



Eesti Energia unaudited financial results for 2024 Q3

31 October 2024



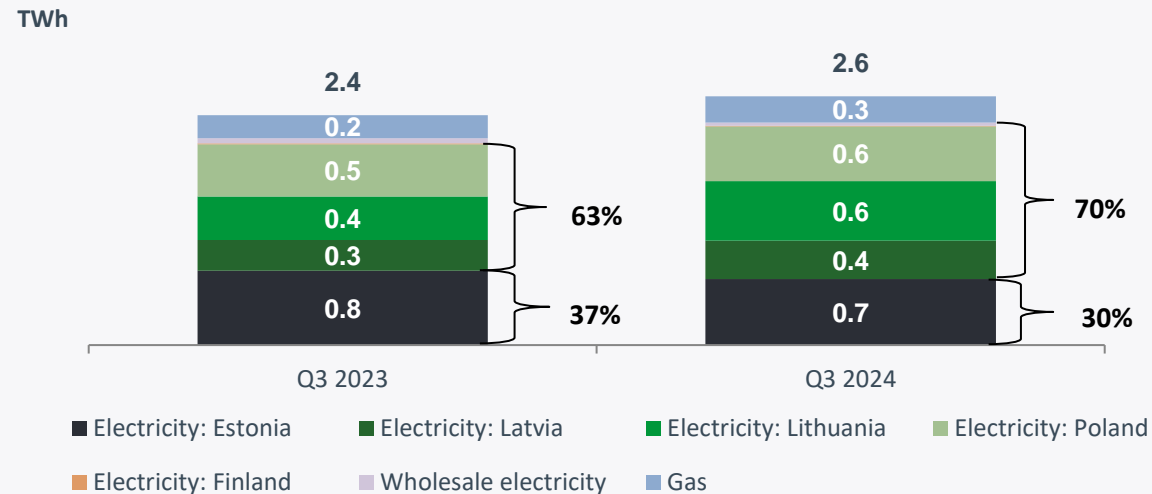
Eesti Energia

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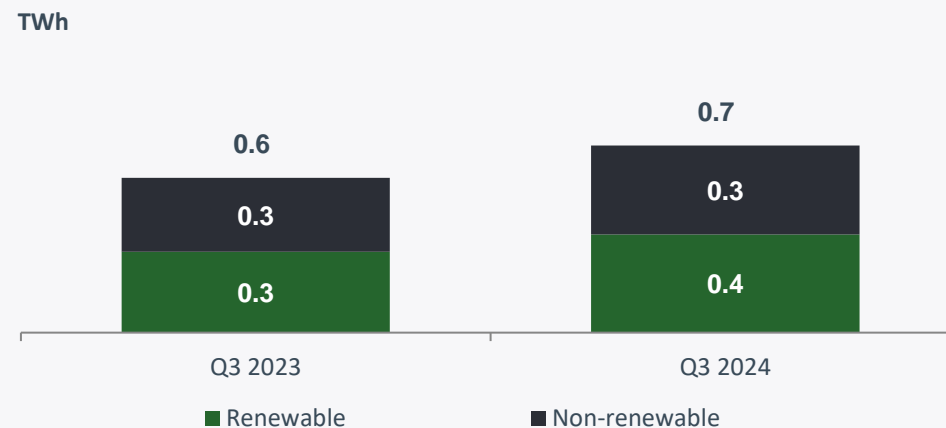
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Sales and production information

