

FINANTSINSPEKTSIOON

Company	Enefit Green AS
Type	Company Release
Category	Management interim statement or quarterly financial report
Disclosure time	02 May 2024 09:00:00 +0300

Attachments:

- EGR1T Q1 2024 interim report eng.pdf (<http://oam.fi.ee/en/download?id=8400>)
- EGR1T Q1 2024 presentation eng.pdf (<http://oam.fi.ee/en/download?id=8401>)
- EGR1T Q1 2024 vahearuanne est.pdf (<http://oam.fi.ee/en/download?id=8402>)
- EGR1T Q1 2024 esitlus est.pdf (<http://oam.fi.ee/en/download?id=8403>)

Currency

Title	Enefit Green unaudited interim report for Q1 2024
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Enefit Green group's operating income for Q1 2024 decreased by 11% while operating expenses for the period decreased by 22% compared to the same period last year. As a result, EBITDA increased by 3% to EUR42.4m and net profit for the quarter increased by 10% to EUR33.4m (earnings per share EURO0.13).

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

"We produced 494 gigawatt-hours of electricity (+22%) and 129 gigawatt-hours of thermal energy (-27%). The increase in electricity production by a fifth was driven by newly completed wind and solar farms and those under construction (+131 gigawatt-hours). The decrease in heat output was mainly due to the sale of biomass assets.

We focused on the completion of wind and solar farms under construction and invested nearly 105 million euros. We completed construction works at Tolpanvaara wind farm in Finland. In Lithuania at Akmene wind farm, the collapsed wind turbine was replaced and first wind turbines were erected in Kelm? I wind farm. At Sopi-Tootsi renewable energy area in Estonia, we have reached the installation stage of wind turbines, installation of solar panels is already ongoing. Compared to the second half of last year, we have significantly improved the availability of Shilut? wind farm in Lithuania and we continue to maintain good availability of the WinWind wind turbines in Estonia.

Quarterly KPIs were affected by lower electricity market prices and the prices of the concluded power purchase agreements (PPA). Due to the setup activities at the wind farms under construction and low wind speeds, the electricity production target was not achieved (-95 gigawatt-hours), which continued to cause significant volumes of electricity purchases.



This year our focus is on timely completion of the wind and solar farms under construction and maintaining the high availability of existing assets. We will also continue to work with the development portfolio to increase the value of the company in the longer run."

Webinar to present the results of Q1 2024

Today, 2 May 2024 at 13.00 EEST Enefit Green will host a Webinar in English to present and discuss its Q1 2024 results. To participate, please follow this link (https://teams.microsoft.com/l/meetup-join/19%3ameeting_NzM5ZDc3NWEtOTdkZi00MzdkLTk4ZjgtODcxNjc1ZTE5OWU5%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

- * Completion of construction works at the Tolpanvaara wind farm in Finland
- * At Akmene wind farm in Lithuania, wind turbine that collapsed last year was replaced, start of negotiations with GE regarding compensation for the damage
- * Installation of wind turbines started at Kelm? I wind farm in Lithuania
- * Preparations for the installation of wind turbines are being finalized at the Sopi-Tootsi wind farm
- * Co-development agreement with RES Global Investment regarding wind farms in Poland (up to 360 MW)
- * Direct line power purchase agreement with Elcogen in Estonia
- * With closing of the sale of Valka and Paide cogeneration plants, we have completed the exit from biomass assets
- * In agreement with the supervisory board, chairman of the management Board Aavo Kärmä will resign as of 1 July 2024

Key figures

	Q1 2024	Q1 2023	Change	Change %
PRODUCTION AND SALES VOLUMES				
Electricity production, GWh	494	406	89	22%
incl. new wind and solar farms	169	38	131	343%
Electricity sales	627	495	133	27%



Heat energy production, GWh	129	176	(47)	(27)%
OPERATING INCOME, mEUR	68.9	77.5	(8.6)	(11)%
Sales revenue, mEUR	56.2	69.7	(13.5)	(19)%
Renewable energy support and other income, mEUR	12.7	7.8	4.9	63%
EBITDA, mEUR	42.4	41.1	1.3	3%
NET PROFIT, mEUR	33.4	30.5	2.9	10%
EPS, EUR	0.13	0.12	0.01	10%

