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This announcement is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") and is not an announcement of a public offer of securities. Investors should not make an investment decision with respect to securities referred to in this announcement except on the basis of information contained in the prospectus that is approved by the Estonian Financial Supervision Authority (the "**EFSA**") in order to fully understand the potential risks and rewards associated. Enefit Green AS ("the **Company**") will release further information regarding the approval of the prospectus in accordance with the Prospectus Regulation and will make such information available on the website of the EFSA (at [www.fi.ee](http://www.fi.ee)) and of the Company (at [www.enefitgreen.ee/ipo](http://www.enefitgreen.ee/ipo)). The approval of the prospectus by the EFSA should not be understood as an endorsement of the securities.

23 September 2021

## **Enefit Green Announces its Intention to List on Nasdaq Tallinn Stock Exchange**

Enefit Green AS (the "**Company**"), a leading diversified renewable energy producer in the Baltics and a wholly-owned subsidiary of Eesti Energia Aktsiaselts ("**Eesti Energia**"), announces today its intention to proceed with an initial public offering (the "**Offering**") and listing of its ordinary shares (the "**Shares**") on the Baltic Main List of the Nasdaq Tallinn Stock Exchange (the "**Tallinn Stock Exchange**").

With the Offering, Eesti Energia aims to offer to investors in Estonia, Latvia and Lithuania and internationally an opportunity to invest in one of the leading diversified renewable energy producers in the Baltic Sea region.

The planned Offering is expected to consist of both an issuance of new shares by the Company and a sale of existing shares in the Company held by Eesti Energia.

Enefit Green plans to use net proceeds of the Offering to finance the Company's and its consolidated subsidiaries' (the "**Group**" or "**Enefit Green**") development projects and potential new projects in order to support the Group's growth and development strategy. In particular, the Company plans to use the net proceeds of the Offering for the purposes of developing the wind and solar parks in the Group's near-term pipeline of up to 600 MW.

### **Details of the Offering**

The Offering will consist of (i) an offering to Estonian and international institutional investors in reliance on Rule 144A/Regulation S under the U.S. Securities Act of 1933, as amended (the "**Institutional Offering**") and (ii) an offering to retail investors in Estonia, Latvia and Lithuania (the "**Retail Offering**").

The exact structure and timing of the Offering is subject to, among other things, prevailing market conditions and the timing of receiving necessary approvals from the EFSA, as well as obtaining relevant corporate approvals.

Citigroup Global Markets Europe AG, Nordea Bank Abp and Swedbank AS are acting as joint global coordinators and joint bookrunners of the Offering (the "**Joint Global Coordinators**") and underwriters for the Institutional Offering. In addition, Swedbank AS is acting as underwriter for the Retail Offering. LHV Pank AS is acting as retail selling agent in Estonia.

### **CEO of Eesti Energia Hando Sutter:**

*"The initial public offering of Enefit Green's shares represents a strong opportunity for the local investors to invest into and be part of the development of the national energy company. Enefit Green is one of the leading diversified renewable energy producers in the Baltic Sea region and investing into Enefit Green is a chance for everyone to contribute to making energy production more sustainable and decelerating climate change".*

### **CEO of Enefit Green Aavo Kärmas:**

*"Proceeds of the IPO will allow Enefit Green to further its growth plans. The purpose of investments into new wind and solar parks is to increase the renewable power output and the Group's revenues. We consider Enefit Green to be a growth company but envisage also distributing dividends to the shareholders based on the Company's strong operating cash flows and balance sheet. The shares will be offered to international institutional investors as well as local retail investors, including the employees of Eesti Energia group".*

### **Enefit Green in brief:**

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The Company is a renewable energy subsidiary of Eesti Energia group with operations in Estonia, Finland, Latvia, Lithuania and Poland. Across the 4 countries, Enefit Green owns 22 wind parks, 38 solar parks, 4 cogeneration plants, 1 pellet plant and 1 hydro power plant. The total capacity of Enefit Green's portfolio is 457 MWe. In 2020, Enefit Green produced 1.35 TWh of electricity.

The Company's highly experienced management team is led by Chief Executive Officer, Aavo Kärmas, Chief Financial Officer, Veiko Raim, Chief Development Officer, Linas Sabaliauskas and Chief Operating Officer, Innar Kaasik. The management team has significant experience in the industry and in the region and has been instrumental in providing clear strategic direction to the Company's growth and development. With its in-house operations and development capabilities the Company's highly committed team has the necessary experience both for efficient management of existing assets as well as focus on new renewable capacities development.

The Group's project pipeline consists of wind and solar parks which are in various stages of development. The Group has a strong and geographically diversified pipeline of renewable energy projects, with an interim target of up to 1.1 GW of installed capacity by 2025. In particular, the Group's near-term development project pipeline consists of projects of up to 600 MW, of which 43.2 MW is under construction. Currently, the Group has projects spanning different countries such as Estonia, Finland, Latvia, Lithuania and Poland, in various stages of development.

