Eesti Energia Unaudited Financial Results for Q3 2015

30 October 2015
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Eesti Energia
Sales Revenues and EBITDA Decreased

**Sales Revenues**

- Q3 2013: 216.3 m€
- Q3 2014: 197.2 m€ (−13.3%)
- Q3 2015: 171.0 m€

**EBITDA**

- Q3 2013: 72.1 m€
- Q3 2014: 74.2 m€ (−9.3%)
- Q3 2015: 67.3 m€

**Operating Cash Flow**

- Q3 2013: 85.6 m€
- Q3 2014: 73.2 m€ (−64.9%)
- Q3 2015: 25.7 m€

**Investments**

- Q3 2013: 125.3 m€
- Q3 2014: 70.6 m€ (−32.3%)
- Q3 2015: 47.8 m€
Abundant Hydro Energy Production Weighed on Electricity Prices Across Nord Pool Spot Power Market

- Electricity prices decreased in all NPS price areas. Cheap hydro energy supported supply
- Average price in NPS Estonia price area 30.3 €/MWh* (-11.7 €/MWh, -27.9%). Price spread between Estonia and Finland decreased by 4.0 €/MWh to 0.2 €/MWh as Estonian price stayed slightly higher
- Average price in NPS Latvia price area 45.0 €/MWh (-11.7 €/MWh, -20.7%). Estonia-Latvia price spread remained unchanged at 14.6 €/MWh, Latvian price still higher
- Clean Dark Spread in NPS Estonia electricity price decreased to 1.6 €/MWh (-13.4 €/MWh, -89.1%) due to:
  - decreased electricity price (-11.7 €/MWh) and
  - CO₂ and oil shale costs component (total impact -1.7 €/MWh) mostly related to higher CO₂ cost

* average Nord Pool Spot electricity market price. This price may differ compared with Eesti Energia’s electricity sales prices achieved on wholesale market
Daily Volatility of NPS Estonia Electricity Prices Remains High

Electricity Prices in NPS Estonia Price Area in Q3 2015*

* average Nord Pool Spot electricity market price. This price may differ compared with Eesti Energia’s electricity sales prices achieved on wholesale market.
Global Supply Glut Continues to Impact Oil Prices

- Average price of Brent crude oil 45.3 €/bbl (-31.6 €/bbl, -41.1%)
  - Crude oil prices still impacted by strong supply in Q3, as well as slowdown of China’s economy
- Average price of fuel oil (1% sulphur content) 217.3 €/t (-214.8 €/t, -49.7%). Fuel oil vs Brent crack spread widened by 1.5 €/bbl to -11.6 €/bbl
  - Crack spread impacted by fuel oil supply pressure amid subdued demand in Europe and limited exports to Asia
Group’s EBITDA Decreased 9%, Sales Revenues Declined 13%

Sales Revenues Breakdown and Y-o-Y Change

m€

Sales revenues Q3 2014

Sales revenues Q3 2015

Electricity

Distribution

Shale oil

Other

EBITDA Breakdown and Y-o-Y Change

m€

EBITDA Q3 2014

EBITDA Q3 2015

Electricity

Distribution

Shale oil

Other

197

(31.8)

+0.9

+12.9

(8.2)

171

27

54

81

-13.3%

113

53

14

53

113

27

54

81

-9.3%

30

27

9

9

74

27

8

8

74

27

9

9

+1.5

+4.4

(10.4)

13

29

13

29

(2.3)

+1.5

+4.4

(10.4)
Electricity

Eesti Energia Auvere power plant in Ida-Virumaa, Estonia
Electricity Sales Revenue Decreased Due to Lower Sales Volume

**Average Electricity Sales Price***

<table>
<thead>
<tr>
<th>€/MWh</th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average sales price*</td>
<td>47.9</td>
<td>49.2</td>
</tr>
<tr>
<td>NPS Estonia average electricity price</td>
<td>42.1</td>
<td>30.3</td>
</tr>
</tbody>
</table>

**Electricity Sales Revenue**

<table>
<thead>
<tr>
<th>m€</th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>113</td>
<td>-28.1%</td>
<td></td>
</tr>
<tr>
<td>81</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Electricity Sales Volume**

