



ENEFIT GREEN

Q3 2022

Interim results presentation



Enefit Green

Results are presented by:



Aavo Kärmas
CEO



Veiko Räim
CFO

Enefit Green

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

20 years

renewable energy
experience

Largest
**wind energy
producer**
in the Baltics

172
employees
in Estonia, Latvia,
Lithuania and Poland

Production capacity
4X
growth
by 2026

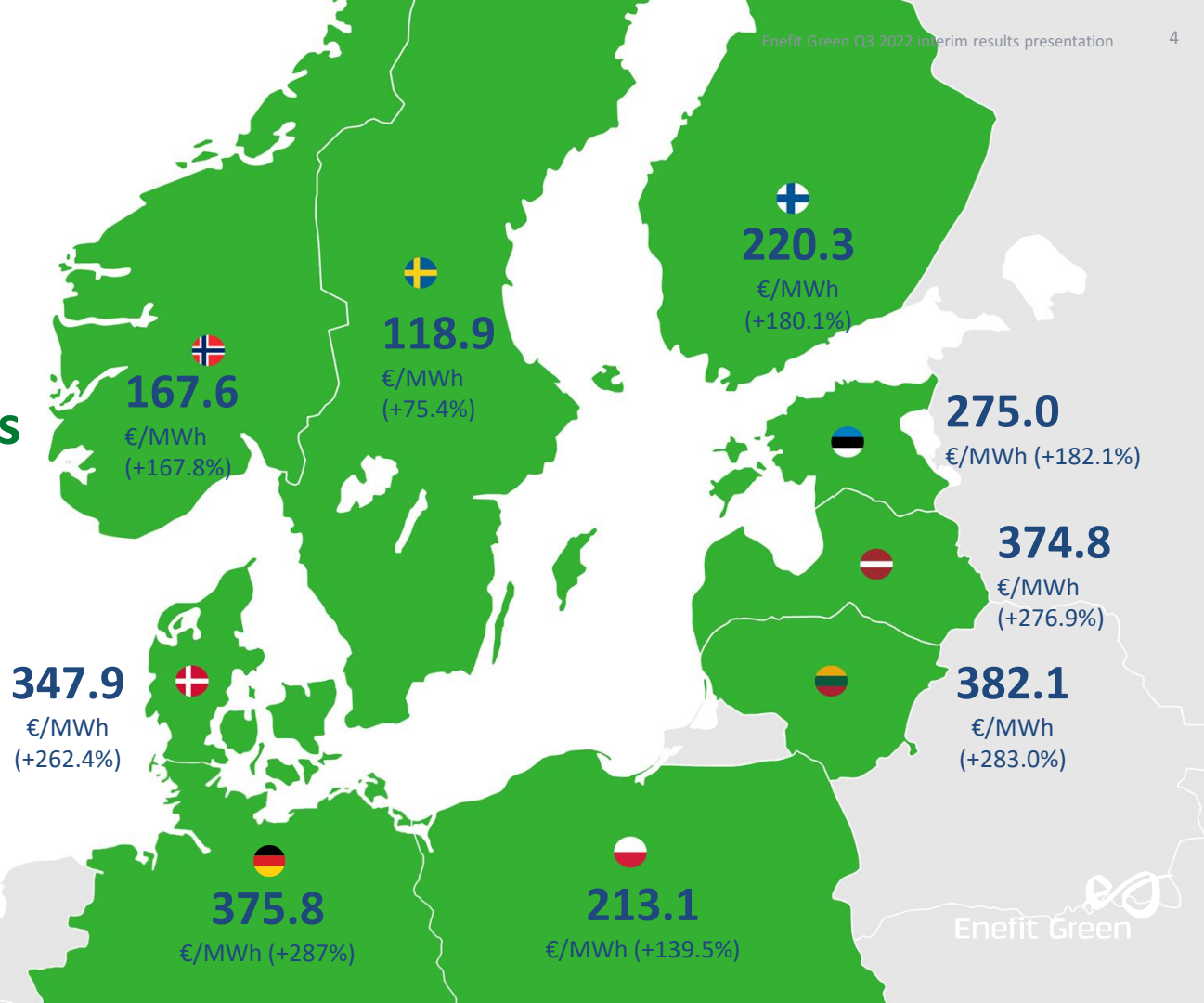
Electricity production 2021:
1.19 TWh
Heat production 2021:
618 GWh

