



Nelja Energia AS

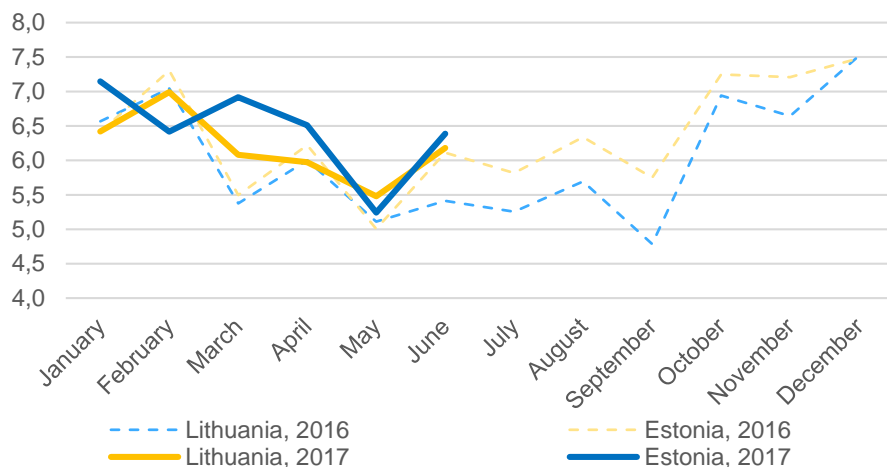
OVERVIEW OF Q2 2017



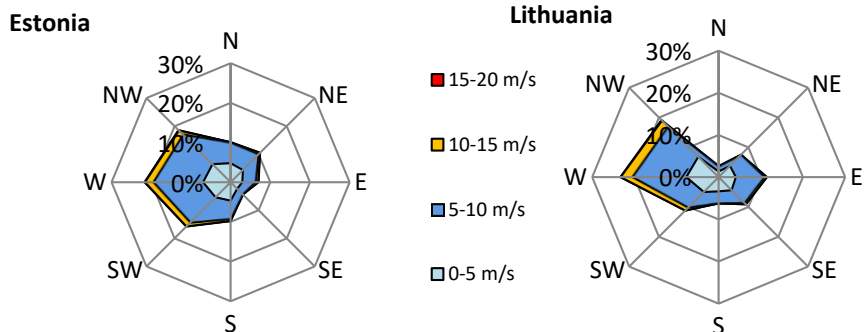
Wind and production Q2 2017

160,3 GWh produced, 57% more than in Q2 2016

Wind speed in wind farms Q2 2017, m/s

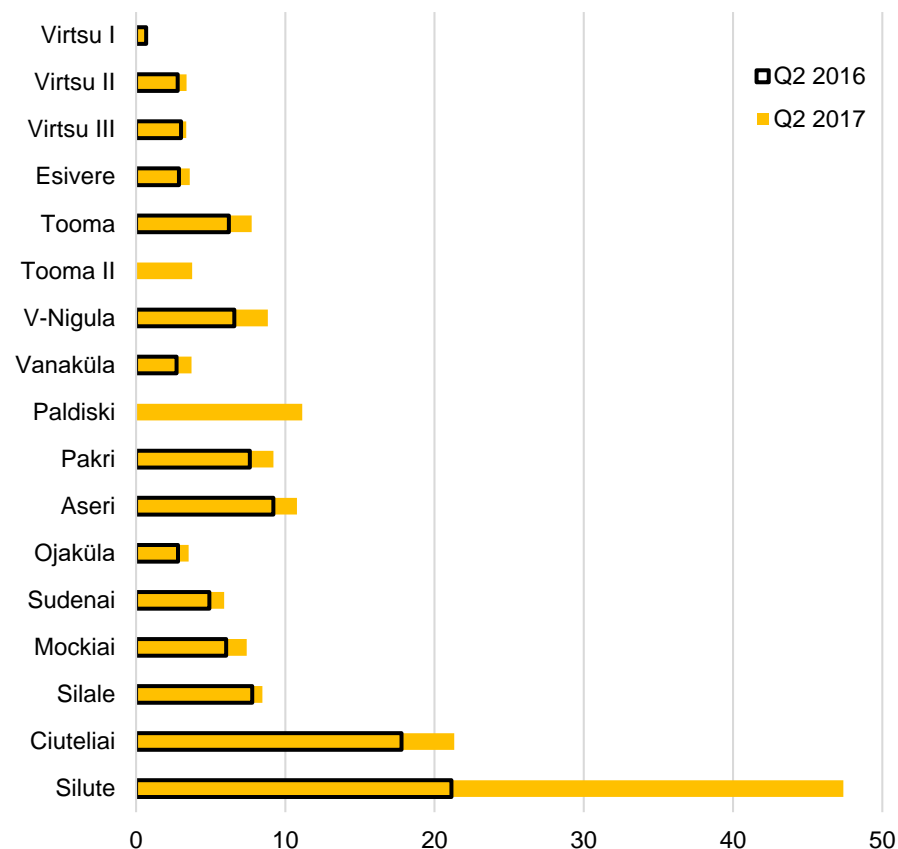


Wind direction and speed Q2 2017, % of time



- Q2 2017 winds in Estonia and Lithuania better than Q2 2016. Winds of 5-15 m/s were dominating.
- 6,0 m/s in Estonia (Q2 2016 5,8m/s) and 5,9 m/s in Lithuania (Q2 2016 5,5 m/s).