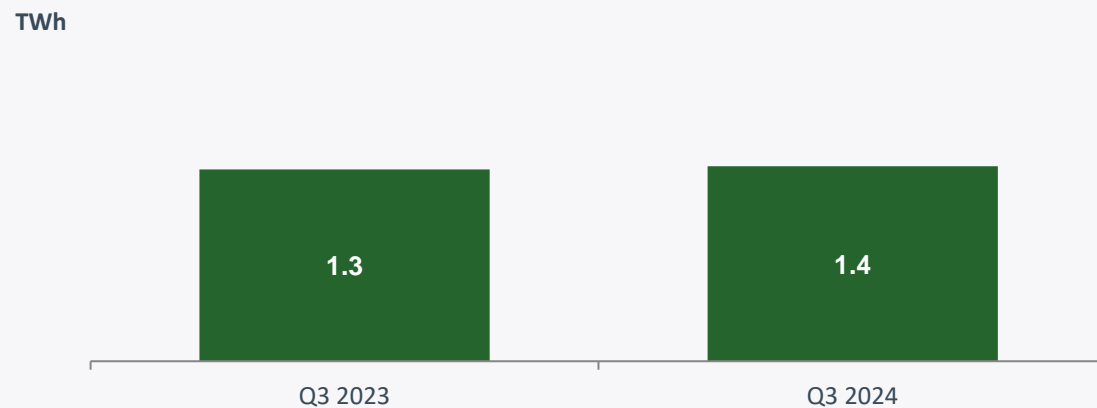
Electricity and gas sales volume



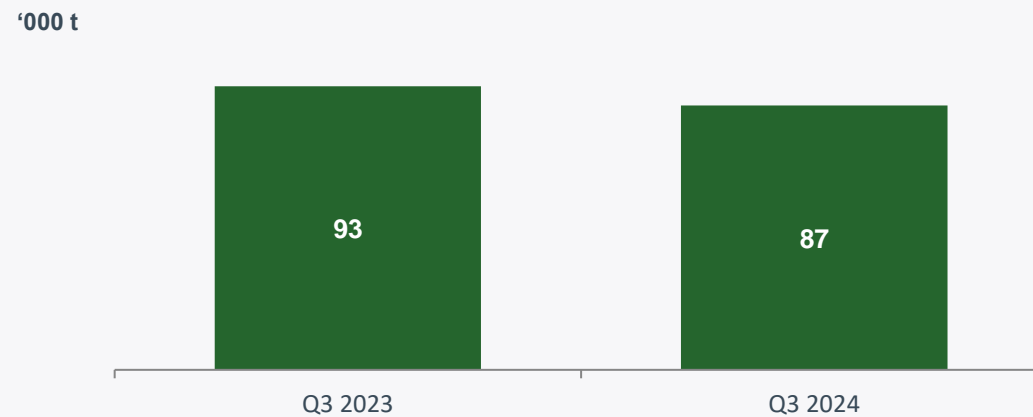
Electricity production



Distribution sales volume

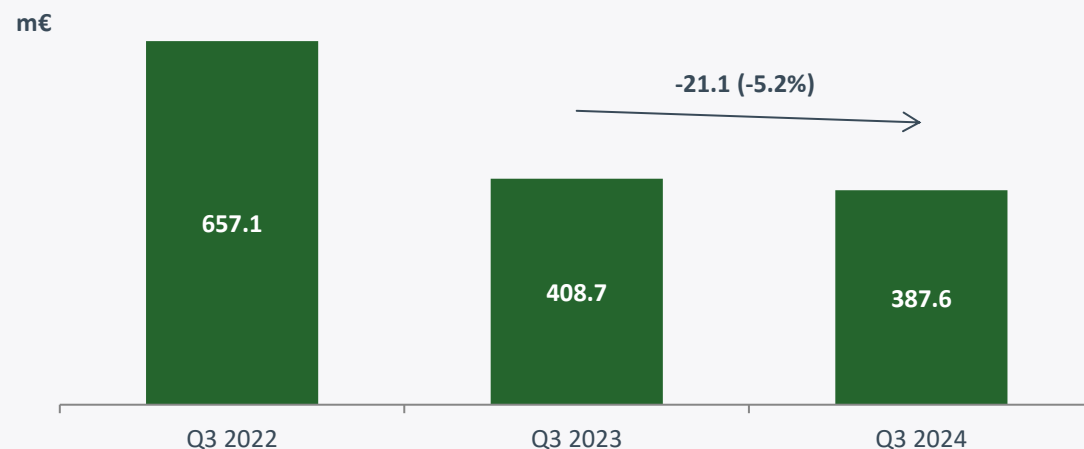


Shale oil production

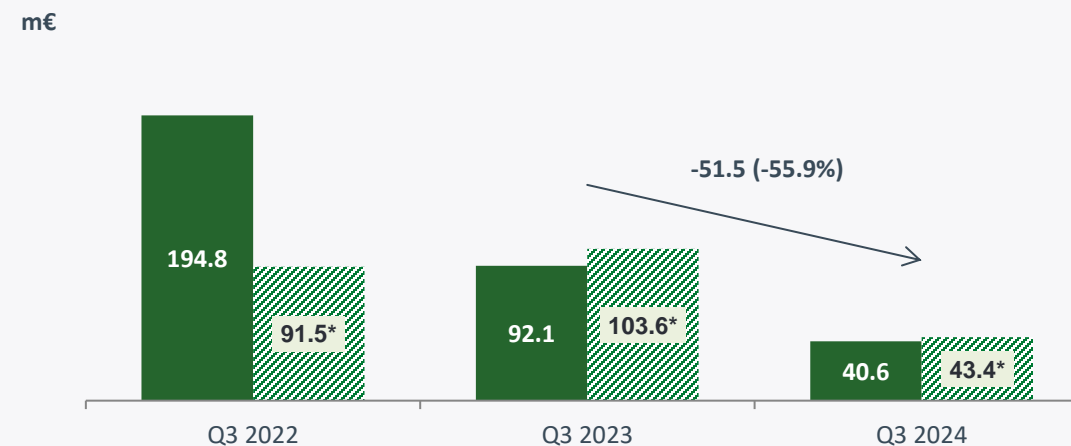


Sales revenue and EBITDA decreased y-o-y

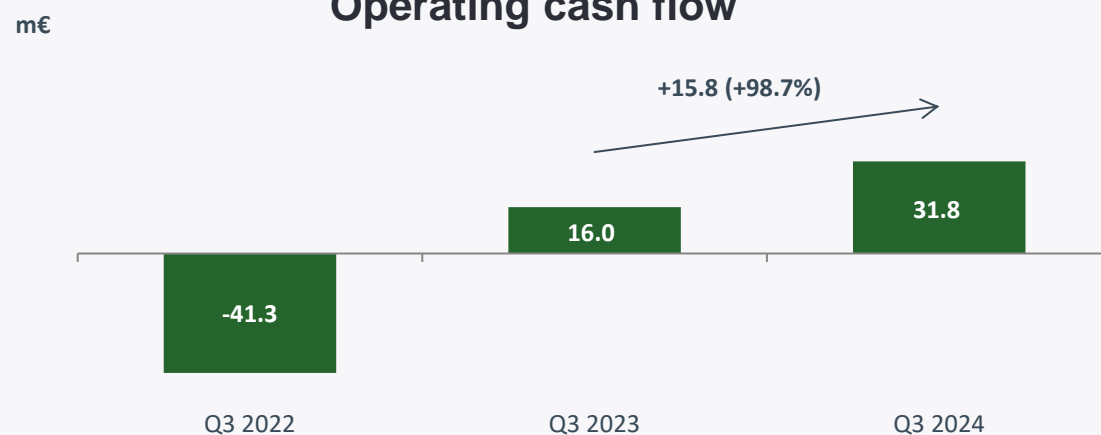
Sales revenue



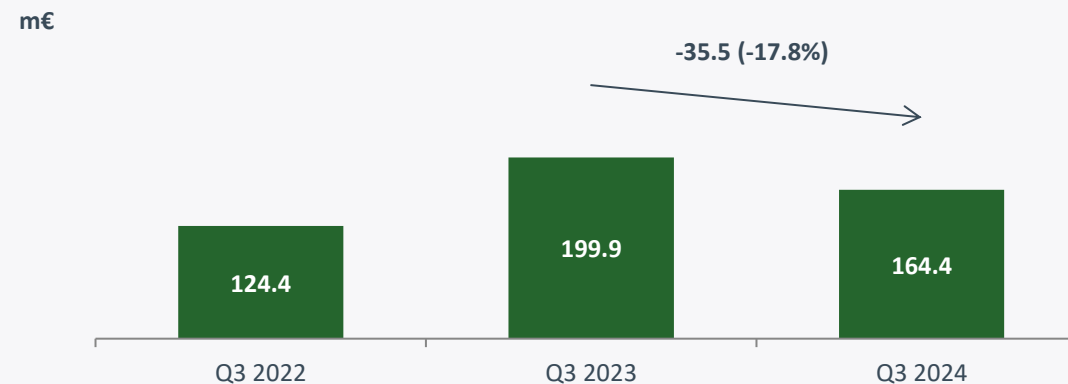
EBITDA



Operating cash flow



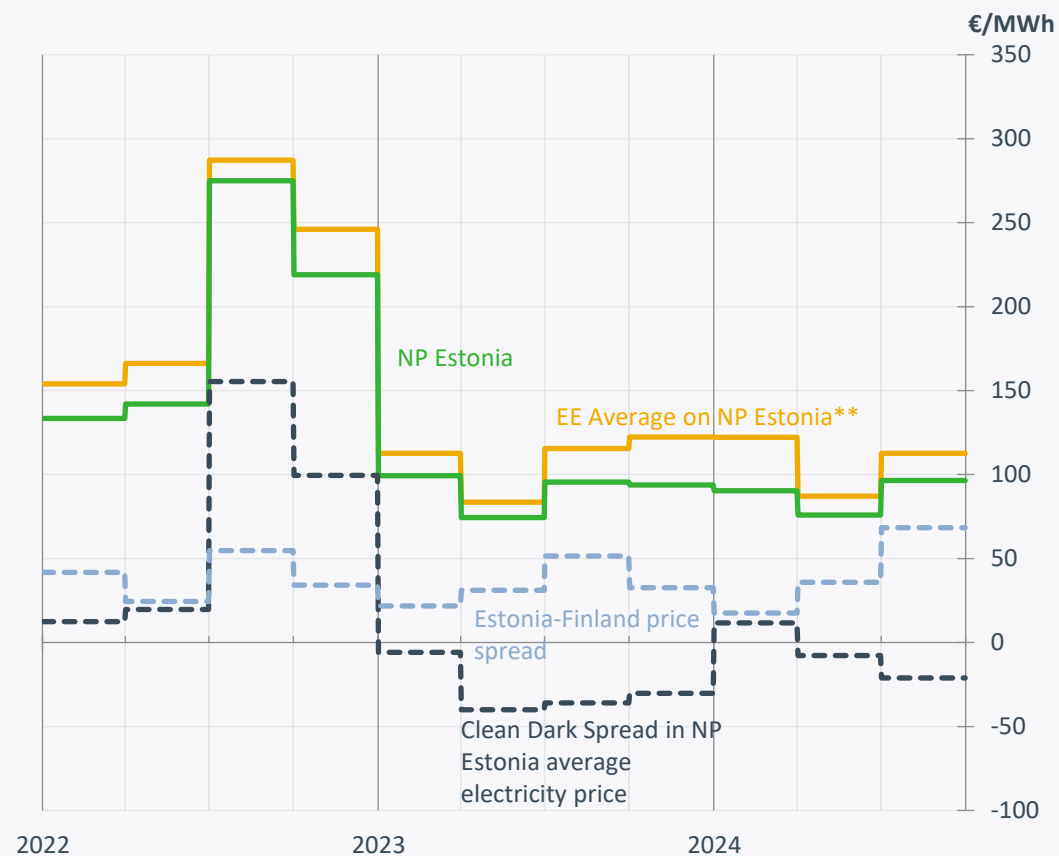
Investments



Nord Pool Baltic electricity prices generally decreased

- In 2024 Q3 electricity prices in Nord Pool Estonian price area increased marginally compared to 2023 Q3 while in other Baltic price areas average price decreased by 5% and in Finland the average price decreased by 36%
- 2024 Q3 average price in Nord Pool Estonia price area was 96.5 €/MWh* (+0.9 €/MWh, +1%)
- Price spread between Estonia and Finland average electricity price increased by 16.9 €/MWh y-o-y in Q3. 2024 Q3 average electricity price in Estonia was 68.3 €/MWh higher than in Finland
- Clean Dark Spread in NP Estonia average electricity price increased to -21.1 €/MWh (+15.0 €/MWh) in 2024 Q3
 - +0.9 €/MWh increase in NP Estonia electricity price
 - +20.8 €/MWh from decrease in cost of CO₂
 - -6.7 €/MWh from increase in the cost of oil shale

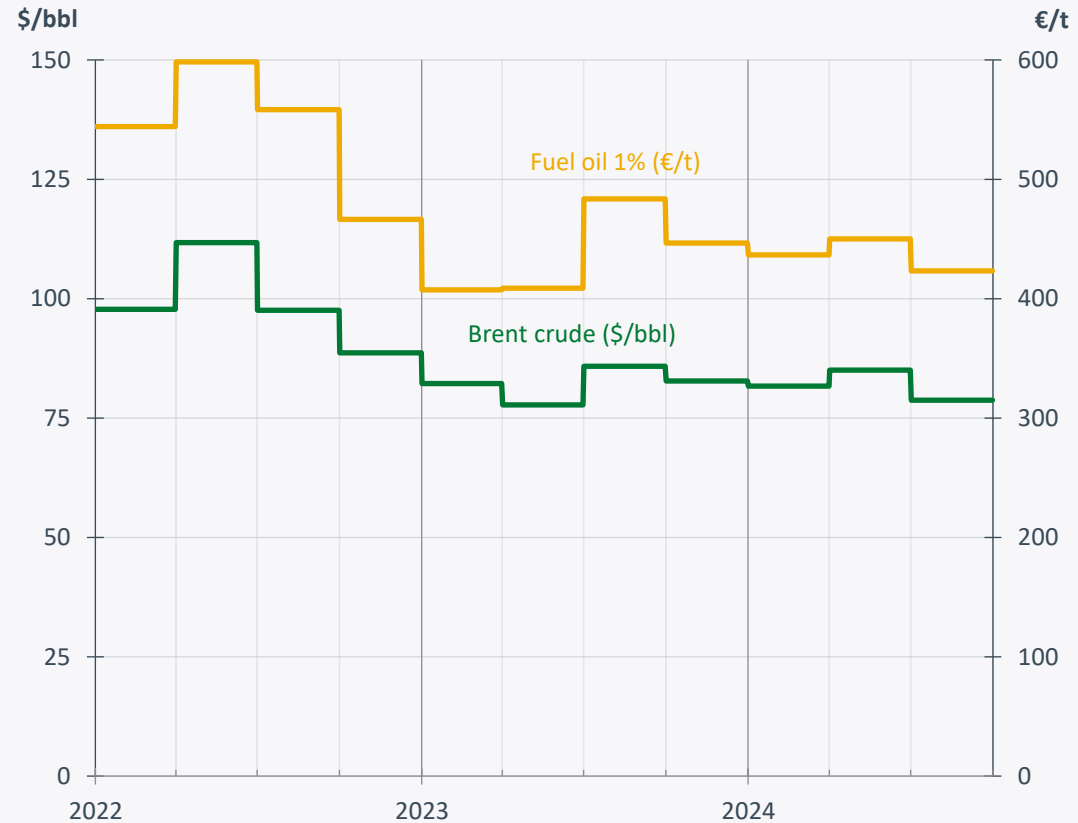
Average quarterly Nord Pool electricity prices



Prices of Brent crude oil and fuel oil decreased

- Average price of Brent crude oil in 2024 Q3 was 78.7 \$/bbl (-7.2 \$/bbl, -8%)
 - In 2024 Q3, liquid fuel prices were mainly influenced by decreased demand for fuel oil
- Average price of fuel oil (1% Sulphur content) in 2024 Q3 was 423.2 €/t (-60.3 €/t, -12%). The changes of oil product prices and fuel oil prices are comparable in 2024 Q3

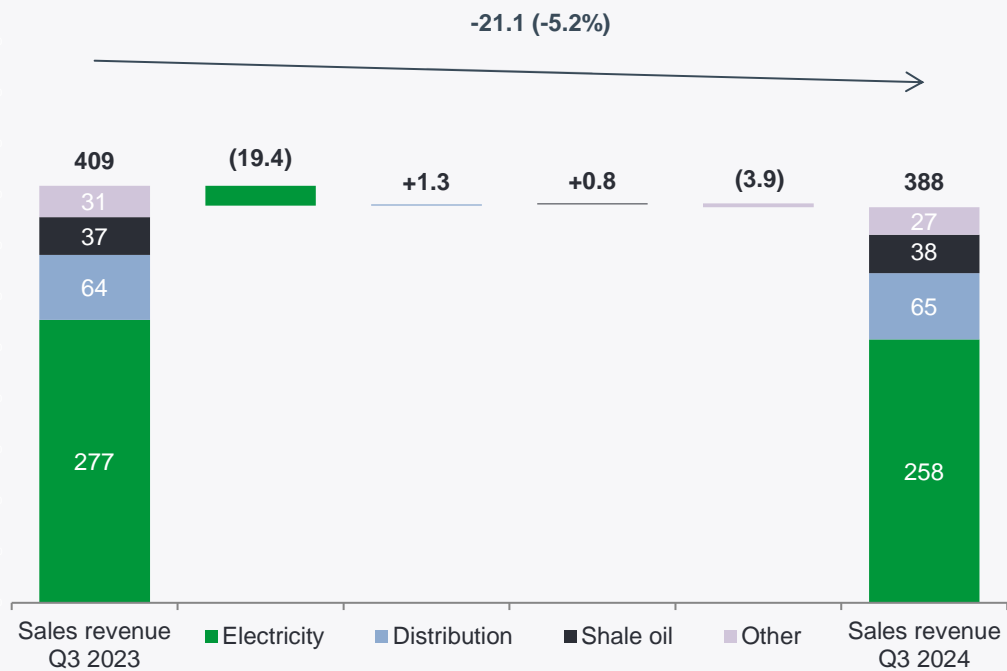
Average quarterly fuel oil and Brent crude oil prices