 **Nasdaq**
60 000+
investors

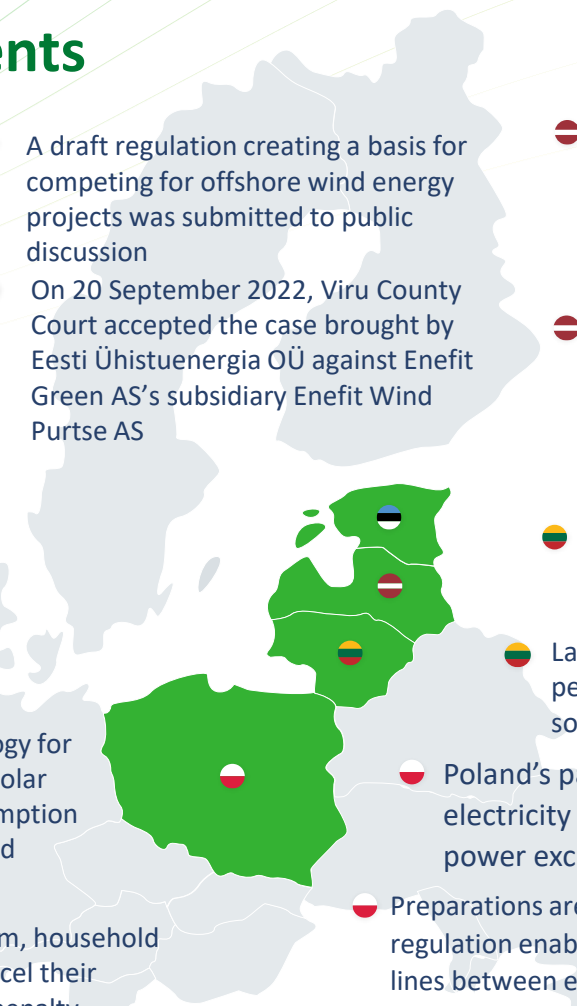



Enefit Green

High electricity prices
signal the need
for more renewable
generation capacity

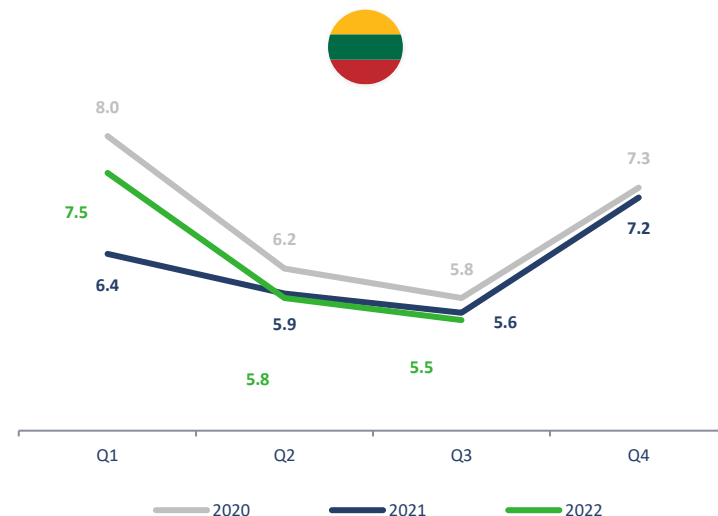
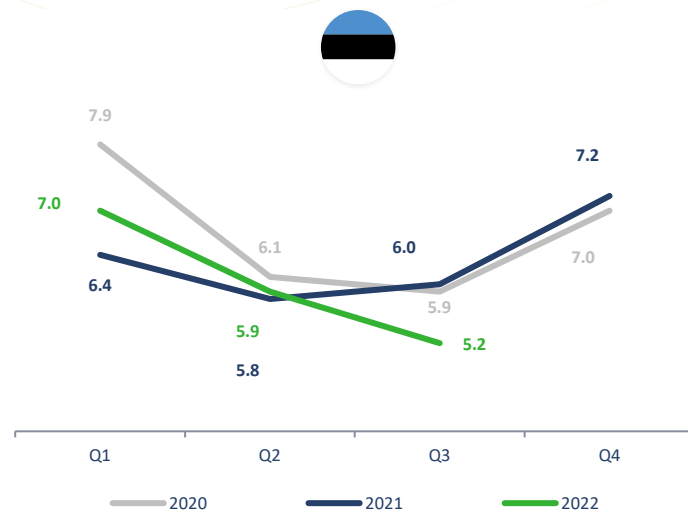


Regulatory developments

- 
- On 30 September, the EU energy ministers agreed to cap the market revenues at 180 €/MWh for inframarginal generators, i.e. electricity producers whose variable costs are low
 - The Estonian parliament set a new national renewable energy production target according to which by 2030 Estonia's annual electricity consumption should be fully covered by renewable electricity produced in Estonia
 - Operators of efficient district heating and cooling networks will be exempted from the obligation to use public procurement for the purchase of heat
 - Estonia's TSO Elering published the methodology for preventing the overcompensation of <50 kW solar farms subsidised under the General Block Exemption Regulation that exempts certain businesses and industries from normal state aid rules
 - In connection with the electricity market reform, household consumers were granted a one-off right to cancel their fixed-term PPAs without paying a contractual penalty
 - A draft regulation creating a basis for competing for offshore wind energy projects was submitted to public discussion
 - On 20 September 2022, Viru County Court accepted the case brought by Eesti Ühistuenergia OÜ against Enefit Green AS's subsidiary Enefit Wind Purtse AS
 - In Latvia, amendments to the regulation governing the qualification requirements for developers of offshore wind farms that apply for the right of superficies in a marine area was submitted to public discussion
 - Latvia's state-owned electric utility company Latvenergo and state forest management company LVM announced that they have established a joint venture which is going to build wind farms on state-owned land
 - Legislation was updated in preparation of a public tender for the development of offshore wind farms in Lithuania
 - Laws and regulations governing the development permits, planning, construction and operation of solar farms >100 kW were updated
 - Poland's parliament removed the obligation for electricity producers to sell electricity through the power exchange
 - Preparations are being made for the adoption of a regulation enabling the construction of direct power lines between electricity producers and consumers

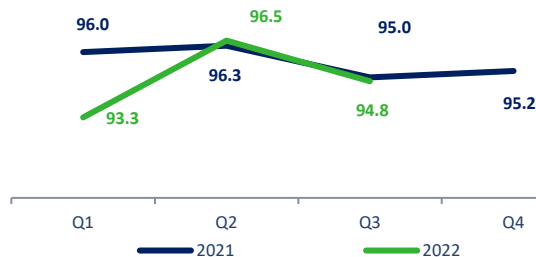
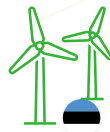
Q3 wind conditions were weakest in 3 years

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

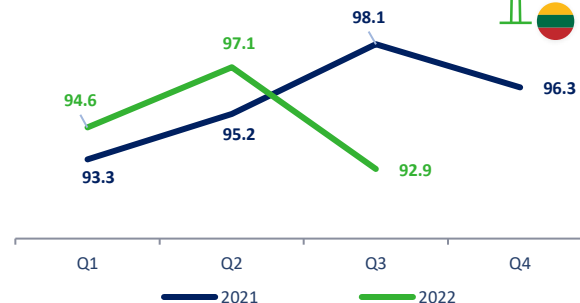


Availabilities influenced by maintenance and repair works

Availability of Estonian wind farms (%)



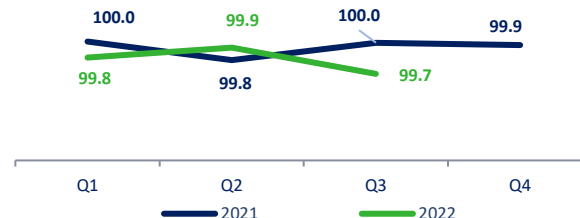
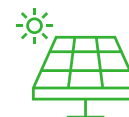
Availability of Lithuanian wind farms (%)



Availability of CHPs (%)