- Western and North-Western winds dominated in Estonia and in Lithuania.

Wind farms' production Q2 2017, GWh

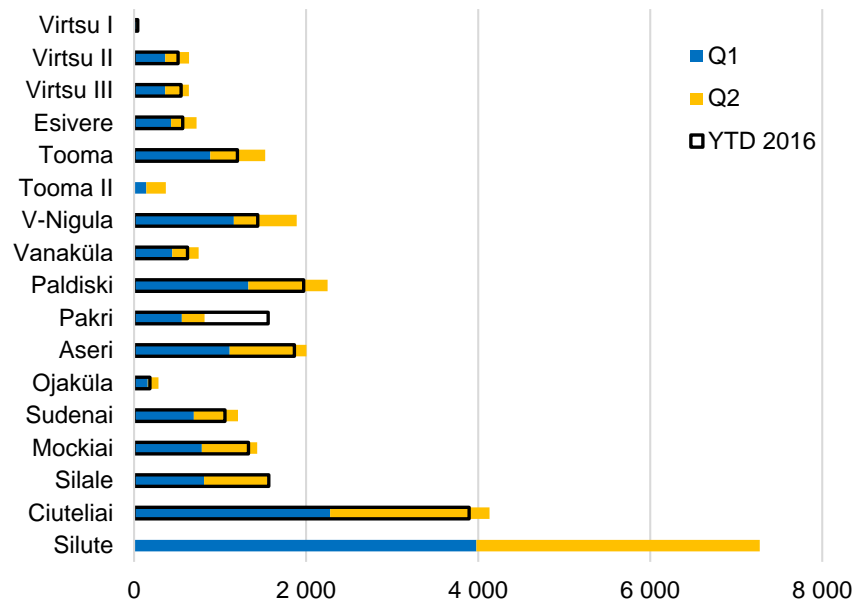


- 160,3 GWh produced in Q2 2017 – 57% more than a year ago (102,1 GWh). Like-for-like production 19% higher.
- Average time based availability 96,5%, was impacted by WWD parks (Aseri, V-Nigula, Vanaküla), Pakri, Paldiski and Silute wind parks.
- Long lead times of spare parts amplified lost production.