Group's sales revenue and EBITDA decreased y-o-y

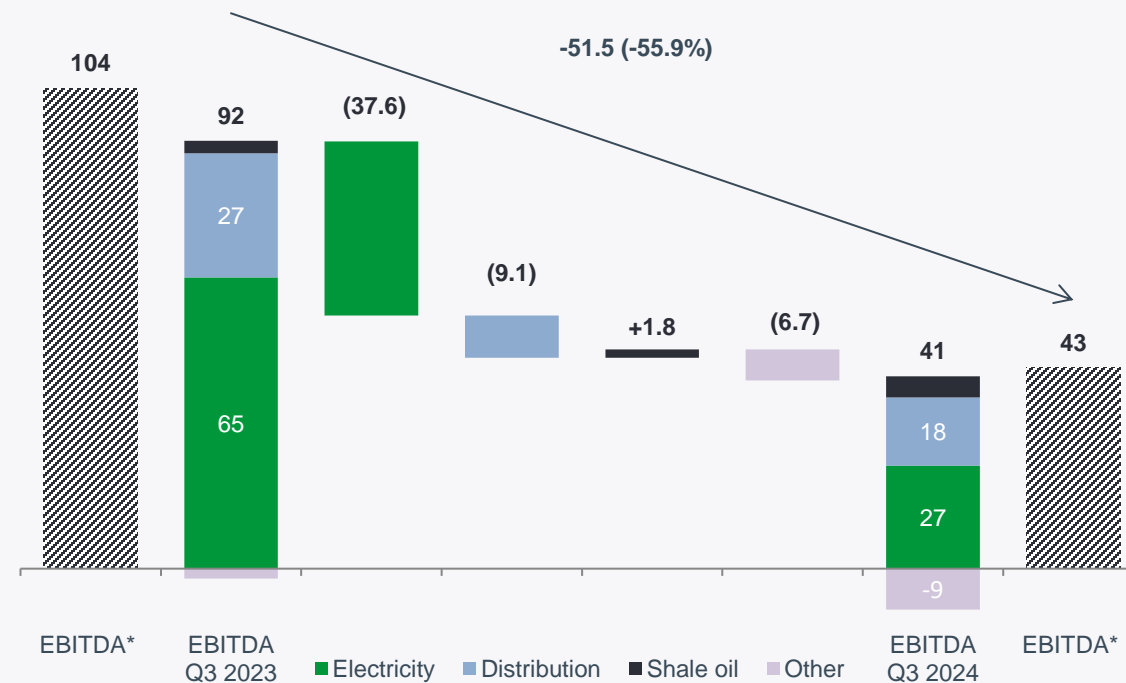
Sales revenue breakdown and Y-o-Y change

m€



EBITDA breakdown and Y-o-Y change

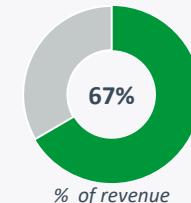
m€



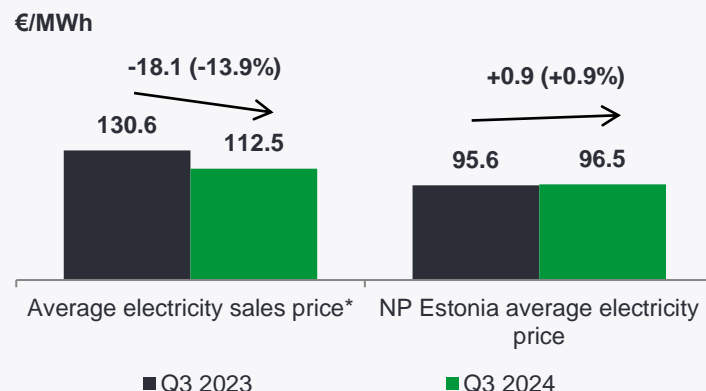


Electricity

Electricity sales revenue decreased y-o-y



Average electricity sales price

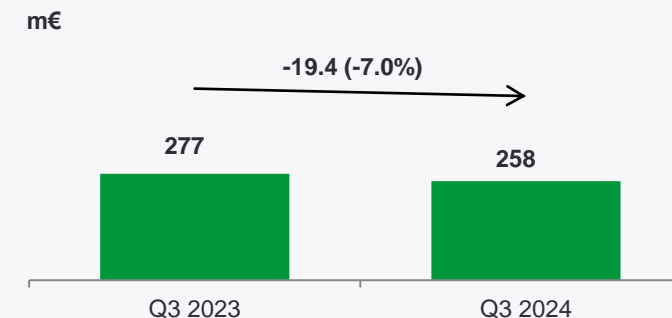


* Total average sales price of electricity product (including retail sales and wholesale). Average sales price excludes gain on derivatives and municipal waste gate fees

Electricity sales volume



Electricity sales revenue



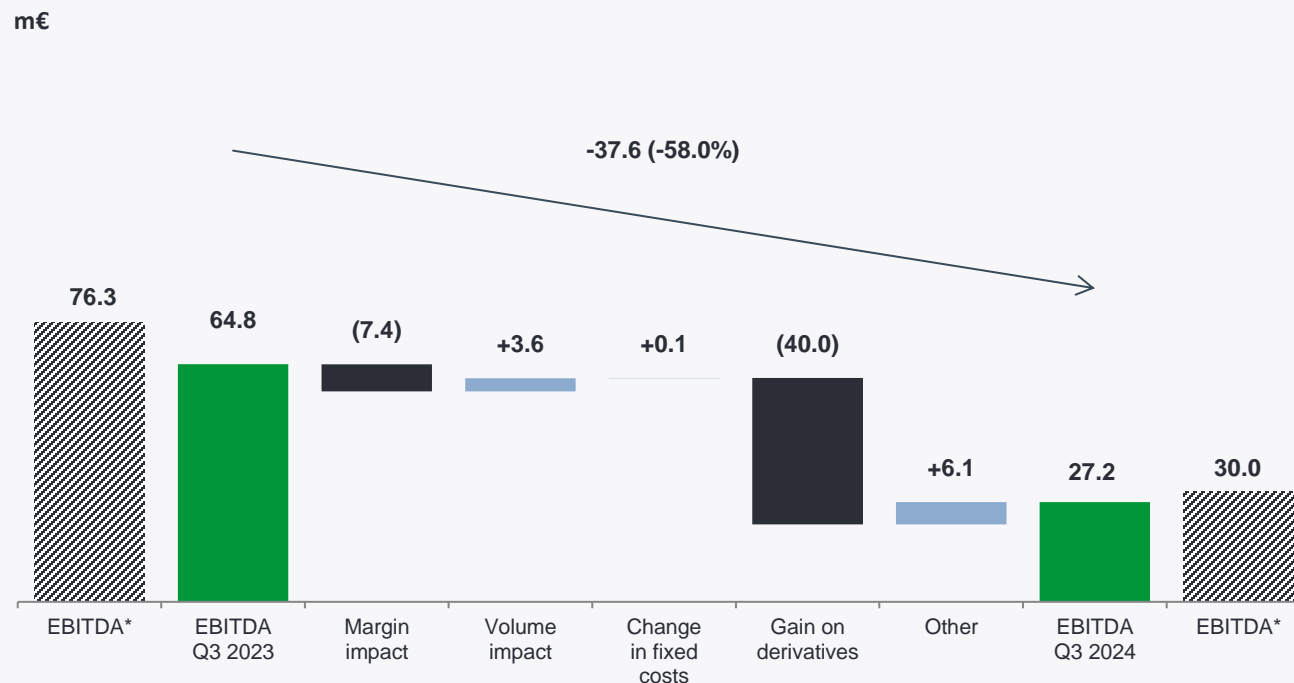
- Average electricity sales price* decreased to 112.5 €/MWh (-18.1 €/MWh, -14%)
 - Average electricity sales price including derivatives decreased to 112.5 €/MWh (-17.5 €/MWh Y-o-Y, -13%)
- Electricity sales volume was 2.3 TWh (+0.2 TWh, +8%). Retail sales broke down between markets as follows: Estonia 679 GWh (-86 GWh), Latvia 393 GWh (+79 GWh), Lithuania 614 (+165 GWh), Poland 562 GWh (+28 GWh) and Finland 6 GWh (-4 GWh)
- Electricity generation amounted to 0.7 TWh (+0.1 TWh, +21%). Production of renewable electricity increased to 0.4 TWh (+0.1 TWh, +21%). The main growth drivers were newly completed wind farms and wind farms under construction, which generated almost 131 GWh of wind power
- For 2024 Q4 we have hedged power production against price risk in the amount of 0.04 TWh with an average price of 159.8 €/MWh. For 2025 we have hedged power production against price risk internally in the amount of 0.1 TWh with an average price of 144.4 €/MWh

Electricity EBITDA decreased by €38m

- ✗ Total margin impact -€7.4m (-3.2 €/MWh). Lower sales price impact (incl. renewable subsidies) -18.5 €/MWh, total -€42.2m. Lower variable costs impact +15.2 €/MWh, total +€34.9m, mainly from lower electricity purchasing costs
- ✓ Sales volume increased by 8%, impact on EBITDA +€3.6m
- ✓ Fixed costs stable y-o-y
- ✗ Gain on derivatives impacted EBITDA by -€40.0m (gain on derivatives +€53.9m in 2023 Q3, +€13.9m in 2024 Q3)
- ✓ Other changes impacted EBITDA by +€6.1m, mainly related to change in value of derivative instruments and power purchase agreements for renewable energy

Adjusted* EBITDA decreased to €30.0m (-€46.3m, -61%)

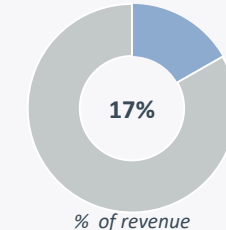
Electricity EBITDA development



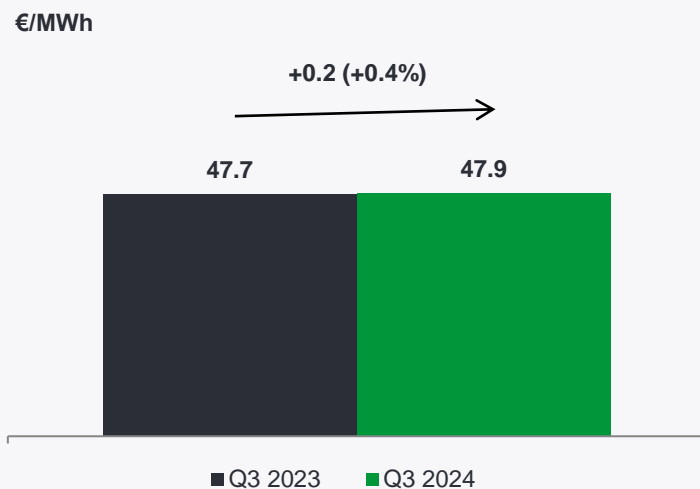
Distribution



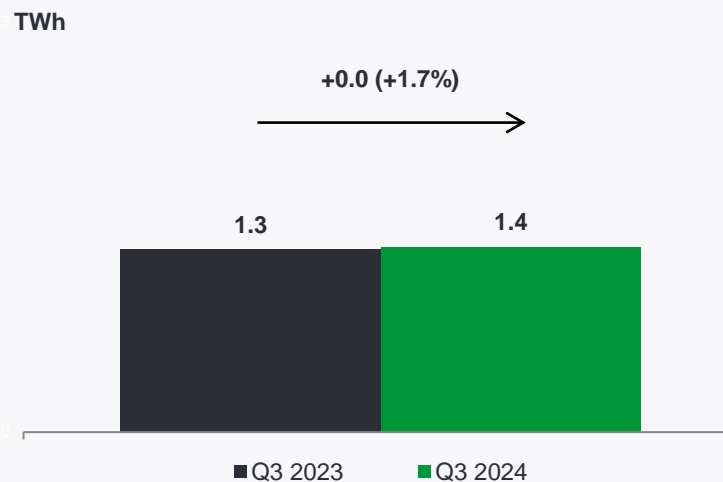
Distribution sales revenue increased by 2%



