

Enefit Green 

Unaudited interim report
Q1 2024



Results are presented by:

Aavo Kärmas

Chief Executive Officer



Veiko Räm

Chief Financial Officer

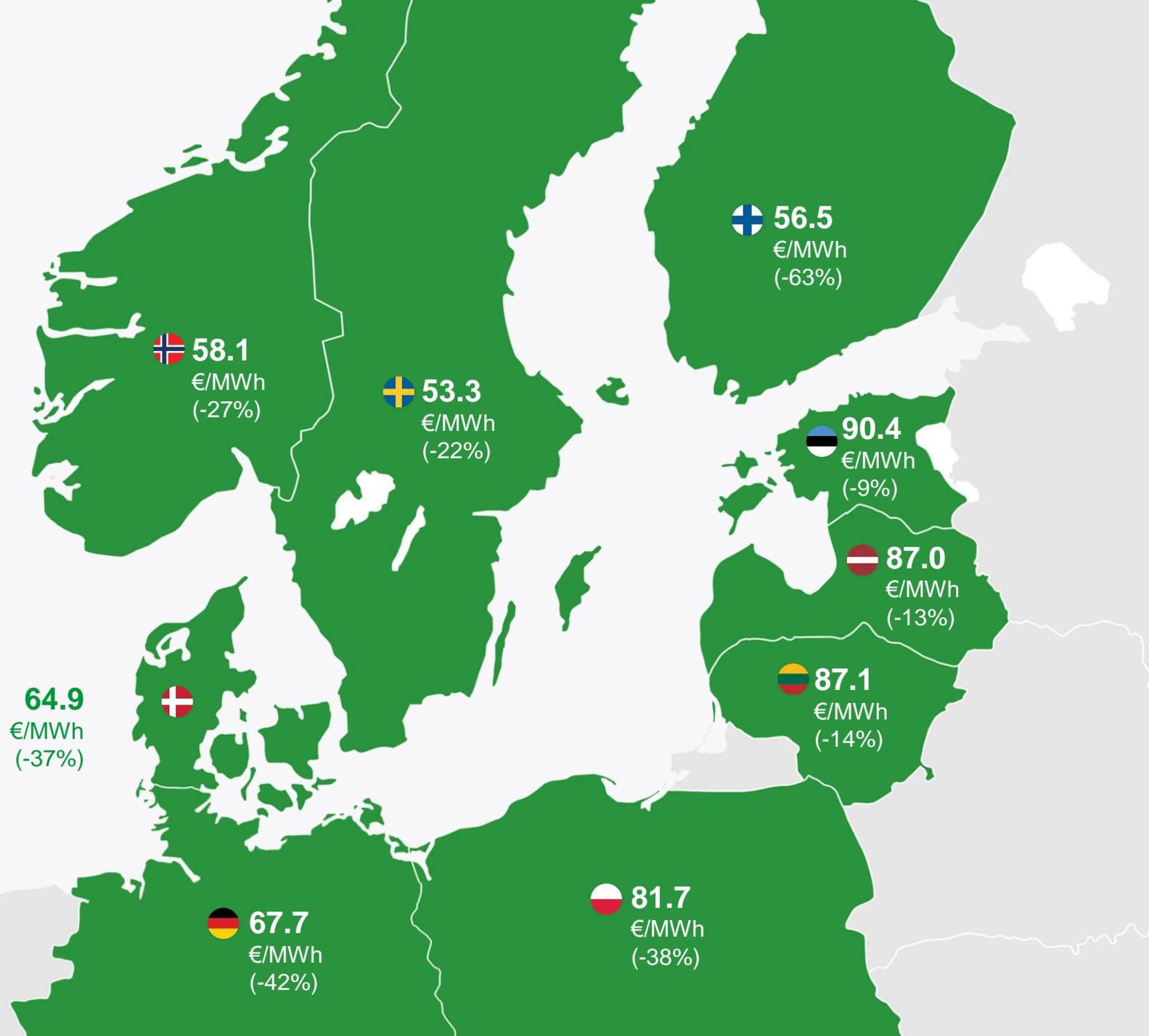


Average electricity prices were lower compared to last year

Drivers:

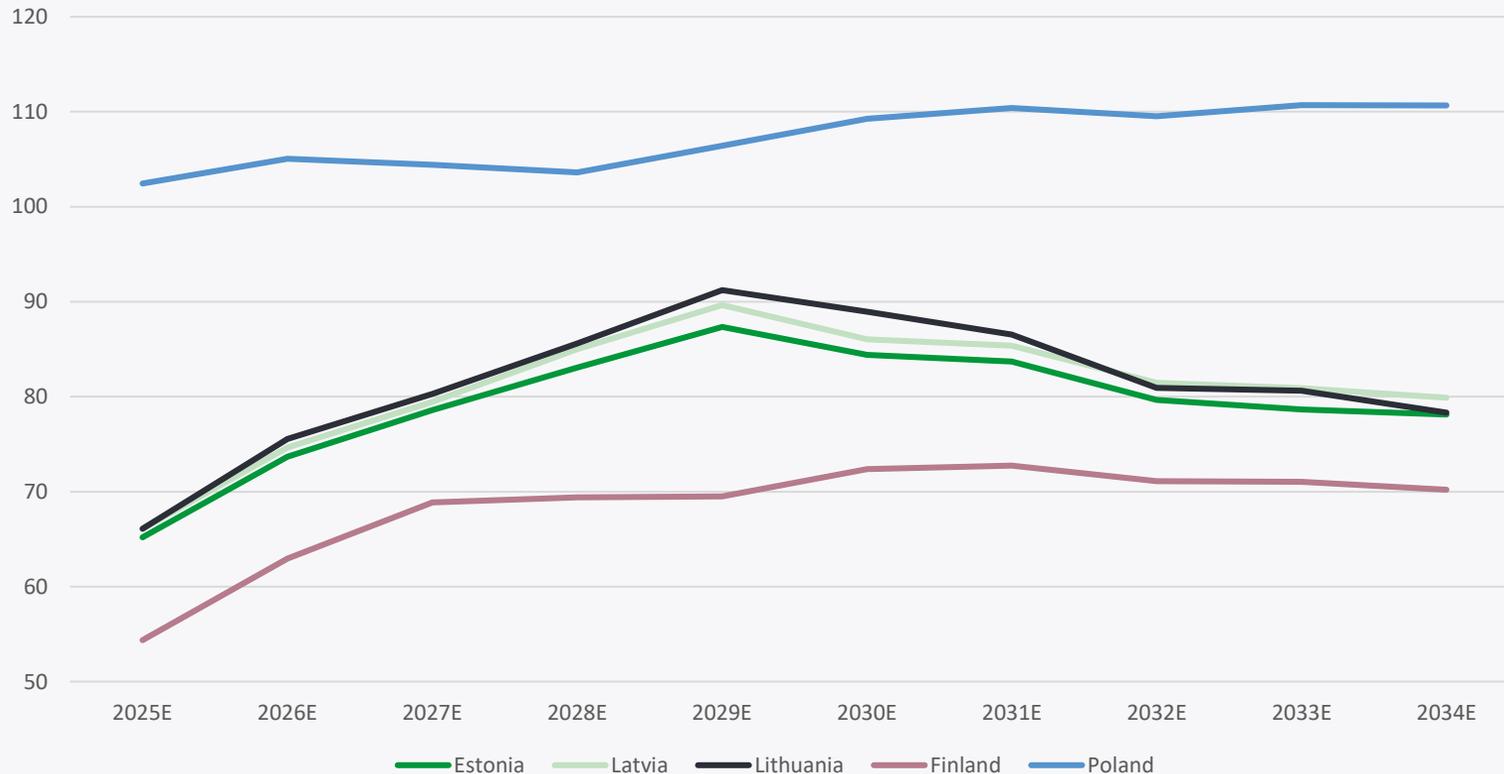
- Increased wind and hydropower generation
- Decreased natural gas and emission allowance prices
- Relatively mild winter