Sales revenues and other operating income

The group's total electricity production grew by 89 GWh (+22%) to 494 GWh in Q1, with electricity production at new wind and solar farms and wind and solar farms under construction increasing by 131 GWh. Nevertheless, electricity production was around 95 GWh lower than forecasted. This was due to weather conditions (mainly lower than expected wind speeds) as well as low availability of wind farms under construction. The negative impacts to production compared to the projections were -42 GWh and -47 GWh respectively.

Total operating income decreased by EUR8.6m, the figure reflecting a decrease in revenue of EUR13.5m and an increase in renewable energy support and other operating income of EUR4.9m. Operating income for Q1 2023 includes EUR20.0m generated by assets sold in Q4 2023 and Q1 2024 EUR8.0m ('assets sold'). Excluding the impact of assets sold, the group's operating income was EUR57.5m for Q1 2023 and EUR60.9m for Q1 2024 and operating income grew by EUR3.4m, the figure reflecting revenue growth of EUR4.1m and a decrease in other operating income of EUR0.7m.

Of the EUR4.1m revenue growth, EUR4.9m resulted from electricity sales revenue that was driven by higher production. In Q1 2024, the average electricity price in the group's core markets was EUR87.0 EUR/MWh (Q1 2023: EUR100.5/MWh). The group's average implied captured electricity price was EUR81.4/MWh (Q1 2023: EUR101.2/MWh). The implied captured electricity price differs from the average market price in the group's core markets, because it takes into account long-term fixed-price power purchase agreements (PPAs), renewable energy support, purchases of balancing energy, electricity purchases from the Nord Pool day-ahead and intraday markets and the fact that wind farms do not produce the same amount of electricity every hour.

The group's average price of electricity sold to the market in Q1 2024 was



EUR77.6/MWh compared with EUR82.4/MWh a year earlier. The group sold 292 GWh of electricity to the market in Q1 2024 compared with 234 GWh a year earlier.

In Q1 2024, 335 GWh of the group's electricity production was covered by PPAs signed at an average price of EUR75.0/MWh. A year earlier, 260 GWh of electricity was sold under PPAs at an average price of EUR89.8/MWh. The average price of electricity sold under PPAs has decreased significantly year on year because the settlement periods of PPAs signed in Lithuania and Finland in 2021 at lower prices began in Q1 2024.

In Q1 2024, we purchased 138 GWh of electricity from the market at an average price of EUR106.1/MWh, compared with 92 GWh at an average price of EUR116.7/MWh in Q1 2023 (the prices and volumes exclude the electricity purchased for pellet production in Q1 2023). The volume of electricity purchased increased because sales under PPAs and the share of production covered by PPAs have increased and therefore the purchases needed to balance the baseload PPA portfolio have also increased. The purchase price decreased compared to Q1 2023 because the market price has declined, but due to a higher wind profile discount the difference between the purchase price and the market price increased. In Lithuania, the Q1 wind profile discount increased by 3.3 percentage points year on year, rising to 15%. In Estonia, the wind profile discount rose by 0.4 percentage points to 13.5%. In 2024, we started to supply electricity under a PPA in Finland, which is why we also started to purchase electricity in Finland. In Finland, the wind profile discount in Q1 2024 was 28.1%.

Renewable energy support and other operating income increased by EUR4.9m. The figure reflects the gain on the sale of the Paide and Valka CHP plants of EUR5.4m and a decrease in renewable energy support of EUR0.8m. The amount of renewable energy support received is based on the quantity of energy produced by wind farms eligible for support, which in Q1 2024 was 12.0 GWh lower than a year earlier.

EBITDA and segmental breakdown

The factor with the strongest impact on EBITDA development was the price of electricity sold, which decreased compared to Q1 2023 (impact: -EUR8.3m). Due to PPAs, the quantity of electricity sold grew considerably (impact: +EUR12.3m), which also increased the volume of electricity purchased to balance the electricity portfolio (impact: -EUR4.7m). The combined effect of the above factors on EBITDA development is influenced by the volume and profile of electricity produced during the period. Electricity production grew by 22% year on year.

