



Enefit Green

Unaudited interim report

Q4 and 12 months 2021



Enefit Green

Presenting today

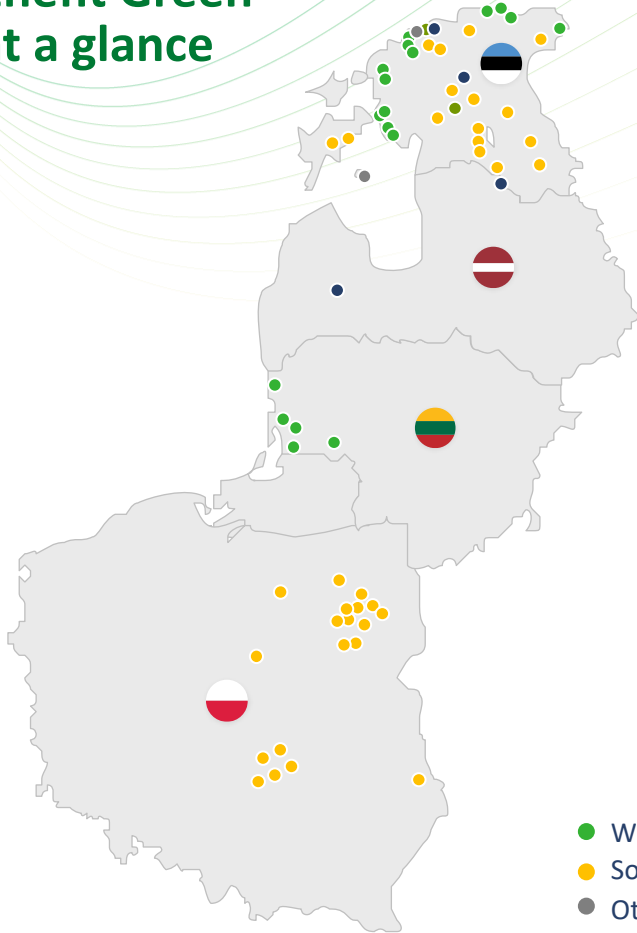


Aavo Kärmas
Chief Executive Officer
since 2017



Veiko Räim
Chief Financial Officer
since 2017

Enefit Green at a glance



- Wind energy **398 MW**
- Solar energy **30 MW**
- Other **1 MW**

- Cogeneration and pellet factory
28 MW (electricity) / **81 MW** (heat)

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

20 years
renewable energy
experience

Largest
**wind energy
producer**
in the Baltics

165
employees
in Estonia, Latvia,
Lithuania and Poland

Target to increase
production capacity by
2025
2.4 times

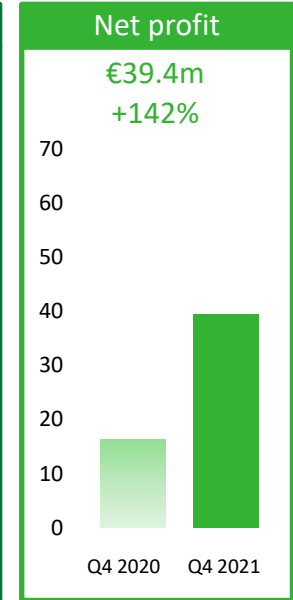
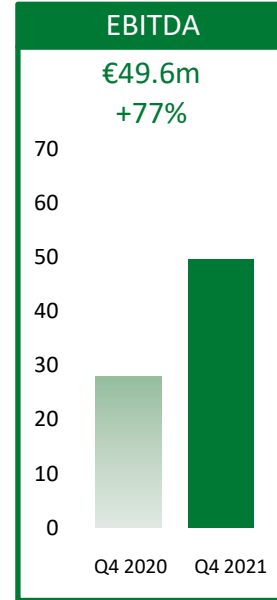
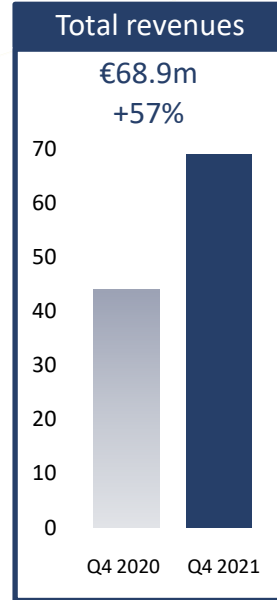
Electricity production 2021:
1.19 TWh
Heat production 2021:
618 GWh

About
59,000
investors*

* As at end of 2021

4Q 2021 key highlights

	ELECTRICITY	HEAT
PRODUCTION	385 GWh +5%	174 GWh +3%
PRICE (average sales price)	131 €/MWh +79%	15 €/MWh -23%