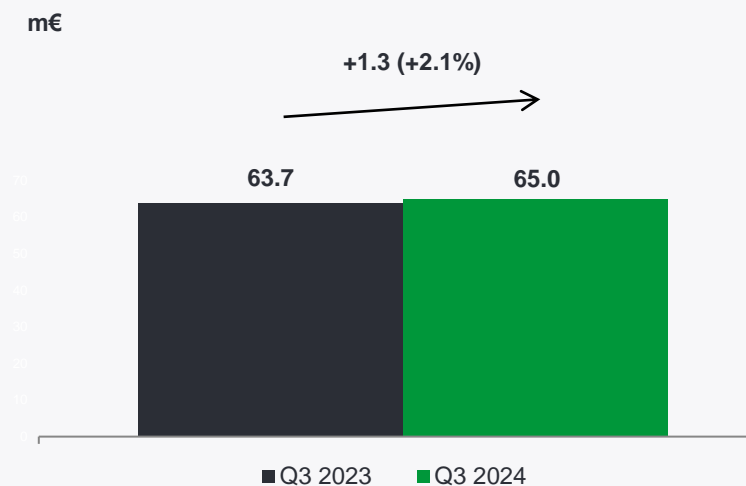
Average distribution sales price



Distribution sales volume

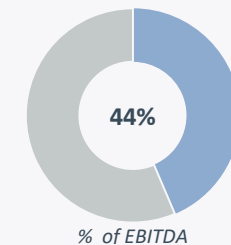


Distribution sales revenue



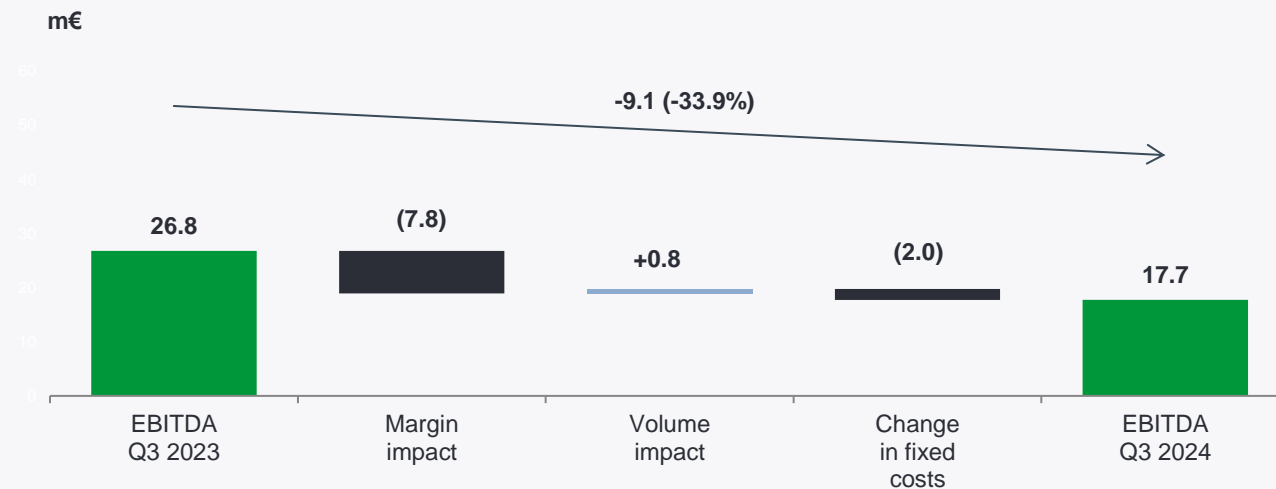
- Sales revenue increased to €65.0m (+2%) due to slightly higher distribution sales volume and sales price
- Network losses amounted to 4.4% (+0.1pp) of electricity entered distribution network
- The average duration of unplanned interruptions was 38.0 minutes (Q3 2023: 68.4 minutes)
- The average duration of planned interruptions was 23.8 minutes (Q3 2023: 18.6 minutes)

Distribution EBITDA decreased by €9m



- ✗ Total margin impact -€7.8m (-5.8 €/MWh). Average sales price increased by 0.2 €/MWh while average variable costs increased by 6.0 €/MWh, mainly transmission tariffs
- ✓ Distribution volume increased by 2%, impact on EBITDA +€0.8m
- ✗ Fixed costs impacted EBITDA by -€2.0m

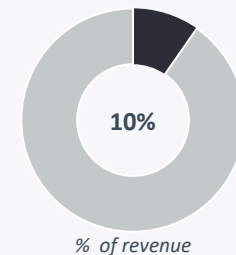
Distribution EBITDA development



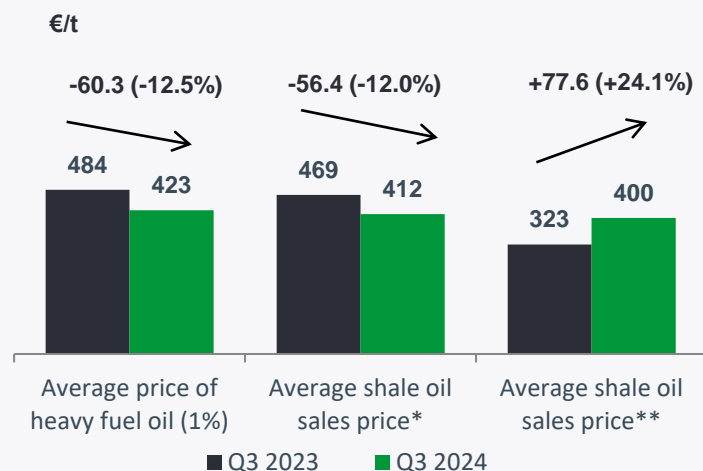
Shale Oil

Enefit

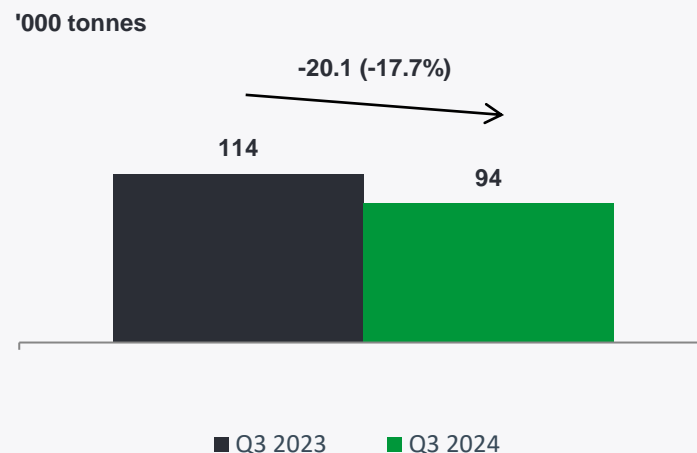
Shale oil sales revenue increased by 2%



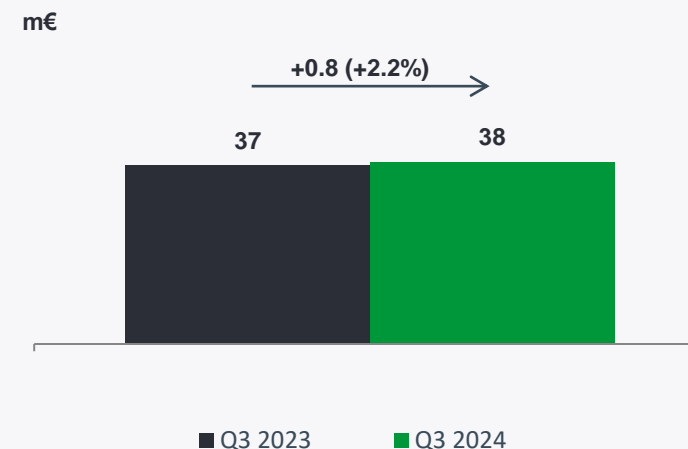
Average shale oil sales price



Shale oil sales volume

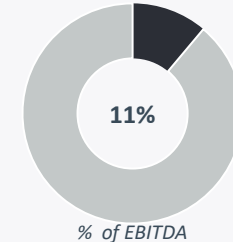


Shale oil sales revenue



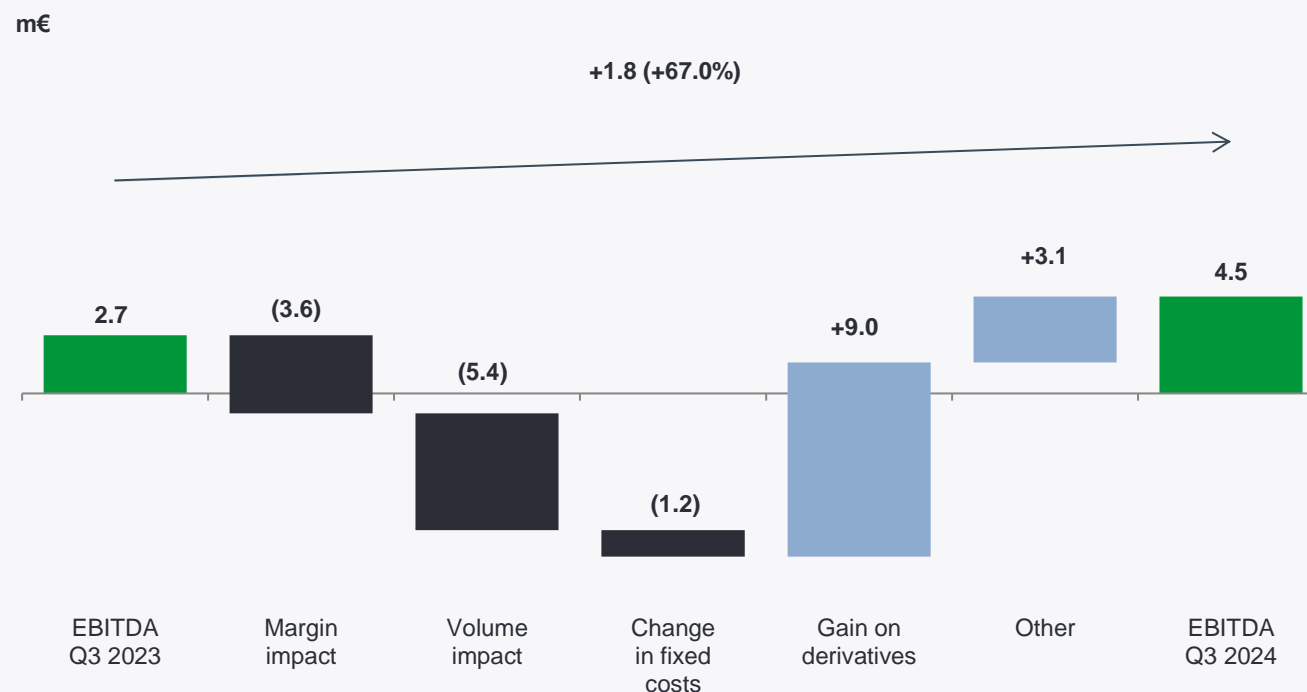
- Average shale oil sales price* decreased to 412.4 €/t (-56.4 €/t, -12%) due to decrease in the reference product average market price (-60.3 €/t, -12%)
 - Gain on derivatives impacted price by -12.2 €/t (+134.0 €/t, -€1.1 m in abs. terms, +€15.5 m Y-o-Y)
 - Average sales price including derivatives increased to 400.2 €/t (+77.6 €/t, +24%)
- Shale oil sales volume decreased 18% compared to last year. The Group's shale oil production in Q3 2024 was 87.1 thousand tonnes, a decrease of 6.3 thousand tonnes (-7%) compared to Q3 2023 due to the overhaul of Enefit-140 and Enefit-280 plants
- For 2024 Q4 we have hedged sales against price risk in amount of 55.1 thousand tonnes with an average price of 392.0 €/t. For 2025 we have hedged sales against price risk in amount of 155.4 thousand tonnes with an average price of 396.3 €/t

