following chart and table.

Electricity produced, purchased and sold



Average electricity prices

Prices, €/MWh	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Core markets' average electricity price*	**87.0**	**72.2**	**87.5**	**91.3**	**107.4**
Price of electricity sold to the market	77.6	52.5	50.1	58.5	74.6
PPA price	75.0	68.2	60.7	66.4	65.2
Realised purchase price	106.1	80.4	107.0	98.8	123.4
Implied captured electricity price**	**81.4**	**69.7**	**50.3**	**63.8**	**54.5**

** Production-weighted average market price in the group's core markets*

*** (electricity sales revenue + Renewable energy support and efficient cogeneration support + revenue from sale of guarantees of origin – cost of electricity purchases from the power Exchange – cost of balancing energy purchases) / production*

In Q1 2025, we purchased 178 GWh of electricity from the market at an average price of €123.4/MWh, compared with 137 GWh at an average price of €106.1/MWh in Q1 2024. The volume of electricity purchases increased (+41 GWh) due to both higher purchases for PPAs (+31 GWh) and growth in production volume, which increased the volume of other purchases (+10 GWh). The volume of electricity purchased to meet PPA obligations in Q1 2025 was also higher than expected because wind power production in the period was low due to calm weather, but the volume of electricity sold under PPAs has increased.

The realised purchase price increased compared to Q1 2024 in line with the rise in market prices, but the price of electricity sold to the market declined due to higher wind discounts. Enefit Green's wind discounts in Estonia and Lithuania were similar to the market level, increasing by 5.4 and 8.7 percentage points year on year in Estonia and Lithuania, respectively.

The low correlation of production with other Finnish wind farms and the curtailment of generation capacity during periods of excessively low electricity prices helped Enefit Green to significantly reduce its Finnish wind energy discount compared to the market average.

Heat revenue from the continuing business grew by €1.2m to €2.1m. The rise in heat revenue was due to an increase in the heat price of €11.6/MWh compared to the same period last year, while heat production from the continuing business decreased by 3 GWh to 105 GWh (Q1 2024: 108 GWh).

Renewable energy support and other operating income

Other operating income from the continuing business decreased by €2.4m to €4.4m (Q1 2024: €6.8m). Renewable energy support for the continuing business decreased by €2.0m to €4.3m. The renewable energy support is linked to the amount of electricity produced by eligible wind and solar farms in Estonia, the Iru CHP plant and solar farms in Poland.

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The renewable energy support received for eligible generation assets located in Estonia decreased by €2.2m. The support received by the Iru CHP plant decreased by €1.2m and the support received by the Estonian wind farms decreased by €1.0m compared to Q1 2024.

In addition to the market price of electricity, in Q1 2024 the Iru CHP plant received renewable energy support of €53.7/MWh for electricity produced from renewable sources and efficient cogeneration support of €32/MWh for electricity produced from non-renewable sources in an efficient cogeneration mode. The payment of support to the Iru CHP plant was terminated early from the beginning of 2025 in connection with the entry into force of section 59 subsection 1 clause 2 point 8 of the Electricity Market Act. In December 2025, an amendment to the act was initiated according to which the payment of support to the Iru CHP plant will be resumed until the end of the support period specified in the original conditions for eligibility for support.

The eligibility period for the Purtse wind farm started in Q2 2024, which increased the amount of support received by €0.6m year on year, and the eligibility period for the Aseriaru wind farm ended in October 2024, which reduced the support received in Q1 2025 by €0.9m year on year.

Operating expenses

Electricity purchase costs

Electricity purchase costs include the cost of purchases from the power exchange and the balancing market as well as directly attributable administrative expenses. Compared to Q1 2024, electricity purchase costs increased by €6.8m. The increase in the volume of electricity purchased (+41 GWh) is due to both purchases related to PPAs (+31 GWh) and growth in the production volume, which has increased the volume of other purchases (+10 GWh). An overview of the volumes and prices of electricity purchases is presented in the revenue section above. The impact of the price and volume of electricity purchased on the group's EBITDA is presented in the EBITDA section of this chapter.

Fixed costs

Fixed costs are costs that are not directly related to the production volume. In Q1 2025, fixed costs increased by €1.4m (+15%) year on year to €10.8m. The assets sold decreased fixed costs by €0.5m. Fixed costs for the continuing business increased by €1.9m (+21%) to €10.8m, including an increase of €0.6m in research and consulting expenses, an increase of €0.5m in the maintenance and repair costs of production assets and an increase of €0.3m in insurance costs due to an increase in insurance coverage and the addition of insurance for assets under construction.

Development of fixed costs

€m	Total			Continuing business		
	Q1 2025	*Q1 2024*	Change	*Q1 2025*	*Q1 2024*	Change
Fixed costs, of which:	**10.8**	**9.5**	**1.4 (+15%)**	**10.8**	**8.9**	**1.9 (+21%)**
Maintenance costs	4.2	3.8	0.5 (+13%)	4.2	3.7	0.5 (+15%)
Land costs	1.0	1.0	0.0 (+2%)	1.0	1.0	0.1 (+5%)
Payroll expenses	2.3	2.2	0.1 (+5%)	2.3	2.1	0.3 (+13%)
Other	3.2	2.5	0.7 (+30%)	3.2	2.2	1.1 (+49%)

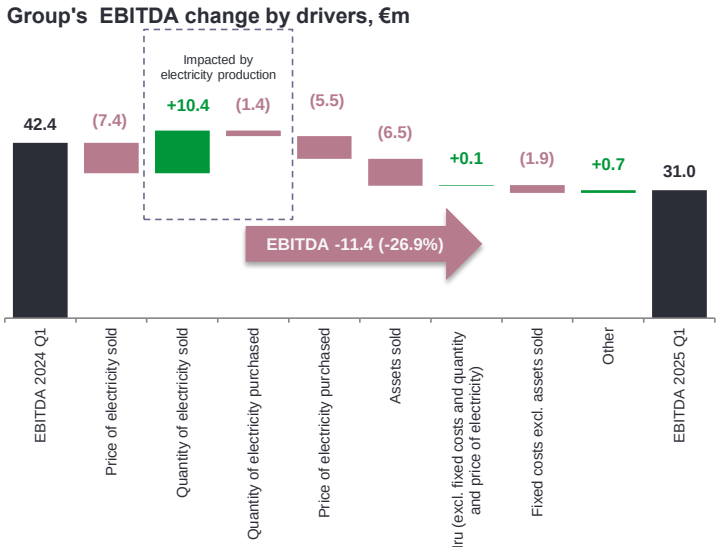
Other variable costs

Other variable costs are costs related to the production volumes, which vary according to the intensity of production. These costs include direct and indirect costs incurred in the production process, excluding electricity purchase costs and fixed costs.

In Q1 2025, other variable costs increased by €1.3m (+57%). Variable costs for the continuing business increased by €2.2m, of which €0.9m was related to the Iru CHP plant. The main driver of the increase in the variable costs of the Iru CHP plant was the increase in pollution charges (€0.6m) – a new, 12 times higher CO_2 emission charge (€25/t) for heat producers took effect on 1 July 2024. As heat prices are regulated in Estonia, the increase in the pollution charge was passed on to the price of heat sold by Enefit Green. The increase in the variable costs of the Iru CHP plant is further explained in the chapter on the Cogeneration segment.

EBITDA

The decrease in the price of electricity sold reduced EBITDA for Q1 2025 by €7.4m compared to Q1 2024. Due to the increase in production volume, the amount of electricity sold grew significantly, improving EBITDA by €10.4m year on year. As the volume of electricity sold under PPAs has also increased significantly, the volume of electricity purchased to balance the electricity portfolio increased, reducing EBITDA by €1.4m year on year, and the increase in the market price of electricity purchased had an additional negative impact on EBITDA (-€5.5m). The overall effect of these items on EBITDA was influenced by both the volume and profile of electricity generation during the period.



The impact of the assets sold on EBITDA was negative at €6.5m.

The Iru CHP plant, excluding fixed costs and the impacts of electricity price and volume, increased EBITDA by €0.1m. The figure reflects the effects of heat energy, gate fees for the reception of waste and technological fuel (mainly natural gas). The results of the Iru CHP plant are described in more detail in the chapter on the Cogeneration segment.

The increase in the fixed costs of the continuing business reduced EBITDA by €1.9m compared the same period last year. Further information on this is provided in the operating expenses section above and in the chapters on the group's operating segments.

Depreciation, amortisation and impairment (D&A)

The figure for the continuing business increased by 7% (€0.7m). Compared to Q1 2024, the group has recognised as property, plant and equipment the Tolpanvaara wind farm in Finland (was recognised in Q3 2024; D&A for Q1 2025: €0.7m) and the Debnik solar farm in Poland (D&A for Q1 2025: €34k).