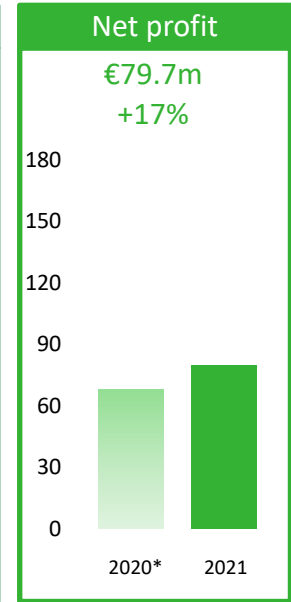
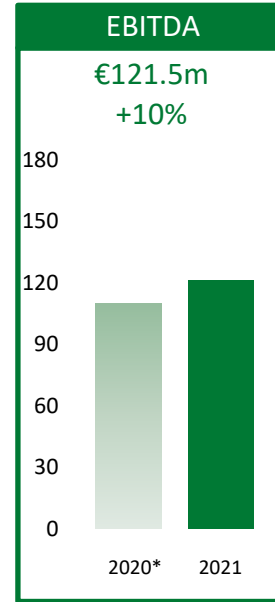
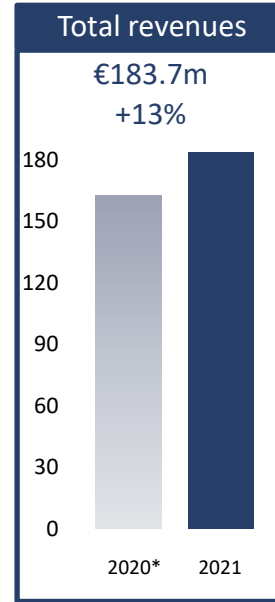
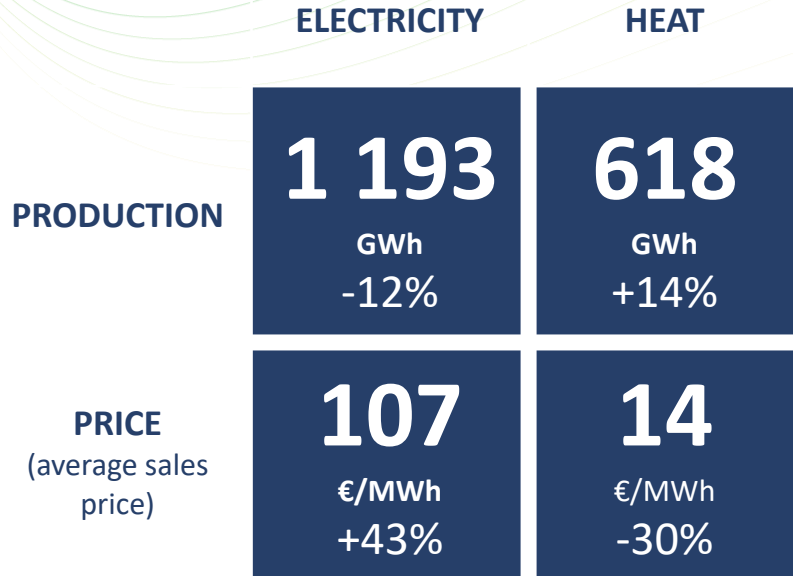


+72 MW Tolpanvaara
(final investment decision)



Successful IPO
(October 2021)

2021 key highlights

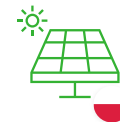


+43 MW Šilale II
(final investment decision)

+75 MW Akmene
(final investment decision)

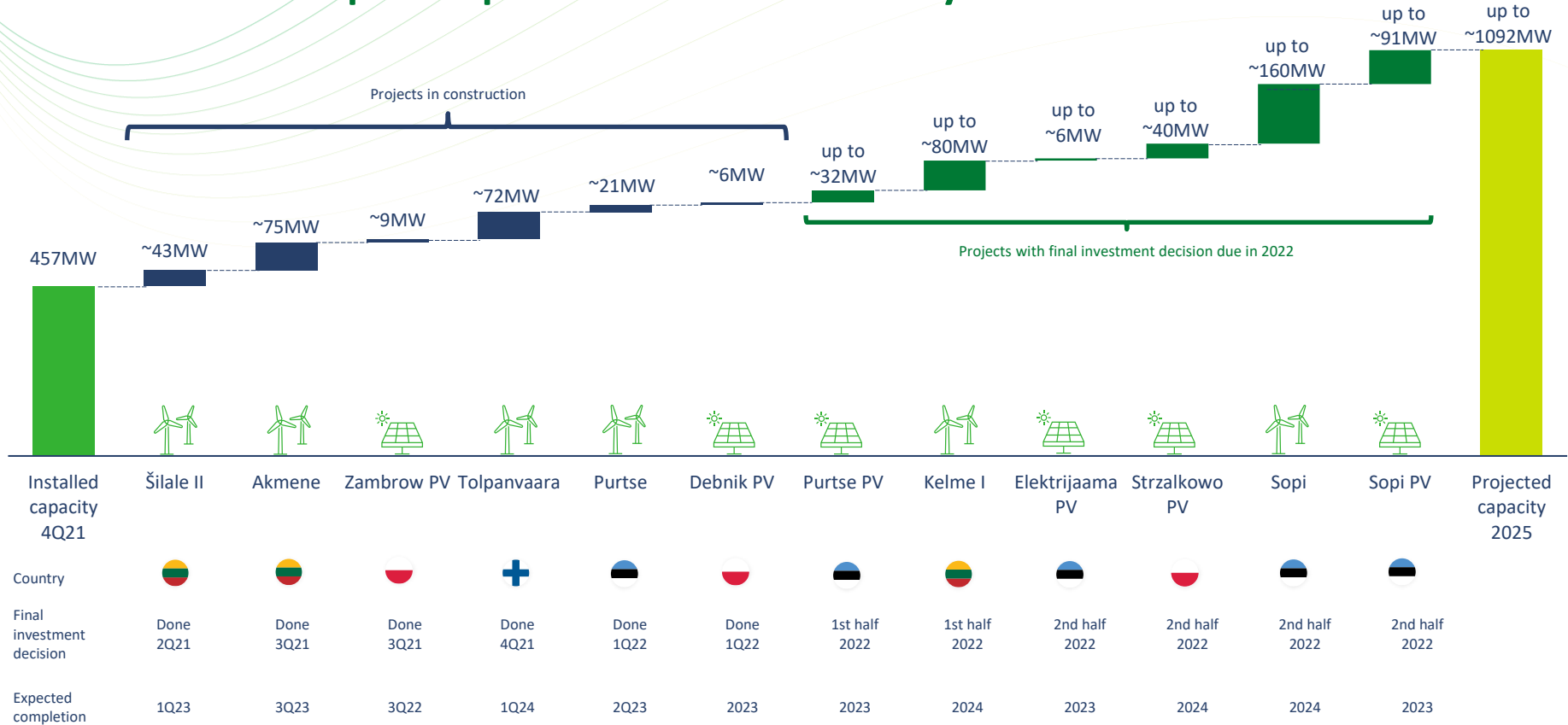


+72 MW Tolpanvaara
(final investment decision)