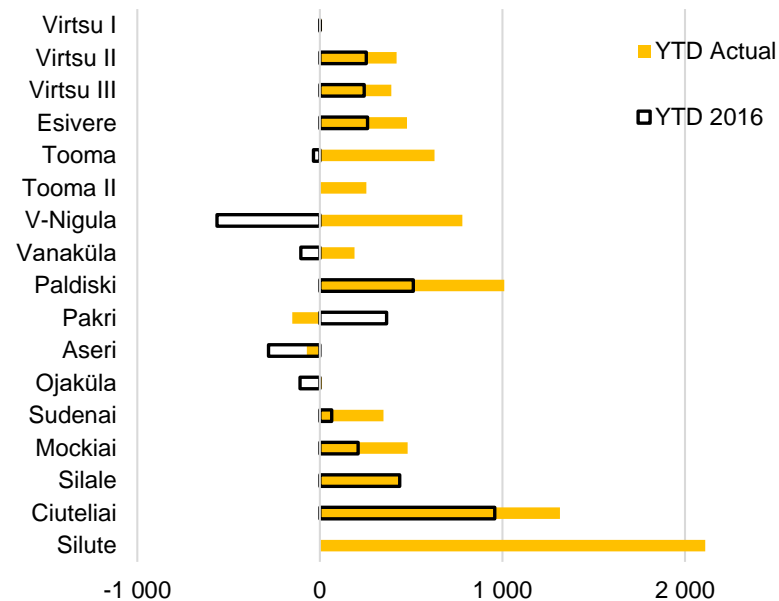
Wind farms' financial performance Q2 2017

Revenues and net profit by wind farms

Revenues, EUR th



Net profit, EUR th



- ▶ Tooma II passed grid compliance tests. Subsidy eligible since the 2nd of May.
- ▶ Estonian wind parks higher revenue and net results due to higher production and higher electricity prices compared to 2016. In first six months the net electricity price for Estonian wind parks was 29,5 EUR/MWh, 7,2% higher than in 2016.
- ▶ Pakri revenue lower due to expiry of subsidies at the end of 2016.
- ▶ Aseri loss due to one-off O&M expense.
- ▶ Comparable Lithuanian parks produced slightly more than a year ago, June in Q2 was an usually good wind month.
- ▶ Silute district in Lithuania has decided to increase the real estate tax to 3%. The decision will impact the performance of Silute, Mockiai, and Ciuteliai wind parks. Discussions are ongoing whether the new rate will be applicable from 2018 or 2019.
- ▶ Net profits not fully comparable to last year's result due to extending D&A period to 25 years for all parks.

Investments in development projects

EUR 1,0 m invested in Q2 2017

| Investments in 2017, EUR th | | | |
|-----------------------------|--------|---------------------|---------------------|
| | Budget | Invested in Q2 2017 | Capex by 30.06.2017 |
| LIT offshore | 720 | 30 | 350 |
| Hiumaa | 3 100 | 50 | 2 167 |
| Dundaga | 2 860 | 85 | 1 983 |
| Silute III | 2 568 | 67 | 365 |
| Silute II | 1 000 | 38 | 401 |
| Silale II | 2 000 | 113 | 1 104 |
| Akmene | 770 | 317 | 317 |
| Kelme | 770 | 323 | 323 |
| Total | | 1 022 | 7 010 |

Projects under development

LITHUANIA

- ▶ **Silale 2** – permitting and technical design ongoing.
- ▶ **Silute 2/3** – permitting in progress.
- ▶ **Akmene/Kelme** – SPVs acquired in Q2, in-depth wind measurement campaigns to be launched.

LATVIA

- ▶ **Dundaga** – TSO technical conditions valid and building permits received. Awaiting tender.
- ▶ **Broceni** – both the pellet factory and CHP have been commissioned. Optimization of production continues.

ESTONIA

- ▶ **Hiumaa** – International and domestic public discussion of EIA concluded. EIA will be sent for final review to the Ministry of Environment.

