

FINANTSINSPEKTSIOON

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Attachments:

- EGR1T_Q2 2022_interim_report_ENG.pdf (<http://oam.fi.ee/en/download?id=6663>)
- EGR1T_Q2 2022_results_presentation_ENG.pdf (<http://oam.fi.ee/en/download?id=6664>)
- EGR1T_IIkv_2022_vahearuanne_EST.pdf (<http://oam.fi.ee/en/download?id=6665>)
- EGR1T_II_kv2022_tulemuste_presentation_EST.pdf (<http://oam.fi.ee/en/download?id=6666>)

Currency

Title Enefit Green interim report for Q2 2022

In Q2 2022, Enefit Green group total revenues increased by 30% y-o-y to EUR47.3m and EBITDA was up by 51% y-o-y at EUR30.7m. During the quarter, the group earned net profit of EUR16.9m (EUR0.06 per share), which is 80% more than in Q2 2021.

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

"Energy prices in the region continued to break new records in the second quarter, keeping consumers and industry under intense pressure across Europe. European countries are abandoning Russian gas and oil and are searching for new and alternative solutions. The only viable long-term solution for the energy crisis is electrification through renewable sources replacing fossil energy sources such as motor fuels in transport or natural gas in heat production. The more we can produce green electricity, the less we will depend on uncertain and expensive fossil fuel supplies.

Enefit Green is currently constructing four new wind farms in Estonia, Lithuania and Finland and three solar farms in Estonia and Poland. Investments in new assets amounted to about 40 million euros during the second quarter. In order to accelerate the deployment of renewable electricity and reduce the carbon footprint in the region, we will quadruple the current production capacity (457 megawatts) to about 1900 megawatts by 2026. For this purpose, we are investing ca 1.5 billion euros in new development projects.

The most recent step in the implementation of the growth plan is the acquisition of the Tootsi wind farm. We plan to simultaneously build the Tootsi (74 MW) and Sopi (161 MW) wind farms and double the current production of Estonian wind power by doing so. The implementation of the growth strategy is also supported by the construction of the new 32MW Purtse solar farm. Together with the wind



farm to be built nearby (21 MW), it will become Estonia's first hybrid farm for large-scale electricity production.

In May, the general meeting of shareholders of Enefit Green decided to pay investors a dividend of 0.151 euros per share for financial year 2021. In total, we distributed investors nearly 40 million euros in dividends, or 50% of the net profit in 2021. Just as prescribed by our dividend policy.

To grow production of renewable energy, and together with it our financial results and dividends in the future, we plan to make investment decisions for the construction of new wind and solar parks in the amount of 358 MW before the end of this year."

Webinar to present the results of Q2 2022

Today, August 4, 2022 at 13.00 EEST Enefit Green will host a Webinar in English to present and discuss its Q2 2022 results. To participate, please follow this link (https://teams.microsoft.com/l/meetup-join/19%3ameeting_MjlkNmFlOTktMGUzNy00NThjLTg0MjMtNzZmY2I4NWMxMGZj%40thread.v2/0?context=%7B%22Tid%22%3A%2215cd778b-2b28-4ebc-956c-b5977a36cd28%22%2C%220id%22%3A%22775ae01b-e561-4cc9-8790-1290c7b28035%22%2C%22IsBroadcastMeeting%22%3Atrue%2C%22role%22%3A%22a%22%7D&btype=a&role=a).

Significant events

- * Approval of the updated strategy
- * Final investment decision on 32MW Purtse solar farm (Estonia)
- * Sale of minority stake in Wind Controller
- * Annual general meeting of shareholders and dividend distribution
- * 74MW Tootsi wind farm project acquisition (July 2022)
- * Change in the management board composition (July 2022)

Key figures

	Q2 2022	Q2 2021	Change	Change %
PRODUCTION VOLUMES				
Electricity, GWh	270	256	15	6%
Heat, GWh	152	146	6	4%
Pellets, th t	36	26	9	35%



TOTAL REVENUES, mEUR	47.3	36.2	11.0	30%
Sales revenue, mEUR	41.5	29.4	12.1	41%
Renewable energy support and other income, mEUR	5.8	6.8	-1.1	-16%
EBITDA, mEUR	30.7	20.3	10.4	51%
NET PROFIT, mEUR	16.9	9.4	7.5	80%
EPS, EUR (post-IPO number of shares)	0.06	0.04	0.03	80%

Sales revenues and other operating income

Group's electricity production in 2Q 2022 was 270 GWh, increasing 6% year-on-year. The implied captured electricity price (including various subsidies) received by the group across markets was EUR127/MWh in Q2 2022, compared with 87 EUR/MWh in Q2 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 EUR11.5m. The average market price in the NP Estonia price area in Q2 2022 was 142.0 EUR/MWh compared with 54.6 EUR/MWh in Q2 2021. The implied captured electricity prices of the group's Estonian production entities in the two periods were 115.9 EUR/MWh and 45.0 EUR/MWh. The implied captured electricity price differs from the average NP price because wind farms do not produce the same amount of electricity in each hour and the figure also includes the effects of long-term fixed-price power purchase agreements (PPAs).

Wind conditions in Q2 2022 were comparable to Q2 2021 and their influence on the production results was relatively neutral.

Heat energy production increased by 4% and sales price increased by 8% compared with a year earlier.

Other income for Q2 2022 was strongly affected by a decrease in the renewable energy support received by the group's Estonian wind farms, which dropped by EUR0.9m year on year. The eligibility period of the Tooma 1 wind farm expired in April 2022 and that 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 51% y-o-y to EUR30.7m in Q2 2022 driven mostly by the elevated Estonian electricity prices and somewhat by higher wind energy



production volume in Estonia.

