



Interim report

1 January – 31 March 2022



Eesti Energia

Contents

Letter from the CEO.....	3	2. Financial risk management	36
This is Eesti Energia	5	2. Financial risk management, cont.	37
Key figures and ratios	7	2. Financial risk management , cont.	38
Operating environment	8	3. Segment reporting	39
Key events and highlights of Q1	12	3. Segment reporting, cont.	40
Financial results	14	4. Seasonality of operating profit.....	41
Electricity	15	5. Other operating income	41
Distribution	17	6. Property, plant and equipment	42
Shale oil	19	7. Derivative financial instruments	43
Other products and services.....	21	8. Share capital and dividends	44
Cash flows	23	9. Earnings per share	44
Investment	25	10. Borrowings at amortised cost	45
Financing	27	11. Cash generated from operations.....	46
Outlook for 2022	29	12. Provisions	47
Condensed consolidated interim income statement and statement of comprehensive income.....	30	13. Related party transactions.....	48
Condensed consolidated interim statement of financial position.....	32	14. Financial information regarding significant subsidiary with a non- controlling interest	49
Condensed consolidated interim statement of cash flows	33	15. Events after the reporting date	51
Condensed consolidated interim statement of changes in equity	34	Glossary	52
Notes to the condensed interim consolidated financial statement	35		
1. Accounting policies	35		

Letter from the CEO

Dear reader

Consumers' energy expenditures are larger than ever. Electricity, natural gas and liquid fuel prices are hitting their historic highs. Therefore, it is critical that we increase our efforts in speeding up electrification and thereby making electricity consumption once again affordable as well as environmentally sustainable.

The cheapest energy comes from wind and solar farms. Last year we began to build a total of three new wind farms (total capacity 190 MW) in Lithuania and Finland and this year we have made investment decisions on building a new wind farm (21 MW) in Purtse, Estonia and a new solar farm (6 MW) in Poland. We expect to share more good news about the construction of additional energy production capacities during the year.

We appreciate the contribution of our customers that have signed long-term fixed-price renewable power purchase agreements, enabling us to invest in an increasingly unpredictable and volatile energy market. While previously our main focus was on corporate customers across the Baltics, we now also offer households an opportunity to gain a sense of security by signing a fixed-price renewable power purchase agreement for a period of five years.

In March, we announced the procurement of environmental impact assessments for an offshore wind farm (1 GWh) planned to be built in the Gulf of Riga. In terms of offshore wind farms in the Baltics, this project is in the most advanced stage of development. Our goal is to complete the construction of the offshore wind farm, which could cover half of Estonia's electricity consumption, by 2028.

Consumers are keen to become renewable energy producers. Our distribution network operator Elektrilevi received a record number of connection applications in Q1 2022. The number of solar power plant connection applications was the highest quarterly figure in the past four years.

Elektrilevi received 3,354 electricity producer connection applications in Q1 2022, which is three and a half times more than last year. March will go down in Estonia's history as the month when solar power production for the first time exceeded wind power production. At the end of Q1, Elektrilevi's network comprised 11,500 electricity producers and the total capacity of connected solar farms extended to 405 MW.

Eesti Energia is a growing energy seller on the eastern coast of the Baltic Sea. Retail sales of electricity in Q1 grew by 13%, rising to 2.6 TWh even though electricity consumption in our core markets decreased by nearly 6% because the winter months were warmer than a year earlier. It is worth noting that we sold more than half of the electricity (54%) outside Estonia – in Finland, Latvia, Lithuania and Poland. In the Latvian and Lithuanian market, we are clearly the second-largest electricity seller.

Eesti Energia produced nearly 1.7 TWh of electricity in Q1 2022, 32% more than at the same time last year. Production grew because market demand for controllable thermal power plants increased. Renewable electricity accounted for 0.4 TWh of the total. The share of renewable energy increased by a couple of percent year on year due to better wind conditions.

Our shale oil production was 106,000 tonnes and sales volume 104,000 tonnes in Q1. The figures are around a tenth lower than last year because the oil plants' maintenance period was different.

Depending on the price area, the Q1 electricity price on the Nordic and Baltic countries' common Nord Pool market was up to three times higher than in the same period last year. The average natural gas price in the same period was more than five times higher than a year earlier. The gas price in combination with a more than twofold increase in the price of CO₂ emission allowances strongly inflated the market price of electricity. The market price of the marine fuels we produce grew by nearly 65% year on year.

For Eesti Energia, the year 2022 started with the best-ever financial performance. We generated our largest quarterly revenue, which amounted to 571 million euros (+92%), and EBITDA, which was three times higher than at the same time last year, extending to 213 million euros. Net profit grew six times compared to Q1 2021, rising to 163 million euros.

Russia's ongoing invasion of Ukraine and Europe's consequent interest to quickly stop buying gas and oil from the aggressor country have created a lot of uncertainty in the energy markets as well as rapid inflation and pressure on central banks to raise interest rates.

Forecasting future developments in the current situation is extremely difficult. Therefore, we are going to focus mainly on executing Eesti Energia's ambitious renewable energy development plans because green electricity and related energy solutions are the key to cleaner and more affordable energy consumption.

Hando Sutter

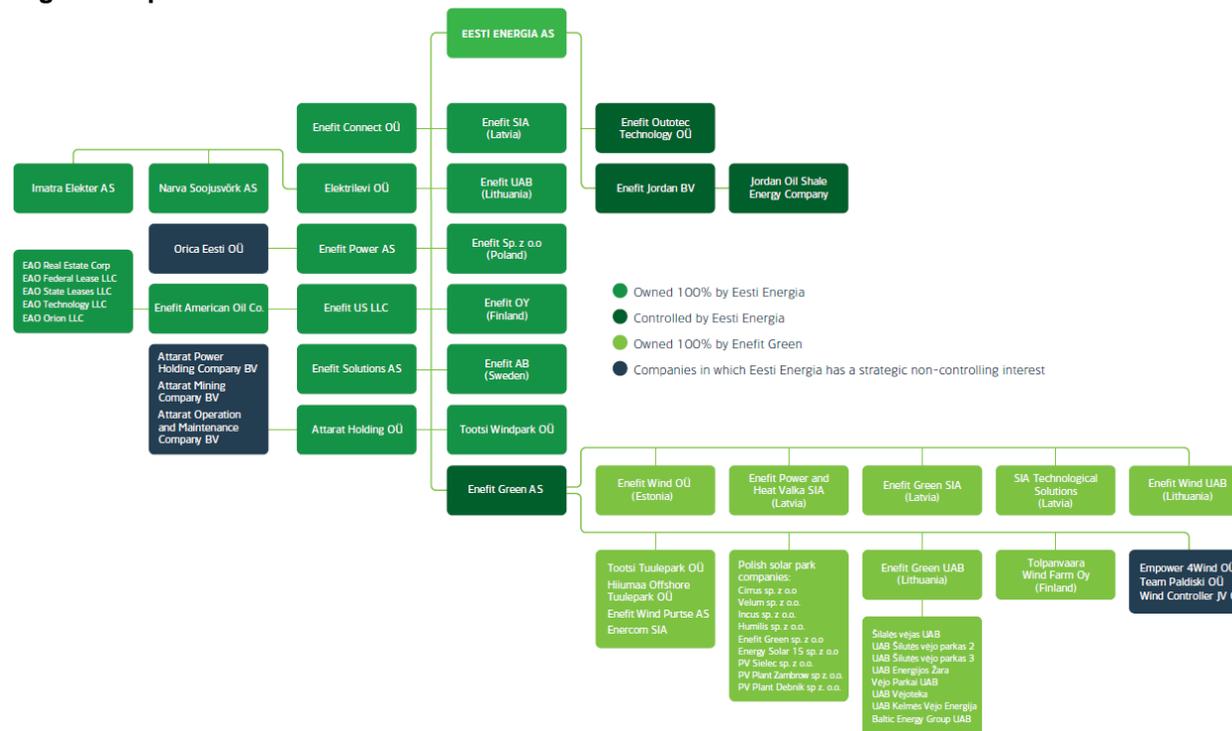
Chairman of the Management Board of Eesti Energia

This is Eesti Energia

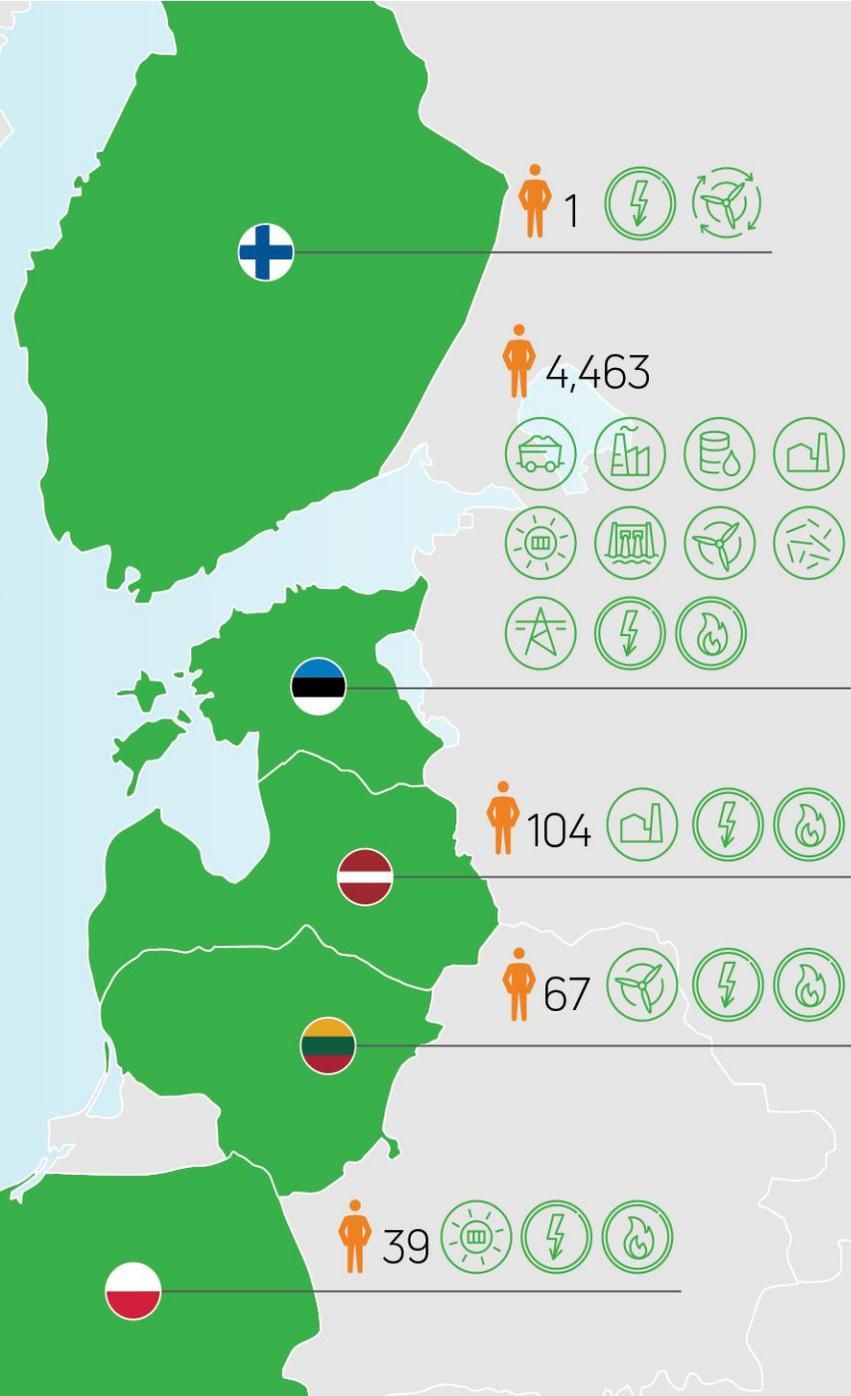
- Established in 1939
- 4,675 employees
- 100% owner: Republic of Estonia
- 5 home markets: Estonia, Latvia, Lithuania, Poland, Finland
- 4 business lines:
 - **Customer services** business line provides customers with useful energy solutions and exceptional customer experience. We sell electricity, heat, gas and energy solutions to both household and corporate customers.

- **Renewable energy** business line consist of our subsidiary Enefit Green. Our renewable energy production sources are the most diverse in the Baltic Sea region. We produce energy from wind, sun, biomass, municipal waste and water.
- **Large-scale energy production** business line incorporates our oil shale mining, electricity and oil production and asset management business units.
- **Network services:** Our subsidiary Elektrilevi delivers electricity to almost all the households and companies in Estonia

The structure of Eesti Energia Group as at 31 March 2022



Home markets and business units



PRODUCTION UNITS

- Oil shale mining
- Oil shale electricity
- Oil production
- Cogeneration
- Network services
- Wind energy
- Solar energy
- Hydro energy
- Waste-to-energy

DEVELOPMENTS

- Oil shale mining
- Oil shale electricity
- Oil production
- Wind energy

ENERGY SALES

- Electricity
- Gas

Key figures and ratios

		Q1 2022	Q1 2021	Change
Total electricity sales, of which	GWh	2,856	2,533	+12.7%
wholesale sales	GWh	208	195	+6.7%
retail sales	GWh	2,648	2,338	+13.3%
Electricity distributed	GWh	1,967	2,092	-6.0%
Shale oil sales	th t	104	112	-7.1%
Heat sales	GWh	296	323	-8.5%
Average number of employees	No.	4,551	4,339	+4.9%
Sales revenues	m€	571.5	297.3	+92.2%
EBITDA	m€	213.0	72.4	+194.4%
Operating profit	m€	169.4	30.4	+457.2%
Net profit	m€	163.0	26.5	+514.5%
Investments	m€	59.3	32.1	+84.6%
Cash flow from operating activities	m€	271.8	129.2	+110.4%
FFO	m€	127.2	74.6	+70.5%
Non-current assets	m€	3,636.5	3,067.1	+18.6%
Equity	m€	2,766.8	1,997.2	+38.5%
Net debt	m€	599.7	762.2	-21.3%
Net debt / EBITDA**	times	1.3	3.2	-59.4%
FFO**/ net debt	times	0.6	0.3	+83.6%
FFO**/ interest cover**	times	12.9	8.0	+61.7%
EBITDA**/ interest cover**	times	16.4	7.6	+117.2%
Leverage	%	17.8	27.6	-9.8pp
ROIC**	%	9.8	2.7	+7.1pp
EBITDA margin	%	37.3	24.3	+12.9pp
Operating profit margin	%	29.6	10.2	+19.4pp

Definitions of ratios and terms are explained in the Glossary section of the report, page 52

* rolling 12 months result

Operating environment

We are an international energy company and our business is mainly affected by oil, electricity and emission allowance prices, competition in the energy and customer markets, regulations that govern the energy sector and the development of new technologies.