Enefit Green 



Long term electricity price forecasts declined during Q1

Core market electricity prices*, €/MWh



Long-term price forecast

- Price forecasts for all core markets were lowered in Q1 2024
- More pronounced changes in forecasts for 2025 and 2026
- Price forecasts for Baltic markets were reduced on average by 22 EUR/MWh (2025) and 13 EUR/MWh (2026)
- Forecasts were lowered due to:
 - decreased natural gas and CO₂ prices
 - lower than expected consumption
 - growing supply of renewable energy

Regulatory developments

European Union

- The process of changing the EU electricity market regulation was not completed. In addition to the electricity market design reform, the hydrogen and decarbonised gas market package will be adopted
- European Commission issued a recommendation for a new EU climate target: a 90% net greenhouse gas (GHG) emissions reduction by 2040 compared to 1990 levels

Estonia

- Discussions on the drafting of a Climate Act continued and a call for ideas on necessary changes to sectoral legislation was launched
- A proposal for waste reform was published. One of the objectives is to reduce the use of unsorted municipal waste for energy production
- The parliament is in the process of transposing the Renewable Energy Directive, measures to reduce the use of wood for energy production
- The parliament is also in the process of amending the Building Code to speed up the deployment of renewable energy

Latvia

- A new version of climate and energy plan has come under heavy criticism from the private sector → the national targets only include the project volumes of state-owned companies
- A map of areas where wind farm development is not allowed due to potential threats to national defence capabilities was published
- A draft law on the construction of the fourth Estonian-Latvian electricity interconnector (ELWIND) and an associated offshore wind farm
- Public consultation launched on a report on nuclear energy options
- Government announced plans to partially privatise several important state-owned energy companies via the stock exchange

Lithuania

- Rules for monitoring birds and bats at wind farms came into force

Finland

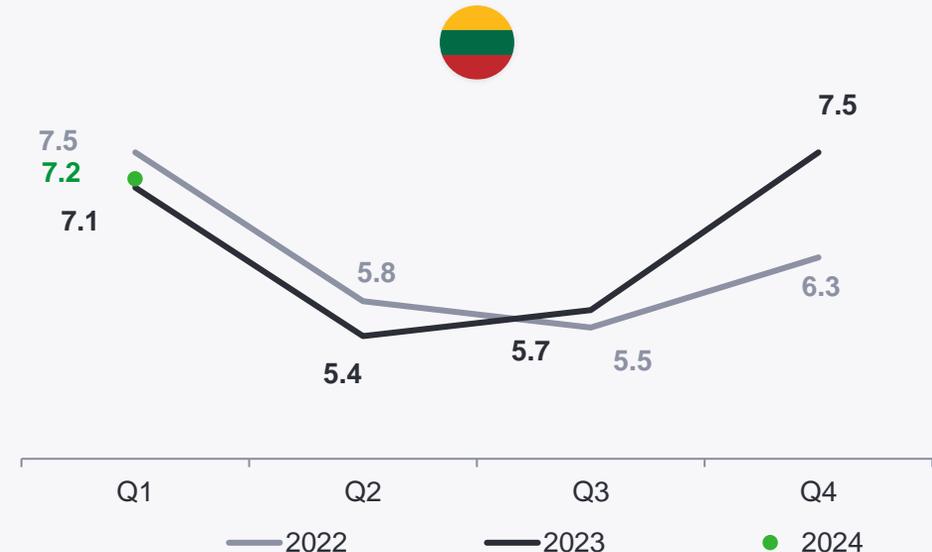
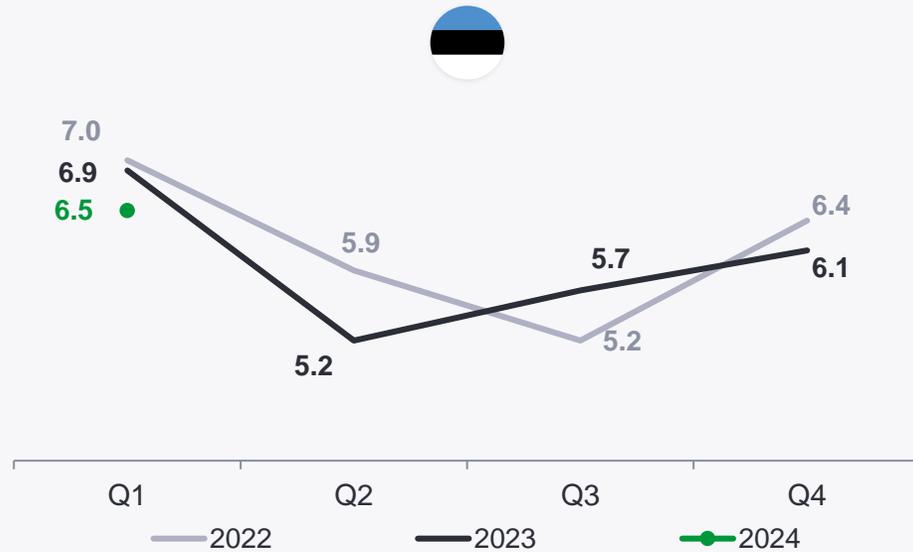
- An environmental impact assessment (EIA) programme for extending the service life and upgrading the thermal power of units 1 and 2 of the Olkiluoto nuclear power plant has been submitted for consultation

Poland

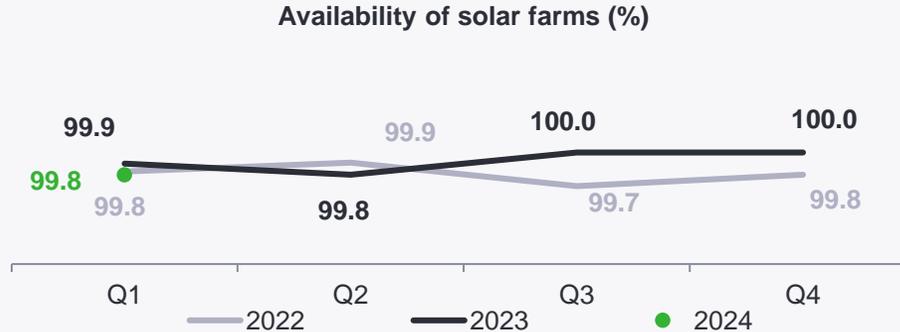
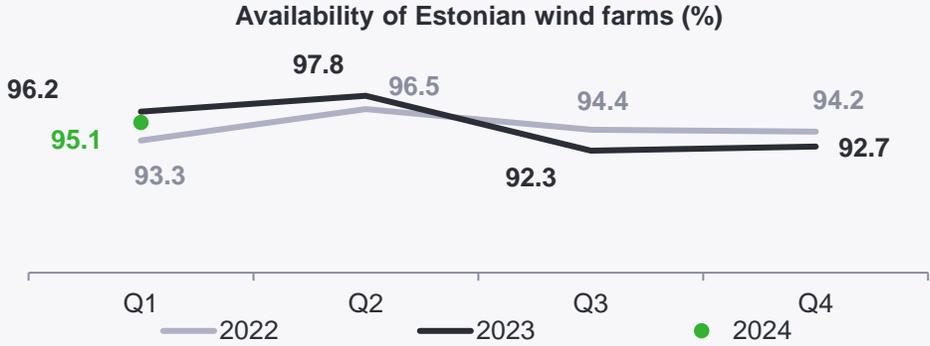
- An updated climate and energy plan 2030 was submitted to the European Commission: 32% → 50% (share of renewable electricity in total electricity consumption)