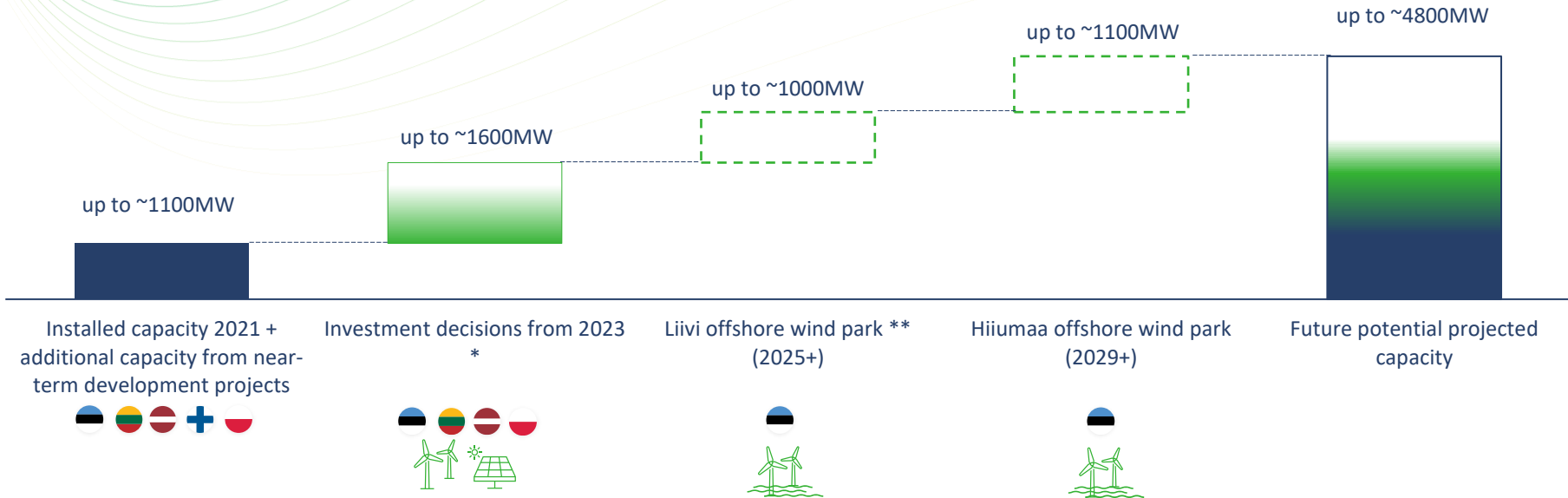
+9 MW Zambrow
(final investment decision)

Near-term development portfolio as of 31 January 2022



Note! Development pipeline is in continuous dynamic change. The presented information is management team’s best assessment and comment on the current status of the pipeline over next 4 quarters.

Long-term development portfolio as of 31 January 2022



Installed capacity 2021 + additional capacity from near-term development projects



Investment decisions from 2023 *



Liivi offshore wind park ** (2025+)



Hiiumaa offshore wind park (2029+)



Future potential projected capacity

Development pipeline is in continuous dynamic change.

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

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

Regulatory developments

Notable general developments during 2021

Estonia



Amendments to **Electricity Market Act**

- renewables target to 40% of the energy mix by 2030
- clarified reverse auction rules

450 GWh reverse auction announced (bids to be placed before 1 June 2022)

Initiation of law change to set thresholds and rules for **benefits to local communities** impacted by wind parks

Lithuania



National 5 TWh renewable target reached thus no new reverse auctions planned

Changed rules for **electricity imports from Belarus**, restricting the access of electricity produced outside the EU to the Baltic electricity market.

Poland



Amendments to **Renewable Energy Act**

- new renewable energy reverse auctions until the end of 2027
- modified the calculation of a positive balance under the CfD support scheme.

European Commission approved the provision of aid of €22.5bn for the **development of offshore wind farms** in Poland.

Latvia



Latvia's government launched **preparations together with Estonia for the construction of offshore wind farms** and a connecting electricity network

Finland



Aurora Line, a new 800/900 MW interconnector between Finland and Sweden, was approved (commissioning in 2025)

Notable Enefit Green specific regulatory action during 2021

Latvia



Cancellation of the **FiT support to Broceni CHP facility**

- Enefit Green has challenged BVKB decision in court

Volatility in electricity prices has increased

Estonian weekly average electricity price, €/MWh



Nord Pool electricity prices, €/MWh	4Q 2020	4Q 2021	Change
Estonia	41.4	141.7	242%

Nord Pool electricity prices, €/MWh	2020	2021	Change
Estonia	33.7	86.7	157%
Latvia	34.1	88.8	161%
Lithuania	34.0	90.4	166%
Poland	45.0	83.1	85%
Finland	28.0	72.3	158%