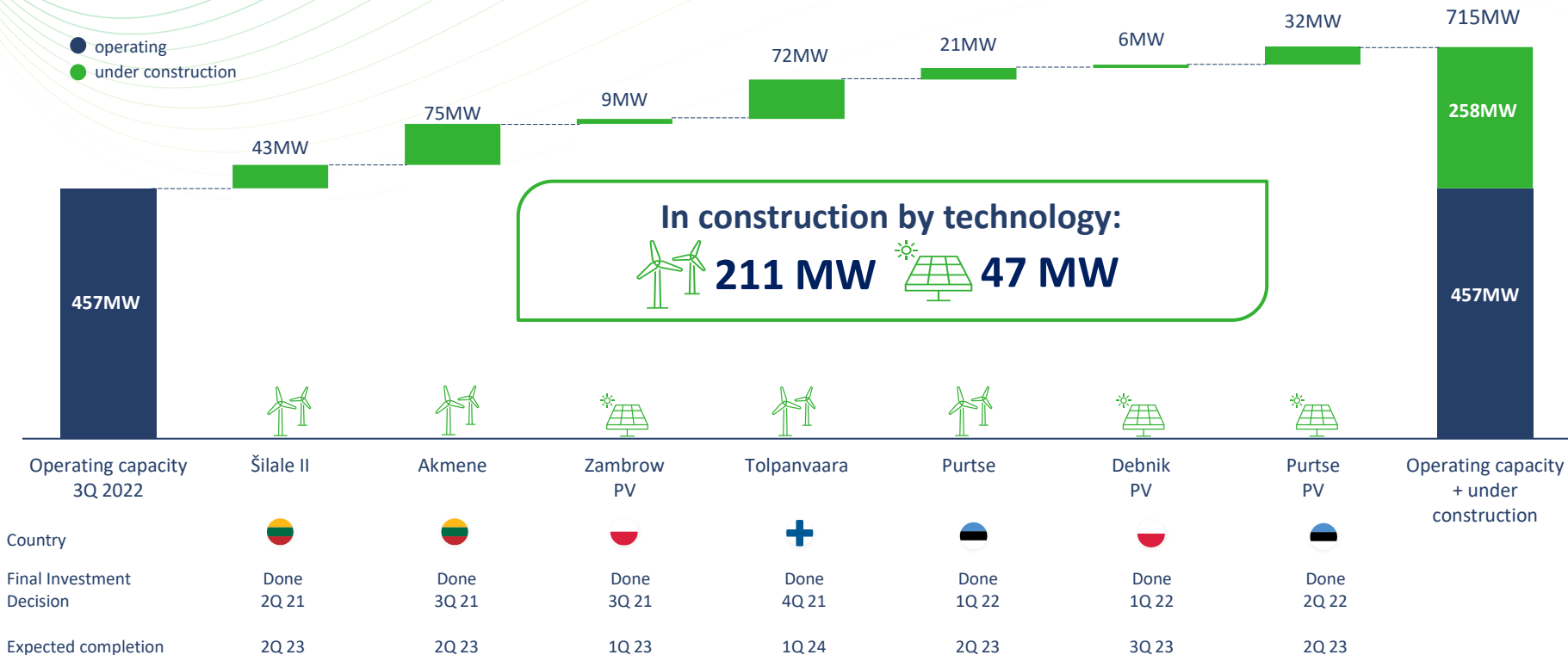
Availability of solar farms (%)



