Enefit Green

Q3 2024 Results Presentation

Results are presented by:

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CEO

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Member of the Board, CDO

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Head of Finance Communication

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Changes in board composition

- The Supervisory Board of Enefit Green has appointed **Argo Rannamets** as a Member of the Management Board. His three-year term begins January 31, 2025
- Argo will be responsible for the company's daily financial management, financing opportunities, and investment planning
- He has over 20 years of experience in finance
- Since November 2023, he has served as a board member and CFO of Ekspress Group. From 2021 to 2023, he co-founded KWOTA, a startup providing carbon offsetting solutions. Between 2010 and 2021, he worked at the waste management group Ragn-Sells, where he held the role of the CFO for the Estonian operations and managed various business units across Eastern Europe and Sweden at the group level

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Renewables in our core markets: a 3-fold opportunity

- Close the **gap between demand and supply** in the Baltics & Poland
- **Replace carbon intensive** electricity production
- Increase local production for **greater energy independence**

	Annual* Production (TWh)	Annual* Consumption (TWh)	Annual* Net export (TWh)
Norway	152.4	134.5	+17.9
Sweden	155.0	130.6	+24.4
Finland	74.0	78.9	-4.9
Estonia	4.6	8.1	-3.5
Latvia	5.7	6.5	-0.8
Lithuania	5.5	11.7	-6.2
Poland	153.3	166.1	-12.8
Denmark	32.7	34.5	-1.8

Carbon intensity (gCO_2eq/kWh)

0 100 200 300 600 900

	Carbon intensity	Low-carbon	Rene-wable
Sweden	21 g	100%	70%
Norway	30 g	99%	99%
Finland	100 g	90%	52%
Lithuania	128 g	86%	86%
Latvia	152 g	74%	74%
Denmark	156 g	83%	83%
Germany	423 g	61%	60%
Estonia	570 g	46%	46%
Poland	795 g	27%	27%

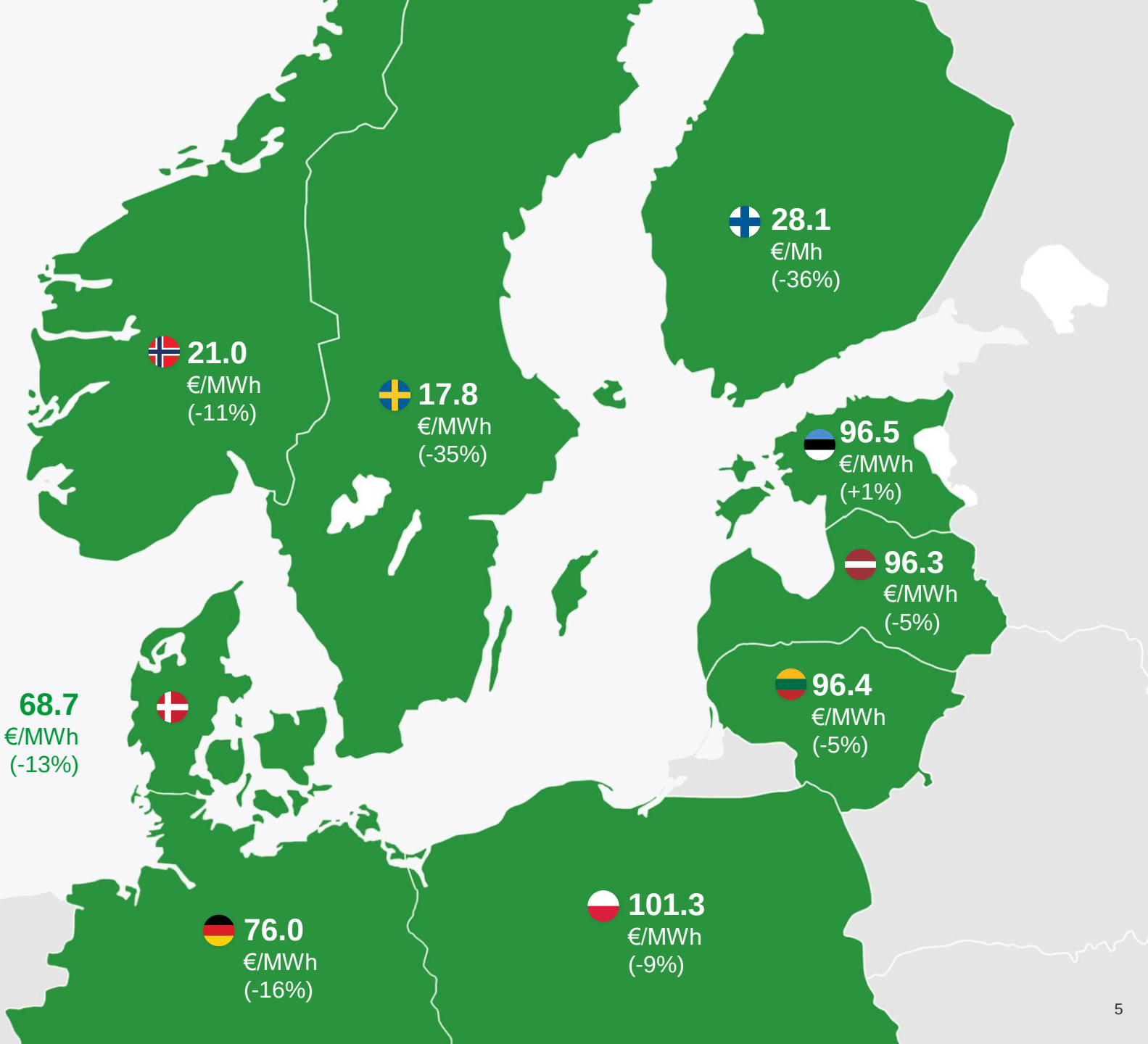
Carbon intensity of electricity production in 2023.
Source: https://app.electricitymaps.com/map

** 2023 data. Source: ENTSO-E Statistical Factsheet 2023*

Undersupply in Baltics and Poland kept average power prices high in Q3

Drivers:

- EstLink2 (650 MW) repaired only by mid-September
- Modest wind conditions in the Baltics



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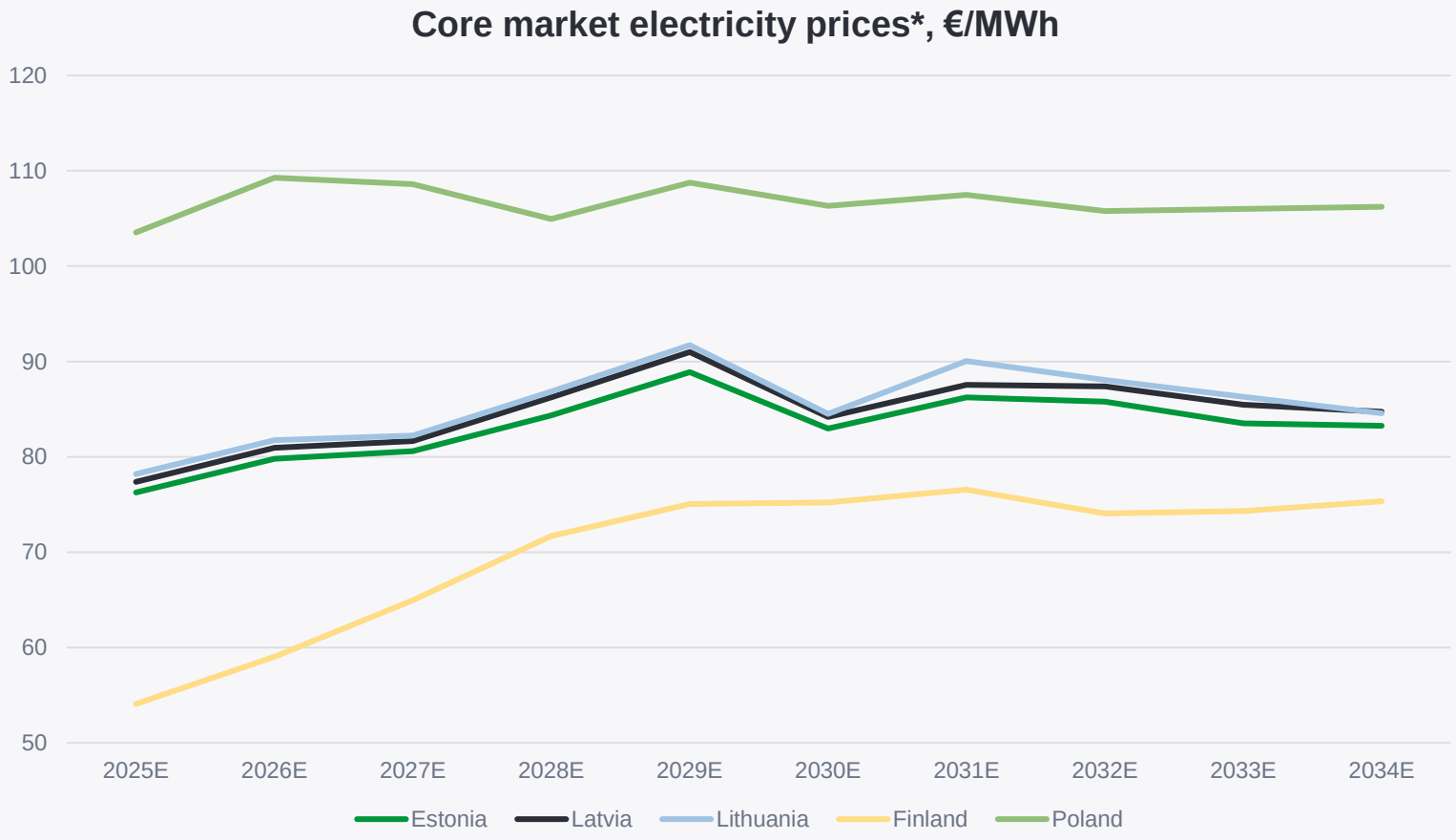
Longer term power price expectations remain stable