Shale oil EBITDA increased by €2m



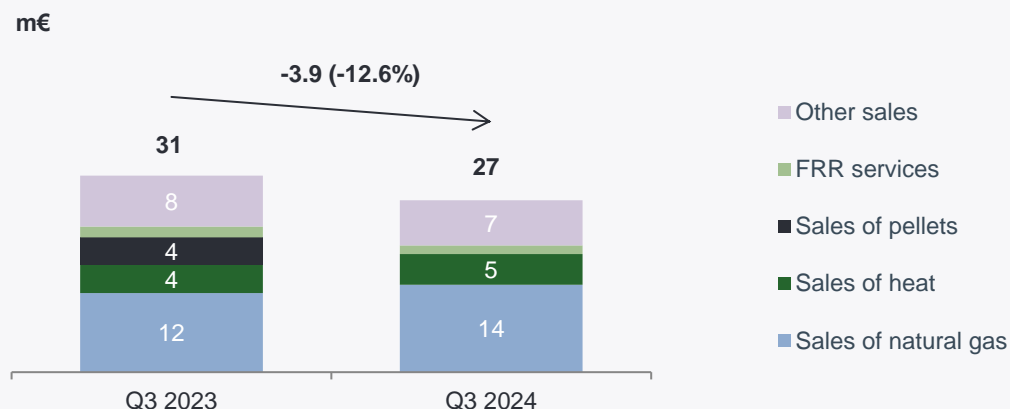
- ✗ Margin impact on profitability -€3.6m (-39 €/t) as the average sales price decreased by 59 €/t. Average variable costs decreased by 18 €/t at the same time
- ✗ Sales volume decreased by 18%, impact on EBITDA -€5.4m
- ✗ Fixed costs increased by €1.2m due to fixed cost component in change of inventories as well as higher maintenance costs
- ✓ Gain on derivatives impacted EBITDA by +€9.0m (gain on derivatives -€12.7m in 2023 Q3, -€3.7m in 2024 Q3)
- ✓ Other changes in the amount of +€3.1m mainly related to change in value of unrealized derivative instruments

Shale oil EBITDA development

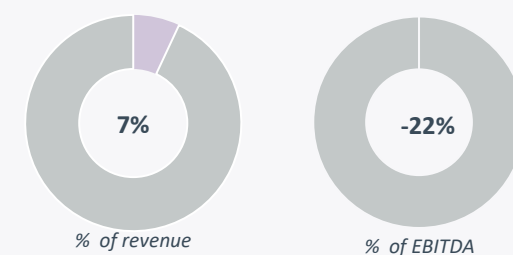
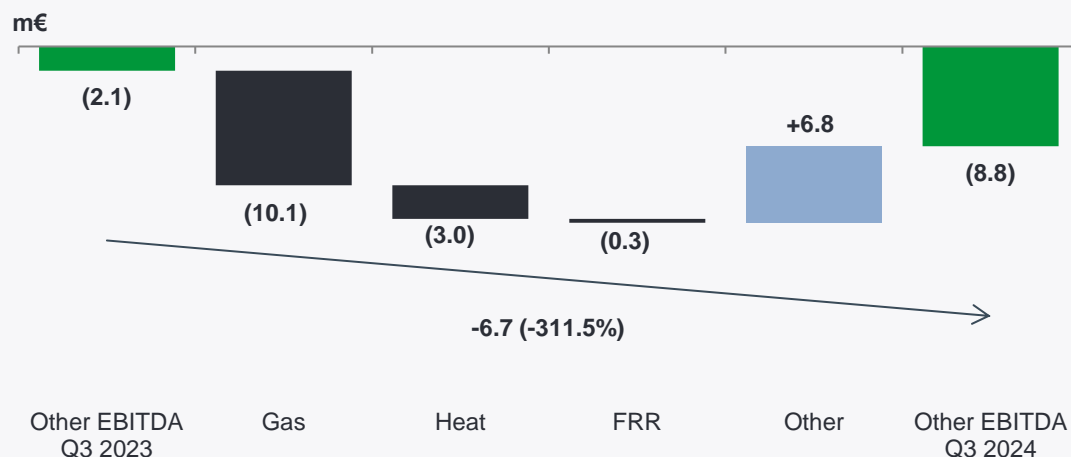


Other products and services EBITDA decreased

Sales revenues from other products and services



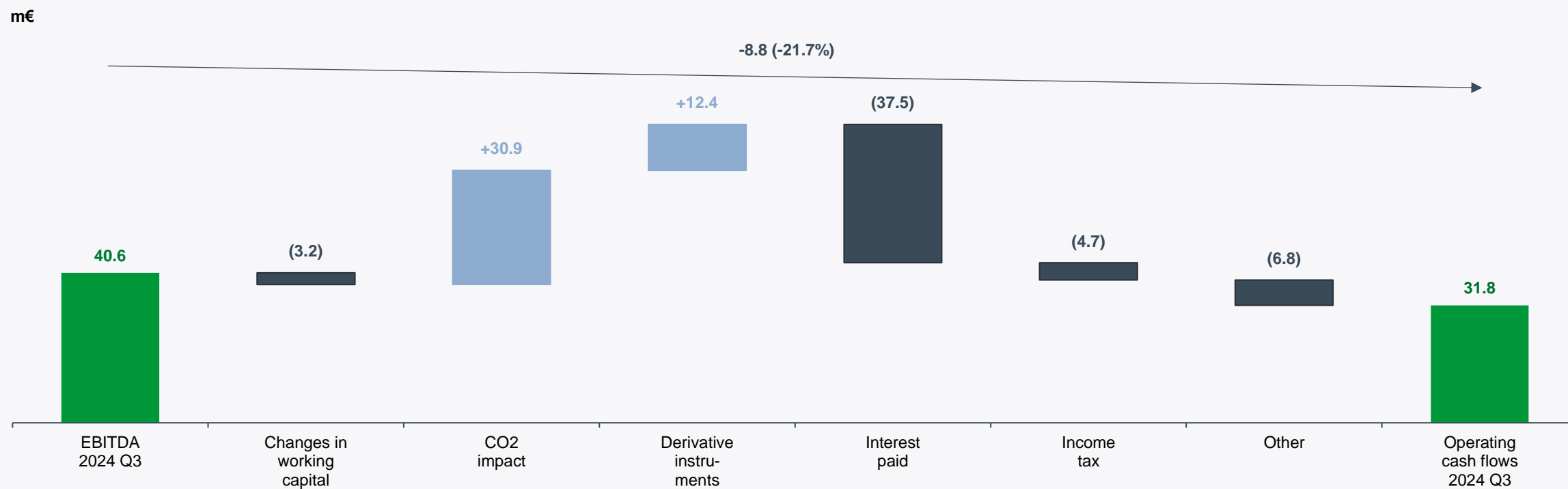
Other products and services EBITDA development



- Other products and services comprise sales of gas, heat, materials, industrial equipment and other sales articles. The impacts of one-off transactions, R&D costs and a portion of the Group's overhead costs are also recognized in this segment
- Sales revenues decreased by €3.9m. Largest impact is from sales of pellets (-€4.3m) as the Group has exited from this business
- Natural gas sales revenue increased by 11% due to higher sales volumes, EBITDA decreased by €10.1m as variable costs increased significantly
- Heat sales revenue increased by 8% due to higher sales prices, EBITDA decreased by €3.0m
- EBITDA from frequency restoration reserve (FRR) services decreased by €0.3m y-o-y
- Other changes in EBITDA total +€6.8m which includes a one-off income of €5.3m (compensation to Akmene wind farm)