Four times production capacity growth by 2026

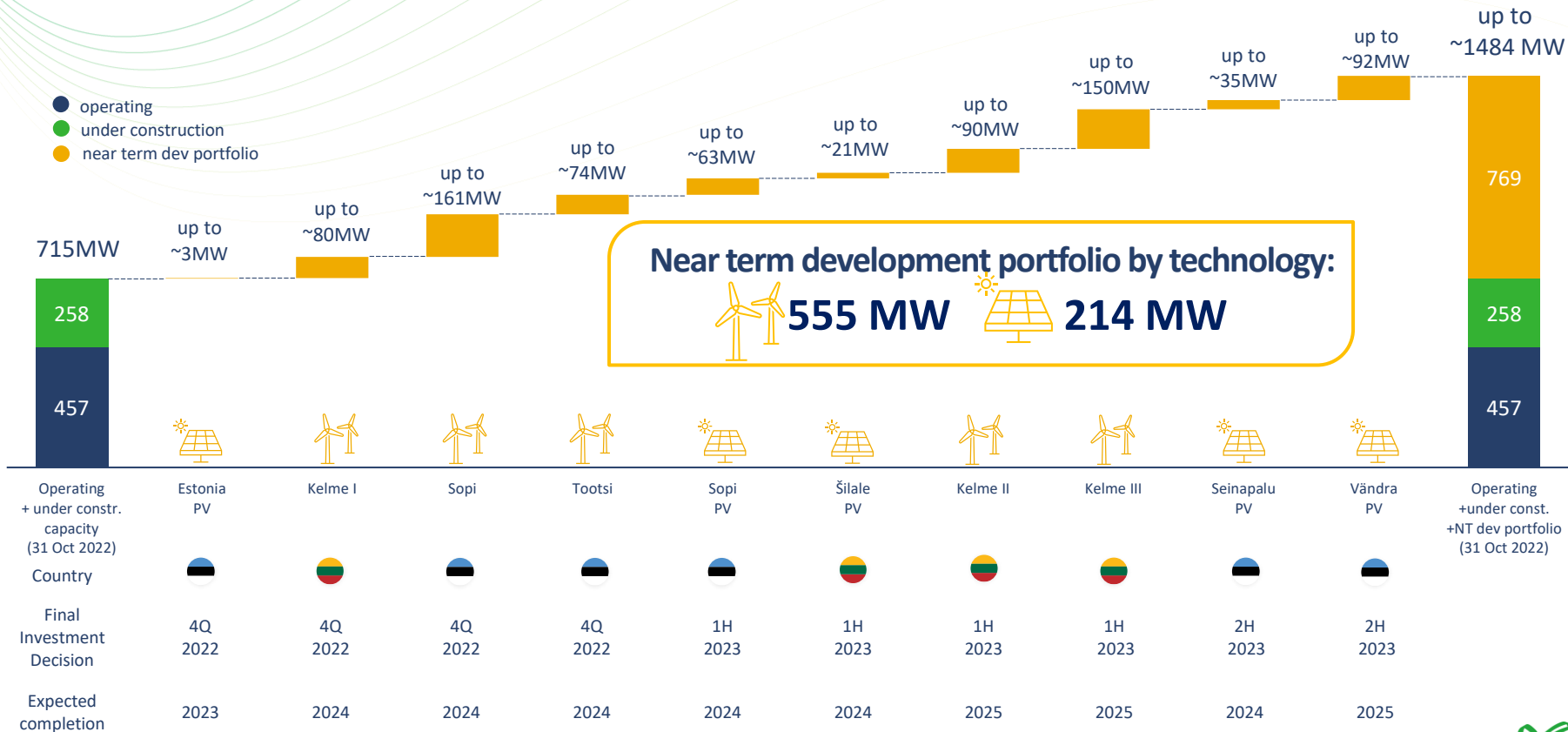


Projects under construction



Near term development portfolio

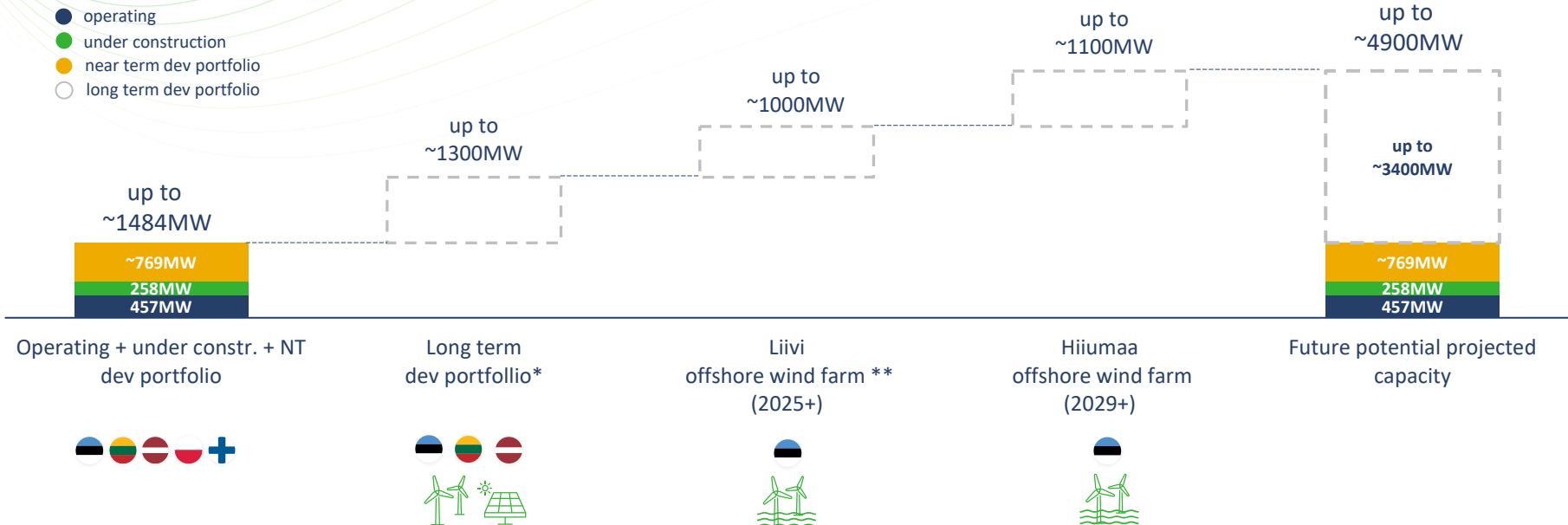
Targeted investment decisions until end of 2023



NB! Development projects are in continuous change.

The presented information is management team's best assessment of the current status of the near term development portfolio as of 31 Oct 2022

Complete view of the development portfolio



NB! Development projects are in continuous change.

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

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

3Q 2022 Key highlights

PRODUCTION

ELECTRICITY

189

GWh
-24%

HEAT

84

GWh
-32%

PRICE
(average sales
price incl
subsidies)

205

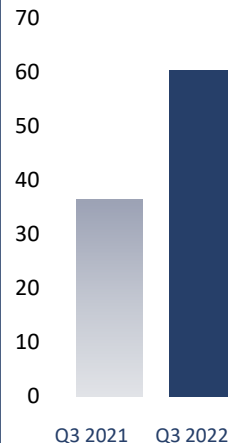
€/MWh
+77%

13

€/MWh
+23%

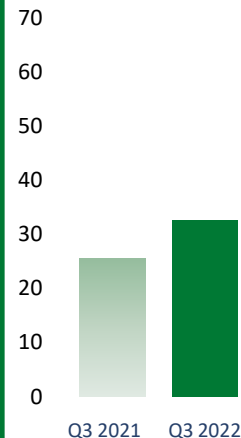
Revenues

€60.3m
+66%



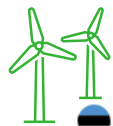
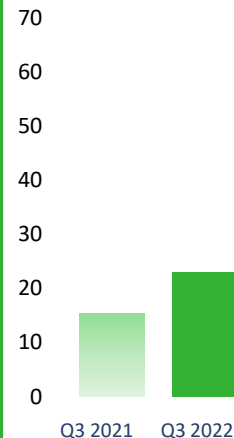
EBITDA

€32.7m
+28%

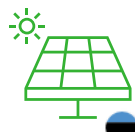


Net profit

€22.9m
+50%



+74 MW
(project acquisition
- Tootsi)



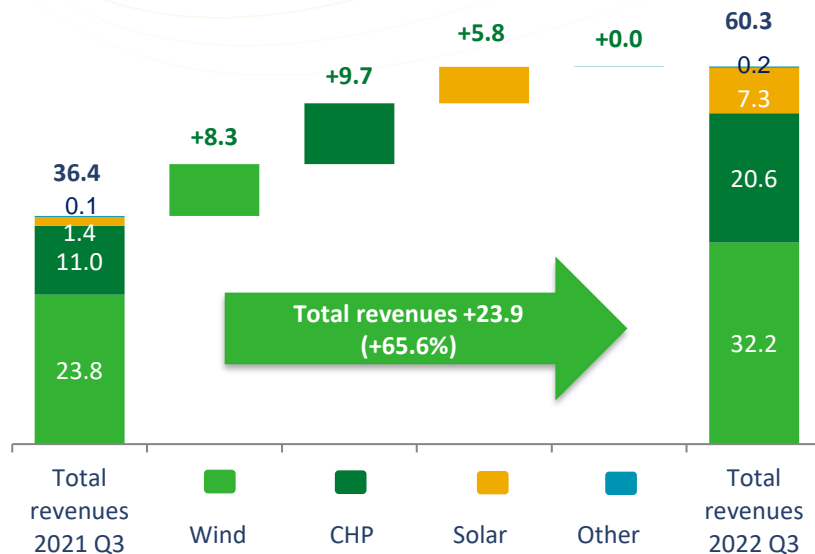
+200 MW
(project
acquisitions)



+3.1 TWh
(up to 10-year
new PPAs signed)