Our performance in Q1 2022 was strongly affected by the following movements in market prices (compared with a year earlier):

- electricity prices grew by 133% in Poland, 89% in Finland and over 157% in the Baltics;
- the average price of emission allowance prices increased by 121%;
- the prices of crude oil and fuel oil rose by 60% and 64%, respectively.

Average electricity prices in our core markets remained elevated

Estonia participates in the Nord Pool power exchange where electricity producers that sell electricity on the power exchange trade with electricity suppliers that buy electricity from the power exchange in order to resell it to end consumers. Our performance indicators are most sensitive to electricity prices in Estonia, Latvia, Lithuania and Poland because we both produce and sell electricity in those countries. Additionally, we sell electricity in Finland.

The electricity markets of Estonia and its neighbouring countries are well connected by means of interconnectors. Therefore, electricity production and prices are also affected by various factors outside our core markets, such as the levels of Norwegian hydro reservoirs, wind conditions in the region and the market price of natural gas.

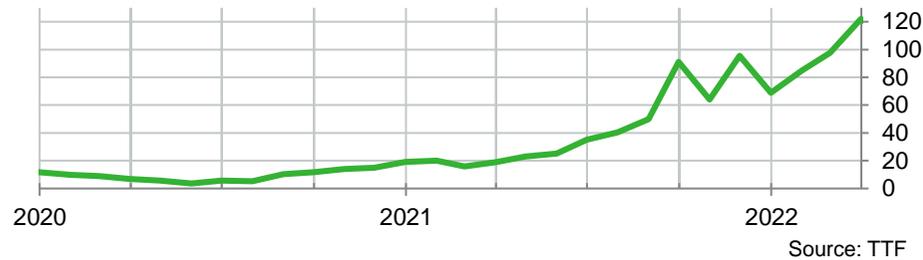
Average electricity price (€/MWh)	Q1 2022	Q1 2021	Change
Estonia	133.4	51.8	157.4%
Latvia	139.7	51.8	169.5%
Lithuania	141.4	53.5	164.5%
Poland	135.4	58.0	133.4%
Finland	91.7	48.6	88.7%
Norway	85.9	41.4	107.5%
Denmark	152.6	49.0	211.1%
Sweden	65.2	42.5	53.4%

The Nord Pool intraday electricity prices have been highly volatile in recent years. During peak hours the electricity price is usually determined by the more expensive carbon-intensive power, whereas during base hours it is generally determined by renewable power, which has practically zero variable costs.

The volatility of the Estonian electricity price has been continuously increasing due to a decline in the production of oil shale-based electricity and the situation in the natural gas market. The average daily electricity price in Q1 2022 was the highest on 10 January 2022, when it was 248.7 €/MWh (+149.0 €/MWh compared with Q1 2021), and the lowest on 13 February, when it was 24.2 €/MWh (+5.8 €/MWh compared with Q1 2021).

Average electricity prices in markets relevant to us continue to be elevated because the prices of natural gas and thus the cost prices of gas-fired power plants have rocketed. This is attributable to supply disruptions as well as recent geopolitical events, which have increased the uncertainty of gas supplies.

TTF natural gas price €/MWh



The average price of natural gas on the Dutch gas trading platform TTF was 101.5 €/MWh in Q1 2022 (+83.1 €/MWh, +454% compared with Q1 2021). In January 2022 the TTF natural gas price rose slightly compared with the end of 2021 but since the last weeks of February the average price of natural gas has soared to record heights. In Q1 2022, the natural gas price was also affected by the markets' response to the events in Ukraine, which raised the average daily price on 7 March to 227 €/MWh. Since then the price has dropped to around 100 €/MWh.

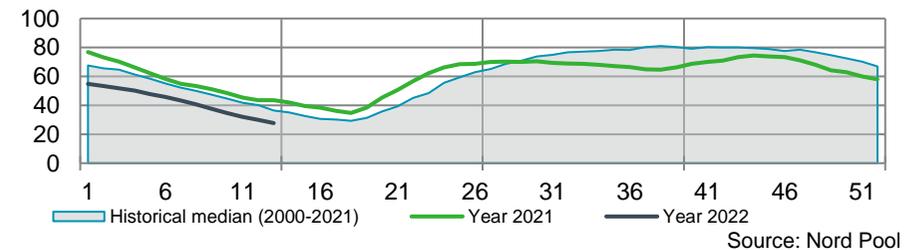
In the summer, natural gas is procured and injected into storage facilities. In the winter, it is withdrawn and consumed. Due to supply problems, the gas storage facilities remained half empty in 2021 and the deficit caused the gas price to skyrocket. In Q1 2022, the gas price continued to be impacted by supply disruptions and European countries' inventory purchases for the next winter.

During peak hours, the electricity price in the region is typically determined by gas-fired power plants. A high gas price has created a situation in Europe where

the cost price of electricity produced by gas-fired power plants is higher than the cost price of electricity produced by oil shale- or coal-fired power plants.

Growing use of coal-fired power plants as an alternative to gas-fired power plants has also triggered a sharp increase in the price of coal. At the same time, the use of coal, whose carbon intensity is half higher, has increased the demand for CO₂ emission allowances, driving up their prices.

Weekly levels of Nordic water reservoirs, % of maximum



Interconnectors supply the Baltic countries with Nordic hydropower, which is cheaper than other types of electricity. The average level of the Nordic hydro reservoirs was 42.3% of the maximum in Q1 2022, which is 15.2 percentage points lower than in Q1 2021.

The volume of snow and soil accumulated in the reservoirs this winter is 25 TWh lower than last year, which is why in 2022 hydropower production is expected to decrease year on year. A decline in hydropower production will drive up electricity prices in the region because the gap will be filled by other types of electricity production whose variable costs are higher.

CO₂ emission allowance prices dropped to equilibrium level

The purpose of the EU Emissions Trading System is to reduce greenhouse gas emissions in Europe by motivating energy producers to use less polluting raw materials and invest in more efficient production technologies.

The higher the price of CO₂ emission allowances, the higher the cost of producing electricity from oil shale. The price of CO₂ emission allowances has a strong impact on the cost of electricity produced by the direct burning of oil shale, particularly at our older production facilities whose carbon intensity is higher. At the same time, a higher CO₂ emission allowance price increases the competitiveness of our renewable energy production units.

Prices of CO₂ emission allowances, €/t



Source: Intercontinental Exchange

The average CO₂ emission allowance price in Q1 2022 was 83.2 €/t, 121% higher than in Q1 2021 (+46.6 €/t). In January and February, the emission allowance price continued to grow, rising to 100 €/t. In the last weeks of February, however, it decreased drastically, dropping to 55 €/t. The decline coincided with the implementation of financial market sanctions, which refers to the possibility that some market players were forced to close their positions to avoid the freezing of their assets.

By the end of March 2022, CO₂ emission allowance prices had recovered to 75 €/t. According to analysts' previous estimates, this is in the range of the equilibrium price of carbon allowances.

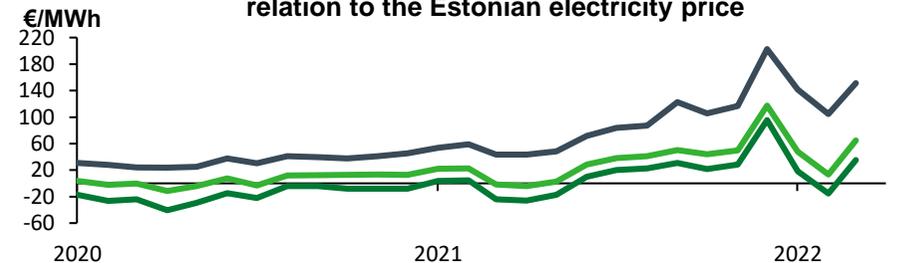
A key indicator in energy production is the clean dark spread (CDS), which reflects an electricity producer's profit margin after the deduction of fuel and CO₂ emission allowance costs from the average market price of electricity. The

clean spread is the sales margin that remains after the deduction of CO₂ emission allowance costs from the average market price of electricity.

Eesti Energia's clean spread was 41.8 €/MWh in Q1 2022 (+26.7 €/MWh compared with Q1 2021). The rise in the clean spread is mainly attributable to growth in the electricity price in Estonia (+81.6 €/MWh compared with Q1 2021). The CO₂ emission allowance cost component grew by 54.9 €/MWh compared with Q1 2021.

Eesti Energia's CDS was 12.4 €/MWh in Q1 2022 (+16.2 €/MWh compared with Q1 2021). The oil shale cost component in CDS grew by 10.5 €/MWh compared with Q1 2021. The combined effect of the change in the CO₂ emission allowance and oil shale cost components was -65.4 €/MWh.

Eesti Energia's Clean Spread and Clean Dark Spread relation to the Estonian electricity price

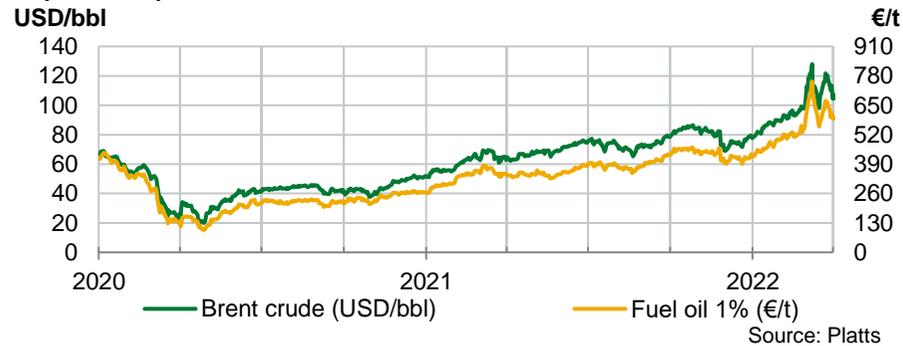


Source: Nord Pool, Eesti Energia

Crude oil and fuel oil prices grew compared with a year earlier

A widely-traded oil product that is closest in nature to our shale oil is fuel oil with 1% sulphur content whose price depends mainly on that of Brent crude oil. A rise in the prices of crude oil and fuel oil is positive for Eesti Energia because it raises the price of our shale oil and thus increases our revenue.

Liquid fuels prices



The average price of Brent crude oil was 97.8 USD/bbl in Q1 2022, which is 60% higher (+36.5 USD/bbl) than in Q1 2021. The average price moved from 85.5 USD/bbl in January to 94.0 USD/bbl in February and 112.3 USD/bbl in March.

By the beginning of 2022 the prices of oil products had recovered from the COVID-19-triggered decline in demand, which had been suppressing the prices

of liquid fuels since Q2 2020, and even exceeded their pre-COVID levels. In Q1 2022, liquid fuel prices were mainly influenced by the situation in Ukraine, which inflated the price of Brent crude at the beginning of March to 130 USD/bbl but by the end of March the price of Brent had moved back to below 110 USD/bbl.

The prices of oil products and fuel oil trended similarly in Q1. 1 The period's average price of fuel oil with 1% sulphur content was 544.2 €/t, which is 64% (+212.3 €/t) higher than in Q1 2021.

Average price		Q1 2022	Q1 2021	Q1 2020
Brent crude oil	USD/bbl	97.8	61.3	50.8
Fuel oil 1%	€/t	544.2	331.9	301.8
Euro exchange rate	EUR/USD	1.1	1.2	1.1

Key events and highlights of Q1

Customer services

We offer household customers an opportunity to lock their electricity price for five years

We are the first in Estonia to offer household customers fixed-price electricity based on the production of local wind farms. The electricity price can now be locked for up to five years. As a reliable energy partner, Eesti Energia promises that during the five-year contract term the agreed price will not change. The electricity consumed by the customers is produced by the renewable energy production units of Enefit Green.

While the long-term power purchase contract (PPA) for households is a new solution on the market, long-term PPAs for corporate customers have already become quite popular. Nearly a thousand companies across the Baltics have opted for the solution that mitigates price risk.

We created a smart application that allows charging an electric vehicle (EV) at a more favourable price

Estonia's largest EV charging services provider Enefit Volt has created a smart app that enables the user to charge the vehicle with the lowest-priced electricity. The automated solution can help cut charging costs by up to 50%.

Enefit Volt's smart charging solution suits all EVs. The user simply needs to enter the desired charging quantity and end time into the app and connect the charging cable to the vehicle. After that the app chooses the best-priced charging hours and manages the EV charging process accordingly.