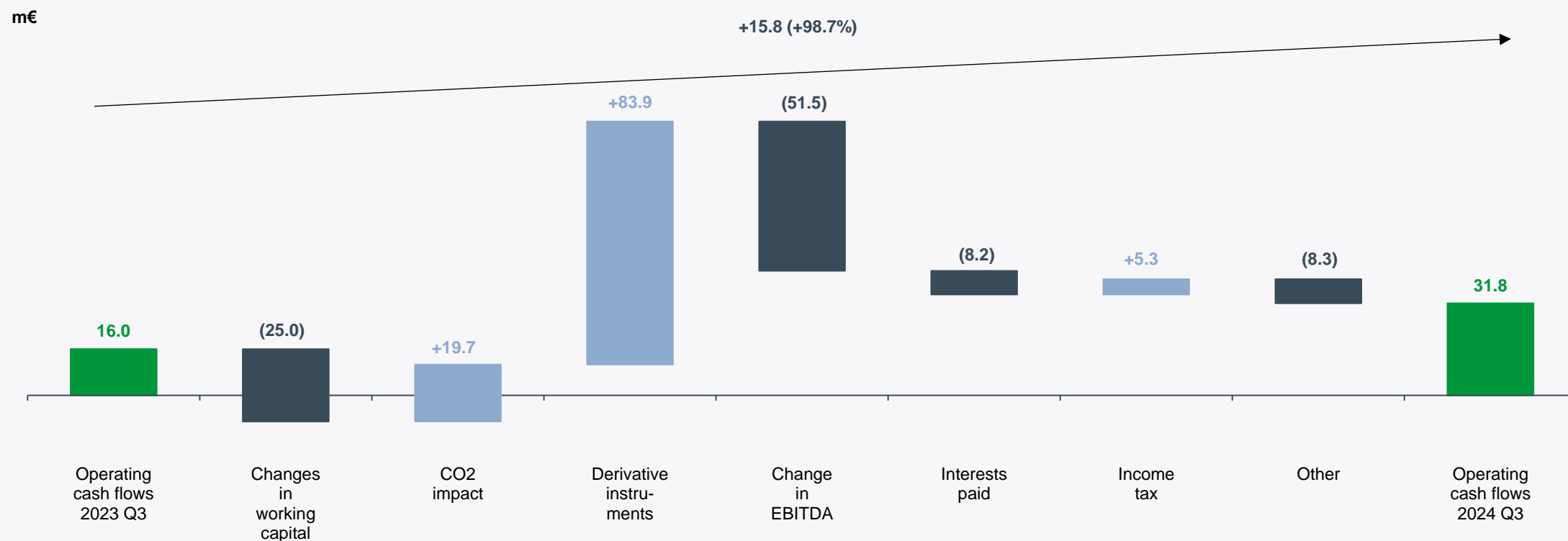
Operating cash flow

EBITDA to operating cash flow development



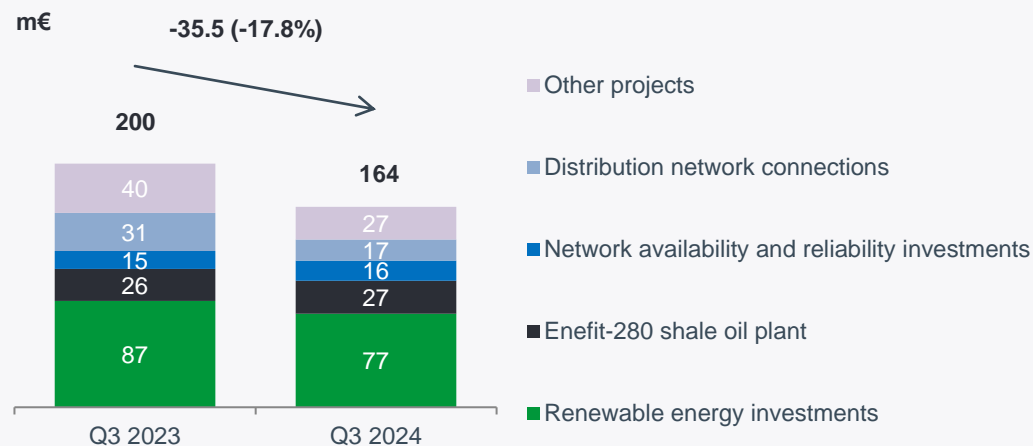
Operating cash flow

Operating cash flow changes



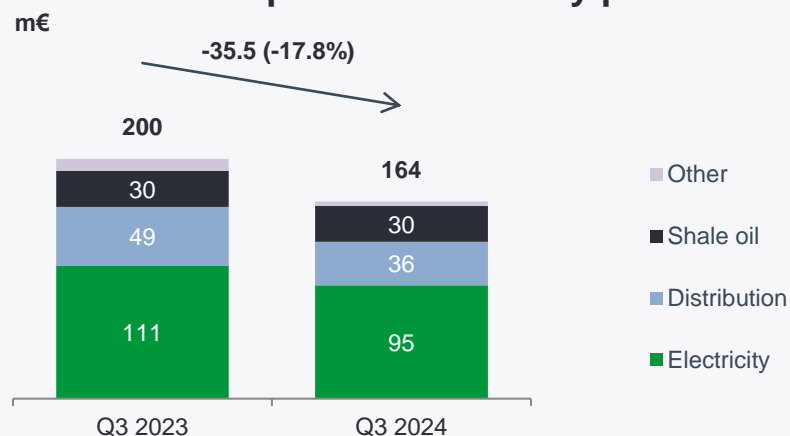
Capital expenditure €164m in Q3 2024

Capex breakdown by projects



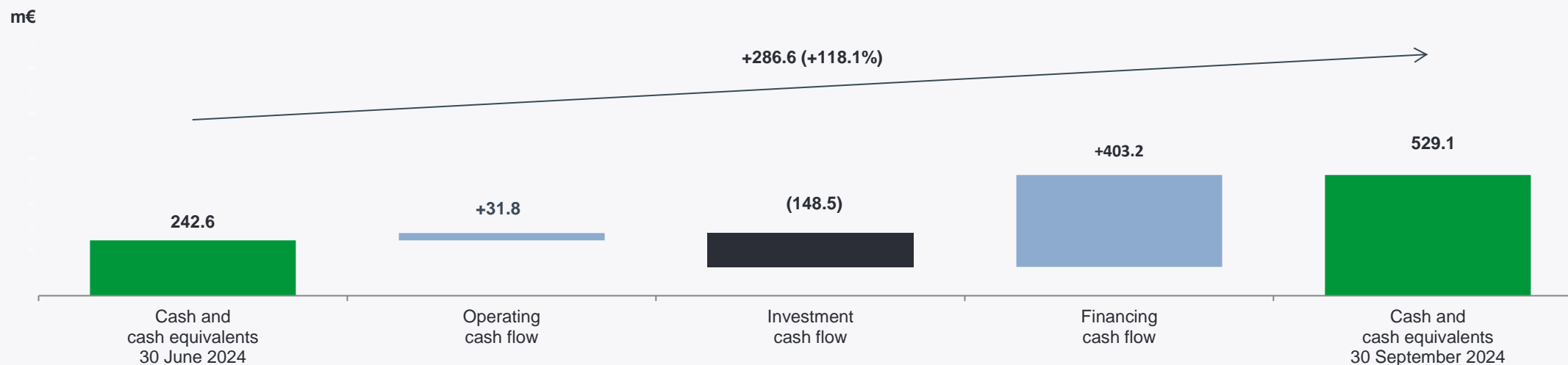
- Renewable energy investments decreased to €76.8m (-€11m, -12%)
- Network maintenance investments increased slightly to €16.5m (+€1.9m, +13%)
- Investments into network connections decreased to €17.4m (-€14.1, -45%)
- Investments into the construction of a new Enefit-280 shale oil plant increased to €27.0m (+€1m, +3%)
- Investments into other projects decreased to €26.8m (-€14m, -34%)

Capex breakdown by products



€529m amount of liquid assets at the end of Q3 2024

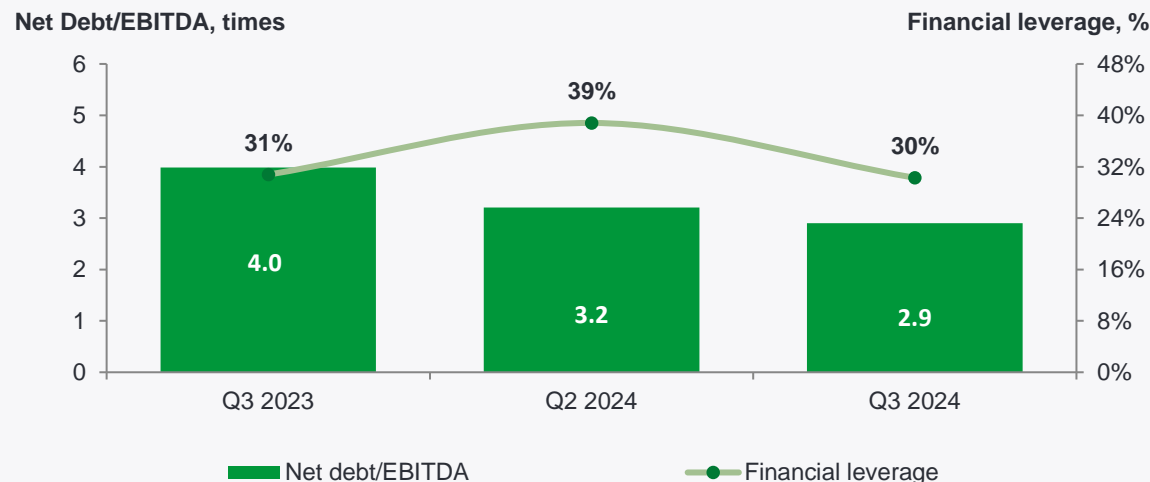
Group's liquidity development in Q3 2024



- €1,059m of liquid assets and unused loans available as of 30 September 2024, including:
 - €529m of liquid assets
 - €530m undrawn loans, consisting of liquidity loans of €320m and long-term loans of €210m

Debt maturity profile

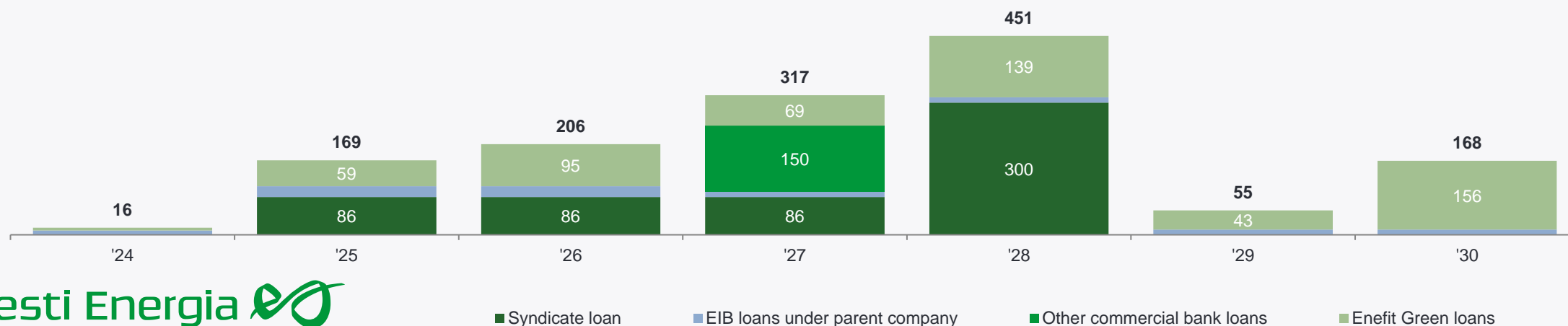
Net debt / EBITDA & financial leverage



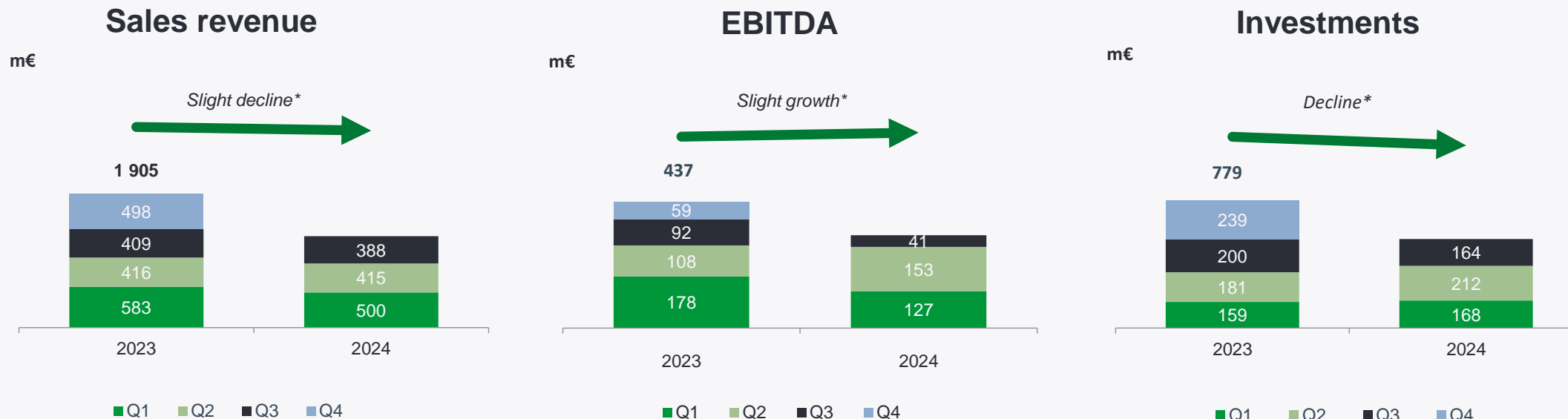
- Eesti Energia credit ratings are at investment grade level
 - BBB- (S&P) (outlook: negative)
 - Baa3 (Moody's) (outlook: stable)
- Eesti Energia's financing policy is aimed at maintaining investment grade credit ratings
- Total debt by the end of Q3 2024 was €1,637m; net debt €1,108m (-€103m y-o-y)

m€

Debt maturity



Outlook for 2024



- Sales revenue is likely to remain on the same level with a slight decrease* in 2024
- EBITDA is likely to increase slightly* in 2024
- We are planning to decrease our investments compared with 2023. One of the priorities is to complete major projects that are in their final stages. The investment plan for the year includes the completion of a number of wind and solar farms under construction. We continue improving the electricity distribution network and developing a sustainable chemical industry