Revenue growth driven by high electricity prices

Total revenues by segment, €m



**Total revenues €60.3m
+66%**

Wind

- Implied captured electricity price* in Estonia 271 €/MWh (+103%) and in Lithuania 88 €/MWh (+11%)
- Lower electricity production in Estonian and Lithuanian wind farms

CHP

- Implied captured electricity price* 327 €/MWh (+146%)
- Larger pellet sales volumes

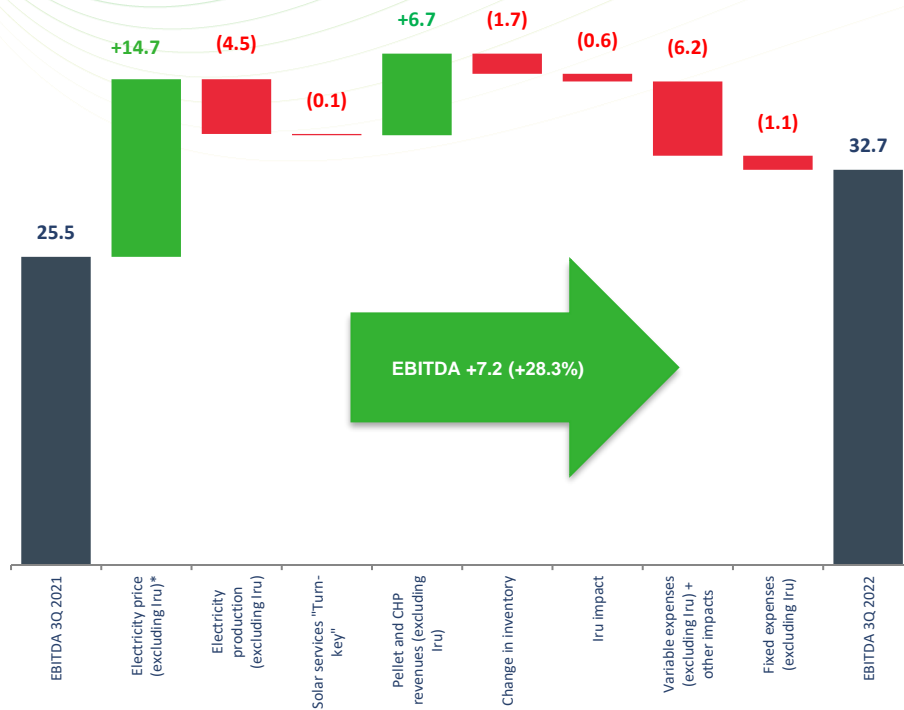
Solar

- Implied captured electricity price in Estonian parks 279 €/MWh (+144%)
- Revenue from inventories sold („Turn-key“)

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

EBITDA growth driven by strong NP prices

Group's EBITDA development by drivers, €m



EBITDA €32.7m
+28%

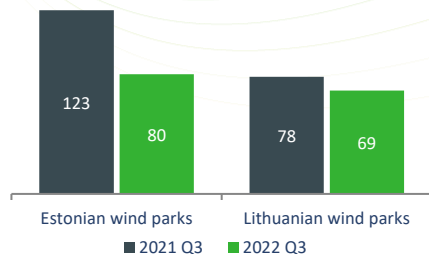
- **Higher electricity price** +€14.7m
- **Lower production** - €4.5m
- **Bigger pellet and CHP revenues** +€6.7m
- **Iru impact** -€0.6m
- **Impact of variable expenses** -€6.2m:
 - Higher biomass prices
 - Higher electricity costs
- **Impact of fixed expenses** -€1.1m:
 - Increased labor costs
 - Increased development related costs

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

Wind energy segment: high NP prices, lower production

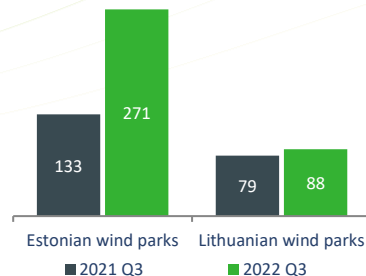
Electricity production, GWh

-42.6 (-34.7%) -9.2 (-11.8%)



Implied captured electricity price, €/MWh*

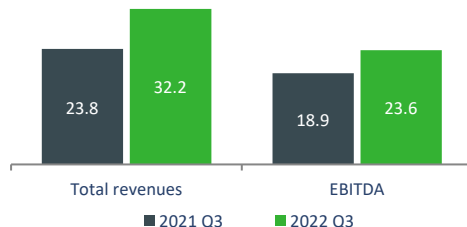
+137.4 (+103.1%) +8.4 (+10.6%)



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

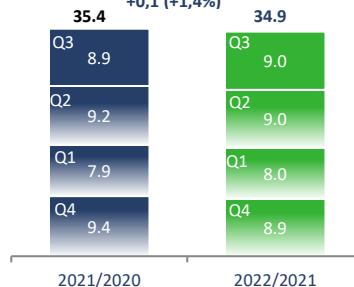
Total revenues and EBITDA, €m

+8.3 (+34.9%) +4.8 (+25.4%)

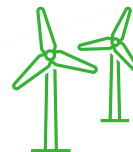


Operating expenses per MW for last 4 quarters, €/MW*

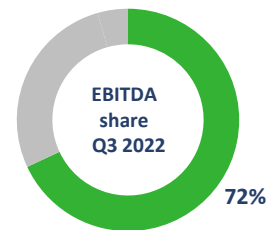
+0,1 (+1,4%)



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



53%

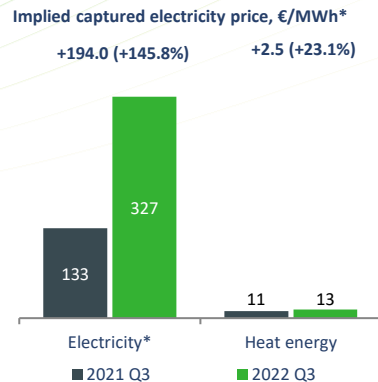
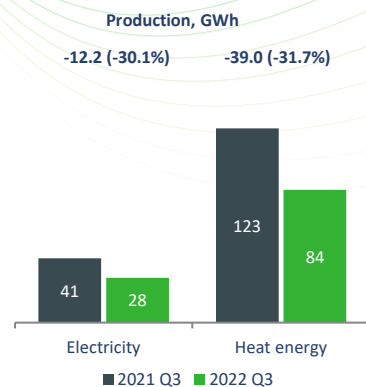


