

FINANTSINSPEKTSIOON

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Title Enefit Green sells Brocni cogeneration plant and pellet factory to Warmeston

According to the purchase and sale agreement signed today, Enefit Green sells Brocni cogeneration plant and pellet factory in Latvia to Warmeston.

"Increasing the share of wind and solar energy in the Baltic States and Poland is the focus of Enefit Green. Currently, we have six wind parks under construction in Finland, Estonia, and Lithuania, as well as four solar power plants in Estonia, Latvia, and Poland with a total capacity of 715 megawatts. The sale of biomass-based cogeneration businesses allows us to focus more on our strategic business direction. The professional team at Brocni is a valuable foundation for Warmeston's growth. We thank the team for their contribution and wish them success in the future," said Innar Kaasik, Member of the Management Board and Production Manager of Enefit Green.

The object of the transaction is the cogeneration business in Brocni, which includes a cogeneration plant and pellet factory completed in 2016. The business unit has 39 employees, and the electricity produced is sold to the Latvian electricity grid, while the heat is used to dry raw materials in the adjacent pellet factory. The annual pellet production is about 155 thousand tonnes. Pellets are sold to energy companies, wholesale distributors and retail clients. The value of the transaction on a cash- and debt-free basis is 32 million euros.

Following the transaction and asset transfer, the cogeneration plant, pellet factory, and employees will continue their existing activities within the Warmeston group.

Enefit Green was advised by LHV as a financial advisor, KPMG for financial due diligence, and TGS Baltic as a legal advisor. Warmeston was advised by Superia Corporate Finance and Cobalt. Swedbank Estonia provided financing for the transaction.

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Enefit Green is one of the leading renewable energy producers in the Baltic Sea region. The company's shares are listed on the Nasdaq Tallinn Stock Exchange, and it has nearly 64,000 investors. Enefit Green focuses on developing wind and solar energy production capacities to increase the availability of green energy and enhance energy security in its home markets. The company is currently building six wind parks in Finland, Estonia, and Lithuania with a total capacity of 615 megawatts, and four solar power plants in Estonia, Latvia, and Poland with a total capacity of 100 megawatts.