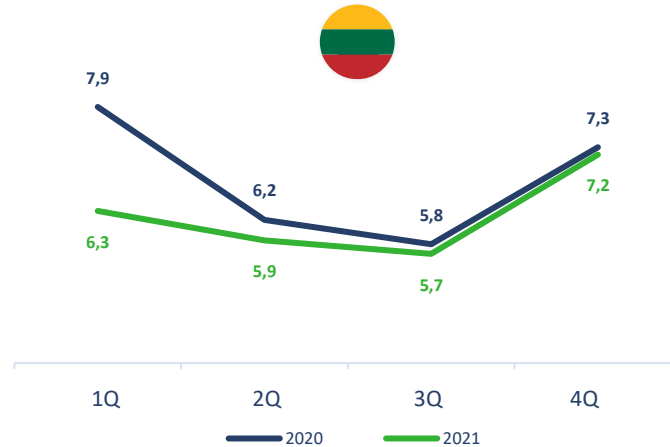
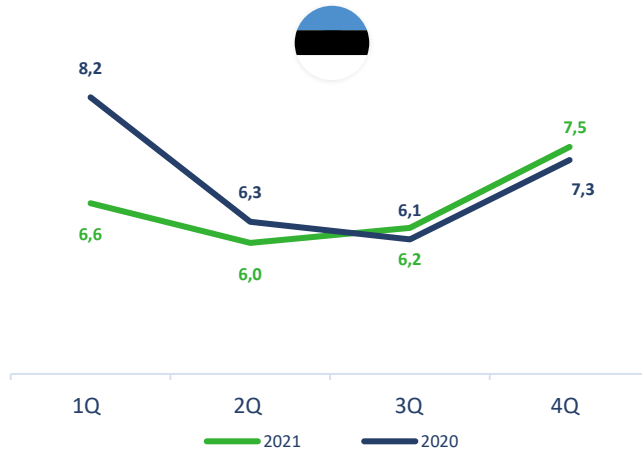
Source: Nord Pool

Drivers

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

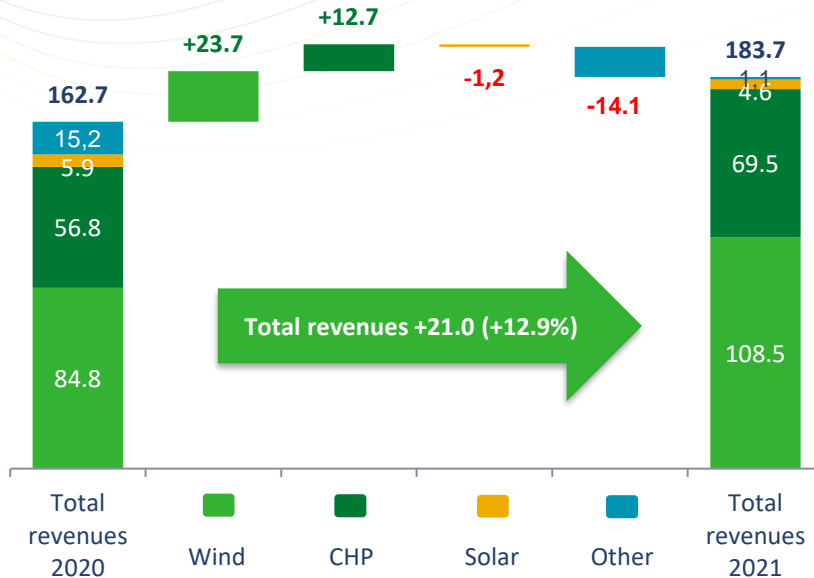
Wind conditions: difficult comparison in 1Q

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



Revenue growth driven by strong NP Estonia prices

Total revenues by segment, €m



Total revenues €183.7m
+13%

Wind

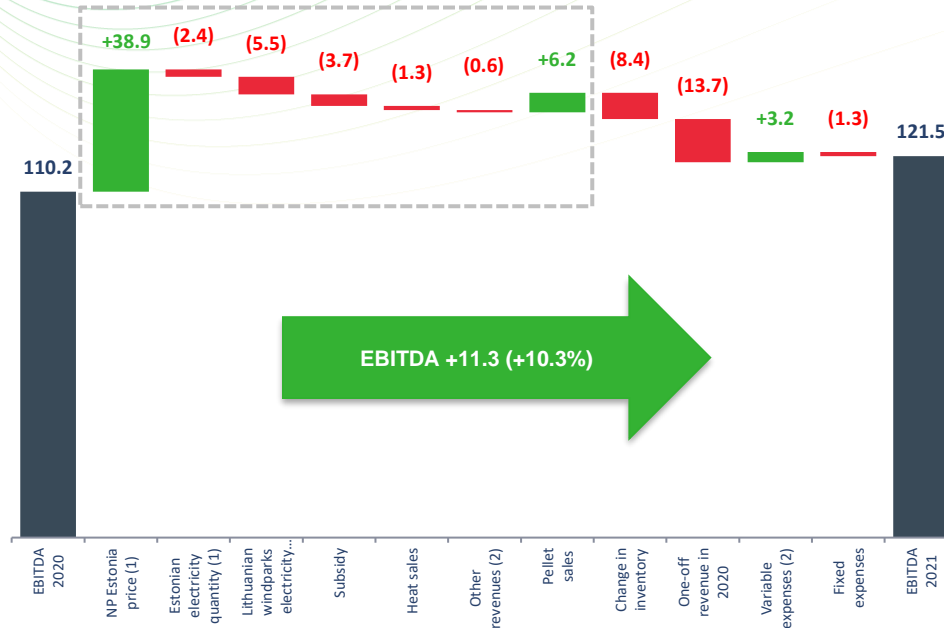
- Implied captured NP Estonia electricity price 83 €/MWh (+183%)
- Lower wind speeds in Estonia and Lithuania
- Aulepa I subsidy period ended in July