72%

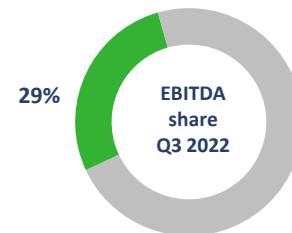
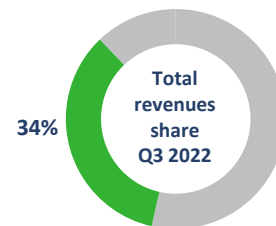
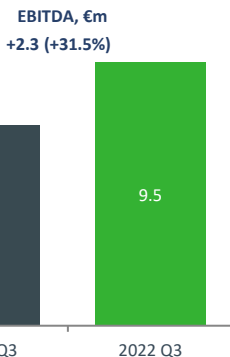
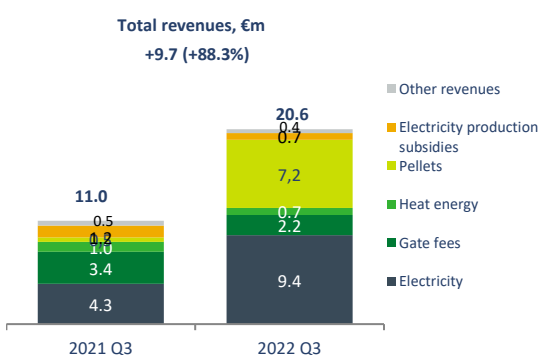
EBITDA €23.6m
+25%

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

Cogeneration segment: high NP prices, Iru 5-week stoppage



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



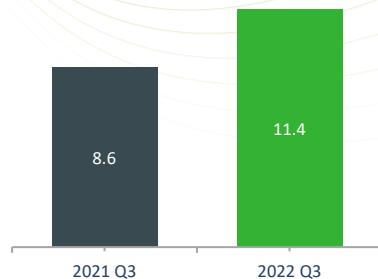
**EBITDA €9.5m
+32%**

- Implied captured electricity price driven by NP prices
- Higher pellet sales due to timing differences between compared periods
- 5-week unplanned stoppage at Iru CHP, impact to EBITDA -€0.6m vs Q3 2021

Solar segment: higher production due to good weather conditions

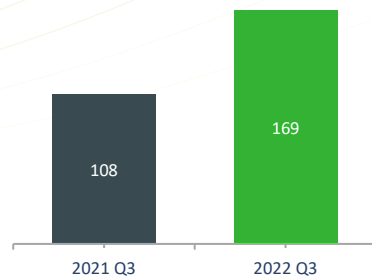
Electricity production, GWh

+2.8 (+32.4%)



Implied captured electricity price, €/MWh (1)

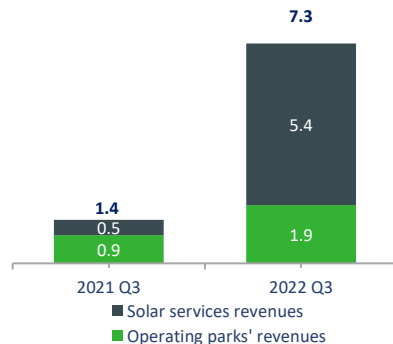
+61.4 (+56.8%)



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

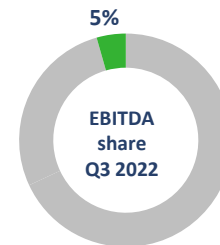
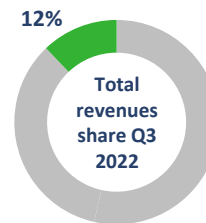
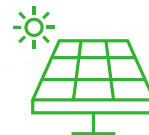
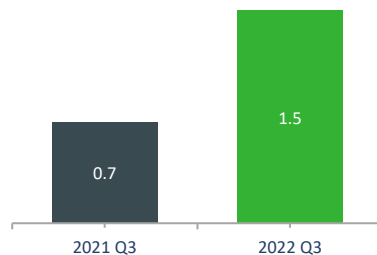
Total revenues, €m

+5.8 (+404.4%)



EBITDA, €m

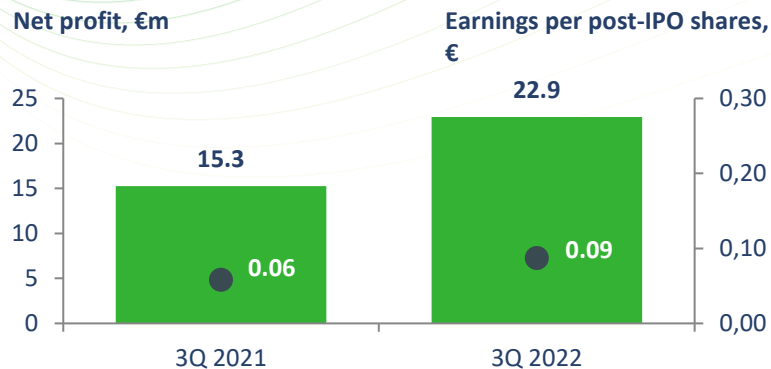
+0.8 (+109.2%)



EBITDA €1.5m
+109%

- Higher production due to good weather conditions
- Higher solar energy implied captured electricity price in Estonia
- Revenue from inventories sold (exit from Solar services „turn-key“ solution business)

Q3 2022 Earnings per share €0.09



Return on invested capital and return on equity, %



31 Dec 2021
Return on invested capital

30 Sept 2022
Return on equity

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

Net profit €22.9m +50%

Net finance cost

- Increased €0.3m due to capitalization of loan interest payments and movement of Polish zloty exchange rate