42 GWh lower production due to weaker than average wind conditions

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

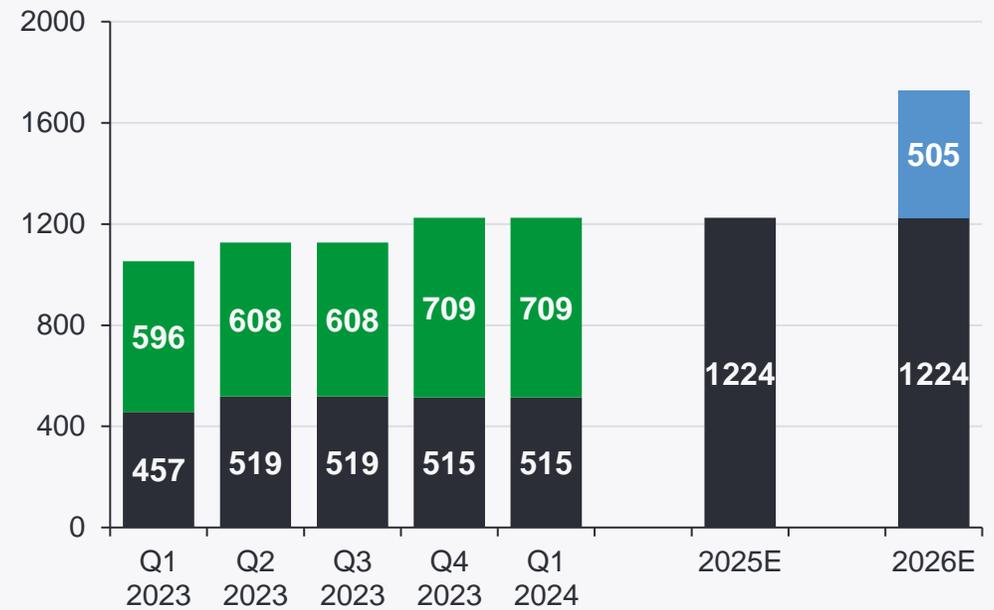


Considerably improved availability of Šilutė wind farm following last year's problems



Development of production portfolio

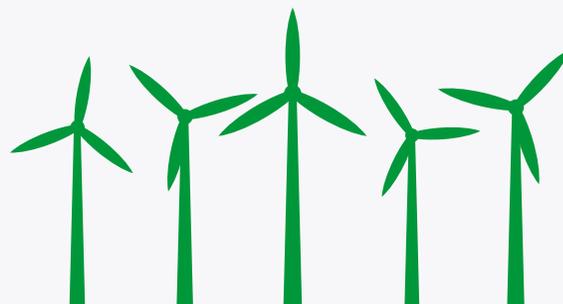
Production capacity, MW



■ Near-term development portfolio* ■ Under construction ■ Operating capacity

* Near-term development portfolio includes projects, which are developed to the state of final investment decision (FID) readiness before the end of 2024. The actual timing of FID depends of PPA demand, availability of other instruments for revenue security (state auctions, possible support mechanisms etc), pricing of equipment for electricity production, construction prices and financing

Projects under construction

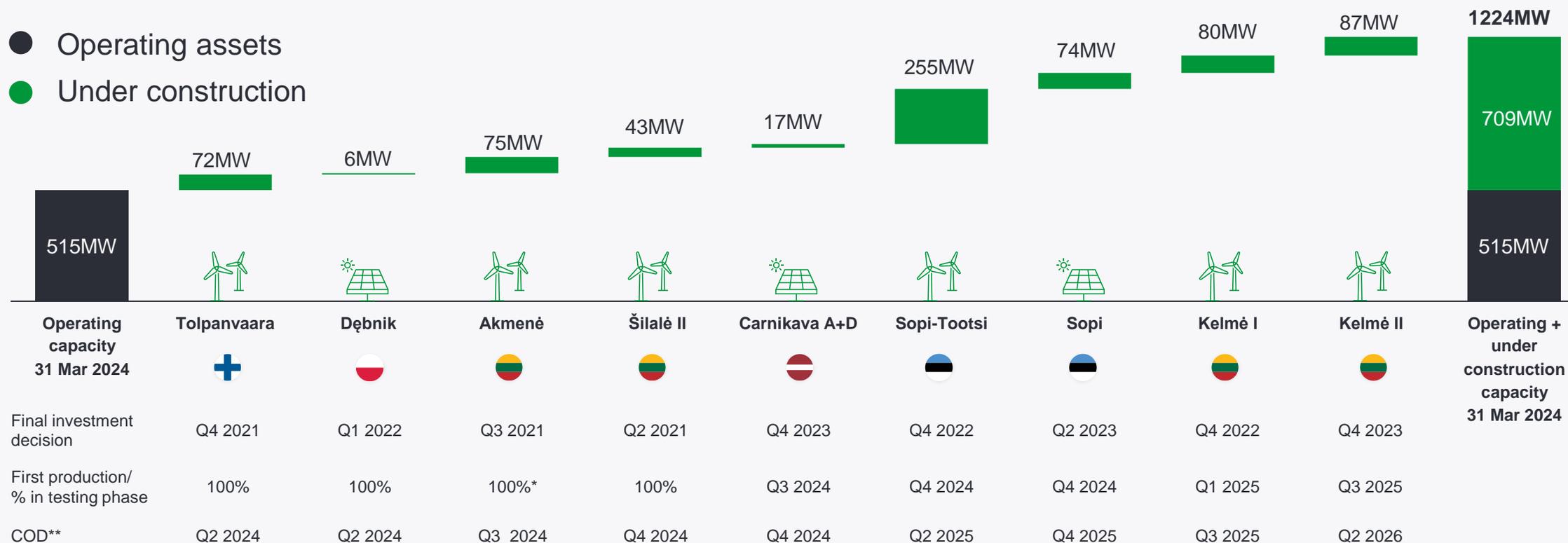


612 MW



97 MW

- Operating assets
- Under construction

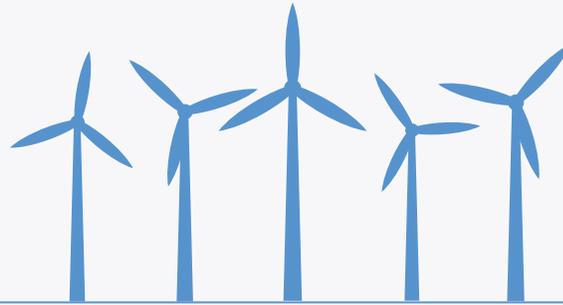


Asset	Tolpanvaara	Dębnik	Akmenė	Šilalė II	Carnikava A+D	Sopi-Tootsi	Sopi	Kelmė I	Kelmė II	Operating + under construction capacity 31 Mar 2024
Operating capacity 31 Mar 2024										515MW
Final investment decision	Q4 2021	Q1 2022	Q3 2021	Q2 2021	Q4 2023	Q4 2022	Q2 2023	Q4 2022	Q4 2023	
First production/ % in testing phase	100%	100%	100%*	100%	Q3 2024	Q4 2024	Q4 2024	Q1 2025	Q3 2025	
COD**	Q2 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2024	Q2 2025	Q4 2025	Q3 2025	Q2 2026	

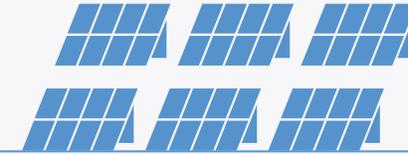
* Replacement of the turbine that collapsed in Akmenė in May 2023 was carried out in March 2024