CHP

- Implied captured NP Estonia electricity price 83 €/MWh (+183%)
- Impacts of the Iru heat contract (Feb 2021):
 - quantities increased (+74 GWh)
 - price lower by 30%
 - efficient cogeneration subsidy increase €0.4m
- Pellet sales 46% higher

EBITDA growth driven by strong NP Estonia prices

Group's EBITDA development by drivers, €m



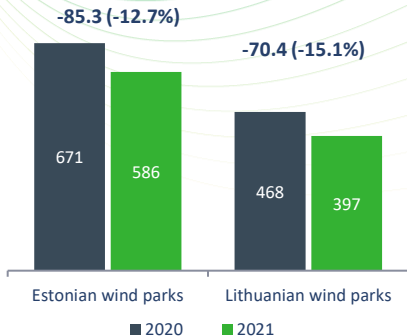
- (1) Calculated based on Estonian wind parks, Iru CHP and Paide CHP implied electricity prices in 2020 and 2021 and respective electricity quantities
- (2) Impact of balancing energy purchases is included in NP Estonia price and Estonian electricity quantity. Therefore, it is not part of Variable expenses impact nor Remaining income impact.
- (3) Excluding one-off €13.7m other revenue in 2020

EBITDA €121.5m
+10%

- **Revenue impact +€31.5m** ⁽¹⁾⁽²⁾⁽³⁾
- **Change in inventories -€8,4**
Higher sales, lower production
- **Variable expenses** ⁽²⁾ decrease €3.2m
(balancing energy cost not included):
 - Biomass prices decreased
 - Electricity cost increased
- **Fixed expenses increased €1.3m** (+4%):
 - Lower WWD maintenance
 - Expanded development team

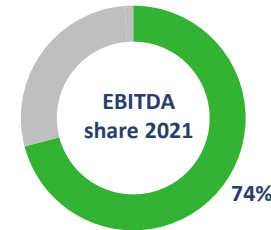
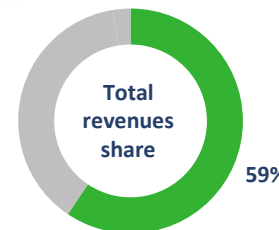
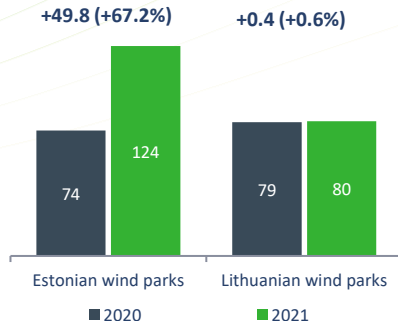
Wind energy segment: high prices, lower wind speeds

Electricity production, GWh

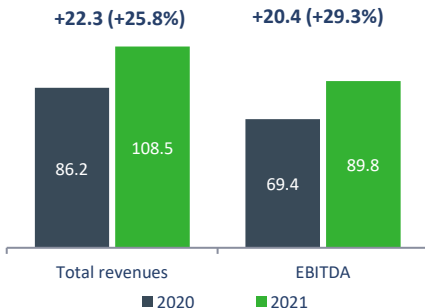


Average electricity sales price, €/MWh (1)

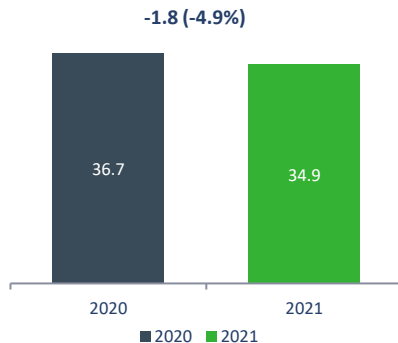
(1) Total electricity revenues - balancing energy purchase + renewable energy support/production



Total revenues and EBITDA, €m



Operating expenses per MW, €/MW (2)



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

EBITDA €89.8m

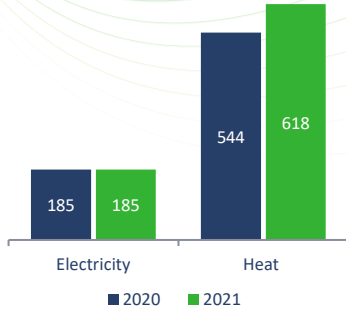
+29%

- High Estonian power prices
- Good operating cost control and variability in WWD maintenance

Cogeneration segment: higher income, slightly lower margins

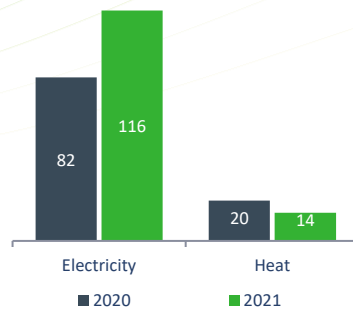
Production, GWh

-0.2 (-0.1%) +74.4 (+13.7%)



Average sales price, €/MWh (1)

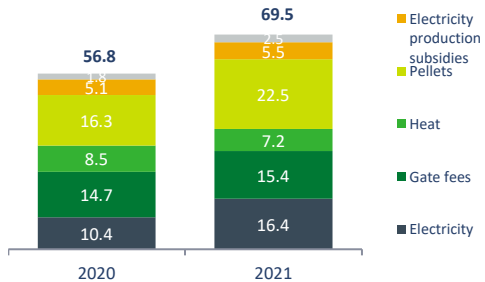
+33.6 (+40.8%) -6.1 (-29.9%)