Net finance income and costs

Net finance income decreased by €0.3m year on year. Interest expense on bank loans increased by €1.6m, but 96% of the loan interest was capitalised due to the construction period of the wind and solar farms.

Income tax income and expense

Income tax income increased by €0.6m compared to Q1 2024.

Return on invested capital and equity

Return on invested capital (ROIC) decreased by 0.2 percentage points year on year due to an increase in the volume of invested capital – a large part of the investments made during the year were in assets under construction, which are not yet fully operational. Return on equity (ROE) decreased year on year due to a decrease in net profit.

Operating income	EBITDA	Net profit
€66.9m	€31.0m	€21.7m
-3%	-27%	-35%

ROIC	ROE
4.3%	7.5%
-0.2pp	-0.1pp

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Kontrollige ja vajadusel muutke.

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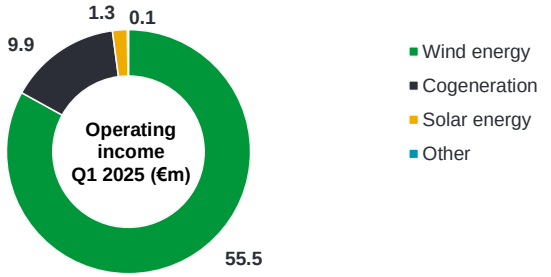
Enefit Green

Performance by segment

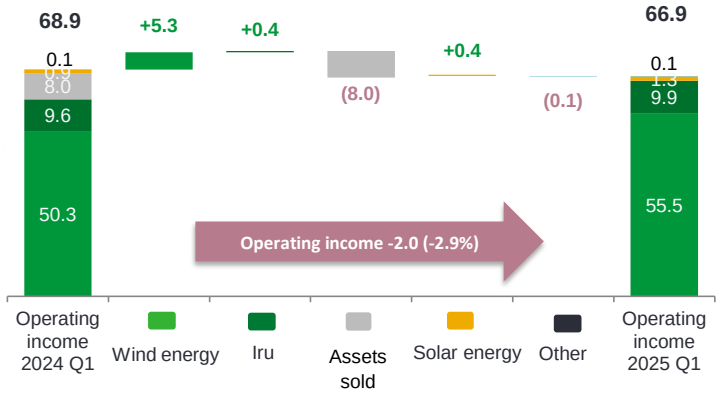
In terms of operating income and EBITDA for the period, the group's largest segment is Wind energy, which accounted for 83% of operating income and 93% of EBITDA. The Cogeneration segment contributed 15% of operating income and 20% of EBITDA. The smallest reportable segment is Solar energy, which accounted for 2% of operating income and 2% of EBITDA in Q1 2025.

In segment terms, only the Solar segment delivered EBITDA growth. A more detailed analysis by segment is presented below.

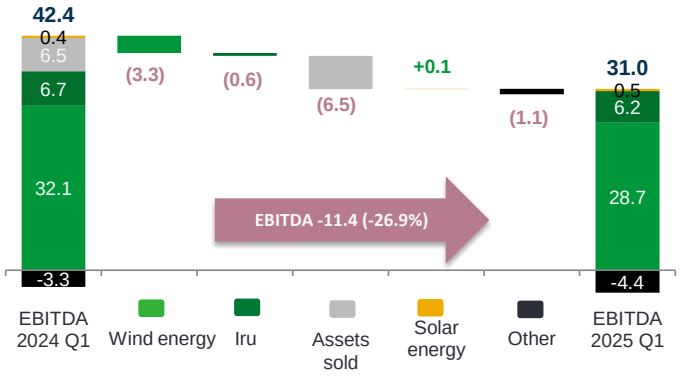
The EBITDA of the segment Other mainly includes general administrative expenses, the payroll expenses for employees involved in the Wind energy and Solar energy segments, and the costs of development projects without an investment decision. The segment also includes the Keila-Joa hydroelectric facility and the renewable energy solution on the island of Ruhnu. The loss of the segment Other increased by €1.1m.



Operating income by segment, €m



Group's EBITDA breakdown and change, €m



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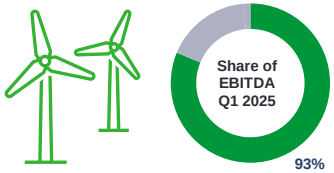
Wind energy

The Wind energy segment comprises the group's operating wind farms and wind farm developments with an investment decision.

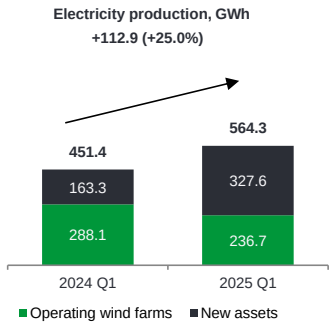


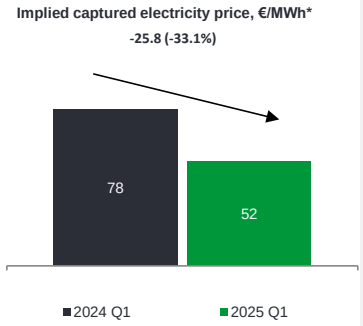
Availability and production

The group's total wind power production in Q1 2025 was 564.3 GWh, 112.9 GWh higher than in Q1 2024 due to new wind farms coming online. The contribution of new wind farms including those under construction was 327.6 GWh (+164.3 GWh compared to Q1 2024).

Enefit Green's wind power production in Q1 was negatively affected by wind conditions – average wind speeds in Estonia and Lithuania were lower than expected, reducing the expected production volume by 57.4 GWh. The availability of the group's operating Estonian and Lithuanian wind farms, which was 94.3% and 97.2% respectively, met expectations (Q1 2024: 95.2% and 95.7%, respectively). The availability of the Tolpanvaara wind farm in Finland was 87.8%. The impact of the availability of operating wind farms on wind power production in Q1 2025 compared to the same period last year was negative at 10.4 GWh.

In Q1 2025, the impact of system services and low power price related curtailments reached -69.6 GWh. The price-related curtailments were mainly driven by Tolpanvaara wind farm in Finland (-32.2 GWh).



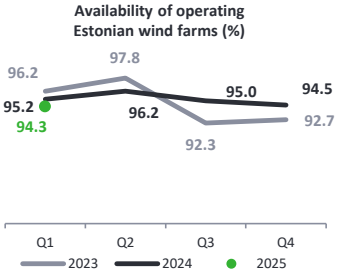


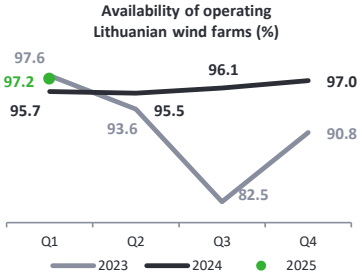
*(Elektrimüügi tulud + taastuvenergia tasu ja tõhusa koostootmise toetus + rohesertifikaatide tulud – elektri ost Nord Pooli päev-ette ja päevasisel turul – bilansienergia ost- määratud tarne ost) / toodang

Electricity prices

The implied captured electricity price of the Wind energy segment depends on the combination of market prices and PPAs. In Q1 2025, the segment's average implied captured electricity price* including support was €52.2/MWh (33.0% lower than in Q1 2024). The implied captured electricity price was affected by the decrease in the average PPA price, which reduced the average implied captured electricity price by €7.9/MWh. Although market prices were higher, the price of electricity sold to the market decreased year on year due to significantly larger wind discounts. Higher market prices and larger wind discounts increased the price of electricity purchased to balance the PPA portfolio.

In addition to the market price of electricity, the group's Estonian wind farms whose eligibility period has not expired receive renewable energy support in the form of feed-in premium (FiP) at the rate of €53.7/MWh. The eligibility periods of the Viru-Nigula (21 MW), Paldiski I and II (2 x 22.5 MW) and Narva (39.1 MW) wind farms will end in Q2 2025. In Q1 2024, the Aseriaru (24 MW) wind farm received support and the support period for the Purtse (21 MW) wind farm had not yet started.





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Operating income

The segment's operating income for Q1 2025 increased by €5.3m (+10.4%) due to higher electricity output by new wind farms (including those under construction).

Operating income was also improved by the renewable energy support of €0.6m received for the Purtse wind farm that became eligible for support in Q2 2024. The renewable energy support for the other Estonian wind farms decreased by €1.4m year on year due to the expiry of the eligibility period of the Aseriaru wind farm (-€0.9m) and lower output by other wind farms.

Operating expenses

The Wind energy segment's operating expenses (excl. D&A) grew by €8.6m to €26.8m, mainly due to electricity purchased to balance the PPA portfolio in hours of low wind speed. Electricity purchase costs, including balancing energy purchases and purchases for the PPA portfolio, grew to €20.6m (+€6.8m year on year). At the same time, the supply of system services has reduced electricity purchase costs.