Long-term price forecast

- Baltic power price forecasts by third parties have remained largely unchanged compared to previously published ones
- Price forecasts Poland and Finland for years 2025 - 2027 have been lowered by up to 10%:
  - Lower carbon permit prices
  - slower expected electricity demand growth stemming from industry challenges and lower demand from electrolysers
- Longer term forecasts for all markets have remained roughly unchanged

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** 2025E – 2034E electricity prices have been estimated by averaging the forecasts of market analysis companies SKM, Volue and Thema (SKM Market Predictor Long-Term Power Outlook – May 2024, Volue Long Term Price Forecast – September 2024, Thema Power Market Outlook – September 2024 (Polish and Finnish prices: May 2023)). The figures presented are nominal prices, which have been estimated assuming a constant 2% rate of inflation.*

Regulatory developments

Estonia

- Following consultations the original plan to introduce a frequency reserve fee of €5.31/MWh for electricity producers and consumers from February 2025 was rejected. The new plan is to introduce a harmonised fee in partnership with Latvia and Lithuania by 1 January 2026 in order to create a similar operating environment for electricity producers and consumers across the Baltic countries. Estonia may introduce a temporary fee for the period 1 July – 31 December 2025.
- The Estonian parliament has passed an amendment to the Electricity Market Act that will end renewable energy and efficient cogeneration support for the Iru cogeneration plant from 1 January 2025. We consider the change to be disproportionate and discriminatory, calling into question the reliability of the state's commitments to renewable energy development.
- The Ministry of Climate has introduced several draft bills affecting renewable electricity production: increasing compensation payments for land use, modifying electricity storage regulations, and amending the principles of network services.
- Discussions on the volumes and principles of future wind energy reverse auctions continued.

Latvia

- At the end of August, toleration fees (compensation payments) for wind turbines located near residential buildings took effect in Latvia. All new wind turbines with a capacity of over 1 MW will be subject to a toleration fee, regardless of the height or location. The fee is set at €2,500 per MW of installed capacity per year. The payments are administered by the local authority on whose territory the wind turbines are located.

Lithuania

- Government adopted an updated version of the National Climate and Energy Plan 2021–2030 and submitted it to the European Commission. Increased renewable electricity target: 100% of consumed electricity (previously 45%).
- Government approved a draft law to increase the cybersecurity safety requirements for power plant control systems and submitted it to the parliament, requiring protection of control systems against remote management by foreign entities. The new requirements will apply from May 1, 2025, for new systems and from May 31, 2026, for existing systems.

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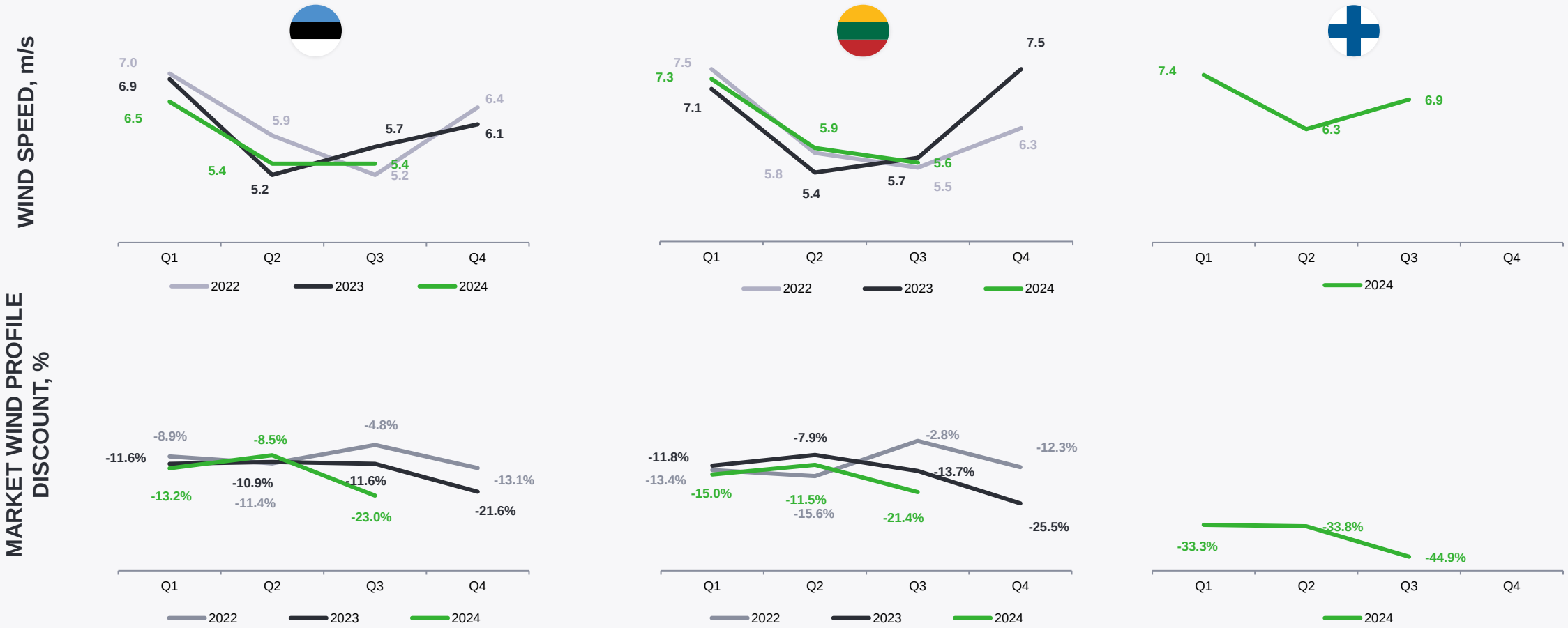
Modest wind conditions in Estonia and Lithuania. Deepening wind profile discounts.



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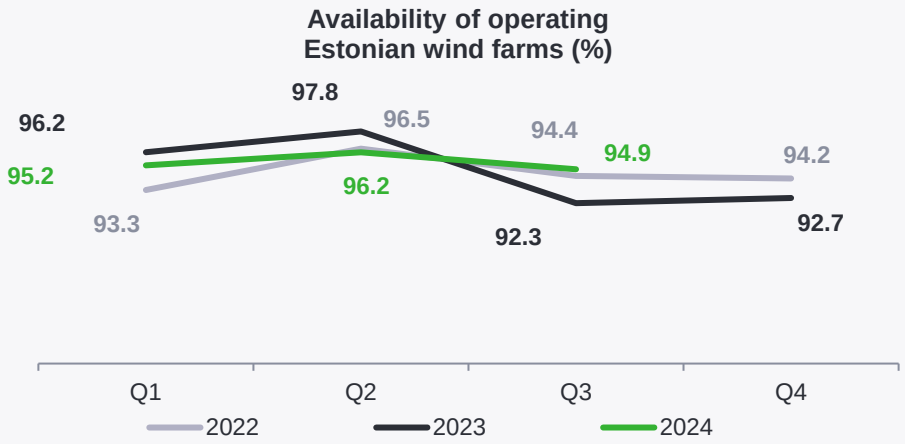
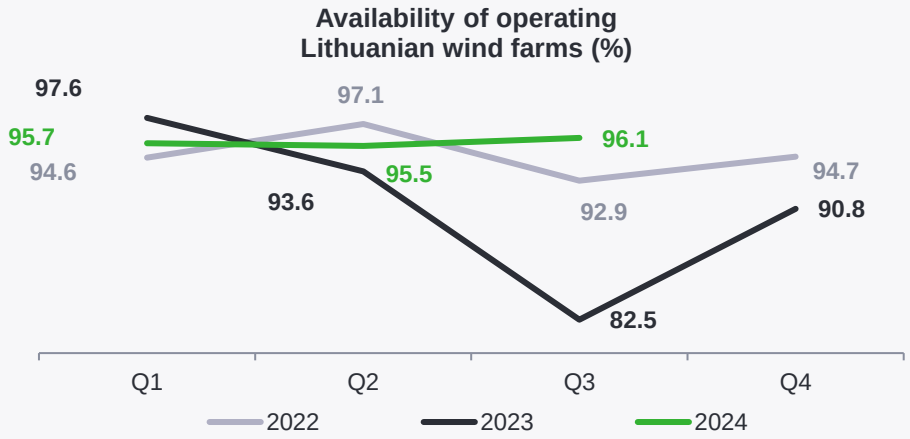
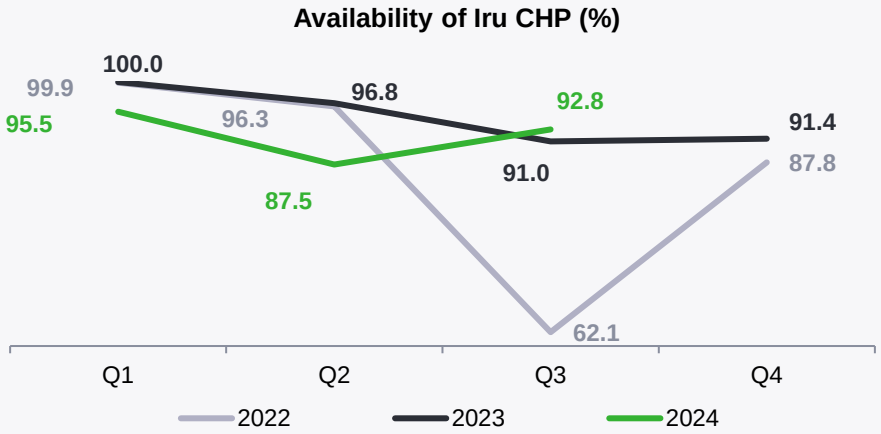
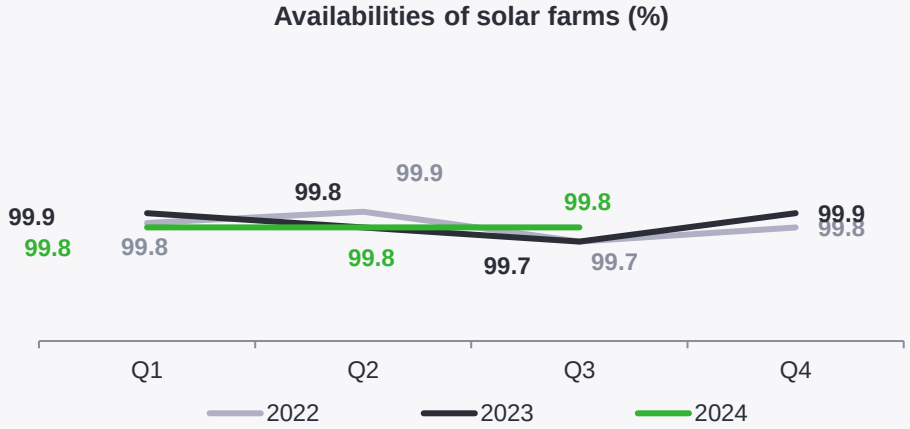
Continued good availabilities of operating assets