Smart charging makes owning an EV cheaper and more convenient because one can use the cheapest electricity daily basically by just doing two things: connecting and disconnecting the charging cable. The app will handle the rest.

Renewable energy

Enefit Green started to build a wind farm in Estonia and a solar farm in Poland

Enefit Green made two investment decisions and began to build a wind farm in Estonia and a solar farm in Poland. The Purtse wind farm should start supplying green energy to Estonian homes next year already. This reflects that once the planning phase has been completed, environmentally friendly and cheaper energy production solutions can be added to the market very quickly. The Debnik solar farm is also scheduled to come online in 2023.

It is important to build new wind and solar farms in order to increase the supply of affordable and environmentally sustainable power production.

Enefit Green began to work with Latvia's largest private forest owner

Enefit Green has partnered up with Latvia's largest private forest owner Södra in preparation for the possible construction of two wind farms in the eastern part of the country.

Sustainably produced wind power is more affordable and would also support the achievement of climate goals and the security of energy supply in Latvia. For Enefit Green, the launch of wind farm development in Latvia is an important part of its long-term growth plan.

Large-scale energy production

The Auvere power plant has become even more flexible and cleaner

In Q1 2022, the upgrades made to the Auvere power plant passed performance testing, which verified that the plant can use alternative fuel – retort gas, which is the by-product of shale oil production – in a larger quantity than planned on its original design.

The Auvere power plant (essentially a hybrid plant), which is Estonia's most flexible, most efficient and cleanest production facility, was upgraded in 2021.

The carbon emissions of producing 1 MWh of electricity from retort gas are twice smaller than the emissions of producing the same quantity of electricity from oil shale. After the latest upgrade, the main fuels used by the plant are retort gas and waste wood, the use of oil shale has decreased to one fifth.

Language cafés of the large-scale energy production industry

Eesti Energia is a multicultural company that provides numerous language learning opportunities, including the option to improve language skills at language cafés. Our efforts in organising language cafés were recognised by the Virumaa Estonian Education Society and the Estonian Public Officials Club, which awarded Eesti Energia the title 'Friend of the Estonian Language 2022'. We have around 30 language café instructors and nearly 80 language learning sessions have been arranged. Every week the cafés are attended by around 40 employees and 80 learners in total.

Network services

Small producers' connection applications hit a historic high

The number of electricity producers' connection applications surged to record heights Q1 2022. In the past four years, there has been no quarter where the number of network connection applications has been higher.

Our distribution network operator Elektrilevi received 3,354 electricity producer connection applications in Q1 2022 (Q1 2021: 986). The largest number of applications (2,270) was filed for the installation of micro production equipment (Q1 2021: 243 applications from micro producers). For comparison, the full-year number of applications submitted by micro producers in 2021 was 2,277.

The MARU application had 100,000 visits

In response to Elektrilevi's regular appeals to notify the company of power interruptions via MARU, visits to the app grew to 100,000 and the number of users increased to 50,000.

Changes in network charges

Elektrilevi's price list for network charges changed from 1 March 2022. From the same date, the company also changed the duration of day- and night-time rates and came out with new network packages, which allow shifting consumption to more favourably priced periods and thus lowering network charges.

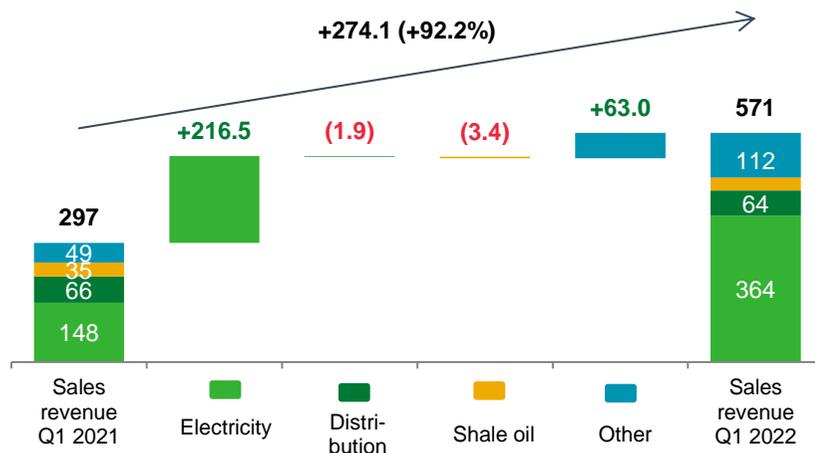
The biggest change in the duration of day- and night-time charges concerned the cheaper night-time rate, which was extended by one hour on business days and now applies from 10 pm to 7 am throughout the year. The night-time rate also applies for 24 hours on Saturdays and Sundays as well as on any national holiday that falls in the period from Monday to Friday.

Financial results

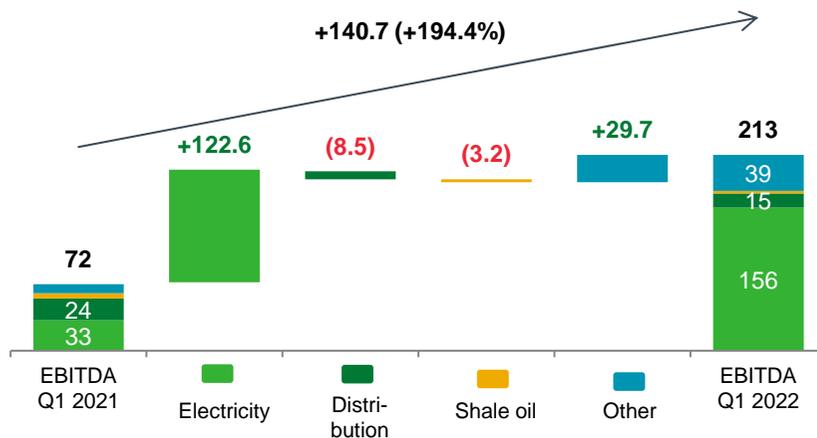
Revenue and EBITDA

Eesti Energia's revenue for Q1 2022 was 571.5 million euros, 92.2% (+274.1 million euros) larger than a year earlier.

Group's sales revenue breakdown and change, m€



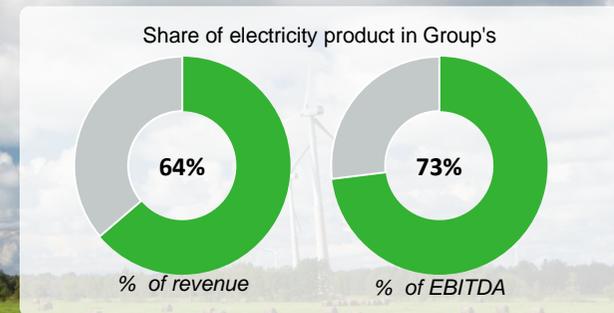
Group's EBITDA breakdown and change, m€



EBITDA grew by 194.4% (+140.7 million euros) year on year, rising to 213.0 million euros. The period's EBITDA includes the effect of changes in the values of long-term power purchase agreements (PPAs) of 85.7 million euros (Q1 2021: 4.7 million euros). Adjusted EBITDA (excluding the above effect) for Q1 2022 was 127.3 million euros (+59.7 million euros, +88.2%). The period's net profit was 163.0 million euros (+136.4 million euros) and adjusted net profit 77.2 million euros (+55.4 million euros).

The main driver of revenue growth was electricity revenue, which grew through substantially higher market prices and a 13% larger sales volume. Electricity distribution revenue and shale oil revenue decreased, mostly due to smaller sales volumes. Revenue from other products and services grew, supported by higher revenue from the sale of natural gas.

Electricity EBITDA improved year on year, mainly due to a higher margin and gain on derivative financial instruments. Electricity distribution EBITDA decreased due to growth in the price of electricity purchased to cover distribution losses and higher fixed costs. Shale oil EBITDA decreased due to the negative effect of realised derivative financial instruments. EBITDA on other products and services increased year on year, mainly through higher EBITDA on the sale of natural gas.



Electricity

Through the years, electricity has been the main source of Eesti Energia's revenue and profit. We also earned the largest share of our revenue from the sale of electricity in Q1 2022.

Electricity revenue

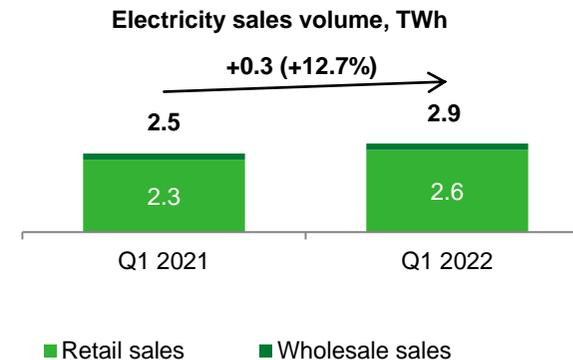
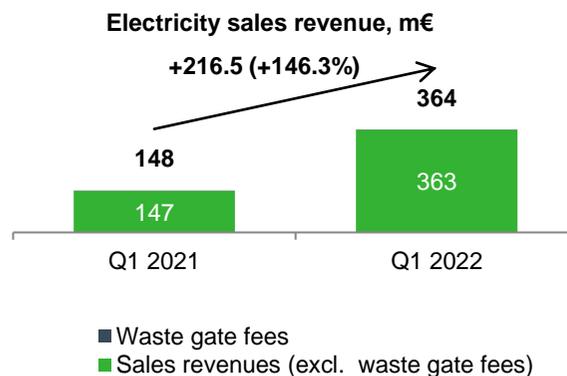
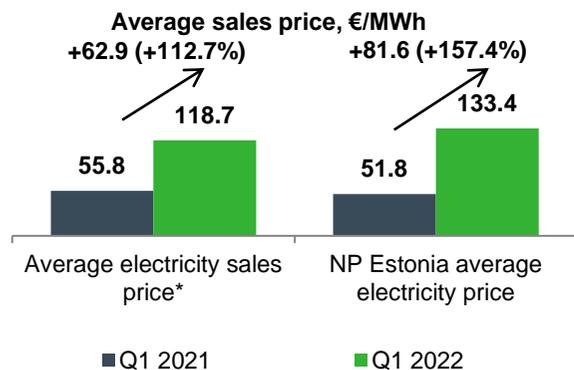
Both the sales price and sales volume of electricity increased year on year. As a result, electricity revenue for Q1 2022 grew by 146.3% (+216.5 million euros), rising to 364.5 million euros.

Average sales price of electricity

The Group's average sales price of electricity in Q1 2022 was 118.7 €/MWh, which is 112.7% (+62.9 €/MWh) higher than in Q1 2021.

The average sales price excludes the impact of derivative transactions. The period's average sales price including the impact of derivatives was 127.3 €/MWh, which is 119.3% (+69.2 €/MWh) higher than in a year earlier.

Derivative transactions of Q1 2022 yielded a gain of 24.5 million euros compared with a gain of 5.6 million euros in the same period last year.



* 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 and Eesti Energia's market share

We sold 2,856 GWh of electricity in Q1 2022, which is 322.8 GWh (+12.7%) more than in the same period last year.

Wholesale sales grew by 13 GWh (+6.7%) to 208 GWh and retail sales by 310 GWh (+13.3%) to 2,648 GWh. Retail sales broke down between markets as follows: Estonia 1,220 GWh (-14 GWh), Latvia 459 GWh (+160 GWh), Lithuania 562 GWh (+76 GWh), Poland 388 GWh (+84 GWh) and Finland 18 GWh (+4 GWh).

In terms of customers' electricity consumption volumes in Q1 2022, Eesti Energia's market share in Estonia was 56.9%, which is around a percentage point smaller than a year earlier (57.8%). The figure was affected by warmer than average weather in February and March. Eesti Energia's market shares in Latvia and Lithuania were 23.3% and 16.5%, respectively.

Electricity production

We produced 1,661 GWh of electricity in Q1 2022, which is 31.1% (+394 GWh) more than in Q1 2021. Production growth was supported by higher electricity prices, which surged due to record-high natural gas prices, and suppressed by higher CO₂ emission allowance prices.

Our renewable energy output in Q1 2022 was 414 GWh (+2.0%, +8 GWh), of which 345 GWh (+23.6%, +66 GWh) was produced at Enefit Green. The largest share of renewable energy was produced by wind farms, which generated 312 GWh of electricity (+26%, +64 GWh). The rise is mainly attributable to wind conditions, which were more favourable than a year earlier.

Key figures of the electricity product

		Q1 2022	Q1 2021
Return on fixed assets	%	21.7	0.2
Electricity EBITDA	€/MWh	54.5	13.1

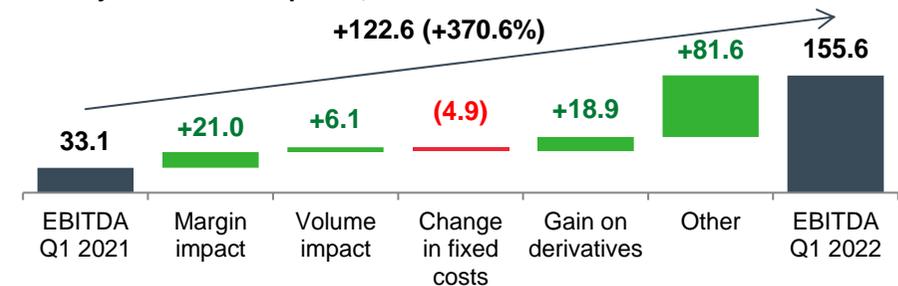
Electricity EBITDA

Electricity EBITDA was 155.6 million euros (+371%, +122.6 million euros).