<table>
<thead>
<tr>
<th>TWh</th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3</td>
<td>-31.1%</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Average electricity sales price* increased to 49.2 €/MWh (+1.3 €/MWh, +2.7%)
  - Gain on derivatives impacted price by 5.0 €/MWh (+0.9 €/MWh; €7.8m in abs. terms, -€1.5m)
  - Average electricity sales price* excl. gain on derivatives (+0.4 €/MWh, +0.9%)
- Total electricity sales volume 0.7 TWh lower (-31.1%) as wholesale sales decreased (-0.7 TWh, -70.9%) due to record low prices in Nord Pool Spot power market
- 2015 Q4 sales hedged against price risk amounted to 1.8 TWh with an average price of 40.9 €/MWh. 2016 sales hedged against price risk amounted to 3.4 TWh with an average price of 38.4 €/MWh

* Total average sales price of electricity product (including retail sales, wholesale sales and gain on derivatives). Average sales price excludes subsidies for renewable energy and municipal waste reception revenues
25% Retail Market Share in the Baltics

Eesti Energia Retail Market Share in Baltic Countries in Q3 2015

- Eesti Energia retail market share in Estonia increased by 0.3 percentage points compared to Q3 2014
  - Changes in large corporate customer segment slightly increased market share
- Market share increased in Latvia by 0.5 and decreased in Lithuania by 1.7 percentage points
  - Increased sales to certain large customers in Latvia helped increase market share. Restarting the sale of fixed price contracts in Latvian and Lithuanian market in 2015 has not yet resulted in market share increase in Lithuania
- Market share in Baltic states increased by 0.2 percentage points compared to Q3 2014
Lower Fixed Costs and Higher Margin Supported Electricity EBITDA as Sales Volume Dropped

- Total margin impact +€3.0m (+1.9 €/MWh). Average sales revenue increased by 1.2 €/MWh (impact +€1.9m). Subsidies increased by 0.6 €/MWh, municipal waste gate fees by +0.2 €/MWh. Average electricity sales price excl. subsidies and waste gate fees increased by 0.4 €/MWh. Lower variable costs from energy sales divisions at Latvia and Lithuania and lower CO₂ expenses impacted EBITDA by +€1.1m.
- Volume of electricity sold decreased 31% resulting in €15.5m lower EBITDA.
- Change in fixed costs impacted EBITDA by +€9.7m mainly due to fixed cost component in inventories (impact +€6.7m) and capitalisation of fixed costs related to Auvere power plant construction.
- Gain on derivatives decreased impacting EBITDA by -€1.5m.
- Other changes (total impact +€2.0m) related to provision of Latvia and Lithuania energy sales portfolio in Q3 2014 (impact -€2.1m), change in value of derivative instruments (impact +€4.0m).

Key Figures

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on fixed assets* (%)</td>
<td>8.1</td>
<td>14.5</td>
</tr>
<tr>
<td>Electricity EBITDA (€/MWh)</td>
<td>17.2</td>
<td>12.9</td>
</tr>
</tbody>
</table>

* excluding impairment of generation assets in December 2013
Distribution Cable Tunnel in Tallinn, Estonia
Distribution Revenue Increased

- Distribution sales volume increased slightly (+18.0 GWh, +1.3%)
- Distribution sales revenue increased (+€0.9m, +1.6%)
- Network losses in Q3 2015 amounted to 4.1% of electricity entered into distribution network (-0.9 percentage points). Network losses for last 12 months amounted to 5.0% of electricity entered into distribution network.
Distribution EBITDA Higher due to Increased Margin and Volume

- Total margin impact +€1.3m (+0.9 €/MWh). Average distribution sales price increased by 0.1 €/MWh, impact on EBITDA +€0.1m. Variable costs decreased by €1.1m mainly due to lower expenses for network losses
- Distribution volume increased 1%, impact on EBITDA +€0.5m
- Fixed expenses increased (impact -€0.3m) mainly due to changes in allocation of payroll expenses in 2015

### Distribution EBITDA Development

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>27.4</td>
<td>28.8</td>
</tr>
<tr>
<td>Margin impact</td>
<td>+1.3</td>
<td></td>
</tr>
<tr>
<td>Volume impact</td>
<td>+0.5</td>
<td></td>
</tr>
<tr>
<td>Change in fixed costs</td>
<td>(0.3)</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td>28.8</td>
</tr>
</tbody>
</table>