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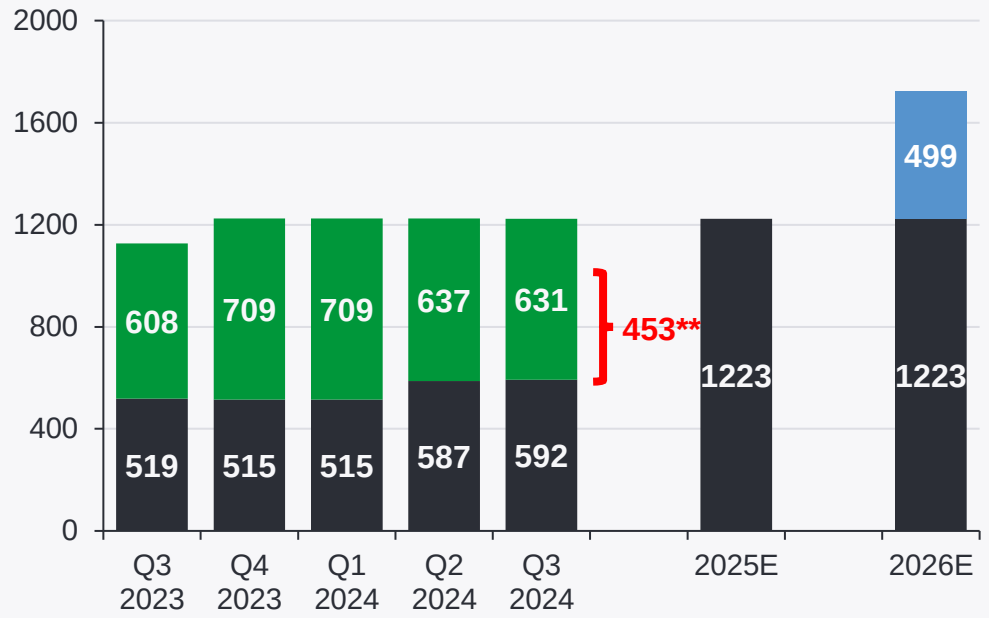
Installed power generation capacity over 1,000 megavatts

Generation capacity, MW



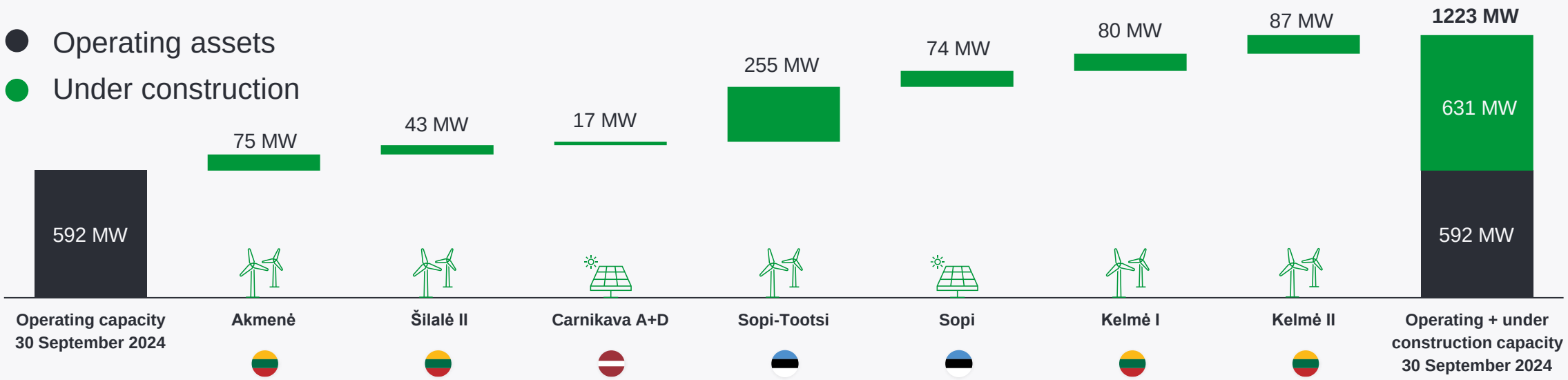
■ Near-term development portfolio* ■ Under construction ■ Operating capacity

* Near-term development portfolio includes projects, which are developed to the state of final investment decision (FID) readiness before the end of 2024. The actual timing of FID depends on PPA demand, availability of other instruments for revenue security (state auctions, possible support mechanisms etc), pricing of equipment for electricity production, construction prices and financing

** Installed, in commissioning

Projects under construction

540 MW **91 MW**



	Akmenė	Šilalė II	Carnikava A+D	Sopi-Tootsi	Sopi	Kelmė I	Kelmė II
Final investment decision	Q3 2021	Q2 2021	Q4 2023	Q4 2022	Q2 2023	Q4 2022	Q4 2023
First production/ % in testing phase	100%	100%	Q4 2024	92% (35/38)	Q4 2024	Q1 2025	Q3 2025
COD*	Q4 2024	Q4 2024	Q1 2025	Q2 2025	Q4 2025	Q3 2025	Q2 2026

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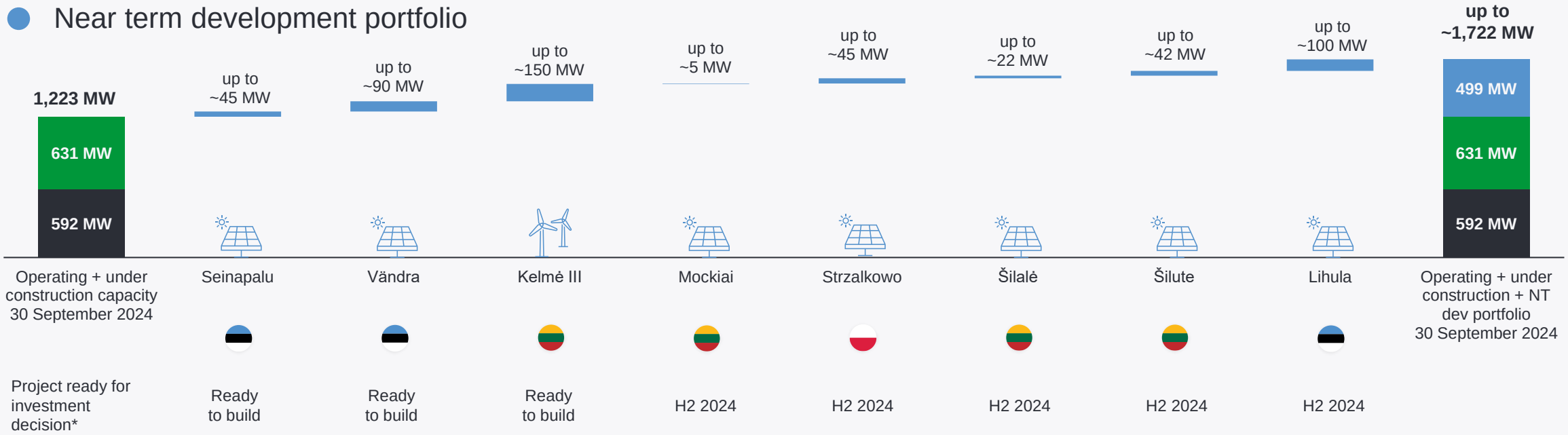
* COD – Commercial Operating Date (a date when the asset will be categorised as operating asset). During Q3, 6 MW Debnik solar farm has been categorised as operating asset.