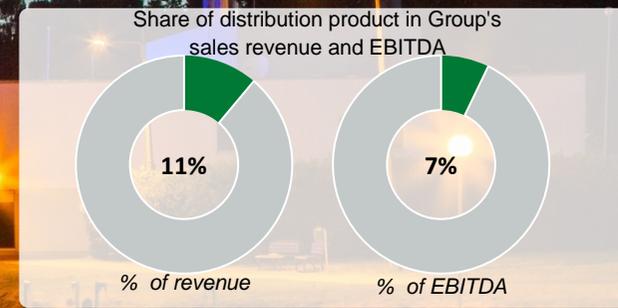
The effect of a higher margin on EBITDA development was +21.0 million euros (+7.3 €/MWh). Average electricity revenue per megawatt hour (excluding the effect of derivative transactions) grew by 62.9 euros (impact: +179.7 million euros). Growth in average variable costs had an impact of -158.8 million euros, mainly through higher electricity purchase and CO₂ emission allowance costs.

Growth in electricity sales volume had an impact of +6.1 million euros and derivative transactions had an impact of +18.9 million euros.

Electricity EBITDA development, m€



The effect of a change in fixed costs was -4.9 million euros. The rise in fixed costs is mainly attributable to mining costs, which grew due to growth in the volume of electricity produced from oil shale. Other impacts of +81.6 million euros mostly include the change in the value of long-term PPAs (impact: +81.0 million euros).



Distribution

Electricity distribution service is another major source of revenue and profit for Eesti Energia.

Distribution revenue, sales volume and price

In Q1 2022, electricity distribution revenue declined by 2.9% year on year, decreasing to 63.7 million euros (-1.9 million euros), and sales volume decreased by 6.0% to 1,967 GWh (-125 GWh).

The average sales price of the distribution service was 32.4 €/MWh, 1.0 €/MWh higher than a year earlier.

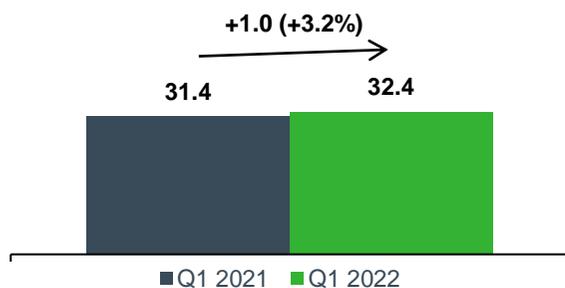
Distribution losses

The period's electricity distribution losses totalled 74.5 GWh, accounting for 3.4% of electricity entering the network (Q1 2021: 78.4 GWh and 3.5%).

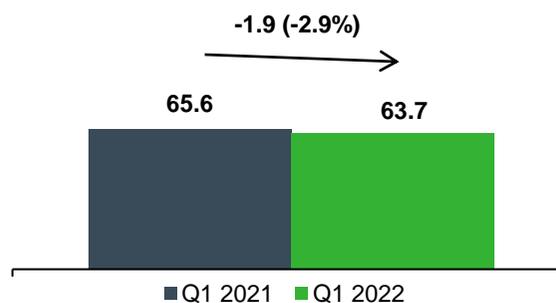
Supply interruptions

The average duration of unplanned interruptions in Q1 2022 was 104.0 minutes (Q1 2021: 32.0 minutes). The figure increased year on year due to bad weather conditions during the reporting period.

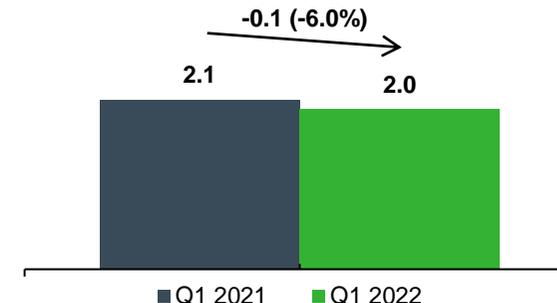
Average sales price, €/MWh



Distribution sales revenue, m€



Distribution volume, TWh



The average duration of planned supply interruptions was 18.6 minutes (Q1 2021: 14.4 minutes). The duration of planned supply interruptions depends on the volume of planned network maintenance and renewal.

Key figures of the distribution product

		Q1 2022	Q1 2021
Return on fixed assets	%	2.4	4.3
Distribution losses	GWh	74.5	78.4
SAIFI	index	0.78	0.46
SAIDI (unplanned)	index	105.4	32.0
SAIDI (planned)	index	18.6	14.4
Adjusted RAB	m€	848	820

Power outages can be reduced by replacing bare conductors with weatherproof cables. At the end of Q1 2022, 93.5% of our low-voltage distribution network and 42.1% of our medium-voltage distribution network was weatherproof.

Distribution EBITDA

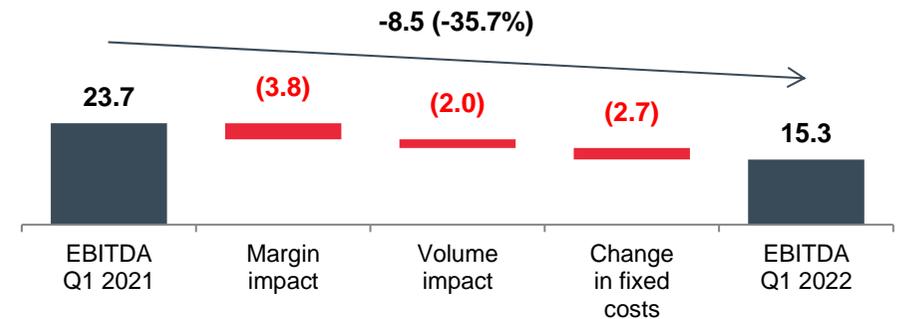
Distribution EBITDA for Q1 2022 was 15.3 million euros (-35.7%, -8.5 million euros).

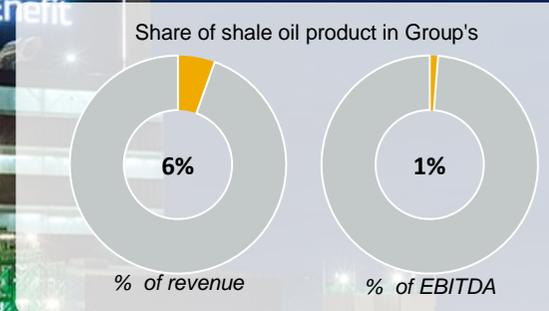
Distribution sales volume decreased by 6%, lowering EBITDA by 2.0 million euros.

Fixed costs related to the distribution service grew by 2.7 million euros year on year, mainly due to higher repair and maintenance costs.

Distribution service margin decreased in Q1 2022 (impact: -3.8 million euros) due to growth in the cost of electricity purchased to cover distribution losses.

Distribution EBITDA development, m€





Shale oil

Shale oil production is a business line that has great potential but is strongly influenced by fluctuations in relevant market prices.

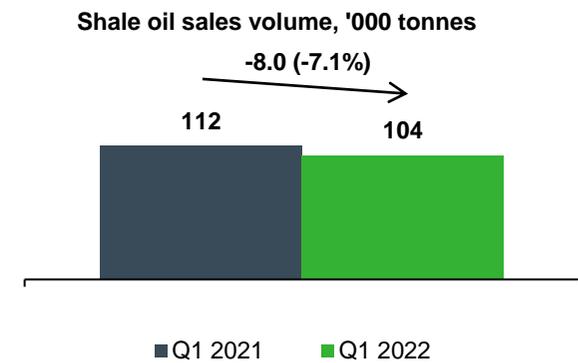
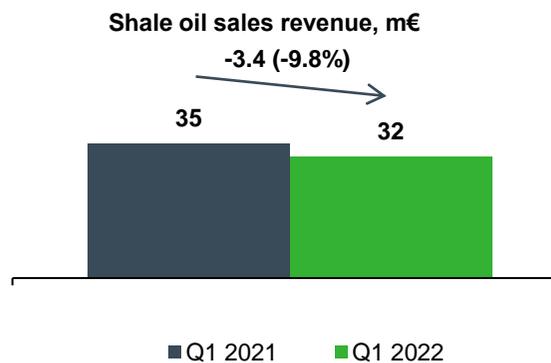
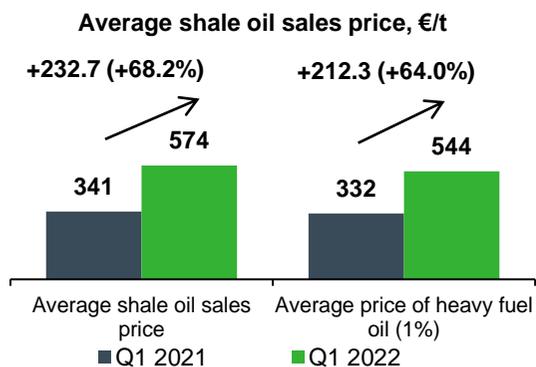
Shale oil revenue and sales volume

We sold 104.0 thousand tonnes of shale oil in Q1 2022, which generated revenue of 31.6 million euros.

Shale oil revenue decreased by 10% (-3.4 million euros) and sales volume declined by 7.1% (-8.0 thousand tonnes) compared with a year earlier due to more extensive repair and maintenance operations, which lowered output.

Shale oil price

The average sales price of shale oil (excluding the impact of derivative transactions) increased by 68.2% year on year, rising to 574.0 €/t (+232.7 €/t).



Derivative transactions of the period generated a loss of 270.2 €/t. The average sales price of shale oil including the impact of derivative transactions was 303.8 €/t in Q1 2022 (-2.8%, -8.9 €/t compared with Q1 2021).

Shale oil production volume

We produced 106.0 thousand tonnes of shale oil in Q1 2022, 15.3% (-19.1 thousand tonnes) less than in the same period last year. The decline in output resulted from large-scale repair and maintenance operations.

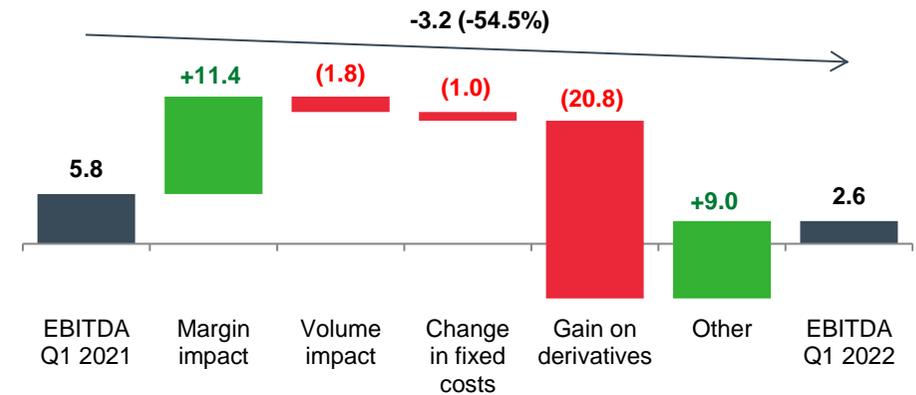
Key figures of the shale oil product

		Q1 2022	Q1 2021
Return on fixed assets	%	-5.0	7.4
Shale oil EBITDA	€/t	25.5	52.0

Shale oil EBITDA

Shale oil EBITDA for Q1 2022 was 2.6 million euros (-54.5%, -3.2 million euros).

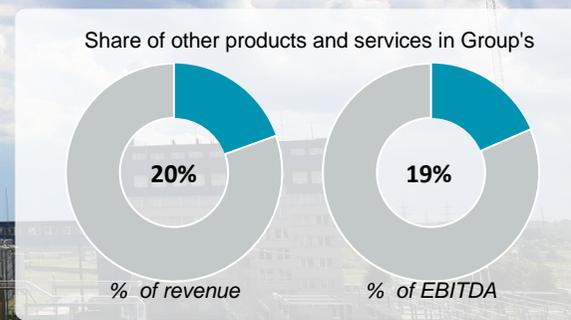
Shale Oil EBITDA development, m€



The impact of a higher margin on EBITDA development was +11,4 million euros (+109.6 €/t). The average sales price grew by 232.7 €/t year on year. Average variable costs grew by 123.2 €/t, mostly due to higher CO₂ emission allowance charges and environmental taxes.

Shale oil sales volume decreased by 8.0 thousand tonnes (-7.1%) year on year, declining to 104.0 thousand tonnes. The decline in sales volume lowered EBITDA by 1.8 million euros.

Fixed costs related to the shale oil segment grew compared with a year earlier (impact: -1.0 million euros). The outcome of derivative transactions had an impact of -20.8 million euros compared with a year earlier. Other impacts of +9.0 million euros included mainly the change in the value of derivative financial instruments.



Other products and services

The segment of other products and services comprises the sale of heat, natural gas and industrial equipment. The effects of one-off transactions are also reported within this segment.

Revenue from the sale of other products and services

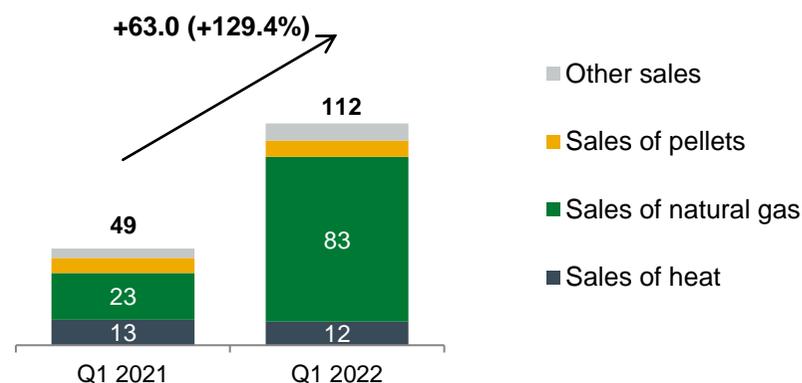
Revenue from the sale of other products and services in Q1 2022 amounted to 111.7 million euros, growing by 129.4% (+63.0 million euros) compared with a year earlier.