Corporate income tax expenses

- Decreased by €0.3m

Net profit

- High electricity market prices
- Lower production volumes

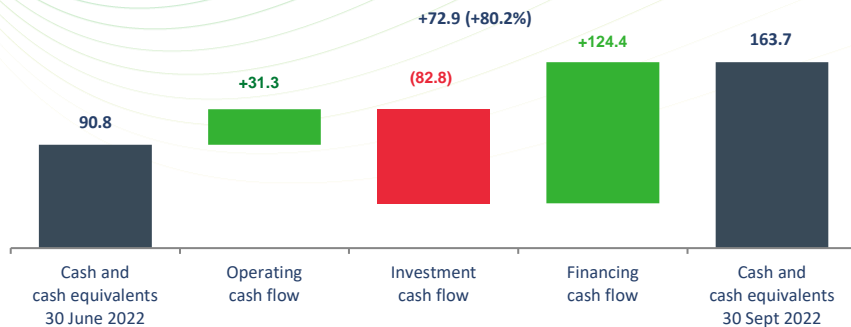
Return on equity 16.8%

Returns

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

Growing importance of investment cash flow

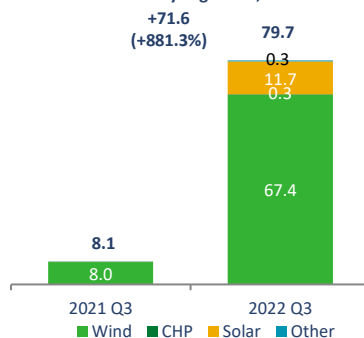
Liquidity development in Q3 2022, €m



Investments by type, €m



Investments by segments, €m



**Investments €79.7m
+881%**

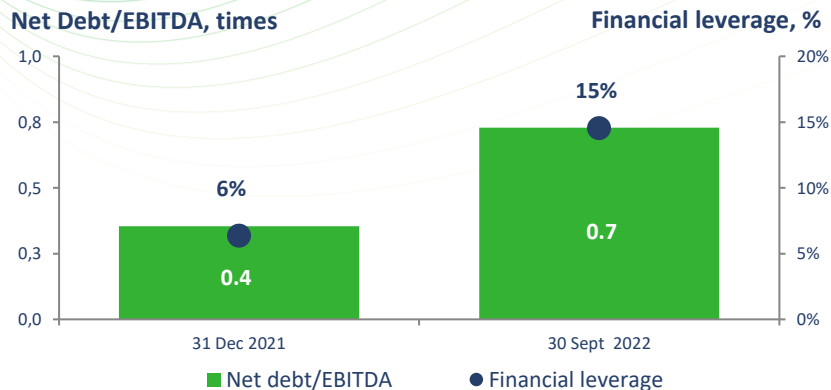
Operating cash flow

- Strong operating cash flow supports growing investments

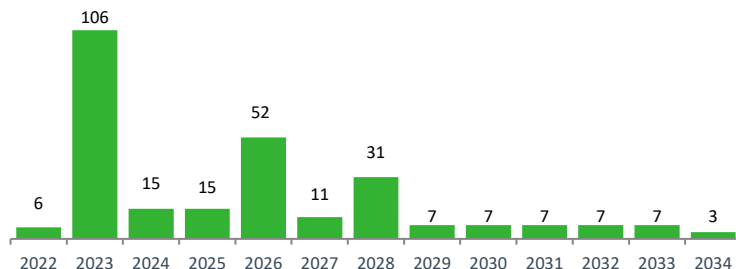
Investments

- Q3 2022 investments in the amount of €79.7m, majority into wind developments:
 - Acquisition of Tootsi windpark €26.9m
 - Šilale II €19.2m
 - Akmene €8.7m
 - Tolpanvaara €5.6m

Strong capital structure



Loans repayment schedule, €m



Financial leverage 15%

Capital structure

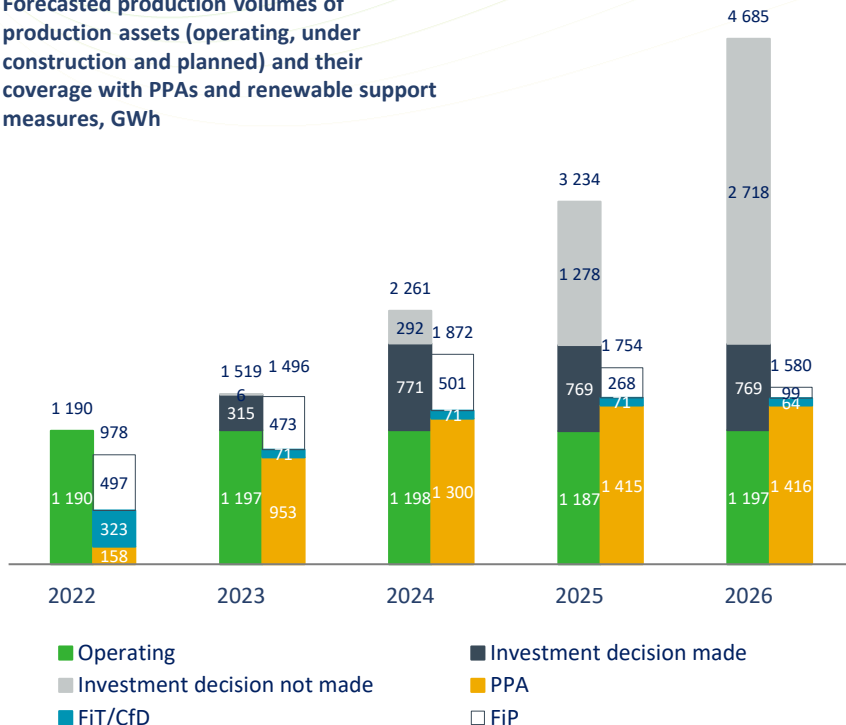
- Low leverage and net debt / EBITDA

Financing

- To finance growing investments we drew down €130m of previously signed investment loans
- Outstanding loan balance €274.9m
- Unused revolving credit facilities €50m
- Average effective interest rate increased from 1.30% to 1.96%
- The interest rate risk of investment loans in volume of €170m is hedged until maturity (interest rates fixed between 1.049%-1.125%, plus margin 0.78-0.80%)

Overview of power portfolio hedging

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



Power Purchase Agreements

2022-2026

➤ 5,242 GWh PPAs signed (41% of expected production)

➤ Average locked price 70.3 EUR/MWh

2027+

➤ Longest PPA contracts span to 2033

➤ Production fixed with PPAs after 2026 in the amount of 4,709 GWh with average price of 75.0 EUR/MWh

New contracts

➤ During the period from July 2022 to October 2022, we signed new PPAs with terms of up to 10 years in the volume of 3,126 GWh at an average price of 124.4 €/MWh.