### Key Figures

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution losses (GWh)</td>
<td>60.3</td>
<td>74.2</td>
</tr>
<tr>
<td>Return on fixed assets (%)</td>
<td>7.1</td>
<td>6.2</td>
</tr>
<tr>
<td>SAIFI</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>SAIDI (planned)</td>
<td>19.5</td>
<td>13.3</td>
</tr>
<tr>
<td>SAIDI (unplanned)</td>
<td>29.4</td>
<td>37.7</td>
</tr>
<tr>
<td>Adjusted RAB* (m€)</td>
<td>708.6</td>
<td>666.1</td>
</tr>
</tbody>
</table>

* RAB (Regulated Asset Base) allocated to distribution product
**Shale Oil Sales Volume Up by 138%, Increasing Revenue**

- **Average shale oil sales price** decreased to **345 €/t** (-78.3 €/t, -18.5%)
  - Gain on derivatives impacted price by **147.9 €/t** (€11.4m in abs. terms, +€11.2m)
  - Average sales price excl. gain on derivatives decreased to **197 €/t** (-219.5 €/t, -52.7%)

- **Sales volume** increased **138.4%** due to higher production from Enefit280 oil plant. Groups’ shale oil production increased by **28.3 thousand tonnes** (+53.6%) to **81.2 thousand tonnes**

- **2015 Q4 sales hedged against price risk** amounted to **48 thousand tonnes** with an average price of **426 €/t**.
  - **2016 sales hedged against price risk** amounted to **131 thousand tonnes** with an average price of **357 €/t**

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### Average Shale Oil Sales Price

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average shale oil sales price</td>
<td>423</td>
<td>345</td>
</tr>
<tr>
<td>Average price of heavy fuel oil (1%)</td>
<td>432</td>
<td>217</td>
</tr>
</tbody>
</table>

### Shale Oil Sales Revenue

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>m€</td>
<td>13.7</td>
<td>26.7</td>
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</tbody>
</table>

### Shale Oil Sales Volume

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>thousand tonnes</td>
<td>32</td>
<td>77</td>
</tr>
</tbody>
</table>
Shale Oil EBITDA Increased due to Higher Volume and Hedging

- Margin impact on profitability -€18.4m (-237.5 €/t). Average sales price decreased by 214.2 €/t, impact on profitability -€17.0m. Higher variable costs impacted profitability by -€1.4m.
- Shale oil sales volume increased by 138%, impact on EBITDA +€15.5m.
- Fixed costs increased by €2.6m mainly due to fixed cost component in inventories (impact -€1.1m). Increased payroll expenses related to shale oil product impacted EBITDA by -€1.0m of which -€0.5m resulted from higher capitalisation of costs in 2014.
- Gain on derivatives impacted EBITDA by +€11.2m.
- Other impact (-€1.3m) mainly related to change in value of derivative instruments.

**Key Figures**

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on fixed assets (%)</td>
<td>31.2</td>
<td>32.9</td>
</tr>
<tr>
<td>Shale oil EBITDA (€/t)</td>
<td>170.4</td>
<td>270.8</td>
</tr>
</tbody>
</table>
Other Sales Revenues and EBITDA Decreased

- Revenue from sales of mining products decreased by €6.8m and EBITDA declined by €3.4m, amount of oil shale supplied to extra-group clients dropped
- Heat sales revenue remained stable, EBITDA decreased by €0.6m mainly due to higher repair expenses in Iru power plant and increased usage of natural gas in heat production at Narva power plants
- Other changes in EBITDA -€6.4m mainly due to sale of subsidiary in Q3 2014 (impact -€3.5m) and decrease in Technology Industries subsidiary EBITDA (-€2.1m) related to decreased orders from a large customer
Operating Cash Flow €42m Lower than EBITDA

EBITDA to Operating Cash Flows Development

-61.8%

EBITDA Q3 2015: 67.3

CO2 impact: +6.1

Derivative instruments: (3.3)

Change in inventories: (9.4)

Change in current receivables: (2.7)

Interest paid: (28.7)

Other: (3.5)