Revenue from the sale of heat decreased by 1.0 million euros due to a lower sales volume. External heat sales decreased by 27.4 GWh (-8.5%).

Revenue from the sale of natural gas grew by 59.4 million euros due to a higher sales price.

Pellet sales revenue grew by 0.6 million euros.

Sales revenue from other products and services, m€



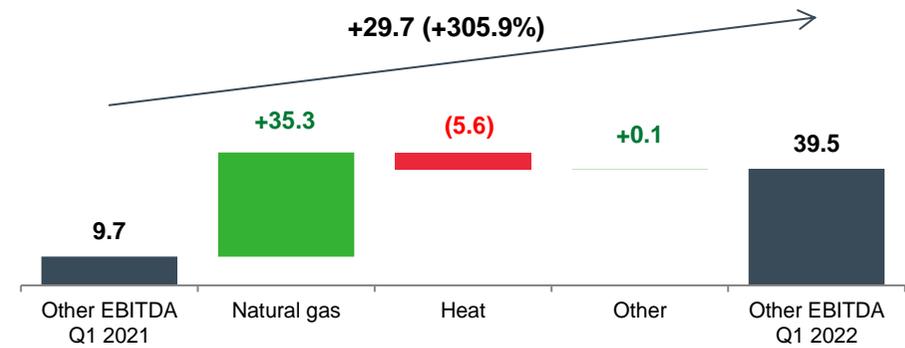
EBITDA on other products and services

EBITDA on other products and services grew by 29.7 million euros year on year, rising to 39.5 million euros.

Natural gas EBITDA grew by 35.3 million euros of which 21.1 million euros was the effect of derivative transactions. Heat EBITDA decreased by 5.6 million euros because of a lower sales volume and higher variable costs.

Other impacts on EBITDA totalled +0.1 million euros.

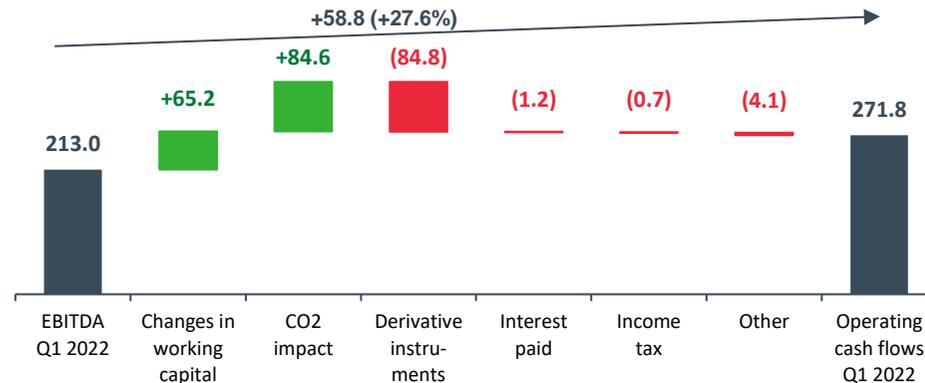
Other EBITDA development, m€



Cash flows

Net operating cash flow for Q1 2022 was 271.8 million euros, 58.8 million euros (+27.6%) higher than EBITDA, which amounted to 213.0 million euros.

EBITDA to operating cash flows development, m€



Changes in working capital increased net operating cash flow by 65.2 million euros compared with EBITDA. Within working capital, current liabilities increased by 61.7 million euros, inventories increased by 9.5 million euros and current receivables decreased by 13.0 million euros.

Settlements related to CO₂ emission allowances increased operating cash flow by 84.6 million euros relative to EBITDA.

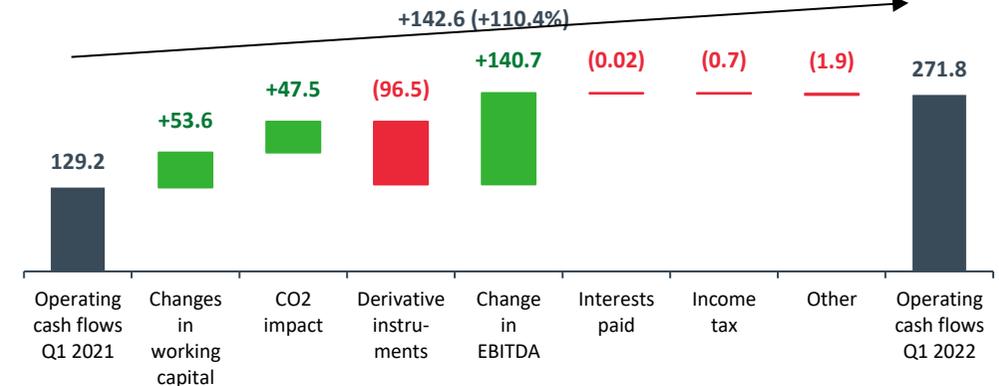
The impact of derivative financial instruments (excluding CO₂ instruments) was -84.8 million euros. The figure includes the impacts of electricity derivatives of -89.1 million euros, shale oil derivatives of +6.5 million euros and natural gas derivatives of -2.2 million euros. The impacts of derivative financial instruments comprise both cash and non-cash impacts on EBITDA and operating cash flow.

Interest paid on borrowings reduced operating cash flow by 1.2 million euros. Income tax paid in Q1 2022 was 0.8 million euros.

Other impacts totalled -4.1 million euros, including the impact of the amortisation of connection fees of -3.0 million euros.

Net operating cash flow grew by 143 million euros (+110.7%) year on year

Operating cash flow changes, m€



Changes in working capital had an impact of +53.6 million euros compared with Q1 2021. The figure includes the impacts of a change in current receivables of +16.0 million euros, a change in inventories of -18.1 million euros and a change in current liabilities of +50.9 million euros.

Settlements related to CO₂ emission allowances increased operating cash flow by 47.5 million euros compared with Q1 2021.

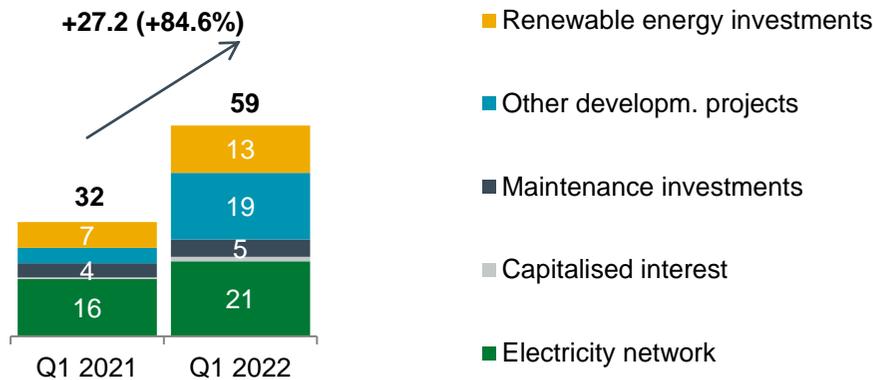
The impact of derivative financial instruments (excluding CO₂ instruments) was -96.5 million euros. The figure includes the impacts of electricity derivatives of -87.4 million euros, shale oil derivatives of -6.8 million euros and natural gas derivatives of -2.5 million euros.

Income tax paid in Q1 2022 was 0.7 million euros higher than in Q1 2021. Interest paid on borrowings remained at the same level as in Q1 2021. Other impacts totalled -1.9 million euros.

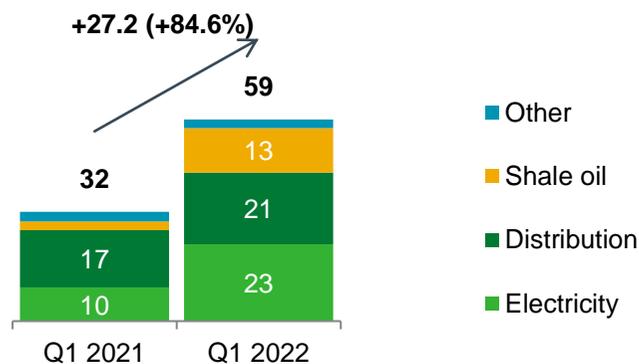
Investment

We invested 59.3 million euros in Q1 2022, 84.6% (+27.2 million euros) more than a year earlier. Expenditure on the distribution network amounted to 21.1 million euros (+30.8%, +5.0 million euros) and expenditure on the improvement of existing assets (excluding the distribution network) totalled 5.0 million euros (+25.6%, +1.0 million euros).

Capex breakdown by projects, m€



Investment breakdown by products, m€



Increasing renewable energy production

To increase our renewable energy production capacity, we invested in wind farm development: 4.9 million euros in Lithuania, 5.3 million euros in Estonia and 1.4 million euros in Finland. The Akmene (75 MW), Šilale 2 (43 MW) and Purtse (21 MW) wind farms are scheduled to come online in 2023 and the Tolpanvaara (72 MW) wind farm in 2024.

We also invested 1.2 million euros in the development of solar farms in Poland of which the Zambrow (9 MW) solar farm is scheduled to be completed in 2022.

Increasing the efficiency of large-scale energy production

We continued work on the construction of a new shale oil plant in which we invested 12.1 million euros in Q1 2022. The plant, which is to be completed in 2024, will increase our annual shale oil output to 700,000 tonnes.

Additionally, we invested 0.4 million euros in increasing the capacity of the Auvere power plant to use retort gas from 10% to 35% and carried out performance testing on the plant's new gas burning systems.

Improving the quality of the distribution service

Investments made in Q1 2022 to maintain and continuously improve the quality of the electricity distribution service provided by the Elektrilevi group totalled 21.1 million euros (Q1 2021: 16.1 million euros). We built 68 substations and 244 km of network (Q1 2021: 24 substations and 122 km of network).

At the end of Q1 2022, 93.5% of Elektrilevi's low-voltage distribution network was weatherproof (at the end of Q1 2021: 92.2%). Within a year, the

weatherproof low-voltage overhead network grew by 676 km and the bare conductor network decreased by 428 km. At the end of Q1 2022, 71.6% of the total low- and medium-voltage distribution network was weatherproof (at the end of Q1 2021: 70.3%).

At the end of Q1 2022, 92.3% of Imatra Elekter's low-voltage distribution network was weatherproof (comparative data for Q1 2021 is not available) and 63.5% of its low- and medium-voltage distribution network was weatherproof.

Financing

Our main sources of debt capital are the international bond market and investment loans from the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Nordic Investment Bank (NIB) and commercial banks. We also use liquidity loans and guarantee facilities obtained from regional banks.

The Group's borrowings at the end of Q1 2022 totalled 909 million euros at nominal value and 906 million euros at amortised cost (at the end of 2021: 963 million euros at nominal value and 957 million euros at amortised cost).

Long-term borrowings as at the reporting date consisted of Eurobonds listed on the London Stock Exchange of 500 million euros, loans from EIB of 73 million euros, a loan from EBRD of 7 million euros (34.6 million Polish zloty) and loans from commercial banks of 328 million euros (including revolving liquidity loans of 70 million euros), long-term lease liabilities for right-of-use assets of 11.3 million euros. The Group's loans included loans of 116 million euros taken by Enefit Green (the figure includes the 7 million euro loan from EBRD). The parent's loans from commercial banks amounted to 220 million euros, consisting of a loan from Swedbank that will mature in June 2024 and revolving liquidity loans of 70 million euros. In Q1, Enefit Green made regular contractual bank loan repayments of 4.6 million euros and the Group's parent settled revolving liquidity loan liabilities of 50 million euros.

The Group's liquid assets at the end of Q1 2022 totalled 305.8 million euros (cash at bank). In addition, at the reporting date the Group had undrawn loans of 665 million euros, of which 445 million euros was attributable to the parent and 220 million to the subsidiary Enefit Green.

In Q1 2022, Enefit Green signed a new loan agreement of 80 million euros with NIB.

The Group's revolving liquidity loans amounted to 320 million euros at the end of Q1 2022 of which 250 million euros had not been drawn (150 million euros from OP Corporate Bank and 100 million euros from SEB) and 70 million euros had been drawn down (70 million euros from Swedbank). The revolving liquidity loans comprise loans raised by the parent of 270 million euros (70 million euros has been drawn down) and loans raised by Enefit Green of 50 million euros.

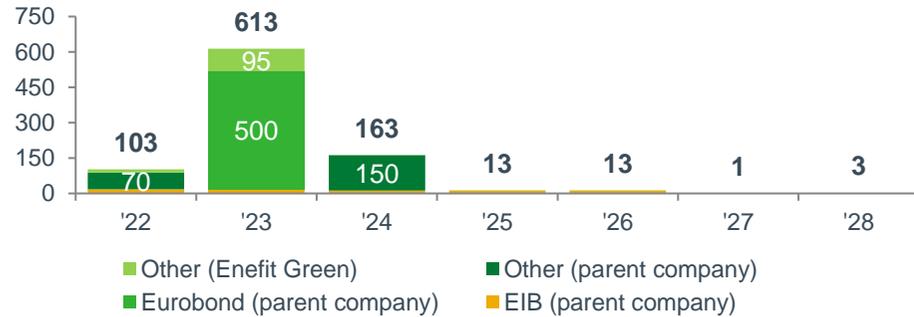
The Group's long-term undrawn investment loans totalled 415 million euros at the end of Q1 2022, consisting of loans raised by Eesti Energia from EIB in December 2019 and June 2020 of 175 million euros and 70 million euros, respectively, and loans raised by Enefit Green in September 2021 from SEB of 40 million euros and from OP Corporate Bank of 50 million euros and in January 2022 from NIB of 80 million euros.