Consolidated financials: Q2 2017

| in EUR | Profit and loss statement | | | | | |
|---|---------------------------|-------------------|---------------|-------------------|-------------------|---------------|
| | YTD | | 2017/ 2016 | Q2 | | 2017/ 2016 |
| | 2017 | 2016 | | 2017 | 2016 | |
| Wind, MWh | 346 782 | 208 814 | 146% | 160 290 | 80 999 | 198% |
| Pellet sales, tons | 30 646 | 0 | nm | 19 190 | 0 | nm |
| CHP electricity, MWh | 13 892 | 0 | nm | 7 340 | 0 | nm |
| INCOME | | | | | | |
| Net sales (electricity) | 27 432 901 | 18 297 114 | 147% | 12 012 112 | 7 815 228 | 154% |
| incl. CO2 | 55 514 | 75 404 | 80% | 28 990 | 42 185 | 69% |
| Pellet/Sales | 3 255 442 | 0 | nm | 2 085 691 | 0 | nm |
| CHP/ electricity sales | 1 698 233 | 0 | nm | 947 713 | 0 | nm |
| Net sales (4E management) | 31 797 | 49 108 | 66% | 16 133 | 25 304 | 64% |
| Open and Fixed delivery | 248 094 | 16 739 | 1046% | 143 503 | 6 738 | 2130% |
| Other income | 282 528 | 819 294 | 78% | 115 793 | 604 884 | 19% |
| Total operational income | 32 948 994 | 19 182 254 | 164% | 15 320 946 | 8 452 154 | 181% |
| COSTS | | | | | | |
| Goods, materials and services (WP expenses) | -4 673 399 | -4 329 205 | 117% | -2 527 533 | -2 496 380 | 101% |
| Goods, materials and services (Pellet expenses) | -3 506 749 | 0 | nm | -2 140 773 | 0 | nm |
| Goods, materials and services (CHP expenses) | -1 084 677 | 0 | nm | -580 735 | 0 | nm |
| Management expenses | -1 171 588 | -659 149 | 185% | -597 259 | -349 242 | 171% |
| Personnel expenses | -1 189 344 | -1 148 632 | 113% | -608 568 | -634 209 | 96% |
| Other expenses | -89 887 | -80 115 | 72% | -49 487 | -23 959 | 207% |
| Total operational expenses | -11 715 644 | -6 217 101 | 192% | -6 504 355 | -3 503 790 | 186% |
| EBITDA | 21 233 351 | 12 965 154 | 155% | 8 816 591 | 4 948 364 | 178% |
| Depreciation | -8 225 391 | -7 290 613 | 106% | -4 356 545 | -3 645 828 | 119% |
| EBIT | 13 007 959 | 5 674 541 | 196% | 4 460 046 | 1 302 536 | 342% |
| Financial income and expenses | -5 650 687 | -4 842 364 | 106% | -3 058 770 | -2 387 820 | 128% |
| PROFIT BEFORE TAXES | 7 357 272 | 832 177 | 311% | 1 401 275 | -1 085 284 | -129% |
| Income tax | -1 700 710 | -239 752 | 435% | -806 171 | -34 115 | 2363% |
| Minority interest | -244 051 | -147 416 | 171% | -54 479 | -36 541 | 149% |
| NET PROFIT | 5 412 511 | 445 009 | 304% | 540 625 | -1 155 940 | -47% |

- ▶ Wind, MWh includes production of operational assets (i.e. in 2016 figuers Silute is excluded).
- ▶ Net profit affected by Lithuanian income tax (EUR 806 th.), Aseri one-off O&M expense, and change of wind park useful life (extended to 25 years).
- ▶ Bond covenants *actual/required*: Cash EUR 8 702 th. / EUR 2 500; interest coverage ratio 5,89/1,75; adj. equity ratio 42%/30%.

Consolidated financials: Q2 2017

| Assets | | | |
|--------------------------|--------------------|-------------------|--------------------|
| <i>in EUR</i> | 30.06.2017 | Change | 31.03.2017 |
| Cash and Bank | 24 870 544 | -2 563 385 | 27 433 929 |
| Receivables | 8 355 383 | -119 027 | 8 474 410 |
| Prepayments | 3 192 801 | 301 817 | 2 890 984 |
| Short-term loans | 0 | 0 | 0 |
| Inter Receivable | 11 110 | 4 899 | 6 211 |
| Other Accrued | 859 875 | -203 833 | 1 063 708 |
| Derivatives | 0 | 0 | 0 |
| Inventories | 4 716 600 | 562 636 | 4 153 964 |
| Total cur assets | 42 006 313 | -2 016 894 | 44 023 206 |
| Subsidiaries | 3 365 921 | 7 908 | 3 358 013 |
| Long-term Loans | 200 000 | 110 000 | 90 000 |
| Investments | 2 979 346 | -10 001 121 | 12 980 466 |
| Wind Parks | 324 746 993 | 7 558 529 | 317 188 464 |
| Other Assets | 146 339 | -1 147 882 | 1 294 221 |
| Intangible Assets | 412 684 | -4 709 | 417 393 |
| Goodwill | 60 666 787 | 669 513 | 59 997 274 |
| Other Long assets | 10 416 537 | -1 143 009 | 11 559 546 |
| Tot non-cur asset | 402 934 607 | -3 950 770 | 406 885 377 |
| TOTAL ASSETS | 444 940 920 | -5 967 664 | 450 908 583 |