Near-term development portfolio

150 MW **349 MW** + **4 MW/8MWh** H_2 **1 MW**

- Operating assets
- Under construction
- Near term development portfolio



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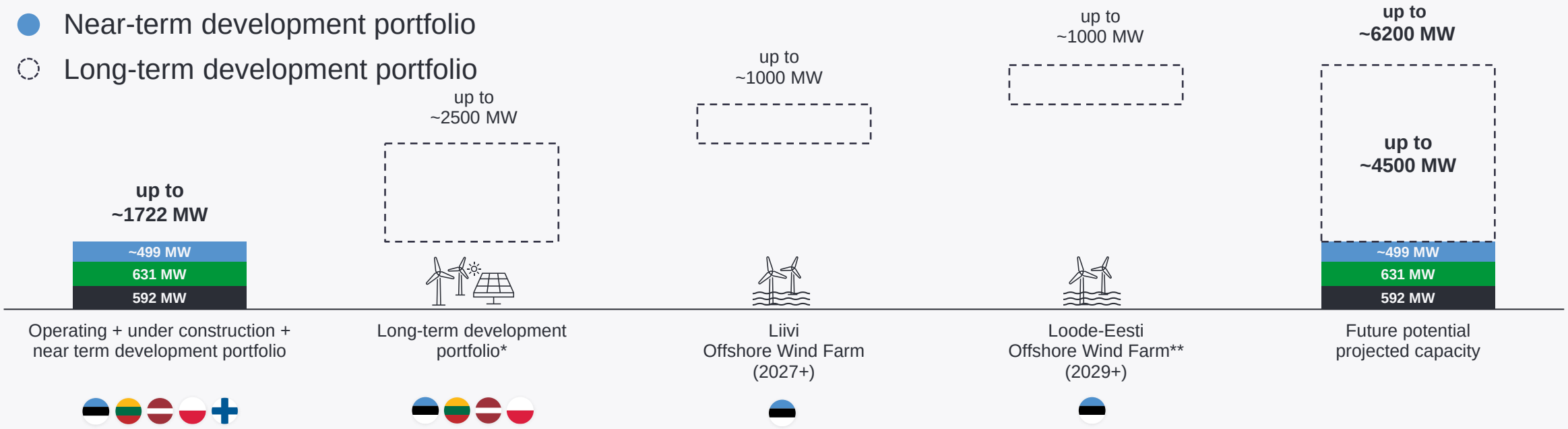
* Projects are being developed to the state of final investment decision (FID) readiness by the indicated time. The actual timing of FID depends on PPA demand, availability of other instruments for revenue security (state auctions, possible support mechanisms etc), pricing of equipment for electricity production, construction prices and financing

Full overview of the development portfolio

- Operating
- Under construction
- Near-term development portfolio
- Long-term development portfolio



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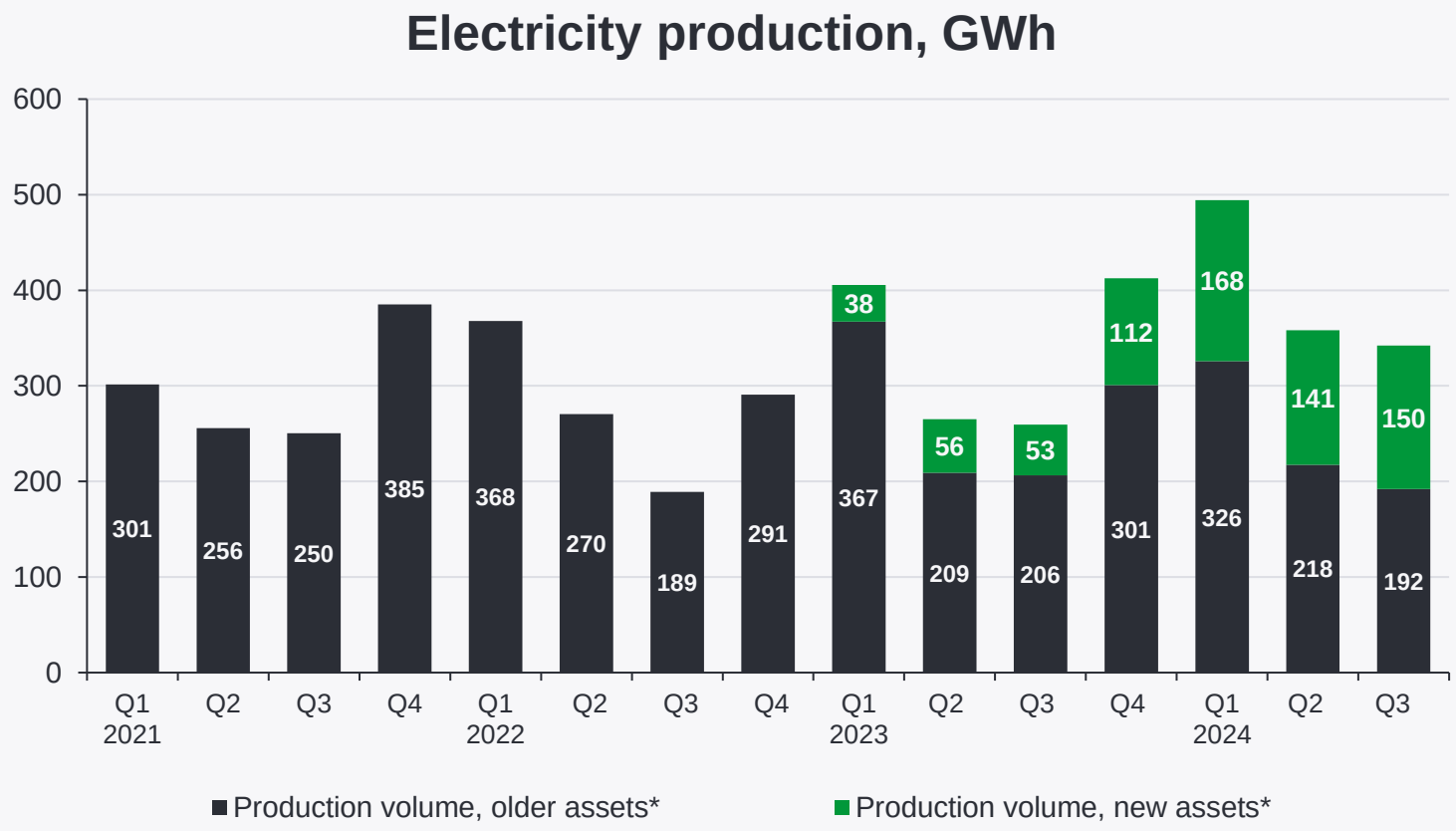
* Various onshore wind and solar farm developments that are not expected to get final investment decision before 2025. The actual timing of FID depends on PPA demand, availability of other instruments for revenue security (state auctions, possible support mechanisms etc), pricing of equipment for electricity production, construction prices and financing.

** Also known as Hiiumaa Offshore Wind Farm

The share of new assets is growing



Šilale II	43 MW	1/2023**
Akmene	75 MW	3/2023
Purtse	21 MW	3/2023
Zambrow	9 MW	4/2023
Purtse	32 MW	5/2023
Estonia	3 MW	3/2023
Tolpanvaara	72 MW	12/2023
Debnik	6 MW	2/2024
Sopi-Tootsi	255 MW	9/2024

* New assets include production assets, commissioned 2023 or later or those still uncommissioned but producing electricity – ie all assets, that have been completed or are under construction as part of the investment programme launched in 2021

** The month in which the asset made first significant contribution to Enefit Green's electricity production

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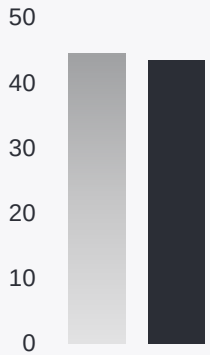
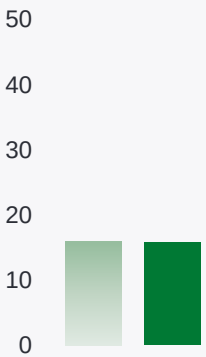
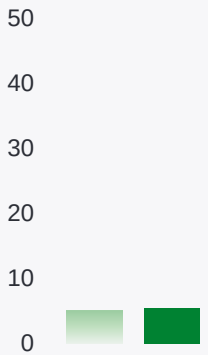
Q3 2024 key highlights

	NEW ASSETS*	TOTAL
POWER PRODUCTION	150 GWh +183%	342 GWh +32%
POWER PRICE**		50 €/MWh -40%

Operating income	EBITDA	Net profit
€43.5m -2%	€15.7m -1%	€5.4m +8%







€100m
Loan agreement with EBRD

€5.3m
Effect of Akmene settlement on Q3 operating income

12 GWh
September production from first Sopi-Tootsi turbines

* Production assets commissioned from 2023 onwards
** (Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

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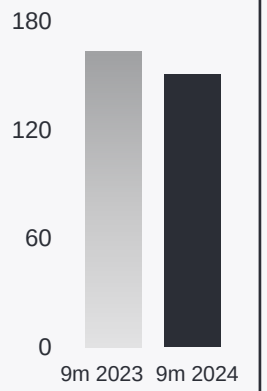
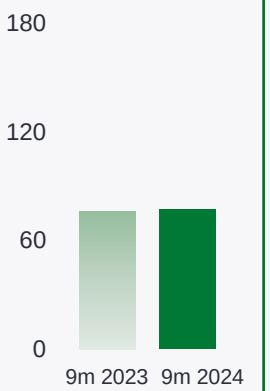
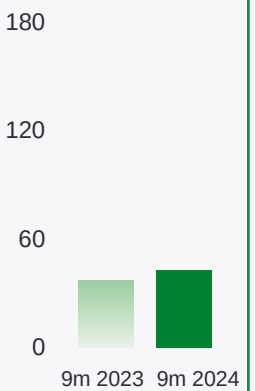
9m 2024 key highlights

	NEW ASSETS*	TOTAL
POWER PRODUCTION	460 GWh +212%	1 195 GWh +28%
POWER PRICE**		70 €/MWh -24%

Operating income	EBITDA	Net profit
€107.2m -10%	€61.3m +2%	€37.4m +18%







* (Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

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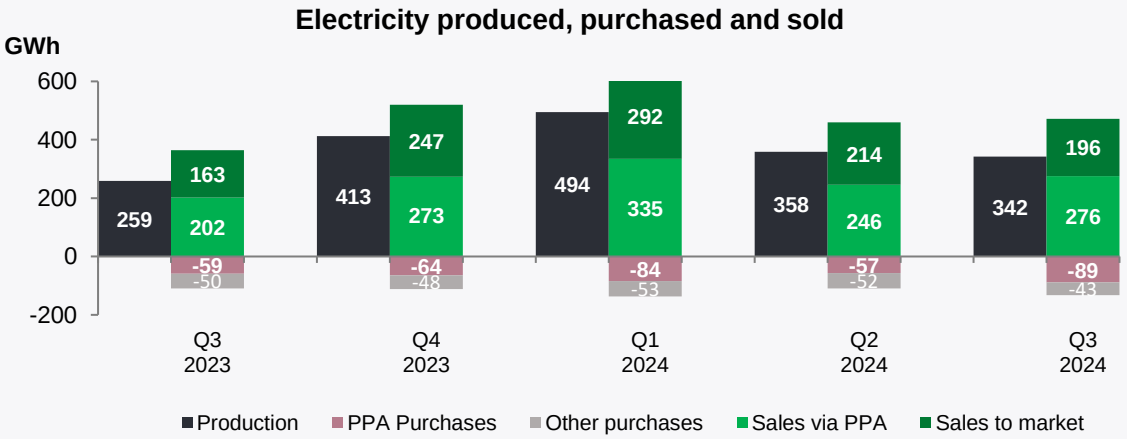
360 MW
Agreement with RES Global Investment to co-develop early stage onshore wind projects