The parent's revolving liquidity loans mature as follows: 120 million euros in September 2023 (50 million euros undrawn) and 150 million euros in September 2025 (150 million euros undrawn). Enefit Green's revolving liquidity loans mature as follows: 20 million euros in both September 2024 and September 2026 (both amounts undrawn) and 10 million euros in May 2025 (10 million euros undrawn).

The weighted average interest rate of Eesti Energia's borrowings at the end of Q1 2022 was 1.69% (at the end of 2021: 1.69%). In March and April 2022, Enefit Green signed interest rate swap agreements to fix the base interest rates for the three undisbursed investment loans in the amount of 170 million euros that have maturities in 2026, 2028 and 2034. Base interest rates were fixed in

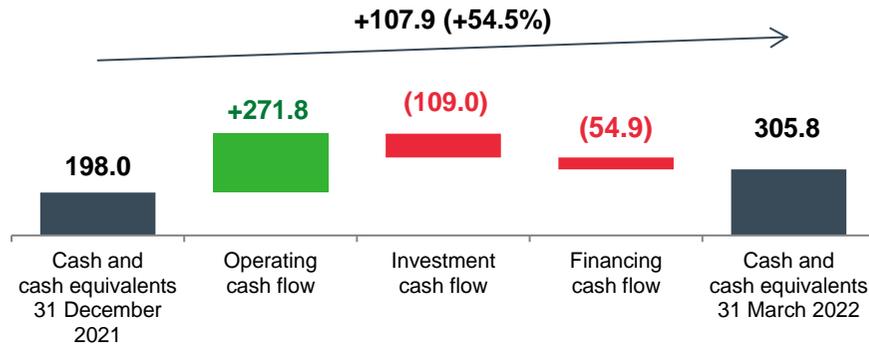
the range of 1,049% to 1,125% to which a margin in the range of 0,78-0,80% shall apply.

Debt maturity, m€



At the reporting date, the Group had borrowings of 573 million euros with fixed interest rates and borrowings of 336 million euros with floating interest rates (at the end of 2021: borrowings of 573 million euros with fixed interest rates and borrowings of 391 million euros with floating interest rates). Out of total borrowings, 99% were denominated in euros. One loan liability of 7 million euros (the loan from EBRD) was denominated in Polish zloty.

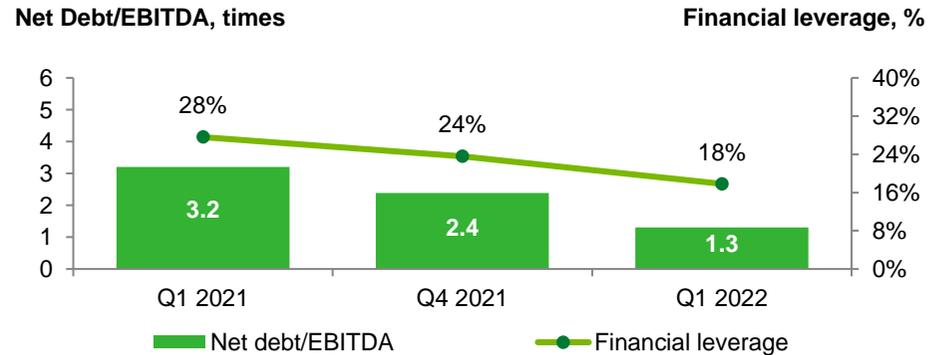
Liquidity development in Q1 2022, m €



At the end of Q1 2022, the Group's net debt amounted to 599.7 million euros (at the end of 2021: 758.6 million euros) and net debt to EBITDA ratio was 1.3 (at the end of 2021: 2.4). The current net debt to EBITDA ratio is below the target ceiling of 3.5 set out in the Group's financing policy. In January 2022, credit rating agency Moody's updated Eesti Energia's credit analysis but the credit rating and the outlook remained unchanged.

At the end of Q1 2022, Eesti Energia's credit ratings were BBB- (Standard and Poor's, outlook negative) and Baa3 (Moody's, outlook stable). Eesti Energia's financing policy is aimed at maintaining investment grade credit ratings from international rating agencies.

Net debt/EBITDA ratio and financial leverage



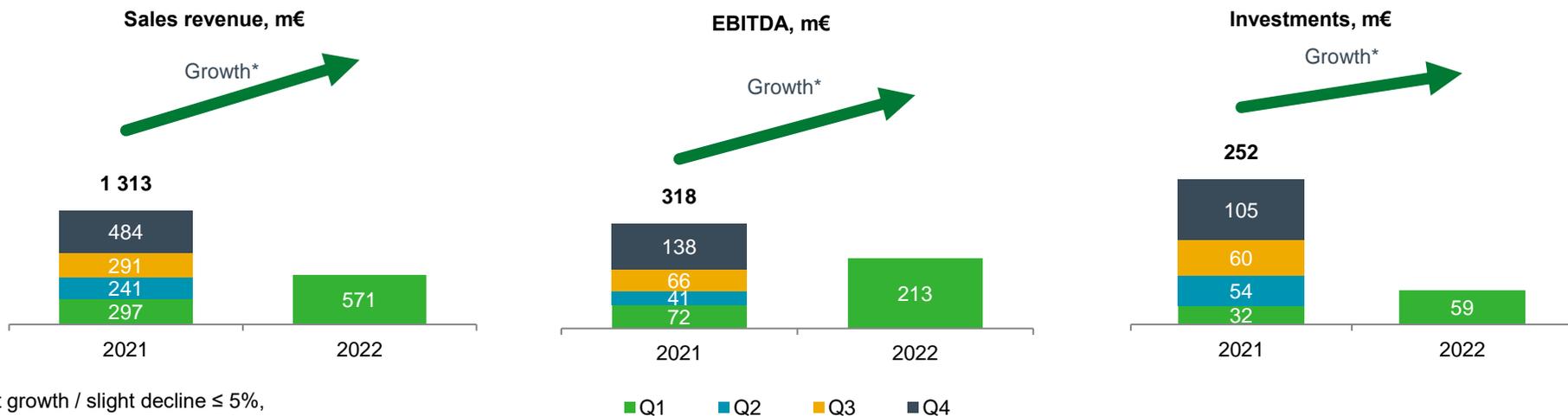
Outlook for 2022

We forecast that our revenue, investments and EBITDA will grow in 2022.

Electricity revenue should increase through growth in sales volumes. The positive effect of higher electricity prices is expected to be counterbalanced by a rise in CO₂ emission allowance prices, caused by the EU climate goals for 2030. We expect growth in shale oil revenue. Shale oil revenue and EBITDA should be supported by the average sales price of shale oil, which is expected to grow due to an increase in market prices and higher demand for our products.

Distribution revenue and EBITDA are expected to remain stable compared with 2021. We expect energy services to contribute to revenue growth. Our main ancillary services are charging, lighting, solar and flexibility services as well as services related to heating and cooling equipment.

We are planning to increase our investments compared with 2021. The largest development investments of 2022 will be made in the development of the renewable energy portfolio and the construction of a chemicals plant.



Condensed consolidated interim income statement and statement of comprehensive income

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

in million EUR	Note	Q1 2022	Q1 2021	12m 2022/21	12m 2021/20
Revenue	3	571.5	297.3	1,587.1	904.2
Other operating income	4	144.6	19.7	290.3	111.8
Government grants		0.3	0.2	1.0	1.0
Change in inventories of finished goods and work-in-progress		(6.7)	(3.5)	(14.3)	(7.3)
Raw materials and consumables used		(419.9)	(182.3)	(1,126.5)	(551.2)
Payroll expenses		(40.7)	(33.8)	(142.7)	(134.1)
Depreciation, amortisation and impairment		(43.6)	(41.9)	(173.7)	(159.0)
Other operating expenses		(36.1)	(25.3)	(136.7)	(88.2)
OPERATING PROFIT		169.4	30.4	284.5	77.2
Financial income		0.2	0.2	0.5	0.4
Financial expenses		(6.0)	(5.1)	(27.1)	(31.6)
Net financial income (expense)		(5.8)	(4.9)	(26.6)	(31.2)
Profit from associates under the equity method		0.2	1.0	1.2	2.6
PROFIT BEFORE TAX		163.7	26.4	259.1	48.6
CORPORATE INCOME TAX EXPENSE		(0.7)	0.1	(11.2)	(0.8)
PROFIT FOR THE PERIOD		163.0	26.5	247.9	47.8
Equity holder of the Parent Company		154.9	26.6	232.6	48.1
Non-controlling interest		8.1	(0.1)	15.3	(0.3)
Basic earnings per share (euros)	9	0.21	0.04	0.31	0.06
Diluted earnings per share (euros)	9	0.21	0.04	0.31	0.06

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in million EUR	Note	Q1 2022	Q1 2021	12m 2022/21	12m 2021/20
PROFIT FOR THE PERIOD		163.0	26.5	247.9	47.8
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Revaluation of hedging instruments net of reclassifications to profit or loss		137.6	(38.1)	353.1	(12.9)
Impact of comprehensive income of associates		-	-	(0.8)	-
Exchange differences on the transactions of foreign operations		0.6	0.5	3.1	(3.0)
Other comprehensive income for the period		138.2	(37.6)	355.4	(15.9)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		301.2	(11.1)	603.3	31.9
Equity holder of the Parent Company		293.1	(11.0)	588.0	32.2
Non-controlling interest		8.1	(0.1)	15.3	(0.3)

Condensed consolidated interim statement of financial position

in million EUR	Note	31.03.2022	31.03.2021	31.12.2021
Non-current assets				
Property, plant and equipment	6	2,991.6	2,908.2	2,979.5
Right-use-of assets		10.9	2.2	9.5
Intangible assets		87.1	82.1	86.3
Prepayments for non-current assets		47.1	4.3	45.9
Investments in associates		63.9	46.6	54.9
Deferred tax assets		2.0	1.7	1.9
Derivative financial instruments	7	434.0	20.8	187.6
Non-current receivables		-	1.3	1.1
Total non-current assets		3,636.5	3,067.1	3,366.7
Current assets				
Inventories		123.5	108.7	114.1
Greenhouse gas allowances and certificates of origin		213.2	86.4	208.6
Trade and other receivables		342.2	237.8	336.6
Derivative financial instruments	7	294.4	50.3	160.2
Cash and cash equivalents		305.8	225.0	198.0
Total current assets		1,279.1	708.2	1,017.5
Total assets	3	4,915.6	3,775.3	4,384.2

in million EUR	Note	31.03.2022	31.03.2021	31.12.2021
EQUITY				
Capital and reserves attributable to equity holder of the Parent Company				
Share capital	8	746.6	746.6	746.6
Share premium		259.8	259.8	259.8
Statutory reserve capital		75.0	62.1	75.0
Hedge reserve		349.2	(3.9)	211.6
Unrealised exchange rate differences		9.6	6.5	9.0
Other reserves		(0.8)	-	(0.8)
Retained earnings		1,172.5	925.0	1,017.6
Total equity and reserves attributable to equity holder of the Parent Company		2,611.9	1,996.1	2,318.8
Non-controlling interest		154.9	1.1	146.8
Total equity		2,766.8	1,997.2	2,465.6
LIABILITIES				
Non-current liabilities				
Borrowings	10	797.5	851.5	788.3
Deferred tax liabilities		21.7	12.6	21.8
Other payables		3.0	0.9	3.0
Derivate financial instruments	7	96.3	16.3	37.8
Contract liabilities and government grants		308.4	267.9	300.9
Provisions	12	27.6	56.2	27.5
Total non-current liabilities		1,254.5	1,205.4	1,179.3
Current liabilities				
Borrowings	10	108.1	135.6	168.2
Trade and other payables		251.9	267.7	255.5
Derivative financial instruments	7	236.5	57.7	116.1
Contract liabilities and government grants		0.4	0.7	0.7
Provisions	12	297.5	111.1	198.8
Total current liabilities		894.4	572.8	739.3
Total liabilities		2,148.9	1,778.2	1,918.6
Total liabilities and equity		4,915.6	3,775.3	4,384.2

Condensed consolidated interim statement of cash flows

in million EUR	Note	Q1 2022	Q1 2021	12m 2022/21	12m 2021/20
Cash flows from operating activities					
Cash generated from operations	11	273.7	130.4	339.8	456.2
Interest and loan fees paid		(1.2)	(1.2)	(19.4)	(24.3)
Interest received		-	-	0.1	-
Corporate income tax paid		(0.8)	-	(1.7)	(0.2)
Net cash generated from operating activities		271.8	129.3	318.8	431.7
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets		(103.2)	(43.7)	(276.7)	(138.8)
Proceeds from grants of property, plant and equipment		-	0.1	2.4	1.8
Proceeds from sale of property, plant and equipment		2.0	0.4	8.7	2.1
Contribution to the share capital of associates		(9.3)	-	(18.5)	(3.0)
Acquisition of subsidiaries, net of cash acquired		-	-	(24.1)	-
Dividends received from associates		1.5	1.5	2.3	2.5
Proceeds from sale of shares of business		-	-	-	0.7
Net cash used in investing activities		(109.1)	(41.8)	(305.9)	(134.8)
Cash flows from financing activities					
Loans received		-	-	130.0	131.9
Redeemed bonds		-	-	-	(106.3)
Repayments of bank loans		(54.6)	(29.3)	(226.9)	(275.4)
Repayments of other loans		-	-	-	(0.2)
Repayments of financial leases		(0.3)	(0.1)	(1.4)	(0.3)
Proceeds from sale of shares in subsidiary		-	-	91.2	-
Shareholder contribution		-	-	-	125.0
Proceeds from sale of share subsidiary		-	-	75.0	-
Net cash used in financing activities		(54.9)	(29.4)	67.9	(125.3)
Net cash flows		107.8	58.1	80.8	171.6
Cash and cash equivalents at the beginning of the period		198.0	166.9	225.0	53.4
Cash and cash equivalents at the end of the period		305.8	225.0	305.8	225.0
Net change in cash and cash equivalents		107.8	58.1	80.8	171.6