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

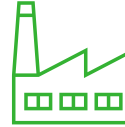
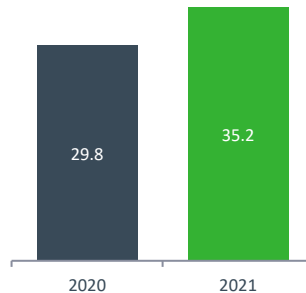
Total revenues, €m

+12.7 (+22.3%)

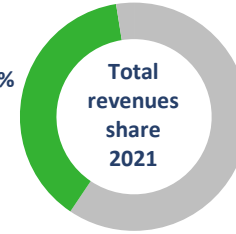


EBITDA, €m

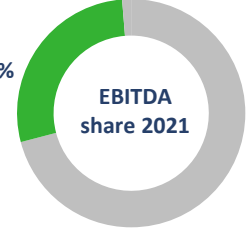
+5.3 (+17.9%)



38%



29%



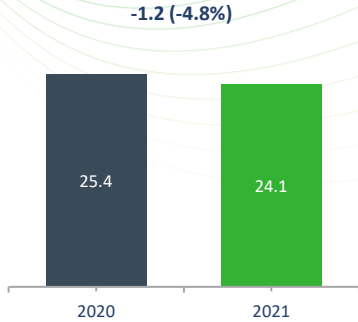
EBITDA €35.2m

+18%

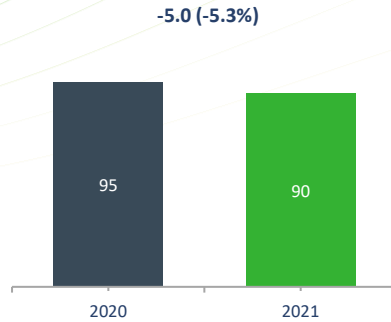
- Iru heat volume up, balanced by lower (regulated) price
- Electricity volume stable, realised price driven by market (Iru & Paide)
- Efficient cogeneration subsidy (Iru)
- Variable costs decreased from lower pellet production
- Slight increase in fixed cost

Solar segment flat on weather driven production drop

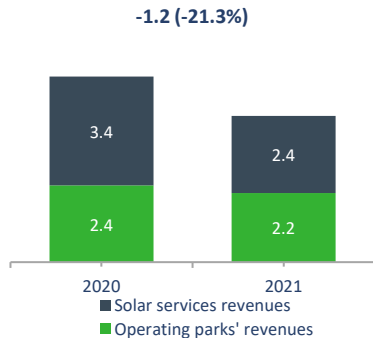
Electricity production, GWh



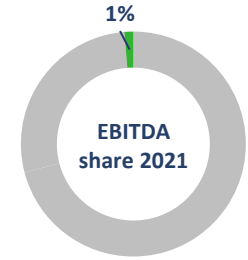
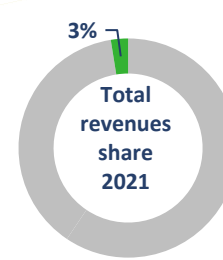
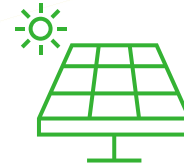
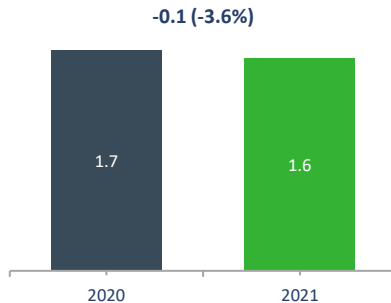
Average electricity sales price, €/MWh (1)



Total revenues, €m



EBITDA, €m

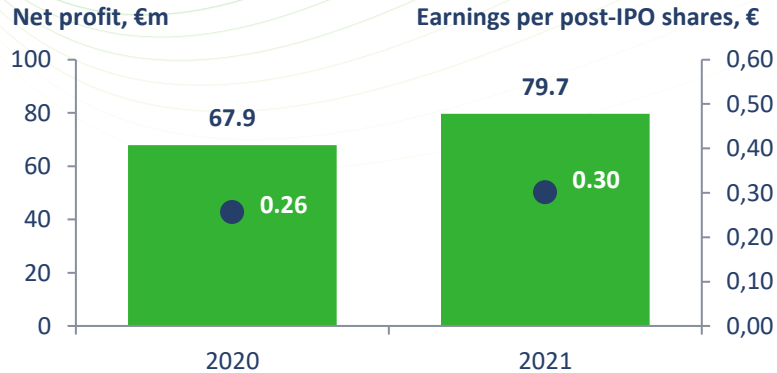


EBITDA €1.6m (-4%)

- Production lower due to adverse weather conditions
- Reduced solar services capacity, marginal impact on EBITDA

2021 Earnings Per post-IPO shares €0.30

Management's dividend proposal: €0.151 per share



Dividend proposal

In coordination with the Supervisory Board, the Management Board proposes to distribute to shareholders EUR 39.9 million in dividends (**0.151 euros per share**) from earnings of previous periods in 2022, which is equivalent to 50% of group's unaudited net profit in 2021.