Operating cash flow Q3 2015: 25.7
Q3 2015 Operating Cash Flow €48m Lower Y-o-Y

Operating Cash Flow Changes

- Operating cash flow Q3 2014: €73.2m
- Change in EBITDA: (€6.9m)
- CO2 impact: €14.6m
- Derivative instruments: (€4.6m)
- Change in inventories: (€4.9m)
- Change in interest paid: €23.7m
- Change in liabilities: +€6.7m
- Other: +€0.4m
- Operating cash flow Q3 2015: €25.7m

Overall decrease of 64.9%
Capital Expenditure €48m in Q3 2015

Capex Breakdown by Projects

- Longwall mining: 71 m€ (33.3%)
- DeNOx equipment: 22 m€ (8.8%)
- Capitalised interest: 8 m€ (1.7%)
- Other development projects: 24 m€ (8.8%)
- Maintenance investments: 23 m€ (7.9%)
- Electricity network: 8 m€ (3.4%)
- Auvere 300 MW power plant: 48 m€ (10.1%)

Capex Breakdown by Products

- Other: 71 m€ (32.3%)
- Shale oil: 6 m€ (2.7%)
- Distribution: 26 m€ (11.1%)
- Electricity: 48 m€ (22.9%)

Main Ongoing Projects

- Auvere power plant: 638 m€ (2015)
- DeNOx Equipment: 22 m€ (2015)
- Construction of stacks: 15 m€ (2015)
- Electrostatic precipitators: 4 m€ (2015)

- Capex related to Auvere power plant construction decreased by €21.1m (-88.8%)
- Investments in distribution network continued (€23.3m), 109 substations and 413 km of cables renovated and built. Installation of smart meters progressed. Meters with remote reading capability accounted for 73% of all power meters
- Maintenance investments increased by €1.2m to €7.9m, increase mostly related to oil plants
€190m Amount of Liquid Assets at the End of Q3 2015

Group’s Liquidity Development in Q3 2015

- €440m of liquid assets and unused loans available as at 30 September 2015 of which:
  - €190m of liquid assets
  - €150m amount of liquidity contracts with SEB and Pohjola
  - €100m loan agreement signed with European Investment Bank (EIB) to finance distribution network investments
- €30m EIB loan drawn in October 2015

* excl. changes in deposits and other financial assets
Debt Maturity Profile*

- Eesti Energia credit ratings at investment grade level
  - BBB (S&P), stable outlook
  - Baa2 (Moody’s), stable outlook**
- Eurobonds partially refinanced in September 2015
- Group’s financial status in line with contractual loan covenants
- Total debt €926m as at 30 September 2015

* as at 30 September 2015. In addition, the Group has drawn €30m of EIB loan in October 2015, maturing in 2021
** Moody’s published its credit report in August retaining Eesti Energia’s credit rating
**Outlook Changed for FY2015 EBITDA and Investments**

- **Sales Revenues**
  - FY2015 sales revenues €572m (-€56.4m, -9.0%), EBITDA €224m (-€1.2m, -0.5%), investments €185m (-€15.5m, -7.7%)

- **EBITDA**
  - FY2015 EBITDA outlook has been revised to slight decline* (decline* in Q2 interim report), investments outlook has been revised to slight growth* (growth* in Q2 interim report)
  - Outlook change is related to decreased costs due to Group’s cost management strategy

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* Slight growth / slight decline ≤ 5%, growth / decline > 5%
Summary

- Q3 2015 sales revenues decreased 13% to 171 million euros
  - Electricity sales revenue decreased by 32 million euros as sales volume dropped
- Q3 2015 EBITDA decreased 9% to 67 million euros
  - Shale oil and distribution EBITDA improved by 4.4 and 1.5 million euros, respectively
  - Drop in sales volume of mining products and sale of subsidiary in Q3 2014 resulted in decreased Group EBITDA
- Investments decreased 16% to 48 million euros, Auvere power plant construction nears completion
- Eurobonds partially refinanced in September 2015 by repurchasing previously issued bonds in the amount of 442 million euros (due in 2018 and 2020) and issuing new bonds in the amount of 500 million euros maturing in 2023
Production and Sales in Q3 2015

