

Company Enefit Green AS
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Category Management interim statement or quaterly financial report
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Attachments:

- Q1_2022_interim_report_ENG.pdf (<http://oam.fi.ee/en/download?id=6450>)
- EGR1T_1Q22_Investor_Presentation_ENG.pdf (<http://oam.fi.ee/en/download?id=6451>)
- EGR1T_1Q22_Investor_Presentation_EST.pdf (<http://oam.fi.ee/en/download?id=6452>)
- Q1_2022_interim_report_EST.pdf (<http://oam.fi.ee/en/download?id=6453>)

Currency

Title Enefit Green interim report for Q1 2022

In Q1 2022, Enefit Green group total revenues increased by 58% y-o-y to EUR66.7m and EBITDA was up by 75% y-o-y at EUR45.6m. During the quarter, the group earned net profit of EUR34.9m (EUR0.13 per share), which is 124% more than in Q1 2021.

Aavo Kärmas, Chairman of the management Board of Enefit Green comments:

"Continued deficit of green energy prevented energy prices from falling in the first quarter. There is no doubt that in order to achieve a carbon neutrality, we need several times more renewable energy, both in the Baltics and throughout Europe. The most affordable sources of energy are wind and solar farms.

We at Enefit Green have made a promise to increase our production capacities by more than twice by building new wind and solar farms in countries from Finland to Poland. In first quarter, we made an investment decision for the construction of the Purtse wind farm (21 MW) in Estonia and another one for the construction of a solar farm in Debnik, Poland (6 MW). In total, we are currently building four wind farms (capacity totalling 211 MW) in Lithuania, Estonia and Finland, and two solar farms in Poland (total capacity 15 MW). Wind farms in construction will increase our wind power capacity by more than half.

Successful implementation of all plans is based on good cooperation. The cooperation with the Nordic Investment Bank and with Södra, Latvia's largest private forestland owner, both of which started in the first quarter, confirms that increasing use of green energy is considered important in our neighbouring countries.

We also would like to thank the clients who by concluding long-term electricity contracts are providing the needed investment security for renewable energy



projects that are important to all of us. We have also continued to work on other projects in our development portfolio. In the second quarter, we expect to make investment decisions regarding production capacities of more than 100 MW.

Favourable wind conditions, good electricity and heat production results and the level of electricity prices helped to achieve an excellent financial result. We strive to ensure that the projects under construction are on schedule, the next investment decisions will be made and that our electricity and cogeneration plants produce at maximum capacity. All this so that we all could have more green electricity."

Webinar to present the results of Q1 2022

Today, May 5, 2022 at 11.00 EET Enefit Green will host a Webinar in English to present and discuss its Q1 2022 results. To participate, please follow this link (https://teams.microsoft.com/l/meetup-join/19%3ameeting_MGVkNDE5ZGUtMDNiOC00NzIwLTNmNjEtNjhmYjllZTA1ZDQ5%40thread.v2/0?context=%7b%22Tid%22%3a%2215cd778b-2b28-4ebc-956c-b5977a36cd28%22%2c%22Oid%22%3a%22775ae01b-e561-4cc9-8790-1290c7b28035%22%2c%22IsBroadcastMeeting%22%3atrue%7d&btype=a&role=a).

Significant events during Q1 2022

- * Investment decision to build a 21 MW wind farm in Purtse (Estonia)
- * Investment decision to build a 6 MW solar farm in Debnik (Poland)
- * EUR80m Loan agreement with Nordic Investment Bank
- * Start of cooperation with Södra in Latvia

Key figures

| | Q1 2022 | Q1 2021 | Change | Change % |
|----------------------|---------|---------|--------|----------|
| PRODUCTION VOLUMES | | | | |
| Electricity, GWh | 368 | 301 | 66 | 22% |
| Heat, GWh | 173 | 175 | -2 | -1% |
| Pellets, th t | 38 | 34 | 4 | 12% |
| TOTAL REVENUES, mEUR | | | | |
| | 66.7 | 42.2 | 24.6 | 58% |



| | | | | |
|-------------------------------------------------|------|------|------|------|
| Sales revenue, mEUR | 58.1 | 34.1 | 24.0 | 70% |
| Renewable energy support and other income, mEUR | 8.6 | 8.1 | 0.5 | 7% |
| EBITDA, mEUR | 45.6 | 26.1 | 19.5 | 75% |
| NET PROFIT, mEUR | 34.9 | 15.6 | 19.3 | 124% |
| EPS, EUR (post-IPO number of shares) | 0.13 | 0.06 | 0.07 | 124% |

Sales revenues and other operating income

Group's electricity production in 1Q 2022 was 368 GWh, increasing 22% year-on-year. The implied captured electricity price (including various subsidies) received by the group across markets increased to EUR127/MWh in Q1 2022, compared with 87 EUR/MWh in Q1 2021.