Q3 2022 Summary

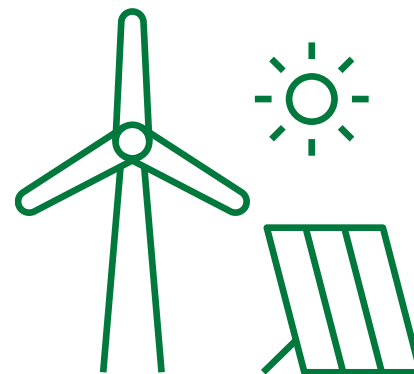
Revenues	EBITDA	Net profit
€60.3m +66%	€32.7m +28%	€22.9m +50%

- Corner stones laid to all wind farms under construction
- New project acquisitions: 200MW
- Preparations for 4Q 2022 FIDs: 300MW+
- 3.1TWh of new PPAs
- High electricity prices
- ❖ Weak wind conditions
- ❖ Stoppage at Iru CHP

Total renewable capacity under construction

258 MW

+56% additional capacity when completed



A group of about ten people, mostly men, are gathered at a construction site. They are all wearing white hard hats and high-visibility yellow safety vests over business attire. They are leaning forward, holding a pair of large scissors to cut a green ribbon. In the background, there is a green banner with white line art of solar panels and wind turbines. A red rock face is visible on the right side of the background.

Q&A

Aavo Kärmas, CEO
Veiko Räim, CFO



Enefit Green

Appendix

Condensed consolidated interim
financial statements Q3 2022

Condensed consolidated interim income statement

€ thousand	Note	Q3 2022	Q3 2021
Revenue	9	57,254	30,133
Renewable energy support and other income	10	3,011	6,257
Change in inventories of finished goods and work in progress		2,028	3702
Raw materials, consumables and services used	11	(24,969)	(11,097)
Payroll expenses		(2,029)	(1,626)
Depreciation, amortisation and impairment		(9,637)	(9,467)
Other operating expenses		(2,574)	(1,867)
OPERATING PROFIT		23,084	16,037
Finance income		817	1
Finance costs		(1,072)	(516)
Net finance costs		(255)	(515)
Profit (loss) from associates under the equity method		120	46
PROFIT BEFORE TAX		22,949	15 567
Corporate income tax expense		-	(308)
PROFIT FOR THE PERIOD		22,949	15,259

Basic and diluted earnings per share

Weighted average number of shares, thousand	6	264,276	78,163
Basic earnings per share, €	6	0.09	0.20
Diluted earnings per share, €	6	0.09	0.20

Basic earnings per share based on post-IPO number of shares

Post-IPO number of shares, thousand	6	264,276	264,276
Basic earnings per share, €	6	0.09	0.06

9M 2022	9M 2021
156,900	93,655
17,363	21,143
4,607	(2,240)
(55,468)	(30,189)
(6,641)	(4,932)
(28,930)	(28,592)
(7,721)	(5,549)
80,110	43,296
1,703	145
(2,261)	(2,091)
(558)	(1,946)
687	10
80,239	41,360
(5,441)	(1,069)
74,798	40,291

264,276	29,519
0.28	1.36
0.28	1.36

264,276	264,276
0.28	0.15

Condensed consolidated statement of other comprehensive income

€ thousand	Note	Q3 2022	Q3 2021
PROFIT FOR THE PERIOD		22,949	15,259
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Revaluation of hedging instruments in a cash flow hedge	5, 7	7,193	(9,446)
Exchange differences on the translation of foreign operations	7	(436)	(280)
Other comprehensive income (loss) for the period		6,757	(9,726)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		29,706	5,533

9M 2022	9M 2021
74,798	40,291
13,717	(12,426)
(680)	(187)
13,037	(12,613)
87,835	27,678

Condensed consolidated interim statement of financial position

€ thousand	Note	30 Sep 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	714,715	612,503
Intangible assets		72,550	68,239
Right-of-use assets		4,225	2,750
Prepayments	4	18,798	20,710
Deferred tax assets		734	442
Investments in associates		479	578
Derivative financial instruments	5, 7	11,519	-
Long-term receivables		40	78
Total non-current assets		823,060	705,300
Current assets			
Inventories		15,343	9,529
Trade and other receivables and prepayments		22,250	22,373
Cash and cash equivalents		163,711	80,454
Derivative financial instruments	5	2,198	-
Total current assets		203,502	112,356
Total assets		1,026,562	817,656

€ thousand	Note	30 Sep 2022	31 Dec 2021
EQUITY			
Equity and reserves attributable to equity holders of the parent			
Share capital		264,276	264,276
Share premium	6	60,351	60,351
Statutory capital reserve		3,259	479
Other reserves	5, 7	165,510	151,793
Foreign currency translation reserve	7	(1,645)	(965)
Retained earnings		189,785	157,673
Total equity		681,536	633,607
LIABILITIES			
Non-current liabilities			
Borrowings	8	249,716	93,884
Government grants		7,209	7,458
Non-derivative contract liability	5, 7	23,207	23,207
Deferred tax liabilities		12,355	12,568
Other non-current liabilities		3,000	3,000
Provisions		11	13
Total non-current liabilities		295,498	140,130
Current liabilities			
Borrowings	8	29,733	29,572
Trade and other payables		19,769	14,291
Provisions		26	56
Derivative financial instruments	5	-	-
Total current liabilities		49,528	43,919
Total liabilities		345,026	184,049
Total equity and liabilities		1,026,562	817,656

Condensed consolidated interim statement of cash flows

€ thousand	Note	Q3 2022	Q3 2021	9M 2022	9M 2021
Cash flows from operating activities					
Cash generated from operations	12	36,827	25,163	105,742	73,252
Interest and loan fees paid		(845)	(783)	(1,842)	(2,361)
Interest received		6	-	12	24
Corporate income tax paid		(4,716)	(330)	(6,217)	(724)
Net cash generated from operating activities		31,272	24,050	97,695	70,191
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	4	(82,902)	(8,936)	(129,950)	(51,874)
Proceeds from sale of property, plant and equipment		-	-	3	23
Proceeds from sale of a business		5	-	724	-
Dividends received on other investments		62	68	62	68
Net cash used in investing activities		(82,834)	(8,868)	(129,161)	(51,784)
Cash flows from financing activities					
Change in overdraft (net)		-	-	-	33,312
Bank loans received	8	130,000	-	170,000	10,000
Repayments of bank loans	8	(5,476)	(12,143)	(15,146)	(31,105)
Repayments of lease liabilities	8	(134)	(44)	(263)	(154)
Dividends paid		-	-	(39,906)	(27,100)
Net change in an intragroup liability		38	-	38	-
Net cash generated from (used in) financing activities		124,428	(12,187)	114,723	(15,047)
Net cash flow		72,866	2,995	83,257	3,361
Cash and cash equivalents at the beginning of the period		90,845	11,140	80,454	10,774
Cash and cash equivalents at the end of the period		163,711	14,135	163,711	14,135
Increase in cash and cash equivalents		72,866	2,995	83,257	3,361