Focus on completion of major new assets
Sopi-Tootsi
Kelme I
Sopi PV

Captured price driven by lower PPA price, increasing profile discounts



Power prices €/MWh	Q3 2023	Q3 2024
Core markets' average electricity price*	**97.8**	**87.5**
Price of electricity sold to the market	82.2	49.8
PPA price (incl. FiT until Q4 2022)	80.9	60.7
Realised purchase price	116.5	106.6
Implied captured electricity price**	**83.9**	**50.3**

* Production weighted average market price on group's core markets
** (electricity sales revenue + renewable energy support and efficient cogeneration support + revenues from sale of guarantees of origin - day-ahead and intraday purchases on Nord Pool - balancing energy purchases) / production

Implied captured price -40%

- Core markets average price -11%
- Price of electricity sold to the market -39%
- Average PPA price decrease (25%) caused by the beginning of the settlement period of lower-priced Lithuanian and Finnish PPAs signed in 2021
- The realized purchase price has decreased by 9% compared to the Q3 2023 due to the decline in the market price, but the increased profile discount has led to a widening in the spread between the purchase and selling prices.
- Wind profile discounts in Estonia and Lithuania widened by 11.6 and 8.1 percentage points and were similar to market average. Finnish market wind profile discount was close to last year's record level, but Tolpanvaara achieved 2X lower discount. Although less important, solar profile discounts have also considerably grown in Estonia and Poland.

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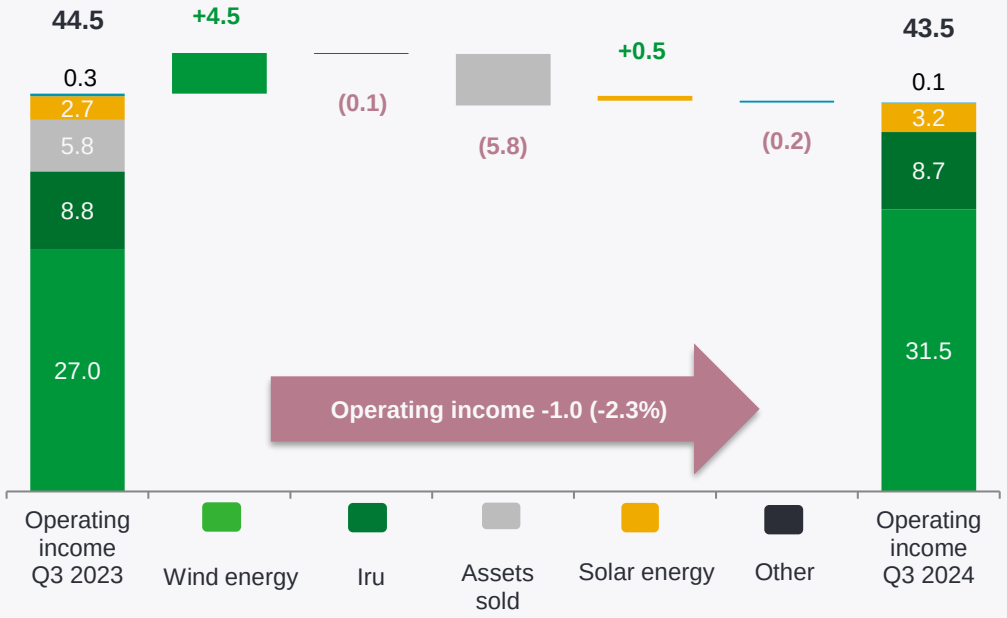
Operating income driven by sold assets and Akmene settlement

Operating income by segment, €m



Operating income €43.5m
-2%

Wind energy

- +€5.3m Akmene windpark incident settlement with GE Vernova
- Production growth from new wind farms (+93 GWh)
- Lower implied captured electricity price* 40 €/MWh (-45%)

CHP

- Sale of assets impacted operating income by €5.8m
- Lower electricity (-9%) and heat (-5%) production in Iru CHP
- Higher implied captured electricity price* 128 €/MWh (+3%)

Solar energy

- 18% higher production from new parks balanced -23% lower captured electricity price
- +€0.2m higher subsidies in Poland

* Implied captured electricity price = (electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

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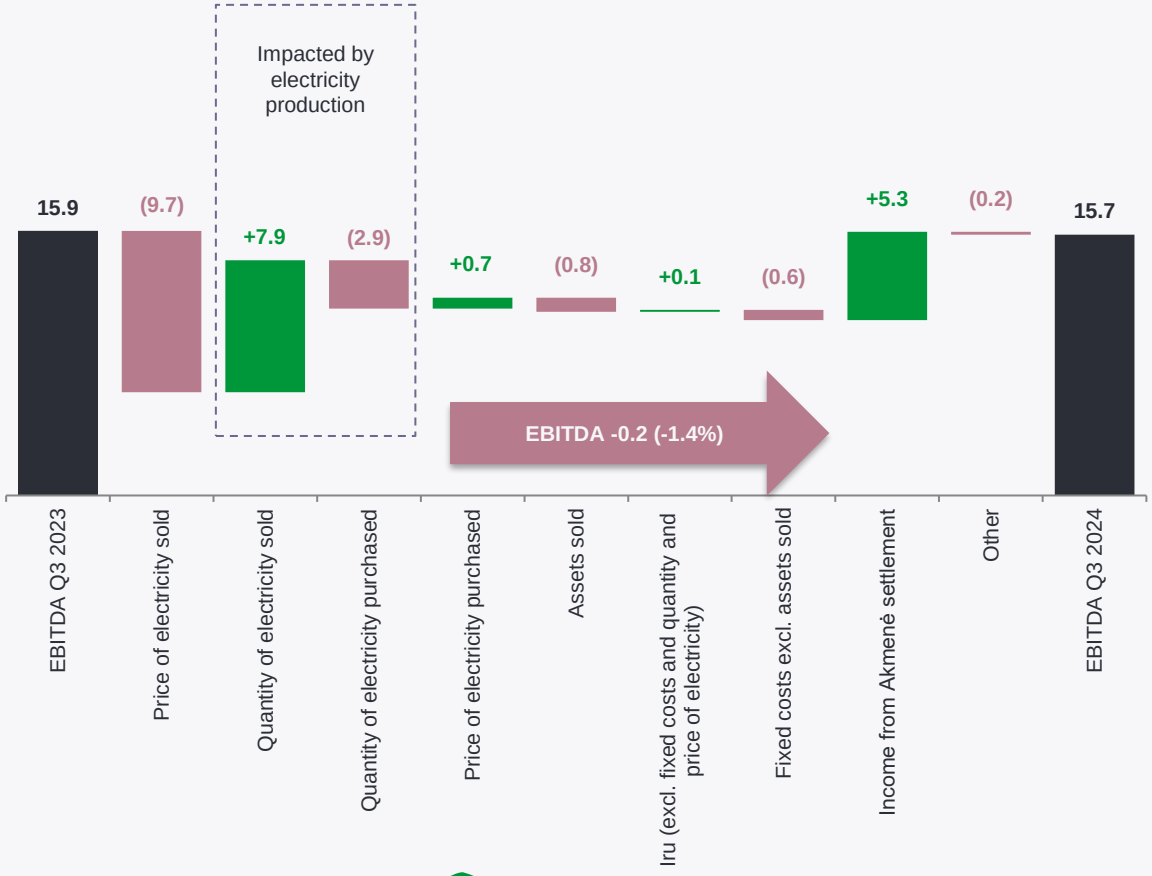
Increased production partially neutralised lower price impact on EBITDA

Group's EBITDA change by drivers, €m



EBITDA €15.7m
-1%

- **Electricity price net impact** -€9.0m
  The impact of the 39% lower price of electricity sold to the market was somewhat mitigated by a 9% lower purchase price.
- **Sold / purchased quantities net impact** +€5.0m
  32% higher production increased sales volume (+33 GWh) more than purchase volumes (+23 GWh)
- **Impact of Akmene settlement** +€5.3m on Q3 operating income
- **Sold assets -€0.8m impact**