** COD – Commercial Operating Date (a date when the asset will be categorised as operating asset)

Near term development portfolio

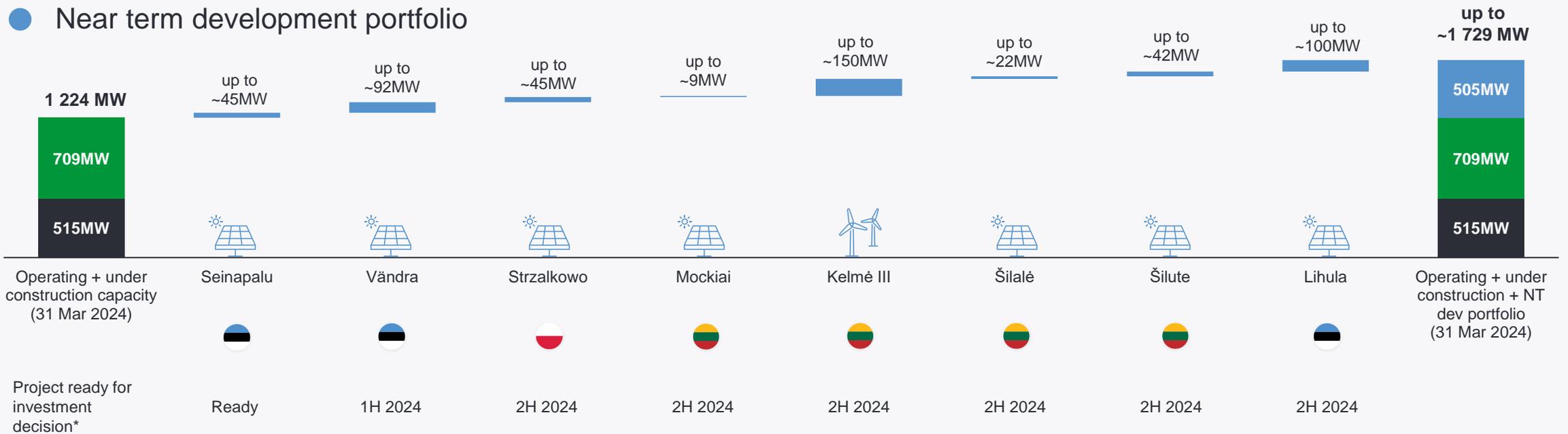


150 MW



355 MW

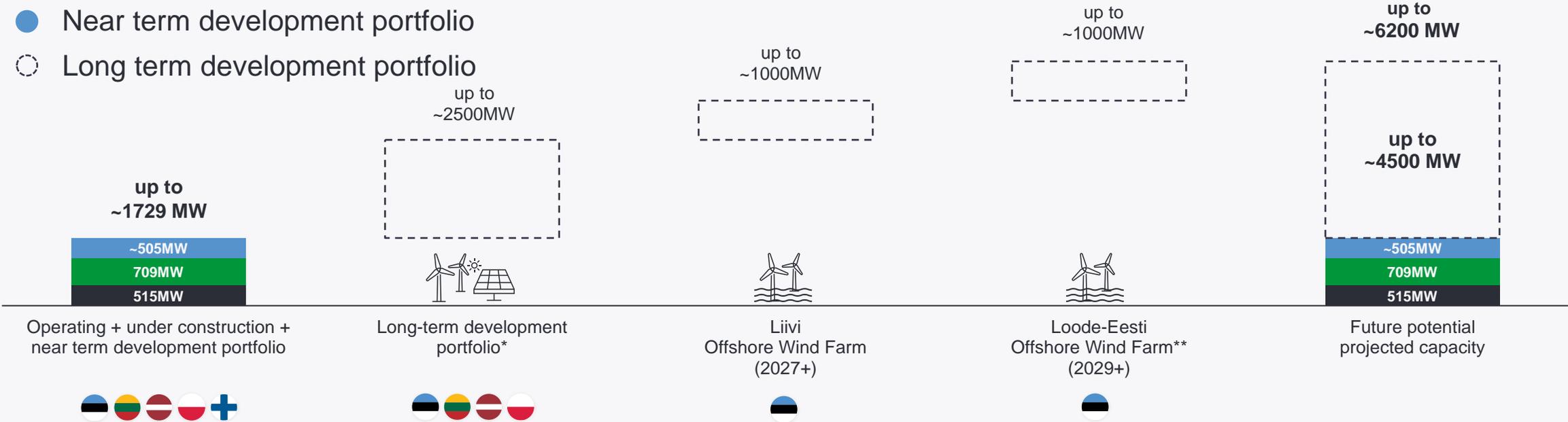
- Operating assets
- Under construction
- Near term development portfolio



Complete view of the development portfolio



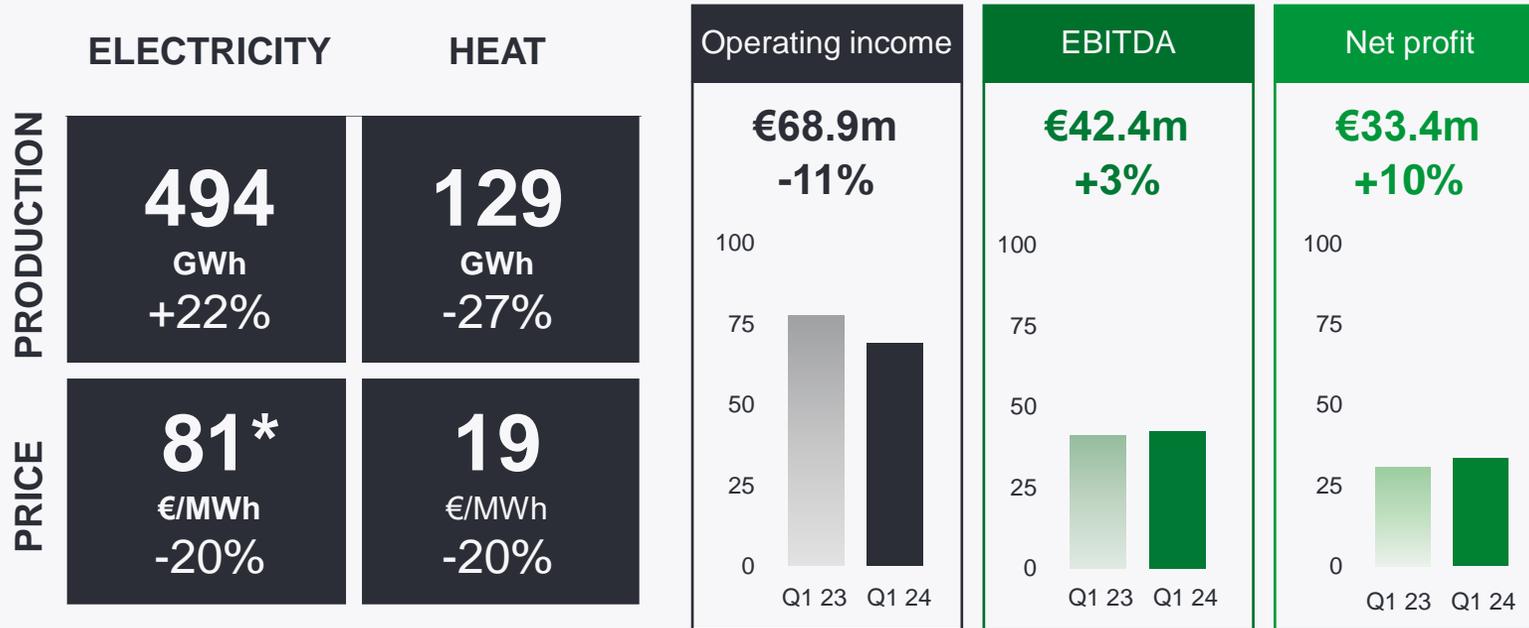
- Operating
- Under construction
- Near term development portfolio
- Long term development portfolio



* Various onshore wind and solar farm developments that are not expected to get final investment decision before 2025. The actual timing of FID depends on PPA demand, availability of other instruments for revenue security (state auctions, possible support mechanisms etc), pricing of equipment for electricity production, construction prices and financing.