In 2020, the Group generated revenue of €162.7 million, EBITDA of €110.2 million and a profit for the period of €67.9 million. In 2021 the net dividends paid was €27.1 million.

### **Key strengths of Enefit Green**

The Group believes that the following key strengths and strategies provide competitive advantages and support its operations:

- Operating in an attractive Baltic, Nordic and Polish renewables sector;
- Largest onshore wind portfolio in the Baltics, coupled with solar and CHP as well as tailored asset management capabilities;
- Significant and sizeable near term and long-term pipeline of renewable projects;
- Solid and visible cash flow generation enabling strong dividend potential going forward;
- Strategic partnership with a blue-chip parent company;
- An experienced management team with a proven track record, extensive local involvement and a clear ESG commitment

### **Enefit Green's strategy**

Enefit Green's strategy is to produce renewable energy in an efficient and environmentally sustainable manner. The Group's ambition is to become the fastest-growing renewable energy company in the Baltic-Finnish-Polish region. Specifically, the Group's strategy is based on two pillars:

#### *A. Operational excellence to drive further value creation*

Enefit Green has a high-quality portfolio and asset management strategy. The operating assets are managed by a full in-house experienced asset management team under leading industry standards. A strong digitalization strategy is in place, as demonstrated by the machine learning capabilities for predictive maintenance that has already been implemented for wind turbines.

The Group's strategy is develop to own which means value creation through originating, executing and operating renewable assets and translates into a competitive advantage and increased returns. Enefit Green continues to invest in research and development to increase its assets performance.

The Company has an arm's length relationship with its parent Eesti Energia in respect of certain outsourced services. There are clear synergies between Eesti Energia and the Group, which the Company seeks to leverage, benefiting in particular from Eesti Energia's access to clients and energy trading expertise.

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*B. Deliver growth through tangible pipeline*

Enefit Green has a robust growth profile. The Group has near term projects (with a final investment decision by the end of 2022) with up to 600 MW capacity in total, whilst its long-term pipeline projects could generate up to 3.3GW in total capacity. The Company sees the most significant growth opportunities in wind and solar energy production, as demonstrated by the recent acquisition of the Tolpanvaara development project in Finland, Puritse development project in Estonia and entry into the Polish market in 2019 by acquiring 18 MW of solar power.

Enefit Green has a strong, highly experienced in-house development team. The Group's management is efficient in its execution of development projects, with a particular focus on greenfield and the acquisition of pre-developed projects.

**Dividend policy and financial targets**

The Company aims to provide dividends to its shareholders. The Company intention is to annually distribute 50% of its preceding year's net profit to its shareholders. The above excludes any one-off effects and is subject to market conditions, growth and development plans and the need to maintain a reasonable level of liquidity.<sup>1</sup>

The Company aims for a balanced leverage policy and has set a medium-term target of 4x for Net debt/EBITDA ratio with flexibility to go above during the construction phase of significant projects.

**Enefit Green's financial performance and key consolidated figures**

	<b>For the year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>(audited)</b>	
	<b>EUR'000</b>	
Revenue .....	113,994.3	119,833.1
Renewable energy support and other operating income	48,689.3	31,684.8
<b>Total revenue</b> .....	<b>162,683.6</b>	<b>151,517.9</b>
<b>EBITDA</b> .....	<b>110,170.5</b>	<b>90,326.4</b>
EBITDA margin .....	67.7%	59.6%
Cash flow from operating activities .....	101,254.6	74,626.9
Cash Conversion.....	91.9%	82.6%
Net debt/EBITDA.....	1.7x	2.5x

  

	<b>For the year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>(audited)</b>	
	<b>EUR'000</b>	

<sup>1</sup> The timing and amount of any future dividend payments will depend on various factors, including the Group's existing and future financial condition, results of operations, need to maintain a reasonable capital structure, liquidity needs and other matters that it may consider relevant from time to time. As a result, there can be no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. This section includes forward-looking statements which involve risks and uncertainties, relating to events and depending on circumstances that may or may not occur in the future (for further information, see "Important Notice - Forward-looking statements" below).