| Liabilities and equity | | | |
|------------------------------|--------------------|-------------------|--------------------|
| <i>in EUR</i> | 30.06.2017 | Change | 31.03.2017 |
| Short-term Loans. | 24 315 590 | -2 171 773 | 26 487 363 |
| Derivatives | 3 690 295 | 462 979 | 3 227 316 |
| Accounts Payable | 2 591 368 | -1 643 940 | 4 235 307 |
| Prepayments. | 482 717 | 217 900 | 264 817 |
| Liabilities to Empl | 380 088 | -171 671 | 551 759 |
| Tax Liabilities | 855 440 | -851 049 | 1 706 488 |
| Interest Payable | 1 188 010 | -354 201 | 1 542 211 |
| Other Accruals | 409 726 | -112 528 | 522 254 |
| Total cur liabilities | 33 913 234 | -4 624 281 | 38 537 515 |
| Long-term Loans. | 170 875 446 | -1 433 917 | 172 309 364 |
| Future Period Income | 35 600 | 0 | 35 600 |
| Long-term Derivatives | 3 146 381 | -2 485 996 | 5 632 377 |
| Long-term Bonds | 48 056 918 | 25 792 | 48 031 126 |
| Total liabilities | 222 114 346 | -3 894 121 | 226 008 467 |
| Minority | 2 157 874 | 11 036 | 2 146 837 |
| Share capital | 82 794 107 | 0 | 82 794 107 |
| Paid-in capital over | 90 099 004 | 0 | 90 099 004 |
| Statutory reserve | 3 897 772 | 0 | 3 897 772 |
| Derivatives Reserve | -498 464 | 1 999 077 | -2 497 541 |
| Currency differences | -90 | 0 | -90 |
| Retained earning | 5 050 627 | 0 | 5 050 627 |
| Net profit cur year | 5 412 511 | 540 625 | 4 871 886 |
| Total Equity | 188 913 340 | 2 550 738 | 186 362 602 |
| TOTAL LIABILITIES | 444 940 920 | -5 967 664 | 450 908 583 |

Notes

- Inventory – include Broceni (EUR 2,2 mil.), and WWD spare parts (EUR 2,0 mil.)
- Net investments in Q2 EUR 1 022 th.

Restricted companies

SIA Technological Solutions – Q2 overview



P&L

| <i>in EUR</i> | YTD 2017 | Q2 2017 |
|-----------------------|------------------|------------------|
| Electricity sold, MWh | 13 892 | 7 340 |
| Heat produced, MWh | 49 447 | 25 187 |
| Electricity sales | 1 698 233 | 947 713 |
| Heat sales | 530 107 | 272 020 |
| Other income | 0 | 0 |
| Total income | 2 228 341 | 1 219 733 |
| CHP costs | -1 061 405 | -572 242 |
| Raw material | -722 587 | -366 961 |
| Water & Chemicals | -17 648 | -10 055 |
| CHP O&M | -275 273 | -165 783 |
| Own consumption | -12 169 | -6752,36 |
| Insurance | -9 743 | -8 682 |
| Security and com. | -21 645 | -12940,15 |
| Land lease and tax | -698 | -348,75 |
| Other OpeEx | -1 642 | -719,24 |
| Mgt. expenses | -76 135 | -46 398 |
| Personnel expenses | -17 399 | -8 694 |
| Other expenses | 0 | 0 |
| EBITDA | 1 073 402 | 592 400 |
| Depreciation | -558 780 | -419 120 |
| EBIT | 514 623 | 173 280 |
| Net financial cost | -557 879 | -264 797 |
| Net income | -43 256 | -91 517 |

- ▶ In Q2 2017 7 340 MWh of electricity was sold at a net average price of 129,1 MW/h. Since May net FIT 136,4 EUR/MWh.
- ▶ Q2 production impacted by some equipment calibration issues, which have been resolved. Gross capacity factor was 93% in the reporting quarter.
- ▶ The CHP in general performs as expected.