Other operating expenses (excl. electricity purchases, expenses on balancing energy and growth in D&A) increased by €0.8m year on year. The largest increase was in wind farm maintenance and repair and land costs (+€0.6m). The maintenance costs of the Akmenė and Šilale 2 wind farms increased the most (+€0.4m).

EBITDA

The Wind energy segment's EBITDA decreased to €28.7m (Q1 2024: €32.1m). The decline was mainly due to higher costs on balancing energy purchases and purchases to balance the PPA portfolio and a higher realised electricity purchase price (+€17.4/MWh).

Operating expenses per MW

Based on the expenses of the entities holding the group's operating wind farms (Enefit Wind OÜ, Enefit Wind UAB and the Purtse wind farm), wind farm operating expenses (excl. D&A, balancing energy purchases and the cost of electricity purchased to service PPAs) per installed capacity (MW) increased by 1.5% year on year. The rise was due to higher maintenance, repair and land costs.

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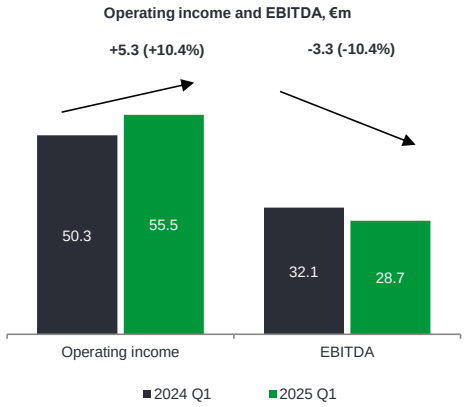

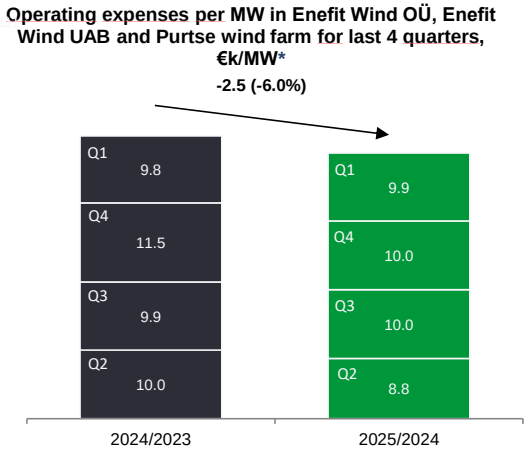

*(Total operating expenses - balancing energy - D&A)/ operating capacity. Only operating wind assets are included: Enefit Wind OÜ, Enefit Wind UAB and starting from Q3 2023 Purtse wind farm

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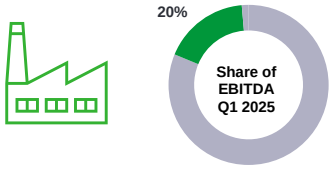
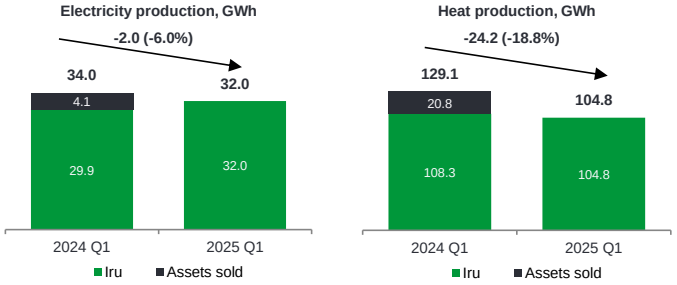
Cogeneration

Until the end of 2023, the Cogeneration segment comprised the Iru, Paide, Valka and Brocēni combined heat and power (CHP) plants and a pellet factory. After the sale of the biomass assets in late 2023 and early 2024, the segment comprises the Iru CHP plant that uses mixed municipal waste as fuel.

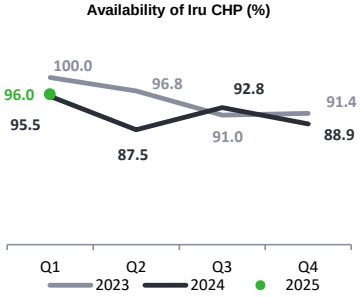


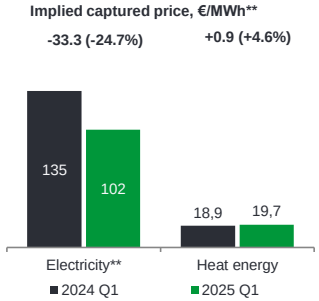
Electricity production and prices

The Cogeneration segment produced 32 GWh of electricity in Q1 2025, 6% less than a year earlier (Q1 2024: 34 GWh), mainly due to the sale of the biomass assets. The electricity production of the Iru CHP plant increased by 2 GWh (+6%) year on year and the availability Iru CHP plant was 96.0% (Q1 2024: 95.5%).



In addition to the market price of electricity, in Q1 2024 the Iru CHP plant received renewable energy support of €53.7/MWh for electricity produced from renewable sources and efficient cogeneration support of €32/MWh for electricity produced from non-renewable sources in an efficient cogeneration mode. The payment of support to the Iru CHP plant was terminated early from the beginning of 2025 in connection with the entry into force of section 59 subsection 1 clause 2 point 8 of the Electricity Market Act. After the amended act had entered into force, the Chancellor of Justice made a proposal to the Estonian parliament to bring the act into line with the Constitution. In the opinion of the Chancellor of Justice, the amendment violated the legitimate expectations of the Iru CHP plant, as the support had been granted before the amendment entered into force and the state had confirmed, when granting the support, that it would be paid for the entire 12-year support period.





* Due to the sale of the other CHP plants, all figures presented are for the Iru CHP plant.
** (electricity sales revenue + renewable energy support and efficient cogeneration support + revenue from sale of guarantees of origin – day-ahead and intraday purchases on Nord Pool – balancing energy purchases – purchases of fixed supply) / production

On 16 December, the Estonian government initiated the adoption of amendments to the Electricity Market Act to remove the conflict with the Constitution and to resume the payment of support to the Iru CHP plant until the end of the originally approved support period.

In Q1 2025, the segment's implied captured electricity price decreased by 25% year on year to €102/MWh due the fall in the market price in the Nord Pool Estonia price area.

Heat production and prices

Heat production decreased by 19% year on year to 105 GWh. The decline attributable to the assets sold was 21 GWh. The heat output of the Iru CHP plant decreased by 3 GWh (-3%) year on year to 105 GWh (Q1 2024: 108 GWh)

The price cap for heat produced by the Iru CHP plant from mixed municipal waste was higher than in Q1 2024 when it was €7.98/MWh (set at that level in March 2021). Despite a significant increase last year, the price cap for heat produced from mixed municipal waste at the Iru CHP plant is about twice lower than the price cap for heat produced from other sources and supplied to the central heating network of the city of Tallinn. The average price of heat sold by the Iru CHP plant in Q1 2025 was €19.7/MWh (Q1 2024: €8.1/MWh). The segment's average price of heat sold in Q1 2025 increased by 5% year on year to €19.7/MWh (Q1 2024: €18.9/MWh).

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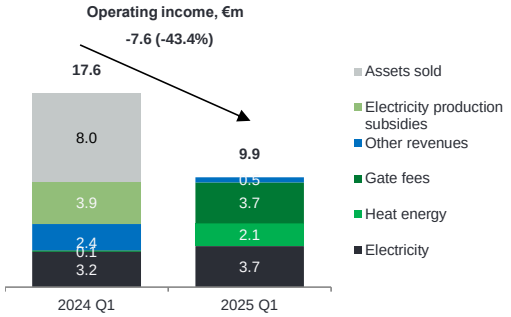
Operating income

The Cogeneration segment's operating income decreased by €7.6m (-43%) to €9.9m. Of the decrease, €8.0m was attributable to the assets sold.

Operating income generated by the Iru CHP plant in Q1 2025 was €9.9m, 4% higher than a year earlier (Q1 2024: €9.6m). Operating income was influenced by a higher price cap for heat and the termination of payment of renewable energy support from January 2025.

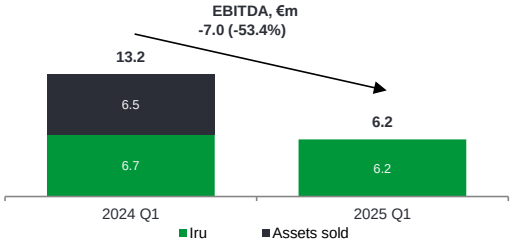


Operating expenses

The segment's operating expenses (excluding D&A) decreased to €3.8m (Q1 2024: €4.4m). In Q1 2024, operating expenses included expenses of €1.5m related to the assets sold. The segment's variable costs decreased by €0.3m (-11%), of which €1.0m was related to the assets sold, and fixed costs decreased by €0.3m (-18%), of which €0.5m was related to the assets sold.