Condensed consolidated interim statement of changes in equity

in million EUR	Attributable to equity holder of the Parent Company					Total	Non-controlling interest	Total
	Share capital (Note 8)	Share premium	Statutory legal reserve	Other reserves	Retained earnings			
Equity as at 31.12.2020	621.6	259.8	62.1	40.2	898.4	2,007.1	1.2	2,008.3
Profit for the period	-	-	-	-	26.6	26.6	(0.1)	26.5
Other comprehensive income for the period	-	-	-	(37.6)	-	(37.6)	-	(37.6)
Total comprehensive income for the period	-	-	-	(37.6)	26.6	(11.0)	(0.1)	(11.1)
Equity as at 31.03.2021	621.6	259.8	62.1	2.6	925.0	1,996.1	1.1	1,997.2
Equity as at 31.12.2021	746.6	259.8	75.0	219.8	1,017.6	2,318.8	146.8	2,465.6
Profit for the period	-	-	-	-	154.9	154.9	8.1	163.0
Other comprehensive income for the period	-	-	-	138.2	-	138.2	-	138.2
Total comprehensive income for the period	-	-	-	138.2	154.9	293.1	8.1	301.2
Equity as at 31.03.2022	746.6	259.8	75.0	358.0	1,172.5	2,611.9	154.9	2,766.8

Notes to the condensed interim consolidated financial statement

1. Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with **International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations** as adopted by the European Union. These consolidated interim condensed financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting". The consolidated condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies and presentation of financial statements applied to this interim report were consistent with those used in financial statements for the financial year that ended on 31 December 2021.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies

and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

According to the Management Board the interim report prepared for the period 1 January 2022 - 31 March 2022 presents a true and fair view of the financial position, the cash flows and the results of operations of Eesti Energia AS and its subsidiaries (Group).

The information contained in the interim financial statements has not been audited or otherwise verified by auditors.

2. Financial risk management

2.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2021.

The group's interest rate risk management has changed compared with the previous financial year-end in connection with the conclusion of interest rate swap (IRS) agreements at the end of March 2022.

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Cash flow interest rate risk

arises from the group's floating-rate borrowings and is the risk that finance costs will grow when interest rates increase.

2.2. Fair value estimation

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2);
- inputs for the asset or liability that are not based on observable market data (Level 3)

The following tables present the Group's assets and liabilities that are measured at fair value by the level in the fair value hierarchy as at 31 March 2022 and 31 December 2021:

31.03.2022

in million EUR	Level 2	Level 3	Total
Assets			
Trading derivatives (Note 7)	91.6	140.2	231.8
Cash flow hedges (Note 7)	496.6	-	496.6
Total financial assets	588.2	140.2	728.4
Liabilities			
Trading derivatives (Note 7)	58.1	-	58.1
Cash flow hedges (Note 7)	274.7	-	274.7
Total financial liabilities	332.8	-	332.8

31.12.2021

in million EUR	Level 2	Level 3	Total
Assets			
Trading derivatives (Note 7)	56.1	83.7	139.8
Cash flow hedges (Note 7)	112.5	95.5	208.0
Total financial assets	168.6	179.2	347.8
Liabilities			
Trading derivatives (Note 7)	75.2	-	75.2
Cash flow hedges (Note 7)	78.7	-	78.7
Total financial liabilities	153.9	-	153.9

2. Financial risk management, cont.

2.2. Fair value estimation, cont.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. The Group's electricity derivatives that are traded in Nasdaq OMX are classified as Level 1 instruments.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. An instrument is included in level 2 if all the significant inputs required to establish the fair value of the instrument are observable. If one or more significant inputs are not based on observable market data, an instrument is included in level 3. The value of trading derivatives and cash flow hedges are found using notations of Nasdaq OMX, ICE, Platt's European Marcetscani and Nymex.

The fair value of forward, swap and future contracts is determined using forward prices at the balance sheet date, with the resulting value discounted back to present value.

Financial instruments in level 3

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use

of observable market data where it is available and rely as little as possible on entity specific estimates. An instrument is included in level 3 if one or more significant inputs are not based on observable market data. The Group classifies power purchase agreements ("PPA") as level 3 financial instruments.

The financial risk management department of the Group performs the valuations of derivative items required for financial reporting purposes, including level 3 fair values. This team reports directly to the financial risk committee who approves the valuation technique. Discussions of valuation processes and results are held between the financial risk committee and the valuation team at least once every quarter, in line with the Group's quarterly reporting periods.

In 2020, the fair value of level 3 derivatives was calculated based on the mathematical model that forecasted future period electricity prices. The model combined market based inputs for the Nord Pool system price and Helsinki EPAD, as quoted on Nasdaq OMX at the balance sheet date, with unobservable variable inputs such as actual production and consumption data of market participants, market prices of fuel inputs (CO₂, gas, coal), data of plant and/or cable outages, knowledge of future developments.

Starting from 2021, the valuation technique has changed. Fair value of level 3 derivatives is calculated based on the actual long-term (over 5 years) electricity sales agreements that the Group has concluded with its clients. The fair value calculation is performed on a monthly basis, therefore the calculation utilizes a weighted average price of long-term electricity sales agreements that have been signed during the month preceding the balance sheet date, which is then converted into baseload electricity price for the valuation of PPA agreements.

The technique has been changed due to the fact that there is limited market data available for longer period than 7 years. The new technique gives more accurate inputs to calculate market value for long-term derivatives.

2. Financial risk management , cont.

2.3. Fair value of financial assets and liabilities measured at amortised cost

The fair value of bonds, bank loans and finance lease liabilities:

in million EUR	31.03.2022	31.12.2021
Nominal value of bonds	500.0	500.0
Market value of bonds on the basis of quoted sales price	501.6	518.3
Nominal value of bank loans with fixed interest rate	72.9	72.9
Fair value of bank loans with fixed interest rate	73.3	74.5
Nominal value of bank loans with floating interest rate	335.7	390.4
Fair value of bank loans with floating interest rate	335.7	390.4

The bond is denominated in euros and listed on the London Stock Exchange. The fair value of the bond is based on the input that is within level 1 of the fair value hierarchy; the fair value of bank loans with fixed interest rate is based on the cash flows discounted using input that is within level 3 of the fair value hierarchy.

Other financial assets and liabilities of which fair value is approximate to their carrying amount:

- Trade and other receivables
- Deposits not recognised as cash equivalents
- Cash and cash equivalents
- Trade and other payables

3. Segment reporting

For the purposes of monitoring the Group's performance and making management decisions, the Management Board uses product-based reporting. The Group has determined main products and services, i.e. value-creating units that generate external revenues and profit, and built up a methodology of allocating revenues, expenses, and assets to the products.

The Group has distinguished three main products and services, which are presented as separately reportable segments, and a number of minor products and services that are presented together as "Other segments": 1) electricity (production and sale of electricity generated from renewable and non-renewable sources, and electricity trading); 2) distribution (sale of electricity distribution network services on regulated market and sale of additional services by Elektrilevi); 3) shale oil (production and sale of liquid fuels); 4) other products and services (including production and sale of heat, construction of power engineering equipment and services, sale of old metal, sale of mining products, sale of gas, sale of other products and services).

Other segments include by-products and services which individual share of the Group's revenue and EBITDA is immaterial. None of these products and services meet the quantitative thresholds that would require separate reporting disclosures.

Segment revenues include revenues from external customers only, generated by the sale of respective products or services. As the segments are based on externally sellable products and services (as opposed to legal entities), there are no transactions between segments to be eliminated.

All operating expenses of the Group are allocated to the products and services to which they relate. If a product (e.g. electricity) is created by several Group entities in a vertically integrated chain, then the related expenses include the production cost of each entity

involved in preparation of the product (e.g. the cost of electricity includes the cost of oil shale used for its production). Group overheads are allocated to products and services proportionally to the revenue obtained in relation to these costs.

The Management Board assesses the performance of the segments primarily based on EBITDA and it also monitors operating profit. Finance income and expenses, and income tax are not allocated to the segments.

The Group's assets are allocated to the segments based on their purpose of use. Liabilities are not allocated to the segments as they are managed centrally by the Group's finance department. EBITDA is not a defined performance measure under IFRS. The Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

The sales prices of network charges need to be approved by the Estonian Competition Authority as stipulated by the Electricity Market Act of Estonia. The Estonian Competition Authority has an established methodology for approving the prices that considers the costs necessary to fulfil the legal obligations and ensures justified profitability on invested capital. Generally, the Estonian Competition Authority considers the annual average carrying amount of non-current assets plus 5% of external sales revenue as invested capital. The rate for justified profitability is the Company's weighted average cost of capital (WACC). The sales prices for all other segments are not regulated by the law.

Also according to the District Heating Act the heating undertakings which sell heat to customers or to network operators who sell heat to customers or produce heat in the process of combined generation of heat and power must obtain the approval of the Competition Authority regarding the maximum price of the heat to be sold.

3. Segment reporting, cont.

Revenue

The revenue from external customers reported to the management board of the Parent Company is measured in a manner consistent with that in the consolidated income statement.

REVENUE FROM EXTERNAL CUSTOMERS

in million EUR	Q1 2022	Q1 2021
Electrical Energy	364.5	148.0
Network Services	63.7	65.6
Liquid Fuels	31.6	35.0
Other	111.7	48.7
Total	571.5	297.3

ASSETS

in million EUR	31.03.2022	31.03.2021	31.12.2021
Electrical Energy	2,463.4	1,695.0	2,134.0
Network Services	1,248.0	1,165.5	1,212.2
Liquid Fuels	540.8	400.7	450.0
Other	663.4	514.1	588.0
Total	4,915.6	3,775.3	4,384.2

EBITDA

in million EUR	Q1 2022	Q1 2021
Electrical Energy	155.6	33.1
Network Services	15.3	23.7
Liquid Fuels	2.6	5.8
Other	39.5	9.7
Total	213.0	72.4
Depreciation, amortisation and impairment	(43.6)	(41.9)
Net finance costs	(5.8)	(4.9)
Profit from associates under the equity method	0.2	1.0
Profit before tax	163.7	26.4

4. Seasonality of operating profit

Temperature is the most important factor influencing the domestic electricity and heat demand. Lower temperatures in winter induce higher energy consumption and thus higher revenues and operating profit. In summer, higher temperatures lead to lower electricity and heat consumption and correspondingly to lower revenues and lower operating profit.

5. Other operating income

in million EUR	Q1 2022	Q1 2021
Renewable energy grant	8.3	7.7
Gain on greenhouse gas emission allowances sold	1.9	1.1
Gain on disposal of property, plant and equipment	0.4	0.4
Gain from revaluation of derivatives	132.9	9.2
Fines, penalties and compensations	0.9	0.8
Other operating income	0.2	0.5
Total other operating income	144.6	19.7

6. Property, plant and equipment

in million EUR	Land	Buildings	Const-ruction	Plant and equipment	Other	Construction in progress and prepayments	Prepayments	Total
Property, plant and equipment as at 31.12.2021								
Cost	87.8	331.3	1,335.1	3,302.3	7.0	137.1	45.9	5,246.5
Accumulated depreciation	-	(131.9)	(571.1)	(1,512.8)	(5.3)	-	-	(2,221.1)
Carrying amount at 31.12.2021	87.8	199.4	764.0	1,789.5	1.7	137.1	45.9	3,025.4
Movements in the reporting period								
Additions	-	-	-	0.9	-	52.7		55.4
Depreciation charge and write downs	-	(1.8)	(8.6)	(31.7)	(0.2)	-		(42.3)
Disposals (at carrying amount)	-	-	-	(0.2)	-	-		(0.2)
Effects on movements in foreign exchange rates	0.1	-	-	(0.2)	-	-		(0.1)
Transfers	-	0.4	16.7	13.4	-	(29.4)		0.5
Total changes occurred in Q1 2022	0.1	(1.4)	8.1	(17.8)	(0.2)	23.3		13.3
Property, plant and equipment as at 31.03.2022								
Cost	87.9	331.6	1,351.6	3,311.8	6.8	160.4		5,297.2
Accumulated depreciation	-	(133.6)	(579.5)	(1,540.1)	(5.3)	-		(2,258.5)
Carrying amount at 31.03.2022	87.9	198.0	772.1	1,771.7	1.5	160.4		3,038.7

As at 31 March 2022, the Group had contractual liabilities relating to the acquisition of non-current assets totalling EUR 484.6 million (31 December 2020 EUR 56.9 million).