Balance sheet

| <i>in EUR</i> | Mar '17 | Change | Jun '17 |
|-------------------------------|-------------------|-----------------|-------------------|
| Cash and bank | 367 889 | 166 294 | 534 182 |
| Accounts receivable | 107 641 | 40 973 | 148 615 |
| Other current assets | 367 131 | -19 756 | 347 375 |
| Total current assets | 842 661 | 187 511 | 1 030 172 |
| Total n-current assets | 16 677 005 | -435 775 | 16 241 230 |
| Total assets | 17 519 666 | -230 784 | 17 288 883 |
| | | | 0 |
| Accounts payable | 900 130 | -826 367 | 73 764 |
| ST loans and interest | 1 766 055 | 264 797 | 2 030 852 |
| Tax liabilities | 152 427 | -77 209 | 75 218 |
| Other liabilities | 12 940 | -488 | 12 452 |
| Total current liabilities | 2 831 553 | -639 266 | 2 192 286 |
| LT loans | 14 828 681 | 500 000 | 15 328 681 |
| Total liabilities | 17 660 233 | -139 266 | 17 520 967 |
| Share capital | 2 840 | 0 | 2 840 |
| Retained earnings | -191 668 | 0 | -191 668 |
| Period income | 48 261 | -91 517 | -43 256 |
| Total equity | -140 567 | -91 517 | -232 085 |
| Equity and liabilities | 17 519 666 | -230 784 | 17 288 883 |

SIA Pellet 4Energia – Q2 overview



| KPIs | | April | May | June |
|-------------------|---------|-------|-------|-------|
| Pellet production | tons | 6 866 | 8 903 | 6 636 |
| Pellet sales | tons | 5 266 | 7 787 | 6 137 |
| Avg. price | EUR/ton | 93 | 101 | 92 |
| Avg. own price | EUR/ton | 107 | 109 | 111 |

| P&L (FOB basis) | | |
|------------------------|-------------------|-------------------|
| in EUR | | |
| | YTD 2017 | Q2 2017 |
| Production, tons | 37 414 | 22 405 |
| Sales, tons | 30 646 | 19 190 |
| Sales | 3 009 919 | 1 840 169 |
| Other income | -23 272 | -8 493 |
| Total income | 2 986 647 | 1 831 675 |
| Pellet costs | -3 791 334 | -2 167 270 |
| Change in inventory | 637 220 | 272 810 |
| Raw material | -1 855 655 | -1 032 530 |
| Heat | -530 980 | -271 978 |
| S&M | -357 419 | -260 171 |
| Electricity | -768 346 | -395 760 |
| Transport | -267 991 | -133 169 |
| Harbour | -248 034 | -143 331 |
| Packaging | -11 186 | -559 |
| Personnel (production) | -259 464 | -147 661 |
| Land lease | -240 | -119,97 |
| Insurance | -17 411 | -11 896 |
| Other (production) | -111 827 | -42 905 |
| Mgt. expenses | -221 607 | -101 441 |
| Personnel expenses | -105 616 | -58 340 |
| Other (admin) | 0 | 0 |
| EBITDA | -1 131 910 | -495 376 |
| Depreciation | -519 791 | -368 275 |
| EBIT | -1 651 701 | -863 651 |
| Fin. Income/expenses | -669 421 | -322 186 |
| Net income | -2 321 122 | -1 185 837 |

1. Own price corrected for one-off items and corrections from prior periods
2. P&L and own price adjusted to FOB basis; adjustments in Q2: Transport cost EUR -245,5 th., and sales -245,5 th. Ensures comparability across reporting periods.

- ▶ In Q2 2017 22,4 th. tons of pellets produced, with sales at 19,2 th. tons. Respective QoQ increases 49% and 68%.
- ▶ Unit cost in Q2 109 EUR/ton (14% less than in Q1), with room to decrease as production ramps up. Major bottlenecks should be resolved by Q3/4.
- ▶ Major certificates acquired.
- ▶ Avg. price low due contracts signed at the market bottom.