The most important revenue driver was the surge in the electricity price in the Estonia price area of the Nord Pool (NP) power exchange, which increased the group's revenue by around EUR15.5m. The average price in the NP Estonia price area was EUR133.4/MWh in Q1 2022, compared with EUR51.8/MWh in Q1 2021. The calculated sales prices of the group's production entities that are exposed to fluctuations in the NP Estonia electricity price were EUR117.2/MWh and EUR47.3/MWh for respective periods.

Revenue growth was also driven by higher wind energy production volumes as wind conditions were favourable in both Lithuania and Estonia.

Heat energy production decreased by 1% and sales price dropped by 6% compared with a year earlier.

Other operating income was positively impacted by renewable energy and efficient cogeneration support received by the Iru waste-to-energy facility, which grew by EUR0.4m year on year. The rise is attributable to a one-off adjustment made in Q1 2021 due to an overpayment of support.

The renewable energy support received by our Estonian wind farms increased by EUR0.2m year on year because output grew by 23%. On the other hand, the eligibility period of the earliest completed part of the Aulepa wind farm (39 MW) expired in July 2021.

EBITDA and segmental breakdown

Group's EBITDA increased by 75% y-o-y to EUR45.6m in Q1 2022 driven mostly by the elevated Estonian electricity prices and higher wind energy production volumes



in Lithuania and Estonia. Group's fixed expenses increased by 13% or EUR0.9m of which 2/3 derived from payroll expenses, driven mainly by expanded development team and growth in compensation.

Based on total revenues and EBITDA for the reporting period, the group's largest segment is Wind energy (with 62% of total revenues and 76% of EBITDA). The Cogeneration segment contributed 36% to total revenues and 27% to EBITDA. The smallest reportable segment is Solar energy, which accounted for 2% of the group's total revenues and 1% of the group's EBITDA.

Among reportable segments, Wind and the Cogeneration delivered the strongest EBITDA growth supported by high electricity prices and favourable wind conditions.

Net profit

The group's net profit increased more than two times compared to Q1 2021, amounting to EUR34.9m for the reporting period. The most significant contribution came from high market prices of electricity and from growth of wind energy production volume.

Capital expenditures

The group's Q1 capital expenditures grew by EUR5.8m year on year, rising to EUR13.7m. Growth resulted from development investments, which extended to EUR13.3m. Out of the total, EUR10m was invested in the construction of three wind farms: EUR4.4m in the Purtse wind farm, EUR4.2m in the Shilale 2 wind farm and EUR1.4m in the Tolpanvaara wind farm. The largest allocation for solar farms was EUR1.1m, which was invested in the Zambrow solar farm. Expenditure on the improvement and maintenance of existing assets (baseline investments) amounted to EUR0.4m in Q1 2022 compared with EUR0.7m in the same period last year. Baseline investments may differ significantly year on year because they depends on the wind turbines' repair and maintenance needs.

Condensed consolidated interim income statement

| EUR thousand | Q1 2022 | Q1 2021 |
|--------------------------------------------------------------|----------|---------|
| Revenue | 58,141 | 34,114 |
| Other income | 8,579 | 8,053 |
| Change in inventories of finished goods and work-in-progress | (2,067) | (2,784) |
| Raw materials, consumables and services used | (14,134) | (9,579) |