** Also known as Hiiumaa Offshore Wind Farm

Q1 2024 key highlights

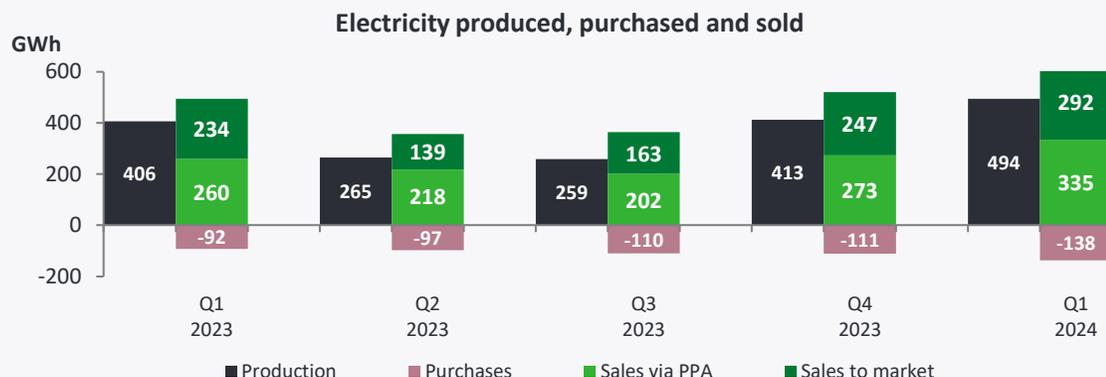


* (Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

360 MW
Agreement with
RES Global Investment
to co-develop early
stage onshore wind
projects

+131 GWh
Production growth
from completed
and under
construction
wind and solar
farms

Summary of 2024 Q1 electricity prices



Power prices €/MWh	Q1 2023	Q1 2024
Core markets' average electricity price*	100.5	87.0
Price of electricity sold to the market	82.4	77.6
PPA price (incl. FiT until Q4 2022)	89.8	75.0
Realised purchase price	116.7	106.1
Implied captured electricity price**	101.2	81.4

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

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

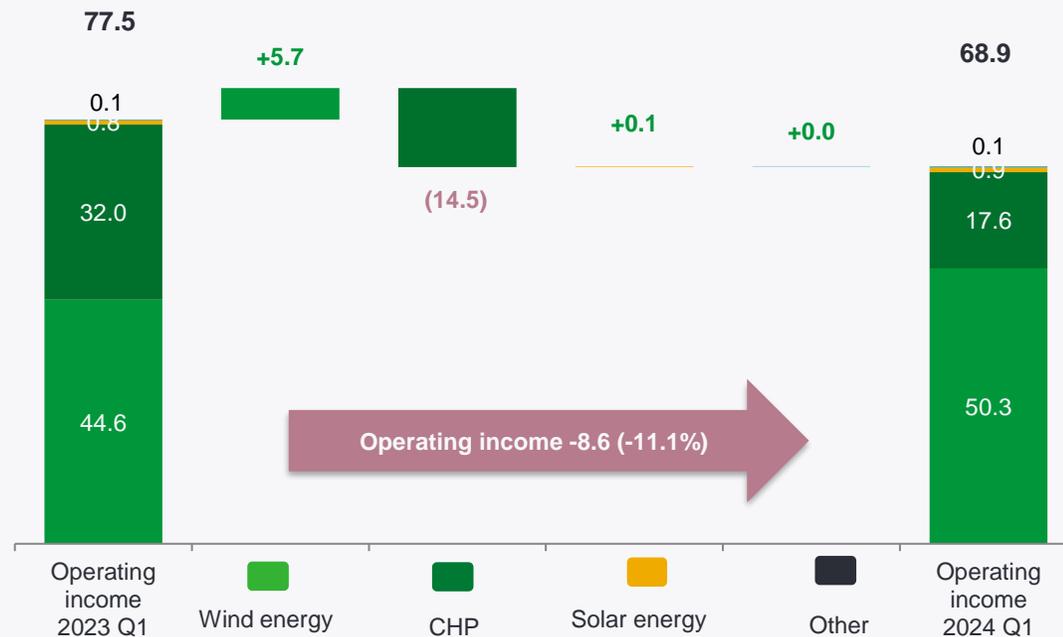


Implied captured price -20%

- 📌 Core markets average price -13%
- 📌 Price of electricity sold to the market -6%
- 📌 PPA average price decrease (16%) caused by the beginning of the settlement period of lower-priced PPAs signed in 2021 for windfarms in Lithuania and Finland
- 📌 Realised purchase price decreased 9% and at the same time electricity purchase volume increased 46 GWh. The purchase volume of electricity is at a similar proportion to the volume purchased in the fourth quarter of 2023
- 📌 Due to higher wind profile discount the difference between the purchase price and the market price increased. In Lithuania wind profile discount increased by 3.3 percentage points year on year and in Estonia 0.4 percentage points.

Operating income decreased mainly due to sale of biomass assets

Operating income by segment, €m



**Total revenues €68.9m
-11%**

Wind energy

- Production growth from new wind farms (+125 GWh)
- Lower implied captured electricity price* 78 €/MWh (-19%)

CHP

- Sale of assets impacted operating income by €12m
- Lower electricity (-18%) and heat (-3%) production in Iru CHP
- Lower implied captured electricity price* 126 €/MWh (-7%)

Solar energy

- Electricity production +143% from new solar farms

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

EBITDA increased mainly due sale of Paide and Valka CHP

Group's EBITDA change by drivers, €m

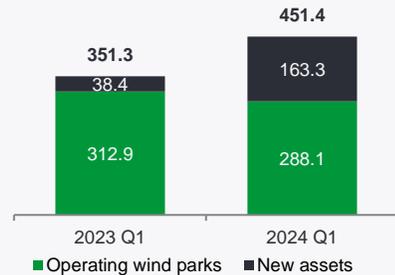


EBITDA €42.4m
+3%

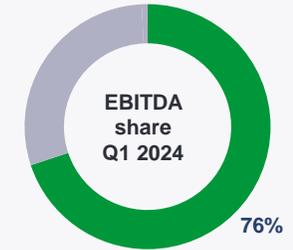
- Electricity price net impact -€7.4m**
 6% lower price impact for electricity sold to exchange was reduced by 9% lower purchase price impact
- Sold / purchased quantities net impact +€7.6m**
 22% higher production volume increased sales (+132 GWh) more than purchase volumes (+46 GWh)
- Impact of fixed expenses -€1.0m**
 The increase in fixed costs was attributable to growth in maintenance costs and IT expenses.
- Iru (excluding fixed costs and electricity volume and price impact) CHP -€1.0m**
 Lower revenue from waste gate fee (€0.7m) and higher natural gas expense (€0.3m)
- Sold assets result +€3.1m:**
 Paide and Valka CHP sales profit €5.5m

Wind energy segment: negative impact from lower electricity prices was offset by increased production from new wind farms

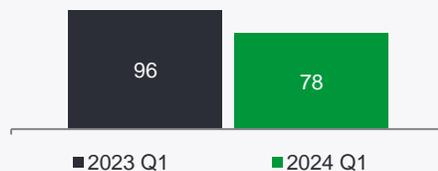
Electricity production, GWh
+100.1 (+28.5%)



Operating income and EBITDA, €m
+5.7 (+12.9%) +1.2 (+4.0%)



Implied captured electricity price, €/MWh*
-18.0 (-18.8%)



Operating expenses per MW for last 4 quarters, €/MW*
+5,3 (+14,8%)



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

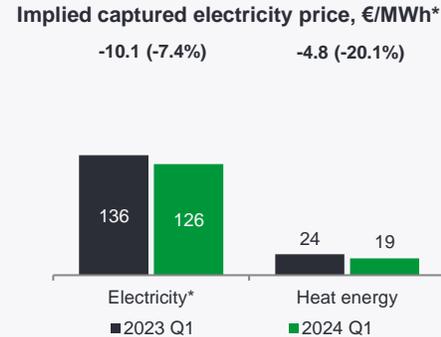
*(Total operating expenses - balancing energy purchase - D&A) / operating capacity. Only operating wind assets are included: Enefit Wind OÜ, Enefit Wind UAB and starting from Q3 2023 Purtsel windfarm.