Balance sheet

| in EUR | | | |
|-------------------------------|-------------------|-------------------|-------------------|
| | Mar '17 | Change | Jun '17 |
| Total current assets | 2 448 254 | 272 588 | 2 720 842 |
| <i>Inc. cash</i> | <i>260 014</i> | <i>12 426</i> | <i>272 441</i> |
| Total n-current assets | 16 262 914 | 141 508 | 16 404 422 |
| Total assets | 18 711 168 | 414 096 | 19 125 264 |
| Total trade payables | 776 260 | 177 396 | 953 656 |
| Tax liabilities | -108 924 | 7 656 | -101 268 |
| ST loans and interest | 1 632 931 | 309 881 | 1 942 812 |
| Total current liabilities | 2 300 267 | 494 933 | 2 795 200 |
| Grants | 35 600 | 0 | 35 600 |
| LT loans | 17 863 614 | 1 105 000 | 18 968 614 |
| Total liabilities | 20 199 481 | 1 599 933 | 21 799 413 |
| Share capital | 2 800 | 0 | 2 800 |
| Retained earnings | -355 827 | 0 | -355 827 |
| Period income | -1 135 285 | -1 185 837 | -2 321 122 |
| Total equity | -1 488 313 | -1 185 837 | -2 674 150 |
| Equity and liabilities | 18 711 168 | 414 096 | 19 125 264 |

VV Tuulepargid OÜ – Q2 overview



| P&L | | |
|-----------------------------------|-------------------|------------------|
| | YTD 2017 | Q2 |
| Production, MWh | 30 414 | 12 529 |
| INCOME | | |
| Net sales (electricity) | 2 546 694 | 1 036 721 |
| Other income | 93 283 | 0 |
| Total operational income | 2 639 977 | 1 036 721 |
| COSTS | | |
| Goods, materials and services | -495 490 | -273 161 |
| Management expenses | -183 194 | -95 027 |
| Personnel expenses | 0 | 0 |
| Depreciation | -580 690 | -288 711 |
| Other expenses | 0 | 0 |
| Total operational expenses | -1 259 374 | -656 898 |
| OPERATING PROFIT | 1 380 603 | 379 823 |
| Financial income and expenses | -413 941 | -209 311 |
| PROFIT BEFORE TAXES | 966 662 | 170 512 |
| Income tax | 0 | 0 |
| NET PROFIT | 966 662 | 170 512 |

| Balance sheet | | | |
|---------------------------------|-------------------|--|-------------------|
| EUR | 30.06.2017 | EUR | 30.06.2017 |
| Cash and Bank | 5 068 831 | Short-term Loans. | 0 |
| Accounts Receivable | 908 285 | Derivatives | 0 |
| Prepayments | 138 395 | Accounts Payable | 6 335 925 |
| Short-term Loans | 0 | Prepayments. | 0 |
| Interest Receivable | 0 | Liabilities to Employees | 0 |
| Other Accrued income | 0 | Tax Liabilities | 93 817 |
| Derivatives | 0 | Interest Payable | 1 038 888 |
| Inventories | 470 000 | Other Accruals | 0 |
| Total current assets | 6 585 511 | Total current liabilities | 7 468 630 |
| Subsidiaries | 0 | Long-term Loans. | 12 000 000 |
| Long-term Loans | 0 | Future Period Income | 0 |
| Investments | 0 | Long-term Derivatives | 0 |
| Wind Park | 19 649 877 | Long-term Bonds | 0 |
| Assets | 0 | Total long-term liabilities | 12 000 000 |
| Intangible Assets | 116 895 | Total liabilities | 19 468 630 |
| Goodwill | 0 | Minority | 0 |
| Other Long-term assets | 0 | Share capital | 2 897 760 |
| Total non-current assets | 19 766 772 | Paid-in capital over/under | 172 561 |
| TOTAL ASSETS | 26 352 283 | Statutory reserve | 153 203 |
| | | Derivatives Reserve | 0 |
| | | Currency differences | 0 |
| | | Retained earning | 2 693 467 |
| | | Net profit /loss (-) for the fin. year | 966 662 |
| | | Total owner's equity | 6 883 653 |
| | | TOTAL LIABILITIES AND EQUITY | 26 352 283 |