7. Derivative financial instruments

in million EUR	31.03.2022		31.12.2021	
	Assets	Liabilities	Assets	Liabilities
Forward- and future contracts for buying and selling electricity as cash flow hedges	388.5	5.0	193.7	2.5
Forward- and future contracts for buying and selling electricity as trading derivatives	175.2	3.1	87.3	4.3
Future contracts for buying and selling greenhouse gas emissions allowances as trading derivatives	-	-	-	-
Swap and future contracts for buying and selling gas cash flow hedges	41.3	-	12.5	-
Swap and future contracts for buying and selling gas as trading derivatives	56.7	54.9	52.3	51.9
Swap and forward contracts for selling fuel oil as cash flow hedges	65.8	269.6	1.8	76.2
Swap and forward contracts for selling fuel oil as trading derivatives	-	-	-	18.8
Other derivatives	0.9	0.2	0.2	0.2
Total derivative financial instruments including non-current portion:	728.4	332.8	347.8	153.9
Forward- and future contracts for buying and selling electricity as cash flow hedges	247.4	-	105.9	0.2
Forward contracts for buying and selling electricity as trading derivatives	151.9	0.5	76.6	0.3
Future contracts for buying and selling greenhouse gas emissions allowances as trading derivatives	-	-	-	-
Swap and future contracts for buying and selling gas as cash flow hedges	8.4	-	3.2	-
Swap and future contracts for buying and selling gas as trading derivatives	0.7	-	0.2	-
Swap and forward contracts for selling fuel oil as cash flow hedges	-	-	1.7	29.4
Swap and forward contracts for selling fuel oil as trading derivatives	24.7	95.8	-	7.9
Other derivatives	0.9	-	-	-
Total non-current portion	434.0	96.3	187.6	37.8
Total current portion	294.4	236.5	160.2	116.1

8. Share capital and dividends

As at 31 March 2022, Eesti Energia AS had 746 645 750 registered shares (31 December 2021: 746 645 750 registered shares). The nominal value of each share is 1 euro.

9. Earnings per share

Basic earnings per share are calculated by dividing profit attributable to the equity holder of the Parent Company by the weighted average number of ordinary shares outstanding. As there are no potential ordinary shares, diluted earnings per share equal to basic earnings per share all the periods.

	Q1 2022	Q1 2021	12m 2022/21	12m 2021/20
Profit attributable to the equity holders of the company (million EUR)	154.9	26.6	232.6	48.1
Weighted average number of shares (million)	746.6	746.6	746.6	746.6
Basic earnings per share (EUR)	0.21	0.04	0.31	0.06
Diluted earnings per share (EUR)	0.21	0.04	0.31	0.06

10. Borrowings at amortised cost

in million EUR	Short-term borrowings		Long-term borrowings			Total
	Bank loans	Lease liabilities	Bank loans	Bonds issued	Lease liabilities	
Borrowings at amortised cost 31.12.2021	167.2	1.0	296.0	483.4	8.9	956.5
Changes occurred in the reporting period						
Amortisation of borrowing expenses	-	-	-	2.3	-	2.3
Borrowings received	-	-	-	-	1.6	1.6
Repayments of borrowings	(54.6)	(0.3)	-	-	-	(54.9)
Transfers	(5.4)	-	5.4	-	-	-
Revaluation	0.1	0.1	(0.1)	-	-	0.1
Total changes occurred in Q1 2022	(59.9)	(0.2)	5.3	2.3	1.6	(50.9)
Borrowings at amortised cost 31.03.2022	107.3	0.8	301.3	485.7	10.5	905.6

As at 31 March 2022 the Group had undrawn loan facilities of EUR 665.0 million (31 December 2021: EUR 535.0), consisting of long-term loans of EUR 415.0 million and undrawn liquidity loans of EUR 250.0 million. In January 2022, Eesti Energia Group's subsidiary Enefit Green entered into a loan agreement with the Nordic Investment Bank ("NIB") in the amount of EUR 80.0 million to support the construction of Enefit Green's new wind farms in the Baltic countries.

11. Cash generated from operations

in million EUR	Q1 2022	Q1 2021	12m 2022/21	12m 2021/20
Profit before tax	163.7	26.4	259.1	48.6
Adjustments				
Depreciation and impairment of property, plant and equipment	42.3	41.0	169.8	156.3
Amortisation and impairment of intangible assets	1.3	0.9	3.9	2.7
Deferred income from connection and other service fees	(3.0)	(2.5)	(11.3)	(9.8)
Gain on disposal of property, plant and equipment	(0.4)	(0.4)	(3.4)	(1.5)
Loss on disposal of associate	-	-	-	(0.7)
Amortisation of government grant received to purchase non-current assets	(0.2)	(0.2)	(0.9)	(0.7)
Profit/loss from associates using equity method	(0.2)	(1.3)	(0.9)	(2.9)
Unpaid/unsettled gain/loss on derivatives	(63.9)	5.7	(45.4)	53.0
Profit (loss) from other non-cash transactions	(0.1)	(0.2)	1.3	(0.4)
Interest expense on borrowings	5.5	6.4	24.4	29.1
Interest and other financial income	-	-	-	(0.1)
Adjusted net profit before tax	145.0	75.8	396.6	273.6
Net change in current assets relating to operating activities				
Change in receivables related to operating activities	13.0	(17.4)	(119.9)	(28.8)
Change in inventories	(9.5)	8.6	(14.6)	10.0
Net change in other current assets relating to operating activities	(23.3)	(15.7)	(108.5)	(15.0)
Total net change in current assets relating to operating activities	(19.8)	(24.5)	(243.0)	(33.8)
Net change in current liabilities relating to operating activities				
Change in provisions	98.9	56.7	157.8	45.9
Change in trade payables	44.7	(4.2)	68.3	(0.9)
Net change in liabilities relating to other operating activities	4.9	26.6	(39.9)	171.4
Total net change in liabilities relating to operating activities	148.5	79.1	186.2	216.4
Cash generated from operations	273.7	130.4	339.8	456.2

12. Provisions

in million EUR	Opening balance 31.12.2021	Recognition and reversal of provisions	Interest charge	Use	Closing balance 31.03.2021	Closing balance 31.03.2021
					Short term provision	Long term provision
Environmental protection provisions	19.4	-	0.1	(0.3)	1.8	17.4
Employee related provisions	5.3	-	-	(0.2)	1.0	4.1
Provision for dismantling cost of assets	6.0	-	0.1	-	-	6.1
Provision for greenhouse gas emissions	193.2	96.6	-	-	289.8	-
Provision for onerous contracts	0.1	-	-	-	0.1	-
Provision for obligations arising from treaties	0.1	-	-	-	0.1	-
Provision for renewable energy certificates	2.2	2.5	-	-	4.7	-
Total provisions	226.3	99.1	0.2	(0.5)	297.5	27.6

13. Related party transactions

The sole shareholder of Eesti Energia AS is the Republic of Estonia. In preparing the Group's financial statements, the related parties include associates, members of the management and supervisory boards of the parent company, and other companies over which these persons have significant influence. Related parties also include entities under the control or significant influence of the state.

TRANSACTIONS WITH ASSOCIATES

in million EUR	Q1 2022	Q1 2021
Purchase of goods	0.1	0.1
Purchase of services	0.3	0.4
Proceeds from sale of services	0.1	-

RECEIVABLES FROM ASSOCIATES AND PAYABLES TO ASSOCIATES

in million EUR	31.03.2022	31.12.2021
Receivables	12.0	11.7
incl long-term loan receivables	12.0	11.7
Allowance for doubtful loan receivables	(12.0)	(11.7)
Payables	1.4	1.5

Upon premature termination of the service contract with a member of the Management Board, the service contracts stipulate the payment of 3 months' remuneration as termination benefits. During the period 1 January - 31 March 2022 remuneration to management and supervisory boards amounted to EUR 1.5 million (1 January - 31 March 2021: EUR 0.9 million).

In purchasing and selling network services, the prices set by the Estonian Competition Authority are used. All other transactions are concluded using agreed prices.

The sales of electricity, network services and heat to the entities over which the state has control or significant influence have been taken place under normal business activity. The Group has performed in the reporting and comparative period purchase and sales transactions in the material amounts with Elering AS, which is fully state-owned enterprise.

TRANSACTIONS WITH ELERING AS

in million EUR	Q1 2022	Q1 2021
Purchase of services	78.0	28.4
Purchase of goods	23.5	2.4
Purchase of property, plant and equipment and prepayments	1.6	0.4
Sale of goods and services	19.0	3.5
Renewable energy grant	8.4	7.7

RECEIVABLES FROM ELERING AS AND PAYABLES TO ELERING AS

in million EUR	31.03.2022	31.12.2021
Receivables	4.6	4.6
Payables	21.3	9.1

14. Financial information regarding significant subsidiary with a non-controlling interest

In October 2021, the initial public offering (“IPO”) of the shares of the subsidiary Enefit Green AS was carried out, as a result of which the subsidiary issued 34,482,759 new shares and Eesti Energia AS reduced its ownership by selling additional 25,862,068 shares. The selling price of the shares during the IPO was 2.9 euros per share. As a result of the transaction, Eesti Energia AS received EUR 75.0 million and the subsidiary itself received EUR 100.0 million for the newly issued shares (excluding the costs associated with the issue). The total amount of costs associated with the issue were EUR 8.8 million, which has been recognised as a reduction on the line of “Retained earnings”. Issue costs (incl. financial advisory costs, legal audit and advisory costs, etc.) have been assessed by the Group as capitalisable, as the realisation of these costs was an unavoidable precondition for the issue to take place.

In total, the Group received EUR 175.0 million from the partial disposal of the shares in its subsidiary. The Group accounted non-controlling interest in the amount of EUR 138.5 million taking into account the proportion of shares owned by the non-controlling interest and the net assets of the subsidiary on the transaction date. The difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration received (EUR 36.5 million) was recognised directly in equity, on the line “Retained earnings”. This amount has been adjusted with the total amount of costs associated with the issue (EUR 8.8 million).

As a result of the public offering, the number of shares issued by the subsidiary ended up at 264,276,232 and the ownership of Eesti Energia AS is 77.17%. As of 21 October 2021, the shares of Enefit Green AS were listed on the main list of Nasdaq OMX Baltic.

Set out below is the financial information for the only subsidiary that has non-controlling interests (NCI) that are material to the group. The amounts disclosed are before inter-company eliminations.

miljonites eurodes	Enefit Green Group 31.03.2022	Enefit Green Group 31.12.2021
Summarised statement of financial position		
Cash	108.4	80.5
Trade and other receivables	2.4	22.4
Inventories	7.8	9.5
Total short-term assets	14.0	112.4
Total non-current assets	71.2	705.3
Total liabilities	3.6	43.9
Total non-current liabilities	14.7	140.1
Total liabilities	18.3	184.0
Equity	66.9	633.6
Non-controlling interest %	22.8%	22.8%
Non-controlling interest	153.2	144.7
Summarised statement of comprehensive income		
	01.01- 31.03.2022	01.01- 31.12.2021
Revaluation of hedging instruments net of reclassifications to profit or loss	0.1	(12.4)
Exchange differences on the translation of foreign operations	(0.0)	(0.1)
Net profit (loss) for the period	34.9	79.6
Comprehensive profit (loss) for the period	3.6	67.1
Summarised cash flow statement		
	01.01- 31.03.2022	01.01- 31.12.2021
Total cash flow from operating activities	46.0	117.2
Total cash flow from investing activities	-74,7	-74,7
Total cash flows from financing activities	(4.7)	27.2
Change in cash and cash equivalents	28.0	69.7

15. Events after the reporting date

On 26 April 2022 the sole shareholder made a resolution to pay to the shareholder dividend EUR 46.7 million, payment was made on 3 of May 2022. The income tax costs on dividend is recognised as deferred income tax in the 2021 annual report.

On 2 May 2022 owners of Wind Controller JV OY signed an agreement with Caverion Corporation to sell 100% of their holding in Wind Controller to Caverion. As a result, Enefit Green has sold its 10% shareholding in Wind Controller to Caverion.

In April an additional interest rate swap transaction was made in an amount of EUR 40.0 million.

Glossary

Circulating fluidised bed (CFB) technology – Circulating fluidised bed combustion technology whereby larger (unburnt) particles are returned to the furnace

Clean Dark Spread (CDS) – Eesti Energia's margin between the price of electricity (in NP Estonia) and 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)

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

Controllable production assets – Production assets which operate on energy sources such as oil shale, oil shale gas, wood chips, peat and tyre chips

EBITDA – profit before finance income and costs, profit (loss) from associates under the equity method, tax-, depreciation-, amortisation, impairment losses

EBITDA margin – profit before finance income and costs, profit (loss) from associates under the equity method, tax-, depreciation-, amortisation, impairment losses divided by revenue

FFO – Funds from operations. Cash flow from operations, excluding changes in working capital

Financial leverage – Net debt divided by the sum of net debt and equity

Future – A contract between counterparties which obligates to buy or sell an underlying asset (e.g. a commodity) at a pre-agreed price

Green paper on industrial policy – A document prepared by the state and employers' associations which outlines the bottlenecks of industrial development and suggests solutions for their elimination and improving industrial development

Level of water reservoirs – The level of water in the reservoirs of hydro power plants as a percentage of the maximum possible level. Most of the Nordic countries' electricity production is based on hydro power whose output depends on the level of water reservoirs

Liquidity – Amount of liquid assets. Sum of cash and cash equivalents, short-term financial investments and deposits with a maturity of more than 3 months

Maintenance and repair expenditures – Expenditures incurred to maintain the existing production capacities

MWh – megawatt hour. 1 MWh is 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

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. To a lesser extent, 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

NP system price – The price on the Nord Pool power exchange that is calculated on the basis of all purchase and sale bids without taking into account transmission capacity limitations

Oil shale resource charge – A charge to be paid to the state for the use of 1 tonne of oil shale located in the mineral deposit

Position hedged with forward transactions – The quantity of electricity and shale oil to be sold and emission allowances to be purchased in future periods whose average price 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 excluding assets under construction (allocated to specific products)

ROIC – Return on Invested Capital, calculated by dividing operating profit by average invested capital

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

Tax footprint – An indicator which reflects the contribution made to society through taxes

Variable profit – Profit after deducting variable costs from sales revenue