**Distribution**
- 1,373 GWh of electricity distributed to clients

**Electricity**
- 1,304 GWh sold in retail market
- 1,578 GWh of electricity sold
- 62 GWh of renewable electricity produced, 177 GWh of electricity purchased
- 1,692 GWh of non-renewable electricity produced
- 274 GWh sold in wholesale market
- 3.1 m tonnes used in electricity and shale oil production

**Shale oil**
- 77 thousand tonnes of oil produced
- 81 thousand tonnes of shale oil produced
- Oil shale mined 3.9 m tonnes
- 1,373 GWh of electricity distributed to clients

**Other Facts**
- 1,692 GWh of electricity sold
- 274 GWh sold in wholesale market
- 3.1 m tonnes used in electricity and shale oil production
- Oil shale mined 3.9 m tonnes
- 77 thousand tonnes of oil produced
- 81 thousand tonnes of shale oil produced
- 1,373 GWh of electricity distributed to clients

**Oil Production and Sales**
- 27 m tonnes of shale oil produced
- 3.1 m tonnes used in electricity and shale oil production
- Oil shale mined 3.9 m tonnes
Commodity Markets*

Nord Pool Spot Estonia Electricity Price

CO₂ Emission Allowance (December)

Brent Crude Oil

Fuel Oil 1% NWE

* futures prices as at 30 September 2015
Closed Positions as at 30 September 2015

* including free CO₂ allowances related to power plant construction in Auvere
## Profit and Loss Statement

<table>
<thead>
<tr>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>171.0</td>
<td>197.2</td>
<td>-13.3%</td>
<td>571.8</td>
<td>628.1</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>4.4</td>
<td>4.7</td>
<td>-6.9%</td>
<td>15.0</td>
<td>11.6</td>
<td>+28.7%</td>
</tr>
<tr>
<td>Expenses (excl. depreciation)</td>
<td>108.0</td>
<td>127.7</td>
<td>-15.4%</td>
<td>362.6</td>
<td>414.4</td>
<td>-12.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>67.3</td>
<td>74.2</td>
<td>-9.3%</td>
<td>224.1</td>
<td>225.3</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>35.4</td>
<td>31.9</td>
<td>+11.0%</td>
<td>106.0</td>
<td>95.6</td>
<td>+10.9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>31.9</td>
<td>42.3</td>
<td>-24.6%</td>
<td>118.2</td>
<td>129.7</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Net financial income (-expenses)</td>
<td>-1.9</td>
<td>1.8</td>
<td>-202.0%</td>
<td>-3.5</td>
<td>0.5</td>
<td>-828.6%</td>
</tr>
<tr>
<td>Net profit from associates</td>
<td>1.2</td>
<td>-</td>
<td></td>
<td>1.2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>30.1</td>
<td>44.1</td>
<td>-31.9%</td>
<td>114.7</td>
<td>130.2</td>
<td>-11.9%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>0.0</td>
<td>-100.0%</td>
<td>23.1</td>
<td>28.8</td>
<td>-19.9%</td>
</tr>
<tr>
<td>Net profit</td>
<td>31.3</td>
<td>44.1</td>
<td>-29.1%</td>
<td>92.8</td>
<td>101.4</td>
<td>-8.5%</td>
</tr>
</tbody>
</table>
## Balance Sheet