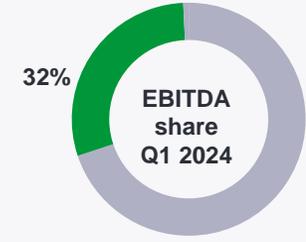
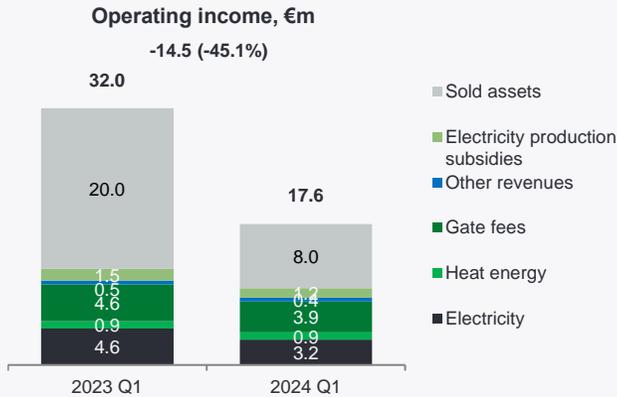
EBITDA €32.1m
+4%

- Production growth from new wind farms (+125 GWh)
- Cost of electricity purchased to meet our obligations under the PPAs
- Increased wind farm operating expenses (+15%) because of maintenance contracts indexing
- Lower implied captured electricity price* 78 €/MWh (-19%)

Cogeneration segment: EBITDA driven by sale of Paide and Valka CHP plants



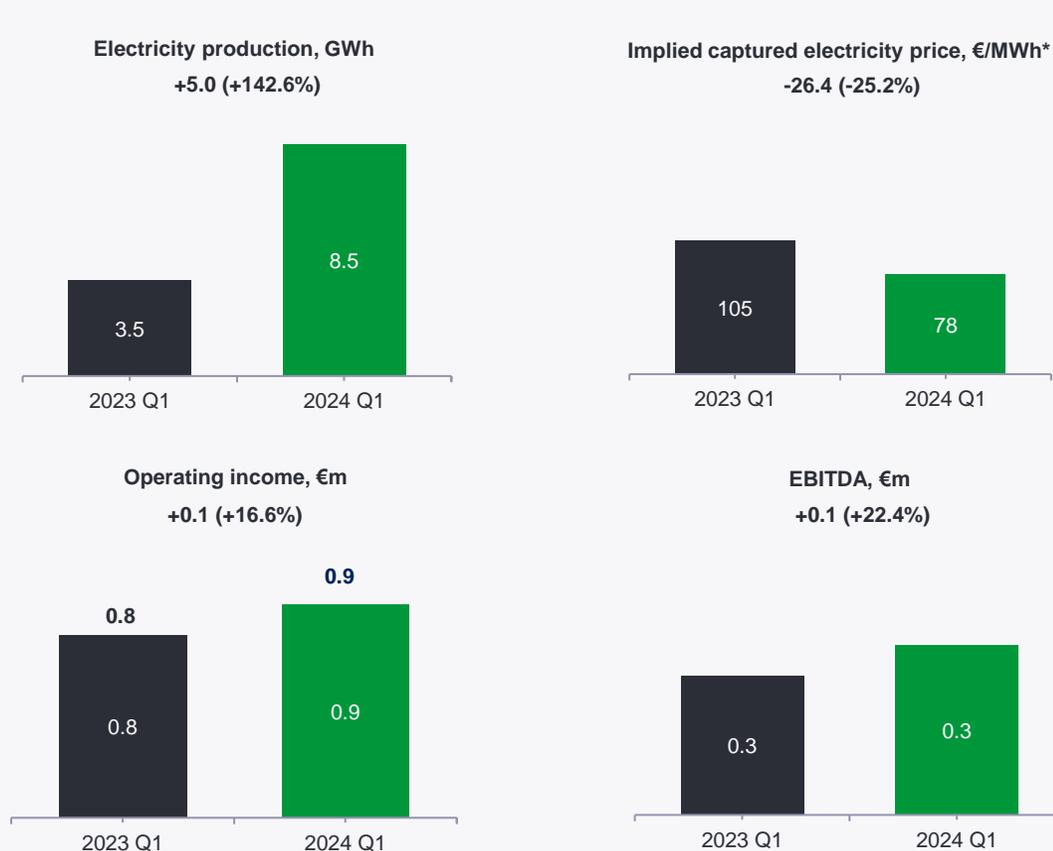
*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production



EBITDA €13.5m +5%

- Gain of €5.5m on the sale of Paide and Valka CHP plants
- 18% lower production Iru CHP plants due to lower availability and colder weather (reduced electricity production to meet heat energy demand)
- Lower implied captured electricity price 126€/MWh (-7%)

Solar segment: production from new solar farms improved operating income despite lower electricity prices



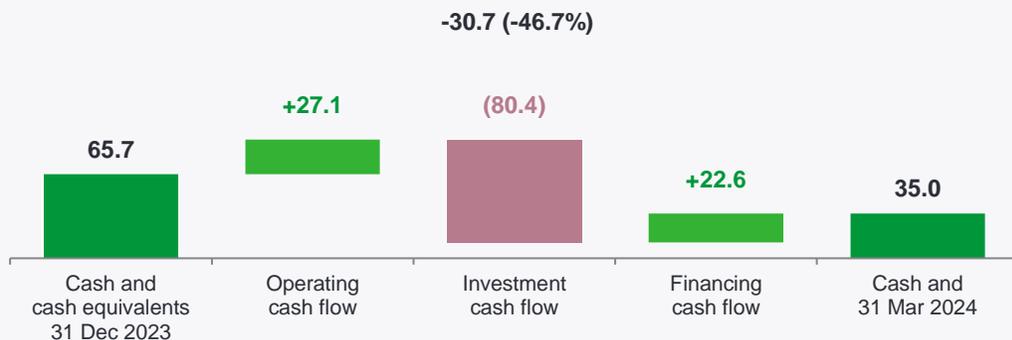
**EBITDA €0.3m
+22%**

- 143% higher production due to new solar parks
- Solar energy implied captured electricity price* 78 €/MWh (-25%)
- Higher cost of electricity purchased to meet our obligations under the Purtsse PV PPA

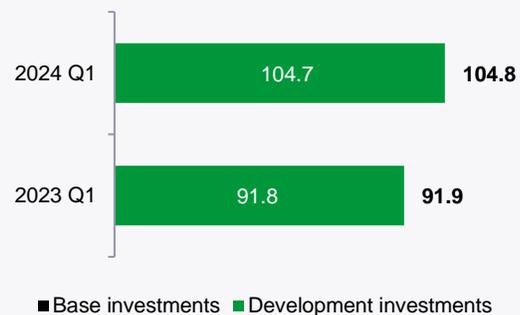
*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

€104.8m of investments in 2024 Q1

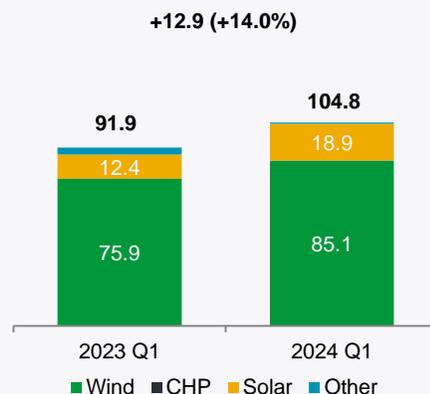
Liquidity development 2024 Q1, €m



Investments by type, €m



Investments by segments, €m



Investments €104.8m
+14%

Operations

Lower support than previously to continuing investments due to lower electricity prices

Investments

2024 Q1 investments in the amount of €104.8m, majority into developments:

- ↳ Sopi-Tootsi €64.8m
- ↳ Kelmé I €10.4m
- ↳ Kelmé II €2.5m
- ↳ Sopi PV €17.6m

2024 Q1 Earnings Per share €0.13



Net profit €33.4m
+10%

Net financial costs

- ↗ Increase interest income
- ↘ Interest expense increase of +3.0m, but neutral impact on profit due to 99% capitalization rate