EBITDA

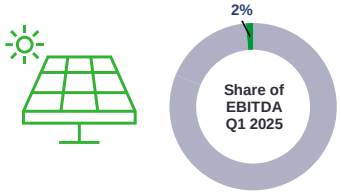
The segment's EBITDA decreased by €7.0m (-53% compared to Q1 2024) to €6.2m. Of the decrease, €6.5m was related to the assets sold and the rest was related to the Iru CHP plant, whose EBITDA decreased by €0.6m to €6.2m.



Enefit Green

Solar energy

The Solar energy segment comprises operating solar farms, solar farm developments with an investment decision and solar services.



Electricity production and prices

In Q1 2025, solar power production was 20.0 GWh, which is 11.6 GWh (+136%) higher than in in the same period last year due to the addition of three new solar farms. The Sopi solar farm in Estonia started generating electricity in Q4 2024 and two new solar farms in Latvia started generating electricity in Q1 2025. Electricity production from new solar farms amounted to 15.7 MWh in Q1 2025. The availability of the group's soar farms was slightly lower than usual (98.9% compared with 99.9% in Q1 2024).

The group's solar farms in Estonia are partly exposed to movements in the market price of electricity. The Estonia solar farm sells electricity at a fixed price of €69/MWh. The group's solar farms in Poland sell electricity at fixed prices, which are adjusted for inflation on an annual basis – the price for 2025 is €135–144/MWh (2024: €125–134/MWh). The price charged by the new Zambrow solar farm is €65/MWh.

In Q1 2025, the Solar energy segment sold 8.6 GWh of electricity under PPAs at an average price of €75.0/MWh (2024: €77.8/MWh), 3.8 GWh more than in Q1 2024.

The segment's implied captured electricity price was €39.2/MWh, which is 50% lower than in Q1 2024. In Estonia, the implied captured electricity price decreased to €11.3/MWh (Q1 2024: €80.0/MWh) due to the impact of electricity purchases to service the PPA of the new Sopi solar farm. In Poland, the implied captured electricity price increased to €88.4/MWh (Q1 2024: €75.7/MWh) due to the annual increase in the fixed price.

Operating income

The operating income of the Solar energy segment increased by €0.4m year on year. Electricity revenue generated in Poland grew by €0.2m through growth in production and a higher implied captured electricity price. Electricity revenue generated in Latvia also grew by €0.2m as two new solar farms came online and electricity revenue generated in Estonia remained stable compared to the same period last year.

Operating expenses

The segment's operating expenses excluding D&A increased by €0.3m year on year. Most of the increase resulted from the variable costs of operating solar farms, which grew due to electricity purchases for the PPA of the Sopi solar farm. The segment's fixed costs remained at the same level as in Q1 2024.

EBITDA

The Solar energy segment's EBITDA for Q1 2025 was €0.5m, €0.1m larger than in Q1 2024. EBITDA was positively impacted by 137% higher production (+11.6 MWh), but negatively affected by a lower implied captured electricity price (-€38.7/MWh).

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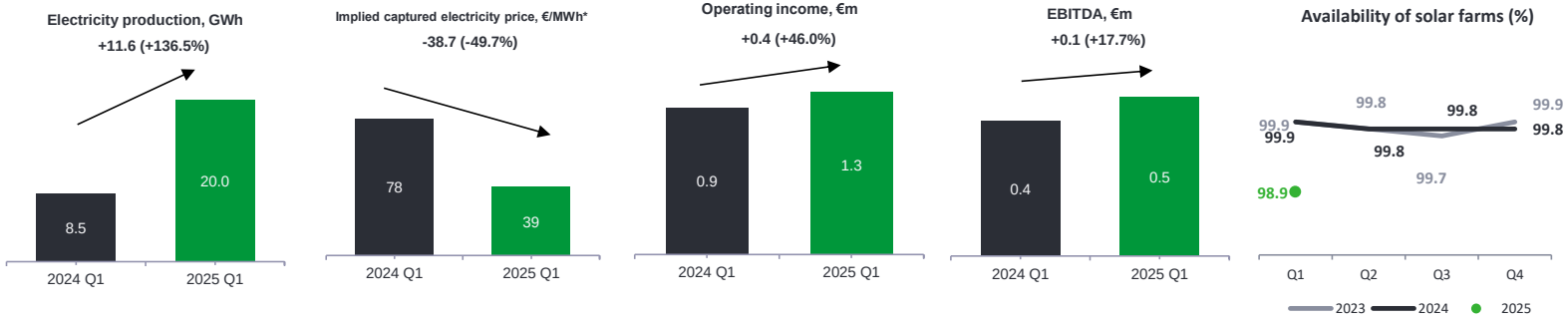
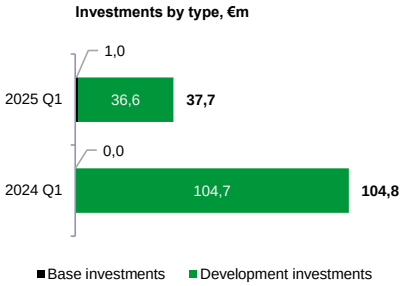


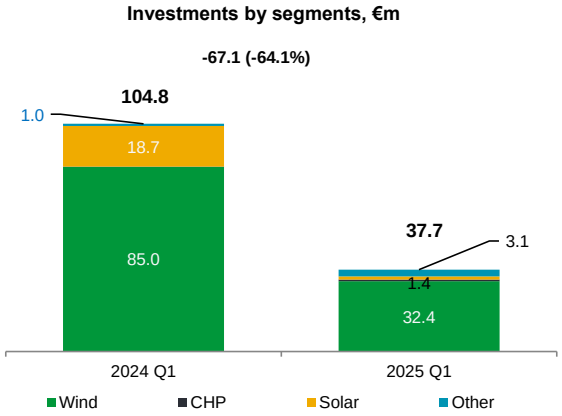
Enefit Green

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

Investment

The group's investments in Q1 2025 amounted to €37.7m, €67.1m less than in Q1 2024. The decrease came from development investments, which totalled €36.6m. Of this, €24.6m was invested in the construction of three wind farms: €6.8m in the Sopi-Tootsi wind farm and €17.8m in the Kelmė I and II wind farms (€3.1m and €14.7m, respectively). As regards solar developments, the largest investments were made in the Dzērves solar farm in Latvia (€0.4m). Baseline investments (expenditure on the maintenance and improvement of existing assets) in Q1 2025 were mainly related to the Iru CHP plant (€0.7m) and wind farms in Estonia (€0.3m).





At 31 March 2025, the carrying amounts of the segments' property, plant and equipment and intangible assets were as follows: Wind energy €1,188.3m including goodwill (61% of assets under construction), Cogeneration €176.3m (1% under construction), Solar energy €107.3m (42% under construction) and Other €63.5m (88% under construction).

The estimated cost of completing the assets under construction is €100m, most of which is required for the completion of the Kelmė II wind farm and the Strzałkowo solar farm.

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Financing

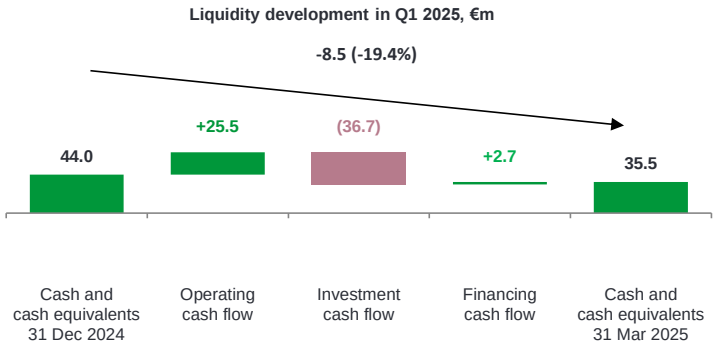
The group's main sources of debt capital are investment loans and credit facilities raised from regional commercial banks, the Nordic Investment Bank (NIB), the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

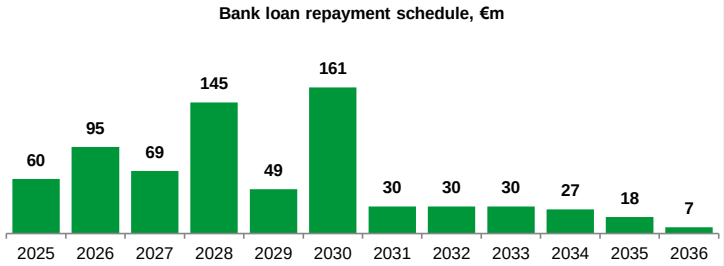
At 31 March 2025, the amortised cost of the group's interest-bearing liabilities was €734.0m (31 December 2024: €734.5m). Loan liabilities to banks accounted for €724.4m of the total, including an outstanding loan balance of €5.7m denominated in Polish zloty.