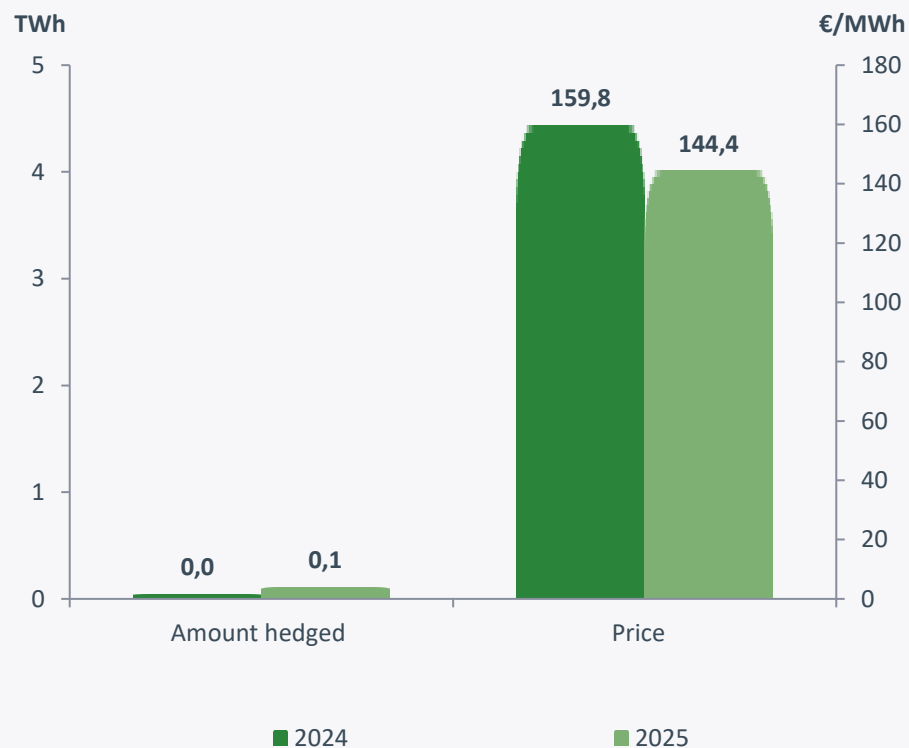
Summary

- Q3 2024 sales revenue decreased to €388m (-5%; -€21m)
 - Electricity sales decreased by €19m (-7%) due to lower prices
 - Distribution sales revenue increased by €1m (+2%) due to higher sales volume
 - Shale oil sales revenue increased by €1m (+2%)
 - Other products and services sales revenue decreased by €4m (-13%)
- Q3 2024 EBITDA decreased to €41m (-56%; -€52m)
 - Electricity EBITDA decreased by €38m (-58%) due to lower gains from realized derivative instruments
Adjusted electricity EBITDA decreased by €46m (-61%)
 - Distribution EBITDA decreased by €9m (-34%) due to increased variable and fixed costs
 - Shale oil EBITDA increased by €2m (+67%) due to impacts from derivative instruments
 - Other products and services EBITDA decreased by €6.7m mainly as natural gas profitability declined
Adjusted EBITDA decreased to €43m (-58%; -€60m)
- Investments decreased by 18% to €164m
- Q3 2024 net profit decreased to -€8m (-€36m). Adjusted net profit decreased to -€6m (-€45m)

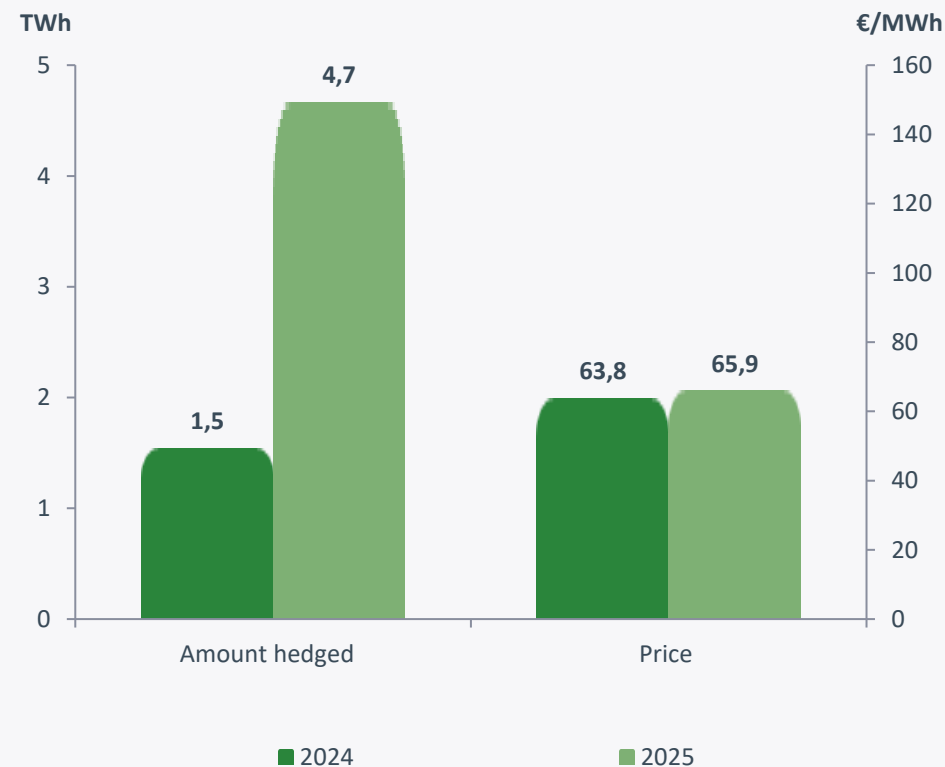
APPENDICES

Electricity hedge positions as at 30 September 2024

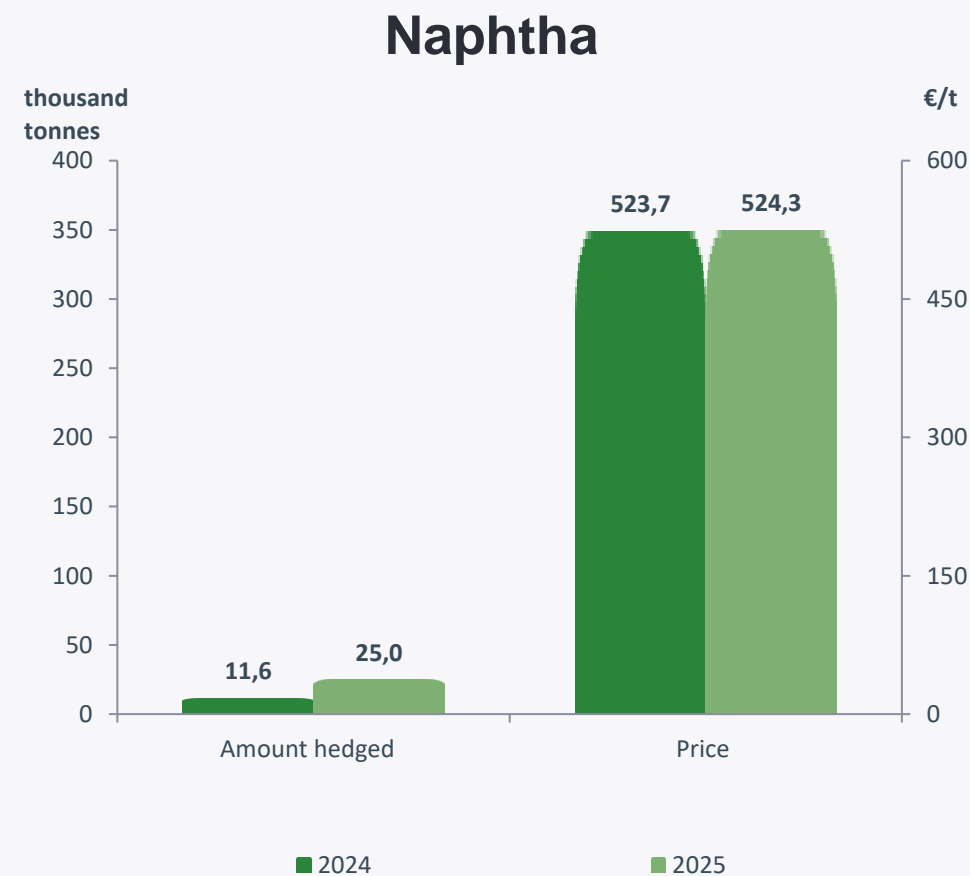
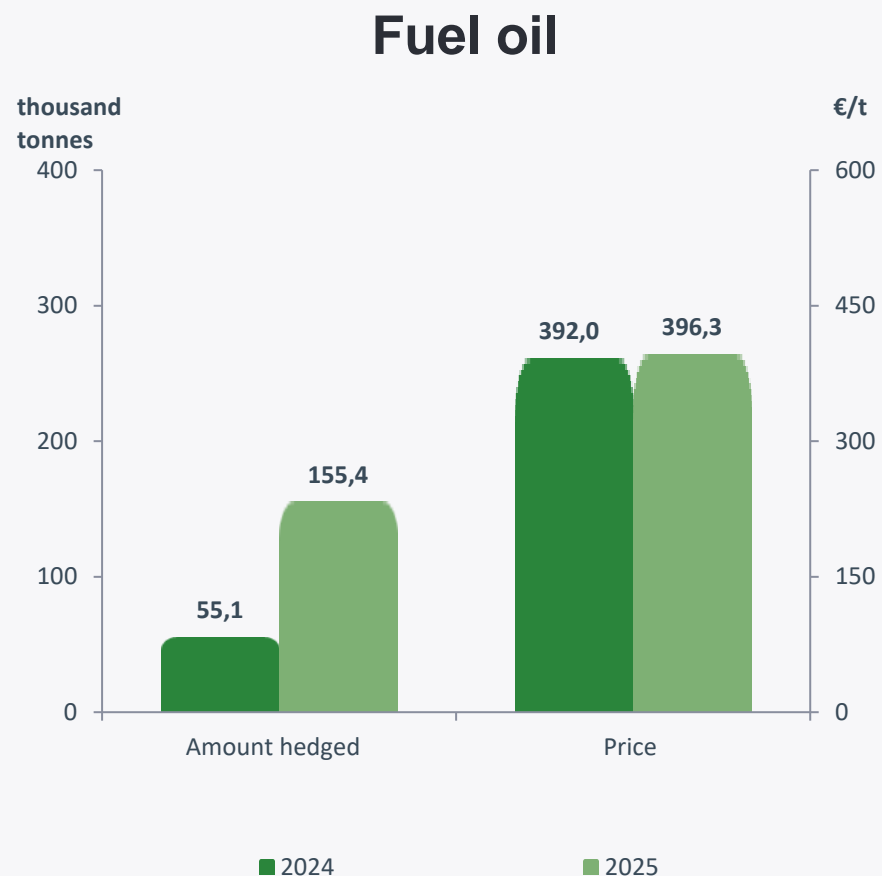
Enefit Power production hedge