Note: basic earnings per share equals to diluted earnings per share

Net profit €79.7m

+17%

Financial expenses

- Decreased due to lower loan balances

Corporate income tax

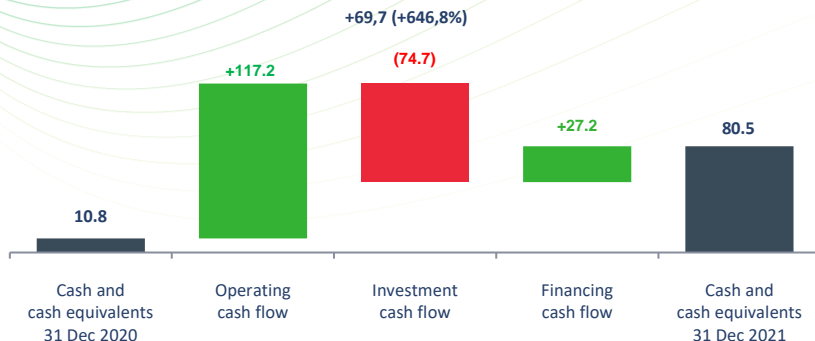
- Increase because Enefit Wind UAB income tax exemption period ended since Jan 2021

Net profit

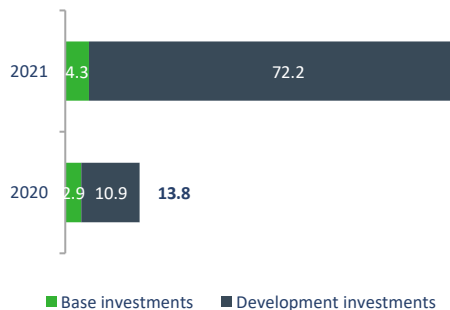
- High electricity market prices
- Controlled management of fixed costs' growth
- Digitalized asset management impact on maintaining good availability and production

Strong operating cash flows

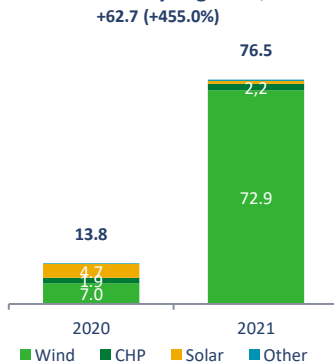
Liquidity development in 2021, €m



Investments by type, €m



Investments by segment, €m



Investments €76.5m
+455%

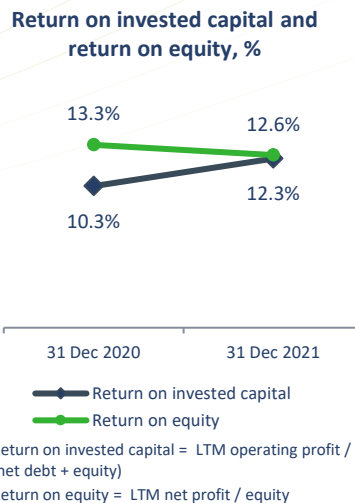
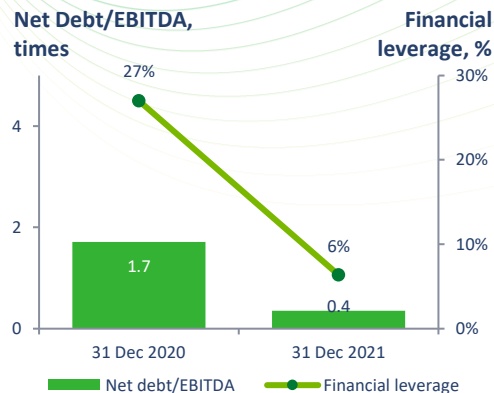
Operations

- High cash conversion of operations (96%)

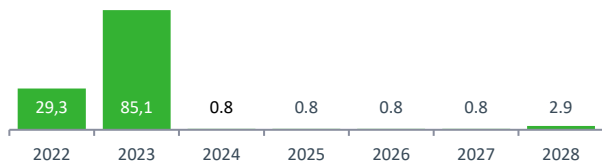
Investments

- €72.2m investments into developments in 2021, mainly related to wind parks:
 - Sopi land purchase €29.4m
 - Šilale II €19.3m
 - Akmene €8.3m
 - Purtse €7.1m
 - Tolpanvaara €6.5m

Strong capital structure



Loans repayment schedule, €m



Financial leverage 6%

Capital structure

- Low leverage and net debt / EBITDA levels
- Additional equity post-IPO, €100m

Financing

- New loan contracts 140 €m (not withdrawn)
- Average interest rate reduction on outstanding loan portfolio: 1.61% -> 1.17%
- Swedbank loan of €39m schedule changed, bullet repayment in December 2023
- Repayment of SEB loan of €40m in December

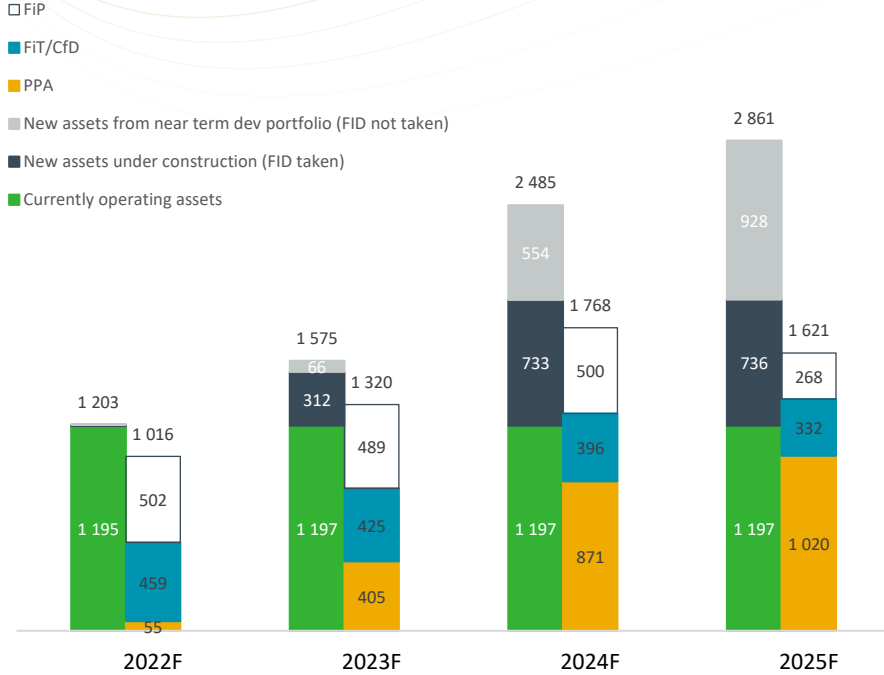
Return on equity 12.6%

Returns

- Return on invested capital improved by higher operating profit and net debt decrease of €146
- Return on equity reduced due to higher equity level