In Q1 2025, Enefit Green drew down bank loans of €20m. No new loan agreements were signed during the period.

The interest rate risk of investment loans with the total outstanding balance of €137.2m has been hedged with interest rate swaps, which fix the interest rates of the loans in the range of 1.049–1.125% (plus the margin) until the loans mature. The average interest rate of bank loans drawn down at 31 March 2025 was 3.72% (31 December 2024: 3.90%).

Loans raised but not drawn down at 31 March 2025 totalled €195m, the figure consisting of investment loans of €165m and revolving credit facilities of €30m.





Enefit Green

Loan covenants

The group's loan agreements include covenants, which set certain limits to the group's consolidated financial indicators. At 31 March 2025, the group was in compliance with all loan terms and conditions, including the covenants.

Financing ratios

The group's management determines the maximum level of debt by reference to financial leverage and the net debt to EBITDA ratio.

€m	31 March 2025	31 December 2024
Interest-bearing liabilities	734.0	734.4
Less cash and cash equivalents	(35.5)	(44.0)
Net debt	698.5	690.4
Equity	782.8	760.3
Invested capital	1,481.4	1,450.7
EBITDA (last 12 months)	103.4	105.9
Operating profit (last 12 months)	63.6	65.3
Net profit (last 12 months)	58.5	55.8
Financial leverage (1)	47%	48%
Net debt / EBITDA	6.8	6.5
Interest cover (2)	3.8	4.5

(1) Financial leverage = net debt / (net debt + equity)
(2) Interest cover = EBITDA for the last 12 months / interest expense

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Risk management

The group has two main market and financial risks that are actively managed – the price risk of electricity sales and interest rate risk.

Price risk of electricity sales

The price risk of electricity sales is mitigated by a combination of:

- various kinds of national renewable energy support (FiP, CfD and other schemes) received by the group's existing production assets; and
- power purchase agreements (PPAs).

Long-term PPAs

According to previous practice, Enefit Green generally fixed the sales price of electricity for at least 60% of a development project's projected power production for the first five years by the time the final investment decision on the project was made. Enefit Green also used PPAs to hedge the price risk of its operating electricity production portfolio.

In Q3 2024, we updated our investment criteria, replacing the above target of a specific proportion of fixed-price production with a target of a minimum level of guaranteed revenue required to cover our fixed costs and loan servicing costs.

We did not sign any new long-term PPAs in Q1 2025. At 31 March 2025, Enefit Green had signed PPAs (incl. financial swaps) for the supply of 7,861 GWh of electricity at an average price of €71.9/MWh over the period April 2025 – December 2033.

The counterparty to most of the PPAs is Eesti Energia AS (7,056 GWh). 50.8% of our expected electricity production in the period 2025–2028 is covered by PPAs at an average price of €67.8/MWh.

Enefit Green has signed PPAs for the supply of 2,458 GWh of electricity at an average price of €79/MWh in 2029–2033.

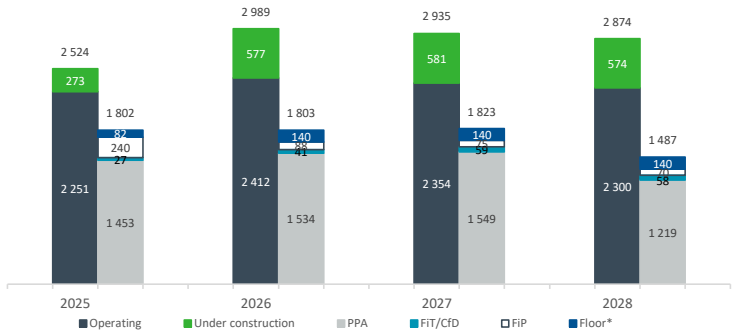
National support measures

Part of Enefit Green's electricity production in Estonia continues to receive renewable energy support, which is paid in addition to the sales price of electricity (feed-in-premium, FiP). 4% of Enefit Green's expected electricity production in the period 2025–2028 is covered by FiP support measures at an average FiP rate of €51.8/MWh.

The share of fixed-price support measures has increased slightly compared to last year due to a new contract for difference (CfD) signed in Poland. Only 2% of Enefit Green's expected electricity production in 2025–2028 is covered by fixed-price support measures (CfD schemes in Poland) at an average price of €103.1/MWh.

	2025	2026	2027	2028	Total 2025–2028
FiT/CfD schemes**	1%	1%	2%	2%	2%
Volume (GWh)	27	41	59	58	185
Price***, €/MWh	120.1	105.2	97.9	99.1	103.1
FiP support**	10%	3%	3%	2%	4%
Volume (GWh)	240	88	75	70	474
Price***, €/MWh (added to the market price)	50.0	53.7	53.7	53.7	51.8
PPAs and financial swaps**	58%	51%	53%	42%	50.8%
Volume (GWh)	1,453	1,534	1,549	1,219	5,755
Price***, €/MWh	62.6	64.8	69.0	76.4	67.8

Production volume outlook of existing and new production assets, sold PPAs and RE support measures, GWh



** Price floor – state support (capped at €20/MWh) in the form of a price floor determined in a reverse auction at the level of €34.9/MWh for a period of 12 years*
*** Estimated share of production covered by the measure. Potential production comprises the production outlook of operating assets and assets under construction*
**** Weighted average sales price or support of production covered by the measure.*

Enefit Green

Unaudited condensed consolidated interim financial statements Q1 2025

Enefit Green

Condensed consolidated interim income statement

€ thousand	Note	Q1 2025	Q1 2024
Revenue	9	62,447	56,192
Renewable energy support and other operating income	10	4,449	12,729
Raw materials, consumables and services used	11	(28,226)	(20,674)
Payroll expenses		(2,333)	(2,225)
Depreciation, amortisation and impairment		(10,021)	(9,342)
Other operating expenses		(5,331)	(3,595)
OPERATING PROFIT		**20,985**	**33,085**
Finance income		536	570
Finance costs		(530)	(306)
Net finance income		**6**	**264**
Profit (loss) from associates under the equity method		22	(10)
PROFIT BEFORE TAX		**21,013**	**33,339**
Income tax income		657	107
PROFIT FOR THE PERIOD		**21,670**	**33,446**
Basic and diluted earnings per share			
Weighted average number of shares, thousand	6	264,276	264,276
Basic earnings per share, €	6	0.082	0.13
Diluted earnings per share, €	6	0.082	0.13

Condensed consolidated interim statement of comprehensive income

€ thousand	Note	Q1 2025	Q1 2024
PROFIT FOR THE PERIOD		**21,670**	**33,446**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Remeasurement of hedging instruments in cash flow hedges (incl. reclassifications to profit or loss)	5, 7	675	1,115
Exchange differences on the translation of foreign operations	7	210	54
Other comprehensive income for the period		**885**	**1,169**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**22,555**	**34,615**

Condensed consolidated interim statement of financial position

€ thousand	Note	31 March 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,422,653	1,394,343
Intangible assets		59,696	59,727
Right-of-use assets		8,522	8,525
Prepayments for non-current assets	4	37,493	37,536
Deferred tax assets		1,774	1,211
Investments in associates		570	548
Derivative financial instruments	5, 7	3,372	3,400
Non-current receivables		1,330	1,330
Total non-current assets		**1,535,409**	**1,506,620**
Current assets			
Inventories		1,827	2,011
Trade receivables		6,934	10,151
Other receivables		10,999	13,291
Prepayments		8,862	7,814
Derivative financial instruments	5, 7	2,216	3,274
Cash and cash equivalents		35,481	44,023
Total current assets		**66,319**	**80,564**
Total assets		**1,601,728**	**1,587,184**

€ thousand	Note	31 March 2025	31 December 2024
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		8,291	8,291
Other reserves	5, 7	164,349	163,674
Foreign currency translation reserve	7	392	182
Retained earnings		285,172	263,502
Total equity		**782,831**	**760,276**
LIABILITIES			
Non-current liabilities			
Borrowings	8	670,872	669,313
Government grants		2,761	2,809
Contract liabilities	5	6,345	6,345
Deferred tax liabilities		12,412	12,484
Other non-current liabilities		9,042	8,059
Provisions		193	194
Total non-current liabilities		**701,626**	**699,204**
Current liabilities			
Borrowings	8	63,137	65,160
Trade payables		38,021	36,926
Other payables		11,653	19,450
Provisions		2	8
Contract liabilities	5	4,459	6,161
Total current liabilities		**117,272**	**127,704**
Total liabilities		**818,897**	**826,908**
Total equity and liabilities		**1,601,728**	**1,587,184**