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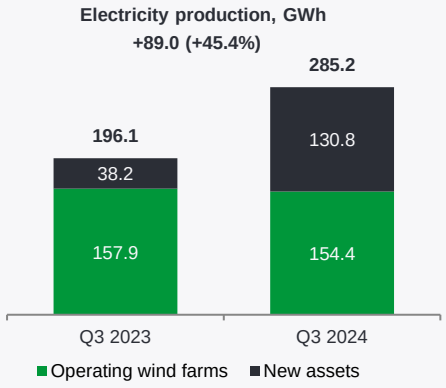
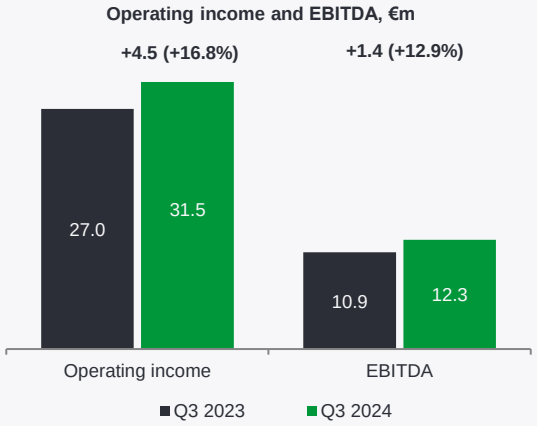
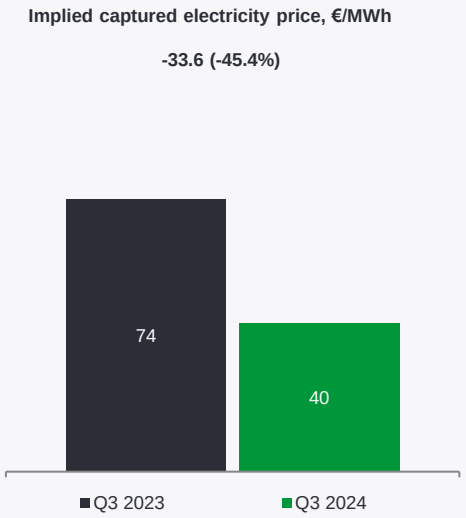
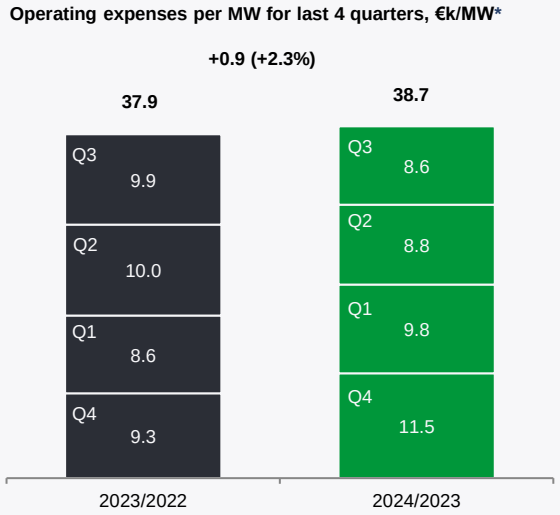
Wind energy segment: Higher production, but much lower captured electricity price. Material positive impact from Akmene settlement.

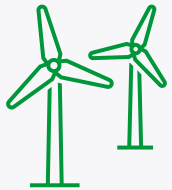


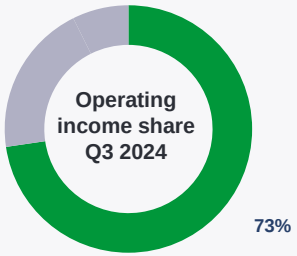


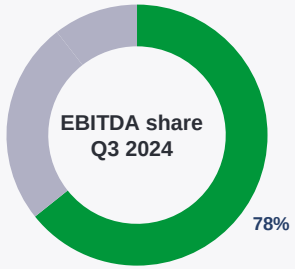




*(Total operating expenses - balancing energy purchase - D&A) / operating capacity. Only operating wind assets are included: Enefit Wind OÜ, Enefit Wind UAB, starting from Q3 2023 Purtse windpark and starting from Q3 2024 Tolpanvaara.







EBITDA €12.3m +12.9%

- Production growth from new wind farms (+93 GWh)
- Lower implied captured electricity price* 40 €/MWh (-45%) due to wider wind profile discount and cost of electricity purchased to meet our obligations under the PPAs
- In Q3 2024, operating expenses per installed MW have decreased by 13% compared to Q3 2023, due to addition of Tolpanvaara to operating windparks.
- Settlement for Akmene windpark incident with GE Vernova impact to operating income +€5.3 m

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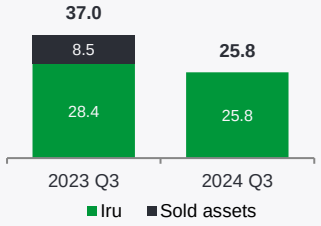
Cogeneration segment: lower EBITDA due to assets sold and longer-than-planned maintenance in Iru WtE

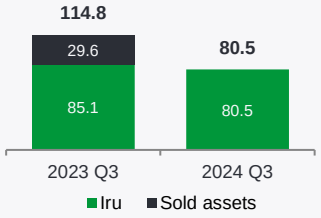
Electricity production, GWh

-11.2 (-30.3%)



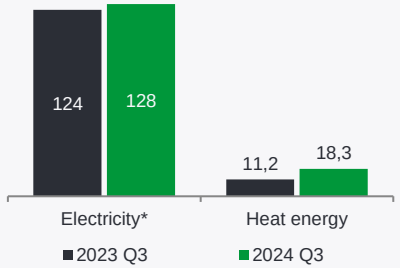
Heat production, GWh

-34.3 (-29.9%)



Implied captured electricity price, €/MWh*

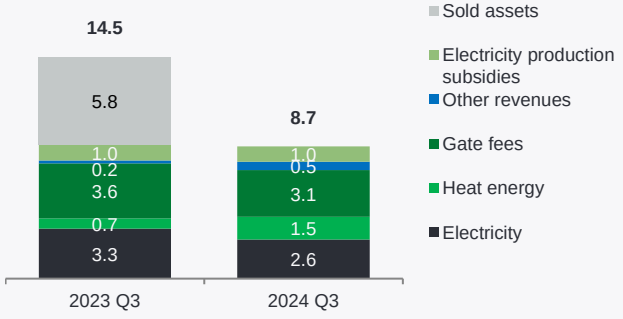
+3.8 (+3.0%) **+7.1 (+62.9%)**



*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

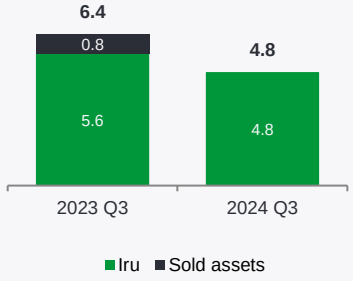
Operating income, €m

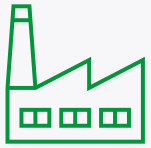
-5.9 (-40.4%)

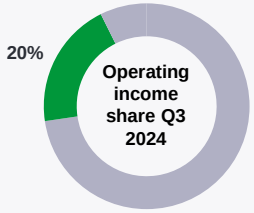


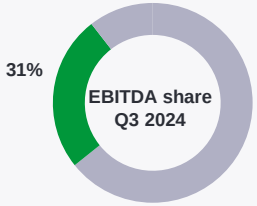
EBITDA, €m

-1.6 (-25.1%)









EBITDA €4.8m
-25%

- Higher implied captured electricity price 128 €/MWh (+3%) due to the growth in the Nord Pool Estonia price area
- The decline in Iru WtE EBITDA was mainly caused by lower energy production due to a longer-than-planned maintenance outage and increased emission taxes, which were offset by the rise in the heat price cap (from July 2024)

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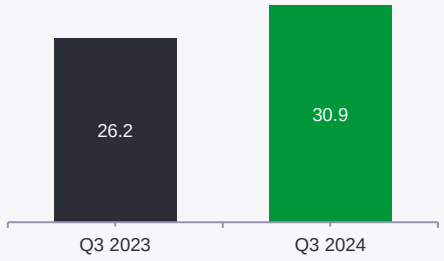
Solar segment: higher production balances lower prices

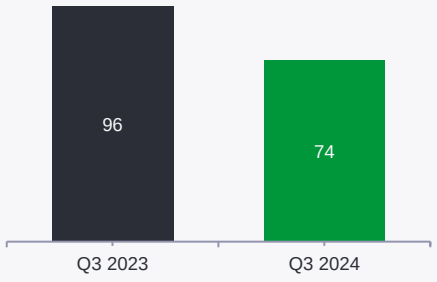
Electricity production, GWh

+4.6 (+17.7%)



Implied captured electricity price, €/MWh*

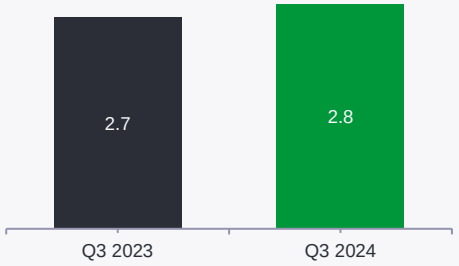
-22.2 (-23.1%)



*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

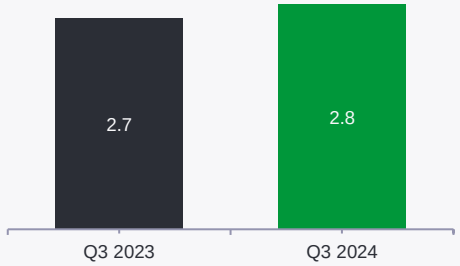
Operating income, €m

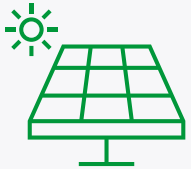
+0.5 (+19.2%)

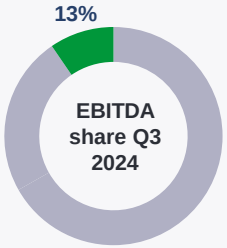


Operating income, €m

+0.5 (+19.2%)