| | | |
|-------------------------------------------------------------|---------|---------|
| Payroll expenses | (2,443) | (1,830) |
| Depreciation, amortisation and impairment | (9,648) | (9,579) |
| Other operating expenses | (2,504) | (1,914) |
| OPERATING PROFIT | 35,924 | 16,481 |
| Finance income | 408 | 375 |
| Finance costs | (563) | (834) |
| Net finance costs | (155) | (459) |
| Profit from associates under the equity method | 4 | 22 |
| PROFIT BEFORE TAX | 35,773 | 16,044 |
| Corporate income tax expense | (849) | (432) |
| PROFIT FOR THE PERIOD | 34,924 | 15,612 |
| Basic and diluted earnings per share | | |
| Weighted average number of shares, thousand | 264,276 | 4,793 |
| Basic earnings per share, EUR | 0.13 | 3.26 |
| Diluted earnings per share, EUR | 0.13 | 3.26 |
| Basic earnings per share based on post-IPO number of shares | | |
| Post-IPO number of shares, thousand | 264,276 | 264,276 |
| Basic earnings per share, EUR | 0.13 | 0.06 |



Condensed consolidated interim statement of financial position

| EUR thousand | 31 Mar 2022 | 31 Dec 2021 |
|---------------------------------------------|-------------|-------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 616,258 | 612,503 |
| Intangible assets | 68,591 | 68,239 |
| Right-of-use assets | 4,340 | 2,750 |
| Prepayments | 20,642 | 20,710 |
| Deferred tax assets | 333 | 442 |
| Investments in associates | 591 | 578 |
| Derivatives | 937 | - |
| Long-term receivables | 40 | 78 |
| Total non-current assets | 711,732 | 705,300 |
| Current assets | | |
| Inventories | 7,789 | 9,529 |
| Trade and other receivables and prepayments | 23,817 | 22,373 |
| Cash and cash equivalents | 108,441 | 80,454 |
| Total current assets | 140,047 | 112,356 |
| Total assets | 851,779 | 817,656 |

| EUR thousand | 31 Mar 2022 | 31 Dec 2021 |
|--------------|-------------|-------------|
| EQUITY | | |



| | | |
|--------------------------------------|---------|---------|
| Share capital | 264,276 | 264,276 |
| Share premium | 60,351 | 60,351 |
| Statutory capital reserve | 479 | 479 |
| Other reserves | 152,730 | 151,793 |
| Foreign currency translation reserve | (1,102) | (965) |
| Retained earnings | 192,597 | 157,673 |
| Total equity | 669,331 | 633,607 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 100,721 | 93,884 |
| Government grants | 7,415 | 7,458 |
| Non-derivative contract liability | 23,207 | 23,207 |
| Deferred tax liabilities | 12,412 | 12,568 |
| Other long-term liabilities | 3,000 | 3,000 |
| Provisions | 12 | 13 |
| Total non-current liabilities | 146,767 | 140,130 |
| Current liabilities | | |
| Borrowings | 19,613 | 29,572 |
| Trade and other payables | 16,012 | 14,291 |
| Provisions | 56 | 56 |
| Total current liabilities | 35,681 | 43,919 |
| Total liabilities | 182,448 | 184,049 |
| Total equity and liabilities | 851,779 | 817,656 |



Further information:
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(https://www.globenewswire.com/Tracker?data=eahglFI0K4UUxwsmqXkQd03N_ld1uojlGTE_vteiKcyQulwfu3r9tXxEfe64TI9iPjXXdLcA-1wKJKK402r4cwPqdjBXLG-Ga36PZFEEUJ4=)<https://enefitgreen.ee/en/investorile/>
(https://www.globenewswire.com/Tracker?data=2hvtWZj2Sah7P5FHBmegLeIoMxl_pu7PK9v_TsWBkf9HVGRVBco0gBWNAR8sTIf_RfHfPwlv74a_H6m3SjVkIBzGyIVVbjGOe57EOq9-agKg8ttz2h5EHYmF0la-hs-rAYHvQm2Fvlu3QknP8tcDCA==)

Enefit Green is one of the leading diversified renewable energy producers in the Baltic sea area. The Company wind farms in Estonia and Lithuania, cogeneration plants in Estonia and Latvia, solar farms in Estonia and Poland, a pellet plant in Latvia and a hydroelectric plant in Estonia. In addition the Company is developing several wind and solar farms in the mentioned countries and Finland. As of the end of 2021, the Group had a total installed electricity production capacity of 457 MW and a total installed heat production capacity of 81 MW. During 2021, the Company produced 1,193 GWh of electricity and 618 GWh of heat.