Condensed consolidated interim statement of cash flows

€ thousand	Note	Q1 2025	Q1 2024
Cash flows from operating activities			
Cash generated from operations	12	**35,518**	**35,164**
Interest and loan fees paid		(9,975)	(8,497)
Interest received		208	458
Net cash generated from operating activities		**25,751**	**27,125**
Cash flows from investing activities			
Paid for purchase of property, plant and equipment and intangible assets		(36,721)	(97,283)
Proceeds from finance lease receivables		6	0
Proceeds from sale of a business (net of cash and cash equivalents transferred)		0	16,879
Net cash used in investing activities		**(36,715)**	**(80,403)**
Cash flows from financing activities			
Proceeds from bank loans	8	20,000	30,000
Repayments of bank loans	8	(18,668)	(9,012)
Repayments of lease principal	8	(60)	(58)
Proceeds from realisation of interest rate swaps		1,149	1,661
Net cash generated from financing activities		**2,421**	**22,590**
Net cash flow		**(8,542)**	**(30,688)**
Cash and cash equivalents at the beginning of the period		44,023	65,677
Cash and cash equivalents at the end of the period		35,481	34,989
Change in cash and cash equivalents		**(8,542)**	**(30,688)**

Condensed consolidated interim statement of changes in equity

€ thousand	Share capital	Share premium	Statutory capital reserve	Other reserves	Foreign currency translation reserve	Retained earnings	Total equity
Equity as at 31 December 2023	**264,276**	**60,351**	**5,556**	**163,451**	**(162)**	**223,718**	**717,190**
Profit for the period	0	0	0	0	0	33,446	33,446
Other comprehensive income for the period	0	0	0	1,115	54	0	1,169
Total comprehensive income for the period	**0**	**0**	**0**	**1,115**	**54**	**33,446**	**34,615**
Equity as at 31 March 2024	**264,276**	**60,351**	**5,556**	**164,566**	**(108)**	**257,164**	**751,804**
Equity as at 31 December 2024	**264,276**	**60,351**	**8,291**	**163,674**	**182**	**263,502**	**760,276**
Profit for the period	0	0	0	0	0	21,670	21,670
Other comprehensive income for the period	0	0	0	675	210	0	885
Total comprehensive income for the period	**0**	**0**	**0**	**675**	**210**	**21,670**	**22,555**
Equity as at 31 March 2025	**264,276**	**60,351**	**8,291**	**164,349**	**392**	**285,172**	**782,831**

Notes to the condensed consolidated interim financial statements

1. Summary of material accounting policies

These condensed consolidated interim financial statements (interim financial statements) have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and they do not include all the notes normally included in the annual financial statements. Thus, they should be read in conjunction with the group's annual financial statements as at and for the year ended 31 December 2024, which have been prepared in accordance with IFRS as adopted by the European Union.

These interim financial statements have been prepared using the same accounting policies as those applied in the preparation of the group's annual financial statements as at and for the year ended 31 December 2024.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Actual results may differ from those estimates. Significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were mainly the same as those described in the group's annual financial statements as at and for the year ended 31 December 2024.

These interim financial statements have not been audited or otherwise checked by auditors.

2. Financial risk management

Through its activities, the group is exposed to various financial risks: market risk (incl. currency risk, fair value and cash flow interest rate risk, and price risk), credit risk and liquidity risk. Condensed interim financial statements do not contain all the information about the group's financial risk management which is required to be disclosed in the annual financial statements. Therefore, these interim financial statements should be read in conjunction with group's annual financial statements as at and for the year ended 31 December 2024. See the risk management chapter for further details.

Cash flow and fair value interest rate risk

The group uses interest rate swaps (IRS) for interest rate risk management. Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Cash flow interest rate risk arises from the group's floating-rate borrowings and is the risk that finance costs will increase when interest rates rise. Interest rate risk is mitigated partly by raising debt at fixed interest rates and partly by hedging: raising floating-rate borrowings and fixing their interest expenses with IRS instruments. Information on IRS transactions is disclosed in note 5.

Capital management

The group regards equity and borrowings (debt) as capital. In order to maintain or change its capital structure, the group may change the dividend distribution rate, repay capital contributions to shareholders, issue new shares or sell assets to reduce its financial liabilities, and raise debt capital in the form of loans. On raising loans, management assesses the group's ability to service the principal and interest payments with operating cash flow and, where necessary, starts timely negotiations to refinance existing loans before their maturity. For further information about financing ratios and borrowings, see the financing chapter in the management report.

3. Segment reporting

The group has identified three main business lines, which are presented as separate reportable segments, and less significant business activities and functions, which are presented within Other. The management board assesses the group's financial performance and makes management decisions on the basis of segment reporting where the reportable operating segments of Enefit Green AS have been identified by reference to the main business lines of its business units. All production units operated by the group have been divided into operating segments based on the way they produce energy. Other internal structural units have been included in the segment Other.

1. Wind energy. The segment comprises the group's operating wind farms and wind farm developments that have an investment decision.

2. Cogeneration. Since the completion of the sale of the Paide and Valka CHP plants in March 2024, the Cogeneration segment has consisted of the Iru cogeneration plant.

3. Solar energy. The segment comprises operating solar farms, solar development projects that have an investment decision and solar services.

4. Other. The segment comprises hydropower, hybrid renewable energy solutions, and central development and management units.

The segment Other comprises activities whose individual contribution to the group's revenue and EBITDA is insignificant. None of those activities exceeds the quantitative thresholds for separate disclosure.

Segment revenues and other operating income include revenues and other operating income from external customers only, generated by the sale of respective products or services. As the segments are based on externally sold products and services, there are no intragroup transactions between segments to be eliminated.

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Management assesses segment results mainly on the basis of EBITDA, but also monitors operating profit. Finance income and costs, income tax expense and income, and profits and losses on investments in equity-accounted investees (associates) are not allocated to operating segments.

The group's non-current assets are allocated to segments based on their purpose of use. Liabilities and current assets are not allocated to segments.

Financial results by segments

€ thousand	Q1 2025	Q1 2024
REVENUE		
Wind energy	51,241	44,761
Cogeneration	9,943	10,465
Solar energy	1,167	834
Total reportable segments	**62,351**	**56,060**
Other	96	131
Total	**62,447**	**56,192**
RENEWABLE ENERGY SUPPORT AND OTHER OPERATING INCOME		
Wind energy	4,302	5,531
Cogeneration	1	7,118
Solar energy	158	73
Total reportable segments	**4,460**	**12,723**
Other	(11)	6
Total	**4,449**	**12,728**
EBITDA		
Wind energy	28,735	32,069
Cogeneration	6,155	13,199
Solar energy	484	411
Total reportable segments	**35,374**	**45,679**
Other	(4,369)	(3,252)
Total	**31,006**	**42,427**
Depreciation, amortisation and impairment losses	10,020	9,342
Net finance income and costs	6	263
Profit (loss) from associates under the equity method	22	(10)
Profit before tax	**21,013**	**33,338**

OPERATING PROFIT		
Wind energy	20,738	24,892
Cogeneration	4,737	11,753
Solar energy	154	125
Total reportable segments	**25,629**	**36,769**
Other	(4,644)	(3,684)
Total	**20,985**	**33,085**

€ thousand	Q1 2025	Q1 2024
INVESTMENTS IN NON-CURRENT ASSETS		
Wind energy	32,414	84,993
Cogeneration	704	66
Solar energy	1,447	18,726
Total reportable segments	**34,565**	**103,784**
Other	3,092	976
Total	**37,657**	**104,760**

€ thousand	31 March 2025	31 December2024
NON-CURRENT ASSETS		
Wind energy	1,188,311	1,159,517
Cogeneration	176,345	176,920
Solar energy	107,286	104,463
Total reportable segments	**1,471,941**	**1,440,899**
Other	63,467	65,720
Total	**1,535,409**	**1,506,620**

Enefit Green

4. Property, plant and equipment

€ thousand	Land	Buildings	Facilities and structures	Machinery and equipment	Assets under construction	Pre-payments	Total
Property, plant and equipment as at 31 December 2024							
Cost	64,401	25,365	58,404	837,224	758,266	37,536	1,781,196
Accumulated depreciation	0	(10,374)	(27,032)	(311,911)	0	0	(349,317)
Total property, plant and equipment as at 31 December 2024	**64,401**	**14,991**	**31,372**	**525,313**	**758,266**	**37,536**	**1,431,879**
Movements in the reporting period							
Additions	0	0	0	153	38,474	110	38,737
Refund of overpaid connection fees	0	0	0	0	(1,090)	0	(1,090)
Exchange differences	0	57	29	312	67	3	468
Transfers	2	(4)	(11)	4,489	(4,315)	(156)	5
Depreciation and impairment	0	(191)	(440)	(9,236)	0	0	(9,867)
Other changes	0	0	14	0	0	0	14
Total movements in the reporting period	**2**	**(138)**	**(408)**	**(4,282)**	**33,136**	**(43)**	**28,267**
Property, plant and equipment as at 31 March 2025							
Cost	64,403	25,418	58,436	842,178	791,402	37,493	1,819,330
Accumulated depreciation	0	(10,565)	(27,472)	(321,147)	0	0	(359,184)
Carrying amount as at 31 March 2025	**64,403**	**14,853**	**30,964**	**521,031**	**791,402**	**37,493**	**1,460,146**

The group has commitments under construction and development contracts, which have not been recognised as liabilities and are accounted for off the statement of the financial position. At 31 March 2025, commitments under the construction contracts amounted to €85,646k (31 December 2024: €92,493k) and commitments under the development contracts amounted to €74,582k (31 December 2024: €83,587k). The timing and amount of payments under the development projects depend on the achievement of certain contractual development milestones and satisfaction of specific conditions.