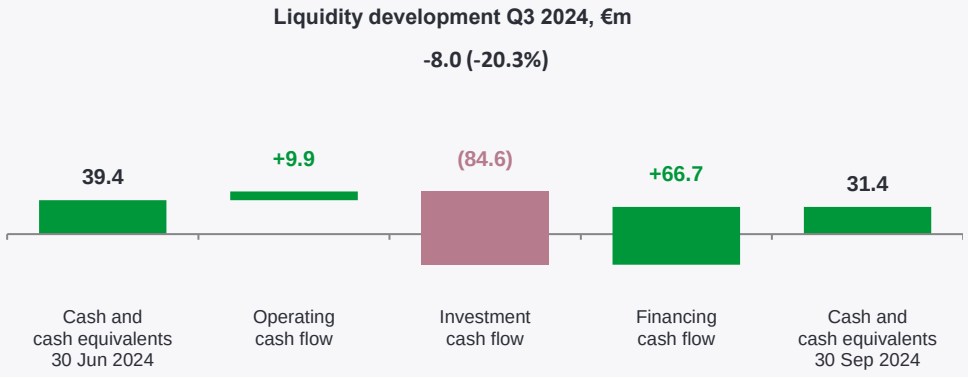
EBITDA €2.0m
+3.0%

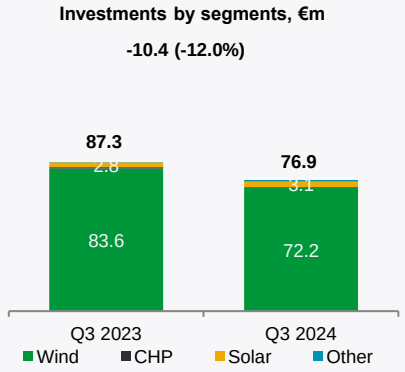
- +18% higher production due to new solar parks
- +€0.2m higher subsidies in Poland
- +€0.1m impact to the EBITDA due to two new rental services parks
- Solar energy implied captured electricity price* 74 €/MWh (-23%)
- Increase in variable costs of operating parks from electricity purchases made to balance Purtse solar park's PPA contracts

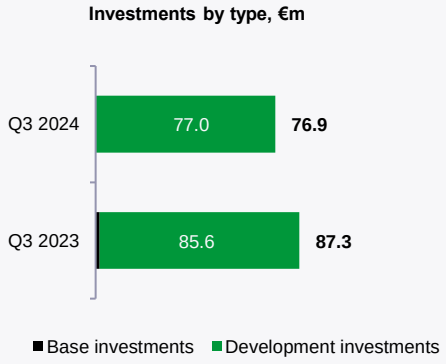
*(Electricity sales revenue + renewable energy support and efficient cogeneration support – electricity purchases on the Nord Pool day-ahead and intraday market – balancing energy purchases) / production

Enefit Green

€76.9m of investments in 2024 Q3







Investments €76.9m -12%

Operations

- Lower support than previously to continuing investments due to lower electricity prices

Investments

- 2024 Q3 investments in the amount of €76.9m, majority into developments:
  - Sopi-Tootsi €28.9m
  - Kelmė I €15.1m
  - Kelmė II €11.5m
  - Sopi PV €2.4m

  The completion of projects currently under construction will cost an estimated €180 mln

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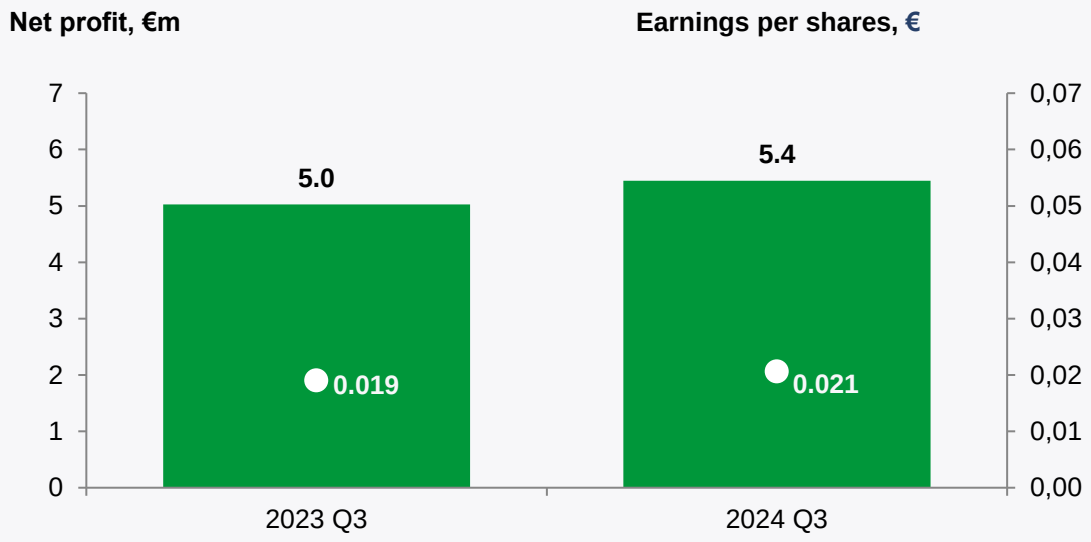
Q3 2024 earnings per share €0.021



Net profit €5.4m
+8%

Net financial costs

- Interest expense increase of +€3.7m, but neutral impact on profit due to 96% capitalization rate

Corporate income tax

- Decrease by €0.3m

Net profit

- Higher production volume from new assets
- Lower power prices
- Higher profile discount

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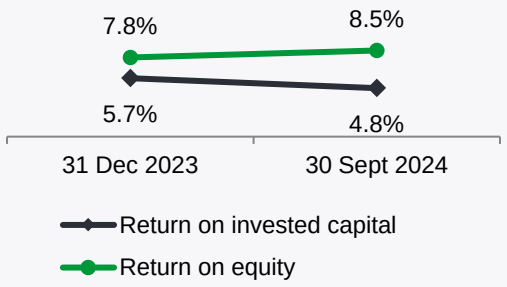
We expect leverage to peak in 2025

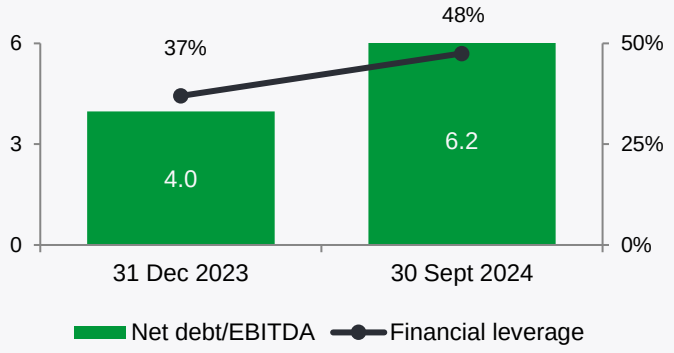
Return on invested capital and return on equity, %



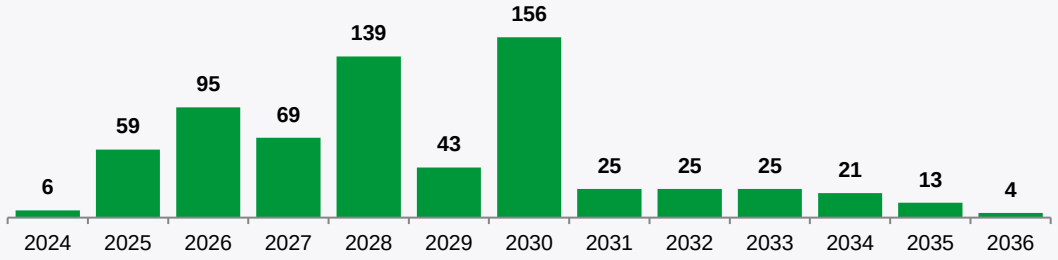
Return on invested capital = operating profit for the last 12 months/(net debt + equity)

Return on equity = net profit for the last 12 months / equity

Net Debt/EBITDA, times **Financial leverage, %**



Bank loan repayment schedule, €m



Financial leverage 48%

Capital structure

- Higher leverage and net debt / EBITDA ratio as expected

Financing

- Balance of outstanding loans €680m
- Average interest rate 4.19%, including interest rate swaps (30 June 2024: 4.23%). Swaps cover 21% of loans.
- Signed a new €100m loan with EBRD, and refinanced €30m of revolving credit facilities
- Unutilised investment loans of €210m and €50m of revolving credit facilities

Return on equity 8.5%

- Lower return on invested capital declined due to growth in invested capital
- Higher return on equity due to larger net profit

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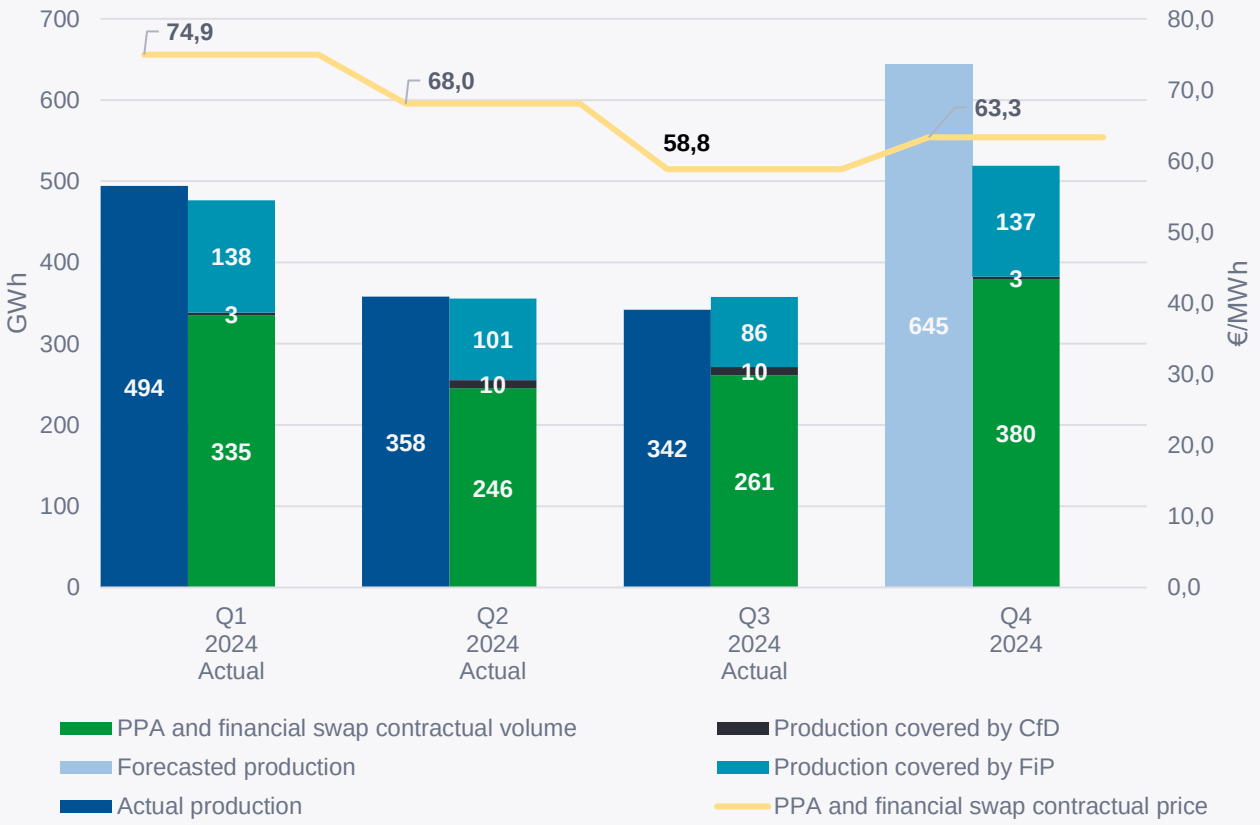
Electricity price risk management in 2024