Variable costs have increased by EUR7.0m, which is largely due to the increase in the price of balancing energy transactions due to the increased price of electricity and the change in the financial accounting of intraday Nord Pool transactions (EUR2.9m), which has no effect on EBITDA. In addition, the cost of technological fuel (EUR2.4m) and other direct production costs (EUR1.8m) have also increased.

Group's fixed expenses increased by 19% or EUR1.4m of which around half derived from payroll expenses, driven mainly by expanded development team and growth in compensation.

Based on total revenues and EBITDA, the group's largest segment is Wind energy with 57% of total revenues and 67% of EBITDA for the reporting period. The Cogeneration segment contributed 34% to total revenues and 35% to EBITDA. The smallest reportable segment is Solar energy, which accounted for 8% of the group's total revenues and 4% of the group's EBITDA for Q2.

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

Net profit

The group's net profit increased 80% compared to Q2 2021, amounting to EUR16.9m for the reporting period. The most significant positive contribution came from high market prices of electricity, but also from lower net financial expenses. At the same time EUR4.3m increase in corporate income tax expense (primarily related to the dividend distribution from Estonian profits) had considerable negative effect on net profit growth.

Capital Expenditures

The group's Q2 capital expenditures grew by EUR4.8m year on year, rising to EUR40.9m. Growth resulted from development investments, which extended to EUR39.9m. Out of the total, EUR37.8m was invested in the construction of three wind farms: EUR24.9m in the Akmene wind farm, EUR6.9m in the Shilale 2 wind farm and EUR6.0m in the Tolpanvaara wind farm. The largest investment in solar power was EUR1.1m, which was invested in the execution phase of the Purtse solar farm. Baseline investments (expenditure on the improvement and maintenance of existing assets) amounted to EUR1m in Q2 2022 compared with EUR1.8m in the same period last year and were mainly related to operating turbines. Baseline investments may differ significantly quarter by quarter because they depend on the wind turbines' repair and maintenance needs during the period.

Condensed consolidated interim income statement



EUR thousand	Q2 2022	Q2 2021	1H 2022	1H 2021
Revenue	41,505	29,408	99,646	63,522
Renewable energy support and other income	5,773	6,833	14,352	14,886
Change in inventories of finished goods and work-in-progress	4,646	(3,158)	2,579	(5,942)
Raw materials, consumables and services used	(16,365)	(9,508)	(30,499)	(19,086)
Payroll expenses	(2,169)	(1,477)	(4,612)	(3,307)
Depreciation, amortisation and impairment	(9,644)	(9,547)	(19,292)	(19,126)
Other operating expenses	(2,645)	(1,772)	(5,150)	(3,688)
OPERATING PROFIT	21,101	10,778	57,025	27,259
Finance income	1,117	50	1,525	145
Finance costs	(626)	(1,022)	(1,188)	(1,576)
Net finance costs	491	(972)	337	(1,431)
Profit (loss) from associates under the equity method	(76)	(58)	(72)	(36)
PROFIT BEFORE TAX	21,516	9,748	57,290	25,792
Corporate income tax expense	(4,592)	(328)	(5,441)	(760)
PROFIT FOR THE PERIOD	16,924	9,420	51,849	25,032

Basic and diluted earnings per share

Weighted average number of shares, thousand	264,276	4,793	264,276	4,793
Basic earnings per share, EUR	0.06	1.97	0.20	5.22
Diluted earnings per share, EUR	0.06	1.97	0.20	5.22



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

Post-IPO number of shares, thousand	264,276	264,276	264,276	264,276
Basic earnings per share, EUR	0.06	0.04	0.20	0.09

Condensed consolidated interim statement of financial position

EUR thousand 30 June 2022 31 Dec 2021

ASSETS

Non-current assets

Property, plant and equipment	647,634	612,503
Intangible assets	68,578	68,239
Right-of-use assets	4,298	2,750
Prepayments	20,030	20,710
Deferred tax assets	734	442
Investments in associates	427	578
Derivative financial instruments	6,703	-
Long-term receivables	40	78
Total non-current assets	748,444	705,300

Current assets

Inventories	16,267	9,529
Trade and other receivables and prepayments	23,479	22,373
Cash and cash equivalents	90,845	80,454
Derivative financial instruments	12	-
Total current assets	130,603	112,356
Total assets	879,047	817,656



EUR thousand

30 June 2022 31 Dec 2021

EQUITY

Equity and reserves attributable to equity holder of the parent

Share capital	264,276	264,276
Share premium	60,351	60,351
Statutory reserve capital	3,259	479
Other reserves	158,317	151,793
Foreign currency translation reserve	(1,209)	(965)
Retained earnings	166,836	157,673
Total equity	651,830	633,607

LIABILITIES

Non-current liabilities

Borrowings	132,297	93,884
Goverment grants	7,344	7,458
Non-derivative contract liability	23,207	23,207
Deferred tax liabilities	12,384	12,568
Other long-term liabilities	3,000	3,000
Provisions	12	13
Total non-current liabilities	178,244	140,130

Current liabilities

Borrowings	22,936	29,572
Trade and other payables	25,791	14,291



Provisions	55	56
Derivative financial instruments	191	-
Total current liabilities	48,973	43,919
Total liabilities	227,217	184,049
Total equity and liabilities	879,047	817,656

Further information:

Sven Kunsing

Head of Finance Communications

investor@enefitgreen.ee

(https://www.globenewswire.com/Tracker?data=eahglFI0K4UUxwsmqXkQd03N_ld1uojlGTE_vteiKcyQulwfu3r9tXxEfe64TI9iPjXXdLcA-1wKJKK402r4cwPqdjBXLG-Ga36PZFEEUJ4=)

<https://enefitgreen.ee/en/investorile/>

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.