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5. Non-derivative contract liability, derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently measured at their fair value. The method for recognising the gain or loss on the change in fair value depends on whether the derivative is designated as a hedging instrument, and if it is, the nature of the item being hedged.

At 31 March 2025, the group used cash flow hedging instruments in order to hedge the exposure to interest rate risk resulting from floating-rate borrowings. In addition, the group used electricity price swaps to manage its short-term electricity portfolio.

The group documents at the inception of the transaction the relationship between the hedging instruments and the hedged items, and its risk management objectives and strategy for undertaking various hedge transactions. The group also documents whether there is an economic relationship between the derivatives that are used in hedging transactions and the changes in the cash flows of the hedged items. At inception of the hedge, the group documents the sources of hedge ineffectiveness. Hedge ineffectiveness is quantified in each reporting period and recognised in profit or loss.

The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedging instrument is more than 12 months and as a current asset or liability when the remaining maturity of the hedging instrument is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as a net amount within other operating income or other operating expenses. The day one fair value of derivative instruments entered into with the parent is recognised directly in equity when its economic substance is a distribution to the parent of resources embodying economic benefits.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in other operating income or other operating expenses in profit or loss.

The different levels for the determination of the fair value of financial instruments have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the group's own estimates. An instrument is included in level 3 if one or more significant inputs are not based on observable market data.

Contract liability

In 2021, the group hedged its exposure to electricity price volatility with base load swap derivative contracts. Under the given derivatives, the group was the payer of the floating price and the counterparty was the payer of the fixed price. The group applied hedge accounting to these cash flow hedges.

The group agreed with the counterparty (Eesti Energia AS) to terminate the derivative contracts and replace them with fixed price physical delivery contracts (EFET agreements, EFET - European Federation of Energy Traders) with the same volumes, prices and periods.

The group continued to apply hedge accounting to the open derivatives position until 17 August 2021, recognising changes in the fair value of the derivatives until the date of signature of the EFET General Agreement. The negative value of the derivative financial instruments classified as liabilities increased from €(10,781)k at the trade date to €(23,207)k at 31 December 2021 due to the change in the electricity price in the period from the trade date to 17 August 2021. The negative fair value change of €(12,426)k has been recognised in other comprehensive income as no material sources of hedge ineffectiveness were identified in the hedging relationships in the period between the trade date and 17 August 2021. The derivative financial instruments were measured at fair value until the date of conclusion of the EFET General Agreement (measurement date 17 August 2021). Their carrying amount, classified as a contract liability, changes during the supply period determined in the EFET General Agreement, which is 2023–2027.

The EFET General Agreement meets the own use exemption and, therefore, is not considered to be a financial instrument that is required to be measured at fair value under IFRS 9. Rather, it is to be accounted for as an executory contract under IFRS 15 Revenue from Contracts with Customers with the revenue recognised at a fixed per-unit price only when the delivery of electricity takes place in the years 2023–2027. No gains or losses were recognised at the date the derivative contracts were replaced with the EFET General Agreement. Upon entering into the EFET General Agreement, the carrying amount of the derivatives classified as a liability at that date, which was €(23,207)k, was reclassified as a contract liability, which will gradually increase recognised revenue until the EFET General Agreement is fulfilled. The increase in revenue will be partially offset by the reclassification of the €(12,426)k accumulated in the electricity cash flow hedge reserve to profit or loss due to the discontinuance of hedge accounting. The amount is the difference between the fair value of the derivative financial instruments at 17 August 2021 of €(23,207)k and the trade date fair value of the derivatives of €(10,781)k, which was recognised directly in equity.

See note 7 for further information about reserves. At 31 December 2024, the remaining balance of the liability of €12,411k was classified into current and non-current portions of €6,066k and €6,345k, respectively.

The electricity supply period under the EFET agreements began on 1 January 2023. Accordingly, the balance of the contract liability decreased by €2,097k in Q1 2025 and was €10,314k at 31 March 2025 (31 December 2024: €12,411k). Respective changes were also made to the group's cash flow hedge reserve and income statement. The following changes will be made to the group's reserves and income statement in 2025:

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€ thousand	Note	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total
Non-derivative contract liability		(2,097)	(1,016)	(1,184)	(1,770)	(6,066)
Electricity cash flow hedge reserve	7	1,130	764	721	875	3,491
Gain on derivative financial instruments	9	967	252	462	895	2,576

Interest rate swap transactions)

At 31 March 2025, the group had three interest rate swap agreements to hedge the exposure to the interest rate risk of three loans:

- An interest rate swap with a notional amount of €62,609k, whereby the group receives interest at a rate equal to 6-month EURIBOR and pays a fixed rate of interest of 1.1%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan taken out on 30 September 2022.
- An interest rate swap with a notional amount of €43,750k, whereby the group receives interest at a rate equal to 3-month EURIBOR and pays a fixed rate of interest of 1.049%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan taken out on 24 September 2022.
- An interest rate swap with a notional amount of €30,835k, whereby the group receives interest at a rate equal to 6-month EURIBOR and pays a fixed rate of interest of 1.125%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan taken out on 30 June 2022.

The interest rate swaps have been designated as hedging instruments in cash flow hedges. There is an economic relationship between the hedging instruments (interest rate swaps) and the hedged items (the loan agreements) because at 31 March 2025 the main terms of the interest rate swaps matched the terms of the loans (i.e. their notional amounts, currencies, and maturity, payment and other dates). The forward hedges have a hedge ratio of one to one. To test the hedge effectiveness, the group uses the hypothetical derivative method and compares the changes in the fair values of the interest rate swaps against the changes in the fair values of the loan agreements.

Hedge ineffectiveness can arise from the following sources:

A change in the credit risk of the group or the counterparty of the interest rate swap. The effect of credit risk may cause an imbalance in the economic relationship between the hedging instrument and the hedged item so that the values of the hedging instrument and the hedged item no longer move in opposite directions. According to the assessment of the group's management, it is highly unlikely that credit risk will cause significant hedge ineffectiveness.

At 31 March 2025, the effect of the hedging instruments on the group's statement of financial position was as follows:

€ thousand	Notional amount	Carrying amount (Asset)	Carrying amount (Liability)	Line item in the statement of financial position	Change in fair value*	Hedge ineffectiveness recognised in profit or loss	Amounts transferred from hedge reserve to profit or loss*
Interest rate swaps	137,193	5,324	0	Derivative financial instruments	144	0	600

* Change compared to 31 December 2024, recognised in other comprehensive income

At 31 March 2025, the effect of the hedged items on the group's statement of financial position was as follows:

€ thousand	Change in fair value used to measure ineffectiveness	Amounts recognised in hedge reserve	Amounts recognised in hedge reserve to which hedge accounting is no longer applied
Floating rate loans	5,324	5,324	0

Fair value has been measured based on a model from a third party, which was supported by the confirmation of the counterparty to the trade.

In its internal calculations, the group determines the fair value of interest rate swaps by estimating the present value of the expected future cash flows based on the interest rate curves of EURIBOR observable in the market. The fair value measurement takes into account the credit risk of the group and the counterparty, which is calculated based on current credit spreads derived from credit default swaps or bond prices. The fair value of interest rate swaps qualifies as a level 2 measurement.

Electricity price swap transactions

In Q1 2025, the group used electricity price swaps to manage its short-term electricity portfolio. At 31 March 2025, the group had no electricity price swaps because the reference period for previously signed swaps ended in March 2025 and the group did not enter into any new swaps in Q1 2025.

6. Share capital

At 31 March 2025, Enefit Green AS had 264,276,232 registered shares (31 December 2024: 264,276,232 shares). The nominal value of a share is €1.

Basic earnings per share (EPS) have been calculated by dividing profit for the period attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the period. Since the group has no potential ordinary shares, diluted earnings per share for all periods presented equal basic earnings per share.