Corporate income tax

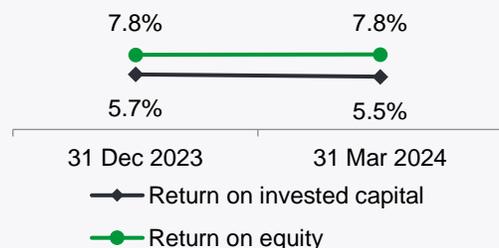
- ↗ Decrease by €0.9m

Net profit

- ↗ Sale of Paide and Valka CHP plant
- ↗ Higher production volume from new assets
- ↘ Lower power prices
- ↘ Higher electricity purchase costs to balance electricity portfolio

Leverage is rising ahead of completion of new capacities

Return on invested capital and return on equity, %



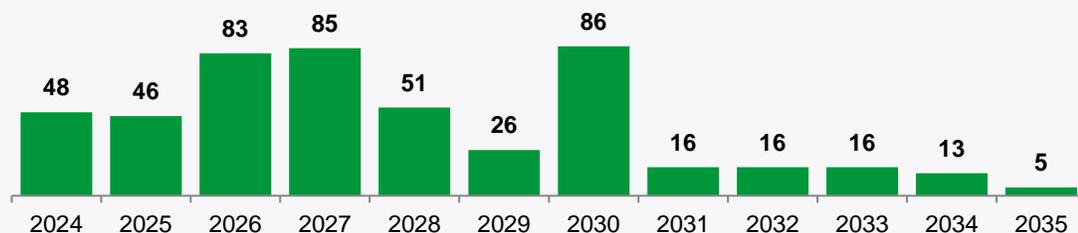
Return on invested capital = operating profit for the last 12 months / (net debt + equity)

Return on equity = net profit for the last 12 months / equity

Net Debt/EBITDA, times



Loan repayment schedule, €m



Financial leverage 38%

Capital structure

Expectedly higher leverage and net debt / EBITDA ratio

Financing

Balance of outstanding loans €494m

Average interest rate 3.79%, including interest rate swaps (31 Dec 2023: 3,75%). Swaps cover 31% of loans.

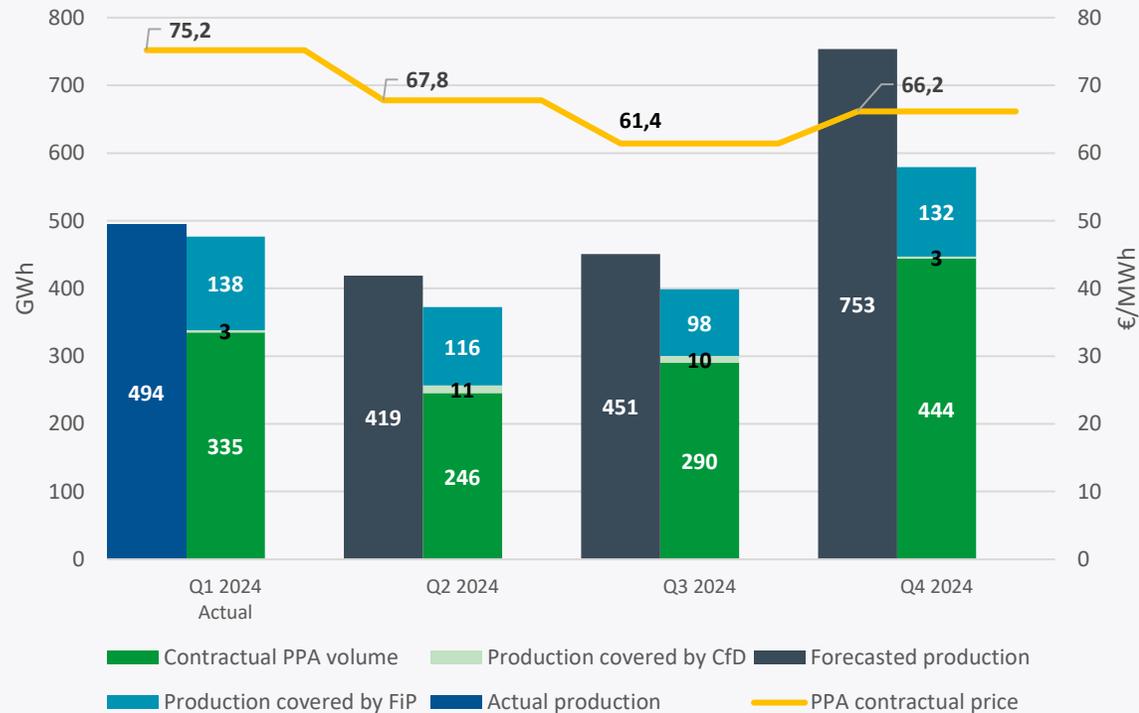
Unutilised loans and revolving credit facilities of €285m + €20m

Return on equity 7.8%

- Return on invested capital declined due to lower EBIT and growth in invested capital
- Return on equity declined due to lower net profit

Electricity price risk management in 2024

Enefit Green's electricity production portfolio in 2024, as at 31 March 2024



Power Purchase Agreements (PPAs)

We expect to produce 2.12 TWh of electricity in 2024

- Operating assets: 1.21 TWh
- Newly completed assets and assets under construction: 0.91 TWh

Risk Management instruments and activities

- Sold PPAs in volume of 1.31 TWh (62% of expected production) at an average price of 67.6 €/MWh.
- 27 GWh is covered by CfD at an average price of 112.1 €/MWh and 484 GWh is covered with FiP at an average level of 50.1 €/MWh
- To reduce PPA balancing purchase risk:
 - purchased 16.5 GWh of Finnish electricity for March-July 2024 and consider purchasing additionally up to 19.6 GWh for August-December 2024.
 - switched delivery area from Lithuania to Estonia for 112.4 GWh of PPAs

Annual General Meeting of Shareholders

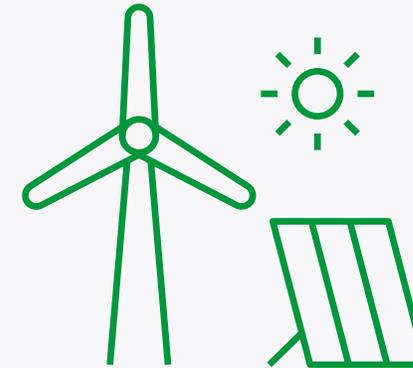
- On 14 May at 13.00 EEST in **Fotografiska Tallinn (Telliskivi 60a-8, Tallinn)**
- Registration for the meeting starts at 12.00 and ends at 12.50
- [Read meeting agenda »](#)
- The meeting will be held in Estonian, simultaneous translation to English is available at the venue



Q1 2024 summary

Operating income	EBITDA	Net profit
€68.9m -9%	€42.4m +3%	€33.4m +10%

- ✔ Tolpanvaara wind farm has been commissioned
- ✔ Akmene: collapsed turbine replaced, negotiations with GE
- ✔ Kelme I: installation of turbines has started
- ✔ Sopi-Tootsi: preparations for installation of turbines ongoing
- ✔ Co-development agreement with RES Global (360 MW of early-stage wind projects)
- ✔ 10MVA direct electricity line with Elcogen
- ✔ Exit from biomass assets has been completed
- ⇒ 22% growth in electricity production, but 95 GWh less than projected
- ✘ Lower electricity prices