The impact of assets sold on EBITDA development was +EUR3.1m. The largest item was the gain on the sale of the Paide and Valka CHP plants of EUR5.5m.

Excluding the effects of the electricity price and volume, Iru cogeneration plant had a negative impact on EBITDA. The calculation takes into account the effects of heat energy, gate fees for waste received and technological fuel. The



EBITDA of the Iru cogeneration plant decreased because gate fees decreased by EUR0.7m due to a decline in the volume of waste received and expenses on natural gas increased by EUR0.3m due an unplanned production interruption in February during which replacement heat was produced from natural gas.

Fixed costs excluding the fixed costs of assets sold grew by EUR1.0m. The increase was attributable to higher maintenance costs and IT expenses.

Based on total operating income and EBITDA, the group's largest segment is wind energy, which accounted for 73% of operating income and 76% of EBITDA for Q1 2024. The cogeneration segment contributed 25% to operating income and 32% to EBITDA. The smallest reportable segment is solar energy, which accounted for 1% the group's operating income and 1% of the group's EBITDA for Q1 2024.

EBITDA of all reported segments increased compared to the reference period (by EUR1.2m, EUR0.6m and EUR0.1m for the wind, cogeneration and solar energy segments respectively). The change of EBITDA of the cogeneration segment was positively affected by assets sold (+EUR3.1m) and negatively by Iru power plant (-EUR2.5m).

Net profit

The group's net profit increased by EUR2.9m to EUR33.4m in the reporting period. The growth in net profit was supported by an increase in EBITDA, a decrease in depreciation of EUR0.5 million (increase of depreciation stemming from new operating assets, decrease of depreciation due to assets sold), an increase in net financial income by EUR0.2m and a decrease in income tax expense by EUR0.9m.

Capital Expenditures

The group invested EUR104.8m in Q1 2024, which is EUR12.9m more than in Q1 2023. Growth resulted from development investments, which extended to EUR104.7m. Of this, EUR77.6m was invested in the construction of three wind farms: EUR64.8m in the Sopi-Tootsi wind farm and EUR12.9m in the Kelme wind farms - EUR10.4m in Kelme I and EUR2.5 in Kelme II. The largest solar energy development investment was made in the Sopi solar project in the amount of EUR17.6m.

Base investments remained on a negligible level of EUR0.1m.

Financing

At 31 March 2024, the amortised cost of the group's interest-bearing liabilities was EUR503.2m (31 December 2023: EUR482.4m). In Q1 2024, the group drew down bank loans of EUR30m and the level of investment loans raised but not drawn down at 31 March 2024 amounted to EUR285m. The average interest rate of bank loans drawn down at 31 March 2024 was 3.79% (31 December 2023: 3.75%). Net debt/EBITDA ratio stood at a level of 4.39 (31 December 2023: 3.97). The ratio's increase is



corresponding to the expectation due to the large number of development projects under construction.

Condensed consolidated interim income statement

EUR 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, EUR	0.13	0.12
Diluted earnings per share, EUR	0.13	0.12



Condensed consolidated interim statement of financial position

EUR 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



EUR 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

Further information:

Sven Kunsing

Head of Finance Communications

investor@enefitgreen.ee

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

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Enefit Green is one of the leading renewable energy producers in the Baltic Sea area. The Company operates wind farms in Estonia and Lithuania, waste-to-energy CHP plant in Estonia, solar farms in Estonia and Poland and a hydroelectric plant in Estonia. In addition, the Company is developing several wind and solar farms in the mentioned countries, Latvia and Finland. As of the end of 2023, the Company had a total installed electricity production capacity of 515 MW and a total installed heat production capacity of 50 MW. During 2023, the Company produced 1,343 GWh of electricity, 604 GWh of heat energy and 156 thousand tonnes of wood pellets. In the end of 2023, Enefit Green exited the biomass based CHP and pellet production businesses.