Basic and diluted earnings per share based on the weighted average number of shares

	Unit	Q1 2025	Q1 2024
Profit attributable to shareholders of the parent	€ thousand	21,670	33,446
Weighted average number of shares	thousand	264,276	264,276
Basic earnings per share	€	0.082	0.13
Diluted earnings per share	€	0.082	0.13

7. Other reserves

€ thousand	31 March 2025	31 December 2024
Other reserves at the beginning of the period, of which:	**163,856**	**163,289**
Foreign currency translation reserve	182	(162)
Hedge reserve for cash flow hedges for interest rate risk (interest rate swaps)	5,779	8,860
Hedge reserve for cash flow hedges for electricity price risk	(6,325)	(9,628)
Initial fair value of derivative transactions with the parent	(10,781)	(10,781)
Voluntary financing reserve	175,000	175,000
Change in fair value of cash flow hedges, of which:		
Hedge reserve for cash flow hedges for interest rate risk	144	967
Recognised as a decrease of a contract liability	1,131	3,303
Reclassification from other comprehensive income, recognised as a change in interest expense	(600)	(4,048)
Exchange differences on the translation of foreign operations	210	344
Other reserves at the end of the period, of which:	**164,741**	**163,856**
Foreign currency translation reserve	392	182
Hedge reserve for cash flow hedges for interest rate risk (interest rate swaps)	5,324	5,779
Hedge reserve for cash flow hedges for electricity price risk	(5,195)	(6,325)
Initial fair value of derivative transactions with the parent	(10,781)	(10,781)
Voluntary financing reserve	175,000	175,000

8. Borrowings

€ thousand	Current borrowings			Non-current borrowings		Total
	Interest	Bank loans	Lease liabilities*	Bank loans	Lease liabilities*	
Borrowings at amortised cost as at 31 December 2024	**5,798**	**59,027**	**335**	**660,108**	**9,205**	**734,473**
Movements in the reporting period						
Cash movements						
Addition of borrowings	0	0	0	20,000	87	20,087
Proceeds from realisation of interest rate swaps	1,149	0	0	0	0	1,149
Repayments of borrowings	(9,915)	(18,668)	(60)	0	0	(28,643)
Non-cash movements						
Addition of borrowings	6,787	0	1	0		6,788
Transfers	0	18,668	0	(18,668)	0	0
Amortisation of borrowing costs	0	0	0	8	0	8
Effect of movements in foreign exchange rates	2	18	1	103	29	153
Other movements	0	0	(6)	0	0	(6)
Total movements in the reporting period	**(1,977)**	**18**	**(64)**	**1,443**	**116**	**(464)**
Borrowings at amortised cost as at 31 March 2025	**3,821**	**59,045**	**271**	**661,551**	**9,321**	**734,009**

9. Revenue

€ thousand	Q1 2025	Q1 2024
Revenue by activity		
Sale of goods		
Scrap metal	104	119
Other goods	25	43
Total sale of goods	**129**	**162**
Sale of services		
Heat	2,068	2,434
Electricity	56,202	**49,379**
Waste reception and resale	3,797	3,968
Lease and maintenance of assets	235	213
Other services	16	36
Total sale of services	**62,318**	**56,030**
Total revenue	**62,447**	**56,192**

10. Renewable energy support and other operating income

€ thousand	Q1 2025	Q1 2024
Renewable energy support	4,302	6,393
Government grants	49	99
Gain on sale of a business	0	5,759
Other income	98	478
Total renewable energy support and other operating income	**4,449**	**12,729**

Note: The sale of the Paide and Valka CHP plants in March 2024 gave rise to a gain of €4,958k. In the interim report for Q1 2024, the amount was erroneously stated at €5,759k. The overstatement of €801k, which resulted from an intragroup loan receivable not written off at the date of sale, was corrected in the Q2 report in 2024 by reducing line item 'Gain on sale of a business'. It was a non-cash correction, which did not affect the group's cash flows. In this report for Q1 2025, the figures for the comparative period are unadjusted and presented as they were in the Q1 2024 report.

11. Raw materials, consumables and services used

€ thousand	Q1 2025	Q1 2024
Maintenance and repairs	4,045	3,532
Technological fuel	393	1,153
Electricity	21,603	14,830
Services related to ash treatment	439	461
Materials and spare parts for production	263	242
Transmission services	569	204
Waste handling	95	94
Resource charges for natural resources	1	1
Other raw materials, consumables and services used	103	60
Environmental pollution charges	715	97
Total raw materials, consumables and services used	**28,226**	**20,674**

Enefit Green

12. Cash generated from operations

€ thousand	Q1 2025	Q1 2024
Profit before tax	**21,013**	**33,339**
Adjustments		
Depreciation and impairment of property, plant and equipment	9,989	9,308
Amortisation and impairment of intangible assets	31	33
Amortisation of government grants related to assets	(49)	(98)
Interest expense on borrowings	407	224
Gain on sale of a business	0	(5,759)
(Profit) loss from associates under the equity method	(22)	10
Interest and other finance income	(208)	(459)
Other losses on investments	0	13
Foreign exchange loss (gain) on loans granted and taken	122	40
Combined impact of release of contract liability and hedge reserve for cash flow hedges for electricity price risk	(967)	(926)
Unsettled (gain) loss on derivative transactions	1,027	0
Adjusted profit before tax	**31,345**	**35,726**
Net change in current assets related to operating activities		
Change in receivables related to operating activities	3,216	623
Change in inventories	184	104
Net change in other current assets related to operating activities	181	10,741
Total net change in current assets related to operating activities	**3,581**	**11,468**
Net change in current liabilities related to operating activities		
Change in provisions	(6)	0
Change in trade payables	149	(10,869)
Net change in other current liabilities related to operating activities	449	(1,162)
Total net change in current liabilities related to operating activities	**592**	**(12,031)**
Cash generated from operations	**35,518**	**35,163**

13. Transactions and balances with related parties

The parent of Enefit Green AS is Eesti Energia AS. At 31 March 2025, the sole shareholder of Eesti Energia AS was the Republic of Estonia.

For the purposes of the condensed consolidated interim financial statements of Enefit Green, related parties include the shareholders, other companies belonging to the same group (group companies), members of the executive and higher management, and close family members of the above persons and companies under their control or significant influence. Related parties also include entities under the control or significant influence of the state.

The group has applied the exemption from disclosure of individually insignificant transactions and balances with the government and other related parties where the state has control or joint control of, or significant influence over, such parties.

Enefit Green AS and its subsidiaries produce renewable energy that is sold directly to third parties (incl. to the Nord Pool power exchange). The parent, Eesti Energia AS, provides Enefit Green AS with back-office services to assist in the sales procedures. The costs related to the services are presented in the table within purchases of services.

The group also discloses transactions with companies under the control or significant influence of the state. In the reporting and the comparative period, the group conducted ordinary purchase and sales transactions with the Estonian transmission system operator Elering AS, which is wholly owned by the state.

At 31 March 2025 Enefit Green AS had signed long-term power purchase agreements (PPAs) for the physical delivery of electricity of 7,056 GWh with Eesti Energia AS for the supply of electricity in the Lithuanian, Estonian, Finnish and Polish electricity networks in the period April 2025 – December 2033. The contracts are for the supply of both annual and monthly base load energy. The weighted average price of the PPAs for the physical delivery of electricity signed with the related party is €69.3/MWh.

At the beginning of 2021, the group used base load swap derivative contracts in order to hedge the exposure to variability in the price of electricity. The initial fair value of the derivatives designated as hedging instruments of €(10,781)k was recognised directly in equity.

The group continued to apply hedge accounting to the open derivatives positions until 17 August 2021, when an EFET General Agreement Concerning the Delivery and Acceptance of Electricity (EFET General Agreement) was signed and all open derivative contracts were simultaneously terminated. The negative value of the derivative financial instruments classified as liabilities increased from €(10,781)k at the trade date to €(23,207)k due to the change in the electricity price in the period from the trade date to 17 August 2021. The cumulative change in the fair value of the derivative financial instruments of €(12,426)k was recognised through other comprehensive income and the cash flow hedge reserve in equity (see also note 5). At 31 March 2025, the balance of the electricity cash flow hedge reserve was €(5,195)k (see also notes 5 and 7).

€ thousand	Q1 2025	Q1 2024		31 March 2025	31 December2024
TRANSACTIONS			**BALANCES**		
PARENT					
Purchase of services	7,436	5,595	Receivables	9,904	12,318
Sale of goods	0	0	Payables	13,699	15,762
Sale of services	25,979	26,001			
OTHER GROUP COMPANIES					
Purchase of goods	0	0	Receivables	599	889
Purchase of services	(2,008)	352	Lease receivables	368	374
Sale of goods	0	0	Payables	(976)	107
Sale of services	632	1,592	Lease liabilities	53	21
OTHER RELATED PARTIES (INCL. ASSOCIATES)					
Purchase of services	773	417	Receivables	0	0
Sale of services	0	0	Payables	614	541
ELERING AS					
Purchase of services	508	252	Receivables	2,594	3,546
Sale of services	4,246	6,408	Payables	183	186

In addition to the above, in Q1 2025, Elering refunded to Enefit Green overpaid connection fees of €1,090k.

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Group structure