Enefit Green's electricity production portfolio in 2024, as at 30 September 2024



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Power Purchase Agreements (PPAs)

We decreased production volume forecast from 753 GWh to 645 GWh (+56% growth compared to Q4 2023)

- Main reason behind lower forecast is slower than expected production launch in Sopi-Tootsi and Kelme I wind farms

We expect to produce 1.84 TWh of electricity in 2024

- Operating assets: 1.35 TWh
- Newly completed assets and assets under construction: 0.48 TWh

Risk Management instruments and activities

- PPAs in volume of 1.22 TWh (66.3% of expected production) at an average price of 66.5 €/MWh.
- 26 GWh is covered by CfD at an average price of 111.7 €/MWh and 46 GWh is covered with FiP at an average level of 50.2 €/MWh
- To reduce PPA balancing purchase risk:
  - Reduced the Q4 2024 PPA volume in the Baltic price region by 56 GWh

9m 2024 summary

Operating income	EBITDA	Net profit
€150.7m -8%	€77.0m +1%	€42.8m +17%

- +28% electricity production growth supported by new assets…
- … but trailing initial forecast by -264 GWh
  (weaker wind speeds, slower start of production at new facilities)
- Decline of electricity prices has slowed down
- Wind and solar profile discounts have widened
- Impact of Akmene settlement on op. income and EBITDA (+€5.3m)
- Sopi-Tootsi: 35/38 of turbines have produced first electricity, all turbines commissioned in Q4 2024
- Sopi PV: first electricity end of October 2024
- Kelme I: first electricity in Q4 2024
- Latvian PV: first electricity Q4 2024
- We are actively working to look for financing opportunities and partners to execute on our next development projects

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Operating capacity

592 MW

Total renewable capacity in commissioning

453 MW

Additional renewable capacity under construction

178 MW

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Q&A

Juhan Aguraiuja, CEO
Andres Maasing, CDO
Sven Kunsing, Head of Finance Communication

Enefit Green

Appendix

Electricity portfolio hedging
Condensed consolidated interim financial statements Q3 2024

Electricity Portfolio: PPAs provide protection against low power prices

Forecasted production volumes of existing and new production assets, sold PPAs and RE support measures, GWh

* Price floor – state support in the form of a price floor received through a reverse auction at a price level of 34.9 €/MWh (maximum support 20 €/MWh) for 12 years.

** Expected production comprises the forecasted production of operating assets and assets under construction.

Power Purchase Agreements (PPAs)

2024 - 2028

- 7,057 GWh of sold PPAs (49.8% of expected production**)
- Average contractual price 68.0 €/MWh

2029+

- The longest PPAs maturity is in 2033
- Against production expected beyond 2028, 2,458 GWh of PPAs have been sold at an average price of 79 €/MWh

Volume of new contracts

- No new PPAs have been concluded during 2024

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Condensed consolidated interim income statement

€ thousand	Q3 2024	Q3 2023	9m 2024	9m 2023
Revenue	33,833	39,660	123,900	146,111
Renewable energy support and other operating income	9,556	4,832	26,762	17,051
Change in inventories of finished goods and work in progress	0	3,434	0	3,266
Raw materials, consumables and services used	(22,485)	(26,011)	(57,069)	(71,386)
Payroll expenses	(2,159)	(2,634)	(6,747)	(8,025)
Depreciation, amortisation and impairment	(10,517)	(10,218)	(29,328)	(29,740)
Other operating expenses	(3,182)	(3,388)	(9,850)	(10,716)
OPERATING PROFIT	**5,506**	**5,675**	**47,668**	**46,561**
Finance income	316	747	1,342	2,345
Finance costs	(443)	(1,115)	(1,185)	(1,897)
Net finance income and costs	**(127)**	**(368)**	**157**	**448**
Profit from associates under the equity method	62	45	13	85
PROFIT BEFORE TAX	**5,441**	**5,352**	**47,838**	**47,094**
Income tax income (expense)	6	(362)	(5,004)	(10,045)
PROFIT FOR THE PERIOD	**5,447**	**5,026**	**42,834**	**36,689**
Basic and diluted earnings per share				
Weighted average number of shares, thousand	264,276	264,276	264,276	262,276
Basic earnings per share, €	0.021	0.019	0.16	0.12
Diluted earnings per share, €	0.021	0.019	0.16	0.12

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Condensed consolidated interim statement of financial position

€ thousand	30 September 2024	31 December 2023
ASSETS		
Non-current assets		
Property, plant and equipment	1,322,861	1,027,057
Intangible assets	59,741	59,891
Right-of-use assets	8,619	9,097
Prepayments for non-current assets	41,902	55,148
Deferred tax assets	1,486	2,013
Investments in associates	524	548
Derivative financial instruments	3,450	5,054
Non-current receivables	1,353	0
Total non-current assets	**1,439,935**	**1,158,808**
Current assets		
Inventories	5,611	3,180
Trade receivables	6,518	8,618
Other trade receivables	8,385	16,380
Prepayments	7,780	30,084
Derivative financial instruments	2,480	3,806
Cash and cash equivalents	31,362	65,677
	62,135	**127,745**
Assets classified as held for sale	0	15,370
Total current assets	**62,135**	**143,115**
Total assets	**1,502,071**	**1,301,923**

€ thousand	30 September 2024	31 December 2023
EQUITY		
Equity and reserves attributable to shareholders of the parent		
Share capital	264,276	264,276
Share premium	60,351	60,351
Statutory capital reserve	8,291	5,556
Other reserves	162,996	163,451
Foreign currency translation reserve	(37)	(162)
Retained earnings	236,067	223,718
Total equity	**731,944**	**717,190**
LIABILITIES		
Non-current liabilities		
Borrowings	630,552	454,272
Government grants	2,865	3,010
Non-derivative contract liability	12,412	12,412
Deferred tax liabilities	12,416	12,497
Other non-current liabilities	5,466	5,331
Provisions	7	8
Total non-current liabilities	**663,717**	**487,530**
Current liabilities		
Borrowings	63,494	32,126
Trade payables	23,825	29,464
Other payables	17,175	24,981
Provisions	2	6
Non-derivative contract liability	1,913	5,674
	106,410	**92,251**
Liabilities directly associated with assets classified as held for sale	**0**	**4,952**
Total current liabilities	**106,410**	**97,203**
Total liabilities	**770,127**	**584,733**
Total equity and liabilities	**1,502,071**	**1,301,923**

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Condensed consolidated statement of cash flows

€ thousand	Q3 2024	Q3 2023	9m 2024	9m 2023
Cash flows from operating activities				
Cash generated from operations	23,346	18,977	89,511	77,320
Interest and loan fees paid	(9,601)	(2,999)	(22,042)	(7,136)
Interest received	213	127	904	645
Income tax paid	(4,518)	(9,970)	(5,389)	(11,175)
Net cash generated from operating activities	**9,940**	**6,135**	**63,984**	**59,654**
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(84,615)	(86,191)	(297,558)	(235,672)
Acquisition of a subsidiary	0	0	0	(6,174)
Proceeds from sale of a business (net of cash and cash equivalents transferred)	0	0	16,879	0
Proceeds from finance leases	2	1	12	2
Proceeds from sale of property, plant and equipment	27	0	27	0
Dividends received on investments	0	24	0	24
Net cash used in investing activities	**(84,586)**	**(86,166)**	**(280,640)**	**(241,820)**
Cash flows from financing activities				
Proceeds from bank loans	125,020	70,000	280,020	160,000
Repayments of bank loans	(59,219)	(17,137)	(72,311)	(28,314)
Repayments of lease principal	(178)	(97)	(383)	(276)
Proceeds from realisation of interest rate swaps	1,513	0	3,763	0
Dividends paid	0	0	(27,749)	(54,969)
Net cash generated from (used in) financing activities	**67,137**	**52,766**	**183,341**	**76,441**
Net cash flow	**(8,010)**	**(27,265)**	**(34,315)**	**(105,725)**
Cash and cash equivalents at the beginning of the period	39,372	52,996	65,677	131,456
Cash and cash equivalents at the end of the period	31,362	25,731	31,362	25,731
Change in cash and cash equivalents	**(8,010)**	**(27,265)**	**(43,315)**	**(105,725)**

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Thank you!

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