Power portfolio overview

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



Power Purchase Agreements

2022-2025

- 2,352 GWh of PPA's signed for the period (29% of expected production)
- Average locked price 45.6 EUR/MWh

2026+

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

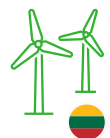
2021 Summary

Total revenue	EBITDA	Net profit
€183.7m +13%	€121.5m +10%	€79.7m +17%

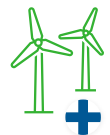
- High electricity prices
- Strong revenue, EBITDA and net profit growth
- Record production from Iru
- Four new final investment decisions
- IPO and €100m primary gross proceeds
- Lower wind speeds



+75 MW Akmene
(final investment decision)



+43 MW Šilale II
(final investment decision)



+72 MW Tolpanvaara
(final investment decision)



+9 MW Zambrow
(final investment decision)



Successful IPO
(October 2021)

Q & A

Aavo Kärmas, CEO

Veiko Räim, CFO

Appendices

Condensed consolidated interim
financial statements 2021

Condensed consolidated interim income statement

in thousand euros	Q4 2021	Q4 2020	2021	2020
Revenue	59,346	35,979	153,002	113,994
Renewable energy support and other income	9,562	7,990	30,705	48,689
Change in inventories of finished goods and work-in-progress	(1,468)	1,057	(3,708)	4,674
Raw materials, consumables and services used	(13,854)	(13,446)	(44,037)	(43,820)
Payroll expenses	(1,781)	(1,625)	(6,713)	(6,071)
Depreciation, amortisation and impairment	(9,553)	(9,260)	(38,145)	(38,192)
Other operating expenses	(2,236)	(2,014)	(7,791)	(7,297)
OPERATING PROFIT	40,016	18,681	83,312	71,979
Finance income	503	4	721	203
Finance costs	(669)	(795)	(2,833)	(3,580)
Net finance costs	(166)	(791)	(2,112)	(3,377)
Profit (loss) from associates under the equity method	36	20	46	5
PROFIT BEFORE TAX	39,886	17,910	81,246	68,607
Corporate Income Tax Expense	(516)	(1,639)	(1,584)	(737)
PROFIT FOR THE PERIOD	39,370	16,271	79,661	67,870

Condensed consolidated interim statement of financial position

in thousand euros	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets		
Property, plant and equipment	612,503	594,980
Intangible assets	68,239	67,839
Right-of-use assets	2,750	2,222
Prepayments	20,710	-
Deferred tax assets	442	344
Investments in associates	578	532
Long-term receivables	78	103
Total non-current assets	705,300	666,020
Current assets		
Inventories	9,529	11,085
Trade and other receivables and prepayments	23,347	51,566
Cash and cash equivalents	80,454	10,774
Total current assets	113,330	73,425
Total assets	818,629	739,445

in thousand euros	31 Dec 2021	31 Dec 2020
EQUITY		
Equity and reserves attributable to equity holder of the parent		
Share capital	264,276	4,794
Share premium	60,351	-
Statutory reserve capital	479	479
Other reserves	150,828	399,165
Retained earnings	157,673	105,111
Total equity	633,608	509,549
LIABILITIES		
Non-current liabilities		
Borrowings	93,884	161,558
Government grants	7,458	8,020
Derivative financial instruments	23,207	-
Deferred tax liabilities	12,568	12,555
Other long-term liabilities	3,000	-
Provisions	13	13
Total non-current liabilities	140,130	182,146
Current liabilities		
Borrowings	29,572	37,778
Trade and other payables	15,264	9,858
Provisions	56	114
Total current liabilities	44,892	47,750
Total liabilities	185,021	229,896
Total equity and liabilities	818,629	739,445

Condensed consolidated interim statement of cash flows

in thousand euros	2021	2020
Cash flows from operating activities		
Cash generated from operations	121,285	105,210
Interest and loan fees paid	(3,377)	(3,653)
Interest received	26	2
Corporate income tax paid	(725)	(304)
Net cash generated from operating activities	117,209	101,255
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(74,844)	(11,056)
Proceeds from sale of property, plant and equipment	96	34
Net change in deposits with maturities exceeding 3 months	-	5
Dividends received from financial investments	68	68
Net cash used in investing activities	(74,679)	(10,949)
Cash flows from financing activities		
Change in overdraft(net)	33,312	(43,415)
Received bank loans	10,000	8,977
Repayments of bank loans	(83,634)	(37,528)
Repayments of leases	(262)	(292)
Dividends paid	(27,100)	(18,400)
Proceeds from issue of shares	100,000	-
Payments for issue of shares	(5,166)	-
Net cash used in financing activities	27,150	(90,659)
Net cash flows	69,680	(353)
Cash and cash equivalents at the beginning of the period	10,774	11,127
Cash and cash equivalents at the end of the period	80,454	10,774
Net increase / (-) decrease in cash and cash equivalents	69,680	(353)