**Total renewable capacity
under construction**

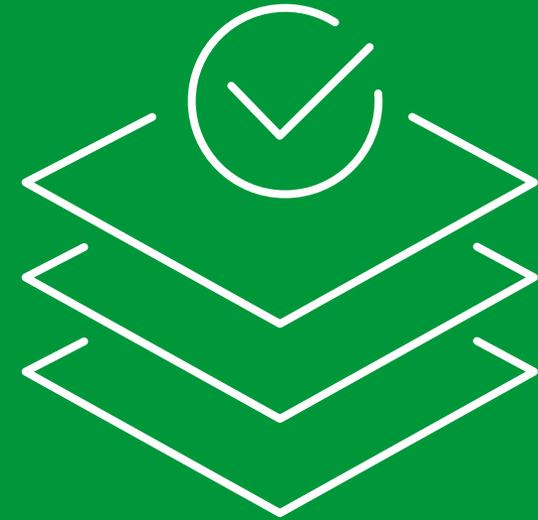
709 MW

**+138% additional capacity
when completed**



Q&A

Aavo Kärmas, CEO
Veiko Räm, CFO



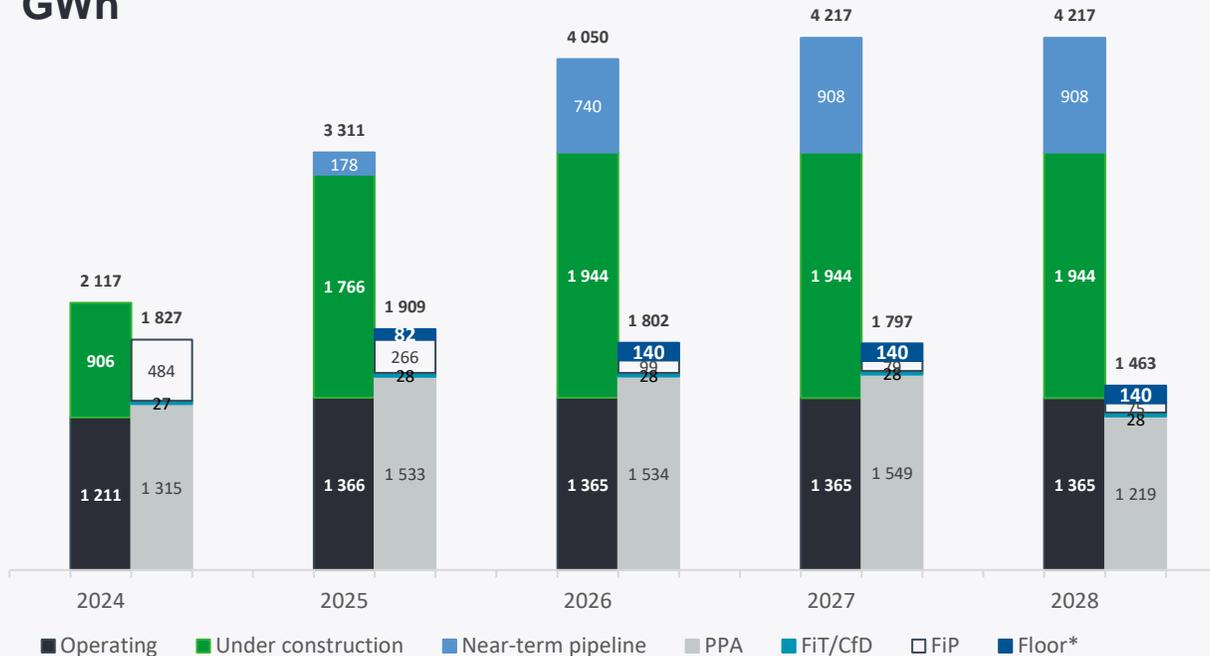
Appendix

Electricity portfolio hedging

Condensed consolidated interim financial statements Q1 2024

Electricity Portfolio: PPAs provide protection against low power prices

Forecasted production volumes of existing and new production assets, sold PPAs and RE support measures, GWh



* Price floor – state support in the form of a price floor received through a reverse auction at a price level of 34.9 €/MWh (maximum support 20 €/MWh) for 12 years.

** Expected production comprises the forecasted production of operating assets and assets under construction.



Power Purchase Agreements (PPAs)

2024 - 2028

- 7,150 GWh of sold PPAs (47.1% of expected production**)
- Average contractual price 68.2 €/MWh

2029+

- The longest PPAs maturity is in 2033
- Against production expected beyond 2028, 2,458 GWh of PPAs have been sold at an average price of 79 €/MWh

Volume of new contracts

- No new PPAs were concluded during first quarter of 2024

Condensed consolidated interim income statement

€ thousand	Q1 2024	Q1 2023
Revenue	56,192	69,691
Renewable energy support and other operating income	12,729	7,813
Change in inventories of finished goods and work in progress	0	(5,060)
Raw materials, consumables and services used	(20,674)	(24,792)
Payroll expenses	(2,225)	(2,486)
Depreciation, amortisation and impairment	(9,342)	(9,815)
Other operating expenses	(3,595)	(4,055)
OPERATING PROFIT	33,085	31,296
Finance income	570	407
Finance costs	(306)	(380)
Net finance income and costs	264	27
Profit (loss) from associates under the equity method	(10)	19
PROFIT BEFORE TAX	33,339	31,342
Income tax income (expense)	107	(820)
PROFIT FOR THE PERIOD	33,446	30,522
Basic and diluted earnings per share		
Weighted average number of shares, thousand	264,276	264,276
Basic earnings per share, €	0.13	0.12
Diluted earnings per share, €	0.13	0.12

Condensed consolidated interim statement of financial position

€ thousand	31 March 2024	31 December 2023
ASSETS		
Non-current assets		
Property, plant and equipment	1,123,597	1,027,057
Intangible assets	59,857	59,891
Right-of-use assets	8,764	9,097
Prepayments for non-current assets	54,240	55,148
Deferred tax assets	2,095	2,013
Investments in associates	538	548
Derivative financial instruments	5,169	5,054
Non-current receivables	1,826	0
Total non-current assets	1,256,086	1,158,808
Current assets		
Inventories	3,402	3,180
Trade and other receivables and prepayments	40,930	55,082
Derivative financial instruments	3,720	3,806
Cash and cash equivalents	34,989	65,677
	83,041	127,745
Assets classified as held for sale	0	15,370
Total current assets	83,041	143,115
Total assets	1,339,127	1,301,923

€ thousand	31 March 2024	31 December 2023
EQUITY		
Equity and reserves attributable to shareholders of the parent		
Share capital	264,276	264,276
Share premium	60,351	60,351
Statutory capital reserve	5,556	5,556
Other reserves	164,566	163,451
Foreign currency translation reserve	(108)	(162)
Retained earnings	257,163	223,718
Total equity	751,804	717,190
LIABILITIES		
Non-current liabilities		
Borrowings	437,916	454,272
Government grants	3,054	3,102
Non-derivative contract liability	12,471	12,497
Deferred tax liabilities	12,412	12,412
Other non-current liabilities	5,239	5,239
Provisions	8	8
Total non-current liabilities	471,100	487,530
Current liabilities		
Borrowings	67,685	32,126
Trade and other payables	44,870	54,445
Provisions	6	6
Non-derivative contract liability	3,662	5,674
	116,223	92,251
Liabilities directly associated with assets classified as held for sale	0	4,952
Total current liabilities	116,223	97,203
Total liabilities	587,323	584,733
Total equity and liabilities	1,339,127	1,301,923

Condensed consolidated statement of cash flows

€ thousand	Q1 2024	Q1 2023
Cash flows from operating activities		
Cash generated from operations	35,163	44,337
Interest and loan fees paid	(8,497)	(2,053)
Interest received	458	311
Income tax paid	0	(574)
Net cash generated from operating activities	27,124	42,021
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(97,282)	(85,747)
Proceeds from disposal of subsidiaries (net of cash and cash equivalents transferred)	16,879	0
Net cash used in investing activities	(80,403)	(85,747)
Cash flows from financing activities		
Proceeds from bank loans	30,000	0
Repayments of bank loans	(9,012)	(7,137)
Repayments of lease principal	(58)	(84)
Proceeds from realisation of interest rate swaps	1,661	0
Net cash generated from (used in) financing activities	22,591	(7,221)
Net cash flow	(30,688)	(50,947)
Cash and cash equivalents at the beginning of the period	65,677	131,456
Cash and cash equivalents at the end of the period	34,989	80,509
Change in cash and cash equivalents	(30,688)	(50,947)

Thank you!