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	<b>For the year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>(audited)</b>	
	<b>EUR'000</b>	
<b>Wind segment</b>		
Revenue.....	56,463.1	62,909.80
Renewable energy support and other operating income	28,344.2	25,920.1
<b>Total revenue</b> .....	<b>84,807.3</b>	<b>88,829.9</b>
<b>EBITDA</b> .....	<b>69,397.8</b>	<b>69,682.6</b>
EBITDA margin .....	81.8%	78.4%
Electricity sold (MWh).....	1,138,736	1,022,672
<hr/>		
<b>CHP segment</b>		
Revenue.....	51,371.8	56,326.10
Renewable energy support and other operating income	5,438.6	5,061.0
<b>Total revenue</b> .....	<b>56,810.4</b>	<b>61,387.1</b>
<b>EBITDA</b> .....	<b>29,849.8</b>	<b>24,704.0</b>
EBITDA margin .....	52.5%	40.2%
Electricity sold (MWh).....	184,849	164,354
Heat sold (MWh).....	543,783	572,597
<hr/>		
<b>Solar segment</b>		
Revenue.....	4,623.8	476.6
Renewable energy support and other operating income	1,238.7	385.0
<b>Total revenue</b> .....	<b>5,862.5</b>	<b>861.6</b>
<b>EBITDA</b> .....	<b>1,673.9</b>	<b>458.1</b>
EBITDA margin .....	28.6%	53.2%
Electricity sold (MWh).....	25,352	8,622
<hr/>		
<b>Other segment</b>		
Revenue.....	1,535.6	120.6
Renewable energy support and other operating income	13,667.8	318.7
<b>Total revenue</b> .....	<b>15,203.4</b>	<b>439.3</b>
<b>EBITDA</b> .....	<b>9,249.0</b>	<b>(4,518.3)</b>
EBITDA margin .....	60.8%	(1,028.5)%
Energy sold (MWh).....	1,372	1,160

### **Press conference**

Enefit Green and Eesti Energia will host a joint press conference today, 23 September 2021, at 13.00, at Lelle 22, Tallinn

### **Further enquiries:**

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The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness.

This announcement is an advertisement and is not a prospectus for the purposes of the Prospectus Regulation and is not an announcement of a public offer of securities. Investors should not make an investment decision with respect to securities referred to in this announcement except on the basis of information contained in the prospectus that is approved by EFSA in order to fully understand the potential risks and rewards associated. The Company will release further information regarding the approval of the prospectus in accordance with the Prospectus Regulation and will make such information available on the website of the EFSA (at [www.fi.ee](http://www.fi.ee)) and of the Company (at [www.enefitgreen.ee/ipo](http://www.enefitgreen.ee/ipo)). The approval of the prospectus by the EFSA should not be understood as an endorsement of the securities.

This announcement shall not constitute or form part of any offer to sell or the solicitation of an offer to buy, nor shall there be any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Any offer to acquire the Shares will be made, and any investor should make his investment, solely on the basis of information that will be contained in the prospectus and its supplements to be published in connection with such offering. If you do not understand the contents of this announcement you should consult an authorised financial adviser.

This announcement does not constitute a recommendation concerning the Offering. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Offering cannot be relied upon as a guide to future performance. Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the prospectus, when published.

In the European Economic Area, with respect to any Member State, other than Estonia, Latvia and Lithuania, this communication is only addressed to and is only directed at “qualified investors” in that Member State within the meaning of Article 2(e) of the Prospectus Regulation.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for the Shares in the United States. The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Company has not registered, and does not intend to register, any portion of the offering in the United States, and does not intend to conduct a public offering of securities in the United States. Any Shares sold in the United States will be sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A, or another available exemption from the registration requirements of the Securities Act.

In the United Kingdom, this communication is only addressed to and is only directed at “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) who are also (i) investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”); or (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order and other persons to whom it may lawfully be communicated; (all such persons together being referred to as “**Relevant Persons**”). This communication is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The Joint Global Coordinators are acting exclusively for the Company and no one else in connection with the Offering. None of the Joint Global Coordinators will regard any other person (whether or not a recipient of this announcement) as a client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for the giving of advice in relation to the Offering or any transaction, matter, or arrangement referred to in this announcement.

In connection with the Offering, the Joint Global Coordinators and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in this announcement to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, dealing or placing by, the Joint Global Coordinators and any of their affiliates acting as investors for their own accounts. In addition, the Joint Global Coordinators (or any of their respective affiliates) may enter into financing arrangements (including swaps) with investors in connection with which such Joint Global Coordinators (or any of their respective affiliates) may from time to time acquire,

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hold or dispose of Shares. None of the Joint Global Coordinators intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Joint Global Coordinators and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company and Eesti Energia, for which they would have received customary fees. The Joint Global Coordinators and any of their respective affiliates may provide such services to the Company, Eesti Energia and any of their respective affiliates in the future.

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#### **Forward-looking statements**

Certain statements contained in this announcement, including any information as to the Company's strategy, plans or future financial or operating performance constitute "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the directors of the Company concerning, amongst other things, the Company's results of operations, financial condition and performance, prospects, growth and strategies and the industry in which the Company operates.

By their nature, forward looking statements address matters that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance and the Company's actual results of operations and financial condition, and the development of the business sector in which the Company operates, may differ materially from those suggested by the forward looking statements contained in this announcement.

In addition, even if the Company's results of operations and financial condition, and the development of the industry in which the Company operates, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

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