<table>
<thead>
<tr>
<th>million euros</th>
<th>September 2015</th>
<th>September 2014</th>
<th>Change yoY</th>
<th>June 2015</th>
<th>Change qoq</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>3,030.2</td>
<td>2,997.9</td>
<td>+1.1%</td>
<td>2,999.0</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>428.7</td>
<td>524.6</td>
<td>-18.3%</td>
<td>411.7</td>
<td>+4.1%</td>
</tr>
<tr>
<td>Deposits with maturity of more than 3 months</td>
<td>78.7</td>
<td>133.0</td>
<td>-40.8%</td>
<td>80.1</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>111.0</td>
<td>105.0</td>
<td>+5.7%</td>
<td>119.0</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Inventories and prepaid expenses</td>
<td>69.1</td>
<td>79.6</td>
<td>-13.1%</td>
<td>66.4</td>
<td>+4.1%</td>
</tr>
<tr>
<td>Other current assets</td>
<td>98.2</td>
<td>124.0</td>
<td>-20.8%</td>
<td>83.5</td>
<td>+17.7%</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>2,601.5</td>
<td>2,473.3</td>
<td>+5.2%</td>
<td>2,587.3</td>
<td>+0.6%</td>
</tr>
<tr>
<td><strong>Liabilities and equity</strong></td>
<td>3,030.2</td>
<td>2,997.9</td>
<td>+1.1%</td>
<td>2,999.0</td>
<td>+1.0%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td>1,432.3</td>
<td>1,495.4</td>
<td>-4.2%</td>
<td>1,436.6</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Trade payables</td>
<td>75.2</td>
<td>85.9</td>
<td>-12.5%</td>
<td>76.0</td>
<td>-1.2%</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td>926.0</td>
<td>935.0</td>
<td>-1.0%</td>
<td>934.2</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>19.3</td>
<td>1.4</td>
<td>+1315.7%</td>
<td>6.9</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>906.7</td>
<td>933.6</td>
<td>-2.9%</td>
<td>927.3</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Provisions</td>
<td>59.7</td>
<td>87.9</td>
<td>-32.0%</td>
<td>53.0</td>
<td>+12.7%</td>
</tr>
<tr>
<td>Deferred income</td>
<td>167.8</td>
<td>159.2</td>
<td>+5.4%</td>
<td>165.3</td>
<td>+1.5%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>203.7</td>
<td>227.4</td>
<td>-10.4%</td>
<td>208.1</td>
<td>-2.1%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>1,597.9</td>
<td>1,502.6</td>
<td>+6.3%</td>
<td>1,562.4</td>
<td>+2.3%</td>
</tr>
</tbody>
</table>
## Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>25.7</td>
<td>73.2</td>
<td>-64.9%</td>
<td>251.4</td>
<td>205.0</td>
<td>+22.6%</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>-39.4</td>
<td>-53.4</td>
<td>-26.2%</td>
<td>-174.9</td>
<td>-185.5</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Connection and other fees received</td>
<td>3.7</td>
<td>2.8</td>
<td>+33.5%</td>
<td>9.5</td>
<td>8.8</td>
<td>+8.0%</td>
</tr>
<tr>
<td>Dividends received from financial investments</td>
<td>-</td>
<td>-</td>
<td></td>
<td>1.9</td>
<td>5.6</td>
<td>-66.3%</td>
</tr>
<tr>
<td>Proceeds from bonds issued</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>110.3</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Proceeds from sale of business</td>
<td>-</td>
<td>4.8</td>
<td>-100.0%</td>
<td>-</td>
<td>4.8</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
<td>-1.6</td>
<td>-136.2%</td>
<td>1.6</td>
<td>5.4</td>
<td>-71.0%</td>
</tr>
<tr>
<td><strong>Net cash flows excl. net change in deposits</strong></td>
<td>-9.4</td>
<td>25.8</td>
<td>-136.2%</td>
<td>89.5</td>
<td>154.4</td>
<td>-42.0%</td>
</tr>
<tr>
<td>with maturities greater than 3 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in deposits with maturities</td>
<td>8.0</td>
<td>27.0</td>
<td>-70.4%</td>
<td>-71.0</td>
<td>-84.0</td>
<td>-15.5%</td>
</tr>
<tr>
<td>greater than 3 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flows</strong></td>
<td>-1.4</td>
<td>52.8</td>
<td>-102.6%</td>
<td>18.5</td>
<td>70.4</td>
<td>-73.6%</td>
</tr>
</tbody>
</table>
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
- **Clean Dark Spread (CDS)** – Eesti Energia’s margin between the price of electricity (in NPS Estonia) and the sum of total oil shale costs and CO₂ costs (taking into account the price of CO₂ allowance futures maturing in December and the amount of CO₂ emitted in the generation of a MWh of electricity). Calculation methodology has been improved compared to annual report 2013, by taking into account total instead of variable oil shale costs
- **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 (amortised) 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 has to compensate energy losses and for this a corresponding amount of electricity has to be purchased every hour
- **NPS system price** – The price on the Nord Pool Spot power exchange that is calculated on the basis of all purchase and sale bids without taking into account 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
- **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 revenues