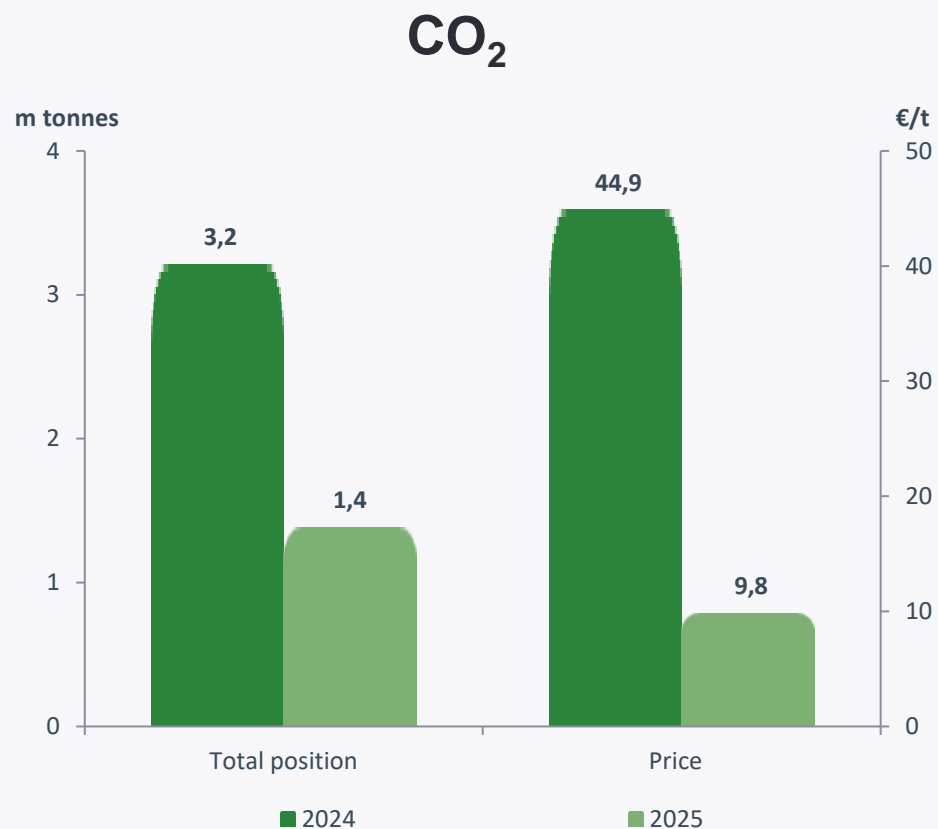
Retail sales hedge*



Fuel oil and naphtha hedge positions as at 30 September 2024



CO₂ hedge positions as at 30 September 2024



Profit and loss statement

million euros	Q3 2024	Q3 2023	Change	Change %	YTD 2024	YTD 2023	Change	Change %
Sales revenues	387.6	408.7	-21.1	-5.2%	1,303.0	1,407.5	-104.5	-7.4%
Other revenues	33.6	243.9	-210.3	-86.2%	126.4	471.8	-345.4	-73.2%
Expenses (excl. depreciation), incl:	380.6	560.5	-179.9	-32.1%	1,108.0	1,501.2	-393.3	-26.2%
Electricity purchasing costs	197.0	148.7	48.3	+32.5%	528.1	393.6	134.5	+34.2%
Environmental fees	7.1	10.0	-2.9	-28.5%	25.1	29.9	-4.7	-15.9%
CO2 emission costs	26.8	32.4	-5.6	-17.2%	25.8	145.3	-119.5	-82.3%
Change in inventories	0.5	-11.3	11.8	+104.2%	-6.8	-28.4	21.6	+76.2%
Other	149.1	380.7	-231.5	-60.8%	535.7	960.9	-425.1	-44.2%
EBITDA	40.6	92.1	-51.5	-55.9%	321.4	378.2	-56.7	-15.0%
Adjusted EBITDA	43.4	103.6	-60.3	-58.2%	339.2	421.6	-82.4	-19.5%
Depreciation	41.5	47.1	-5.6	-11.9%	120.7	139.0	-18.3	-13.2%
EBIT	-0.9	45.0	-45.9	-102.0%	200.8	239.2	-38.4	-16.1%
Net financial income (-expenses)	-8.4	-10.3	1.9	+18.4%	-29.7	-24.3	-5.5	-22.7%
Net profit from associates via equity method	0.7	-2.4	3.1	+131.1%	3.8	-0.9	4.7	+537.1%
Other net profit from associates	0.0	0.0	0.0	+55.7%	0.0	0.0	0.0	+55.7%
Earnings before tax	-8.6	32.3	-40.8	-126.5%	174.9	214.1	-39.2	-18.3%
Income tax expense	-0.2	4.9	-5.1	-103.5%	1.6	25.5	-23.9	-93.8%
Net profit	-8.4	27.4	-35.8	-130.6%	173.3	188.6	-15.3	-8.1%
Adjusted net profit	-5.6	38.9	-44.5	-114.5%	191.1	232.1	-41.0	-17.7%

Balance sheet

million euros	September 2024	September 2023	Change yoy
Assets	5,186.4	5,098.7	+1.7%
Current assets	1,041.7	855.5	+21.8%
Cash and cash equivalents	529.1	142.7	+270.8%
Trade receivables	201.2	229.1	-12.2%
Inventories and prepaid expenses	219.6	266.9	-17.7%
Other current assets	91.8	216.8	-57.7%
Non-current assets	4,144.7	4,243.2	-2.3%
Liabilities and equity	5,186.4	5,098.7	+1.7%
Liabilities	2,601.0	2,375.1	+9.5%
Trade payables	141.8	186.3	-23.9%
Borrowings	1,651.8	1,353.8	+22.0%
Current liabilities	169.4	234.4	-27.7%
Interest	15.1	10.5	+43.5%
Long-term liabilities	1,467.2	1,108.9	+32.3%
Provisions	125.5	173.0	-27.5%
Deferred income	459.3	384.4	+19.5%
Other liabilities	222.7	277.7	-19.8%
Equity	2,585.4	2,723.6	-5.1%

Cash flow statement

million euros	Q3 2024	Q3 2023	Change	Change	YTD 2024	YTD 2023	Change	Change
Cash generated from operations	71.6	49.9	21.7	+43.5%	576.4	217.9	358.5	+164.5%
Interest paid	-37.5	-29.3	-8.2	-27.9%	-88.7	-48.9	-39.9	-81.6%
Interest received	2.3	5.3	-3.0	-56.3%	5.1	7.6	-2.5	-32.7%
Taxes paid	-4.7	-10.0	5.3	+53.1%	-7.9	-24.7	16.9	+68.2%
Cashflows from Operating Activities	31.8	16.0	15.8	+98.7%	484.9	151.9	333.0	+219.2%
Purchase of non current assets	-162.3	-187.3	24.9	+13.3%	-530.6	-507.8	-22.8	-4.5%
Change in over-3-months deposits	0.0	245.0	-245.0	-100.0%	0.0	0.0	0.0	
Proceeds from sales of non current assets	0.2	-0.2	0.4	+224.4%	1.0	0.0	1.0	+3632.7%
Proceeds from grants of non current assets	13.7	0.0	13.7	+28164.0%	37.9	3.2	34.7	+1090.2%
Dividends received from associates	0.0	0.0	0.0	-100.0%	1.7	1.6	0.0	+2.6%
Contribution to the share capital of associates	0.0	0.0	0.0		0.0	-3.3	3.3	+100.0%
Other loans granted	-0.1	-0.1	0.0	+31.7%	-0.1	-0.1	0.0	+31.7%
Proceeds from sale of shares of business	0.0	0.0	0.0		16.9	0.0	16.9	
Cashflows from Investing Activities	-148.5	57.5	-206.0	-358.2%	-473.2	-506.4	33.3	+6.6%
Loans received	125.0	190.0	-65.0	-34.2%	310.0	1,010.5	-700.5	-69.3%
Redemption of bonds	0.0	-500.0	500.0	+100.0%	0.0	-500.0	500.0	+100.0%
Repayments of bank loans	-114.4	-29.5	-84.9	-287.9%	-354.7	-211.2	-143.5	-67.9%
Principal elements of lease payments	-0.7	-0.5	-0.2	-37.9%	-1.7	-1.2	-0.5	-43.1%
Dividends paid	0.0	0.0	0.0		-6.3	-81.5	75.1	+92.2%
Cashflows from Financing Activities	403.2	-340.0	743.2	+218.6%	342.9	216.7	126.2	+58.2%
Net Cashflow	286.6	-266.5	553.1	+207.5%	354.6	-137.8	492.4	+357.3%

YTD Results

		2023 January- September	2024 January- September	Change abs	Change %
Sales revenues	m€	1,407.5	1,303.0	-104.5	-7.4%
Adjusted EBITDA*	m€	421.6	339.2	-82.4	-19.5%
Adjusted net profit*	m€	232.1	191.1	-41.0	-17.7%
Operating cash flow	m€	151.9	484.9	+333.0	+219.2%
Investments	m€	540.6	544.3	+3.7	+0.7%
incl. Renewable energy investments	m€	253.8	311.4	+57.6	+22.7%
incl. Distribution network investments	m€	121.5	90.1	-31.4	-25.8%

* Profit excluding the fair value adjustments of long-term PPAs

Glossary

- **1 MWh** – 1 megawatt hour. The unit of energy generated (or consumed) in one hour by a device operating at a constant power of 1 MW (megawatt).
1,000,000 MWh = 1,000 GWh = 1 TWh
- **Adjusted EBITDA** – The Group's EBITDA is adjusted by eliminating temporary fluctuations in fair long-term PPA derivatives. Long-term fair value calculation is based on in-house price curve methodology not on long-term derivative market data (illiquid on the stock exchange)
- **Clean Dark Spread (CDS)** – Eesti Energia's margin between the average price of electricity (in NPS Estonia), oil shale costs and CO₂ costs (considering the price of CO₂ allowance futures maturing in December and the amount of CO₂ emitted in the generation of a MWh of electricity)
- **CO₂ emission allowance** – According to the European Union Emissions Trading System (ETS), one emission allowance gives the holder the right to emit one tonne of carbon dioxide (CO₂). The limit on the total number of emission allowances available gives them a monetary value
- **Financial leverage** – Net debt divided by the sum of net debt and equity
- **Net debt** – Debt obligations (amortized) less cash and cash equivalents (incl. bank deposits with maturities exceeding 3 months), units in money market funds and investments in fixed income bonds
- **Network losses** – The amount of electricity delivered to customers is somewhat smaller than the amount supplied from power plants to the network because during transfer a part of electricity in the power lines and transformers converts into heat. In smaller amount, network losses are caused by power theft and incorrect measuring. The network operator must compensate energy losses and for this a corresponding amount of electricity must be purchased every hour
- **NP system price** – The price on the Nord Pool power exchange that is calculated based on all purchase and sale bids without considering transmission capacity limitations
- **Position hedged with forward transactions** – The average price and the corresponding amount of electricity and shale oil sold, and emission allowances purchased in the future is previously fixed
- **PPA** – Power Purchase Agreement, a long-term electricity supply contract
- **RAB** – Regulated Asset Base, which represents the value of assets used to provide regulated services
- **Return on Fixed Assets (ROFA)** – Operating profit (rolling 12 months) divided by average fixed assets excl. assets under construction (allocated to specific product)
- **SAIDI** – System Average Interruption Duration Index. The sum of all customer interruption durations in minutes divided by the total number of customers served
- **SAIFI** – System Average Interruption Frequency Index. The total number of customer interruptions divided by the total number of customers served
- **Variable profit** – Profit after deducting variable costs from sales revenue