Interim report

1 January – 31 March 2025

Eesti Energia

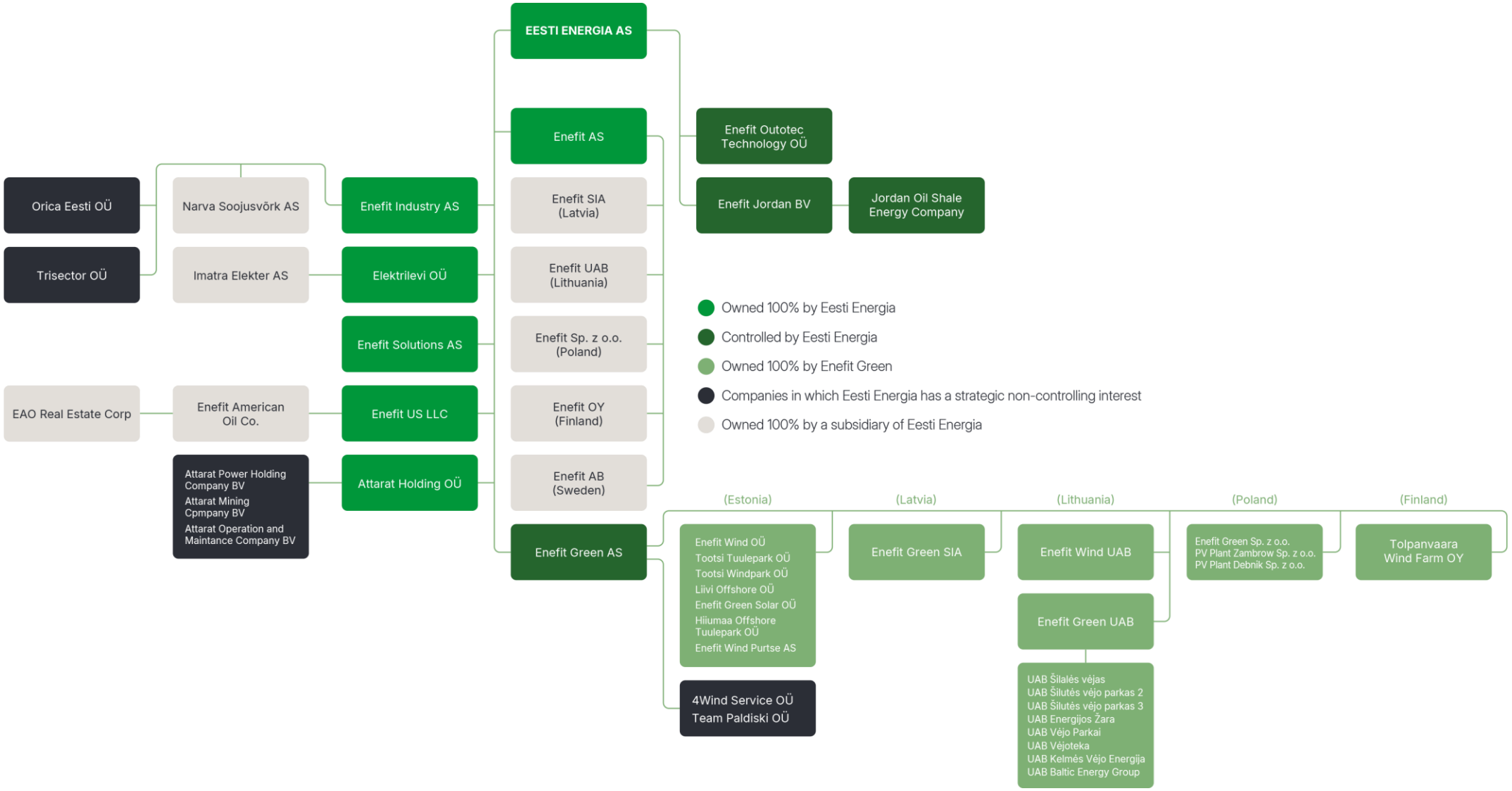
Contents

This is Eesti Energia

- Established **in 1939**
- **4,852 employees**
- **100%** owner: **Republic of Estonia**
- **5 home markets:** Estonia, Latvia, Lithuania, Poland, Finland
- **6 business lines:**
  - **Enefit** provides each customer with personalized energy solutions. The company sells electricity, heat, gas and energy solutions to both household and corporate customers.
  - **Enefit Green** is one of the leading producers of renewable energy in Estonia and in the Baltic Sea region. The company produces energy from wind, sun, biomass, municipal waste and water.
  - **Enefit Industry** (formerly Enefit Power, operating since 1 April 2025) is engaged in the production of liquid fuels and circular economy.
  - **Enefit Power** produces electricity and heat, ensures security of supply and provides system services.
    - **Enefit Solutions** offers technological solutions for energy and industrial companies and is a leading developer and manufacturer of technological services for power plants and oil shale plants.
  - **Elektrilevi** stands for reliable distribution network services. The company delivers electricity to almost all the households and companies in Estonia.

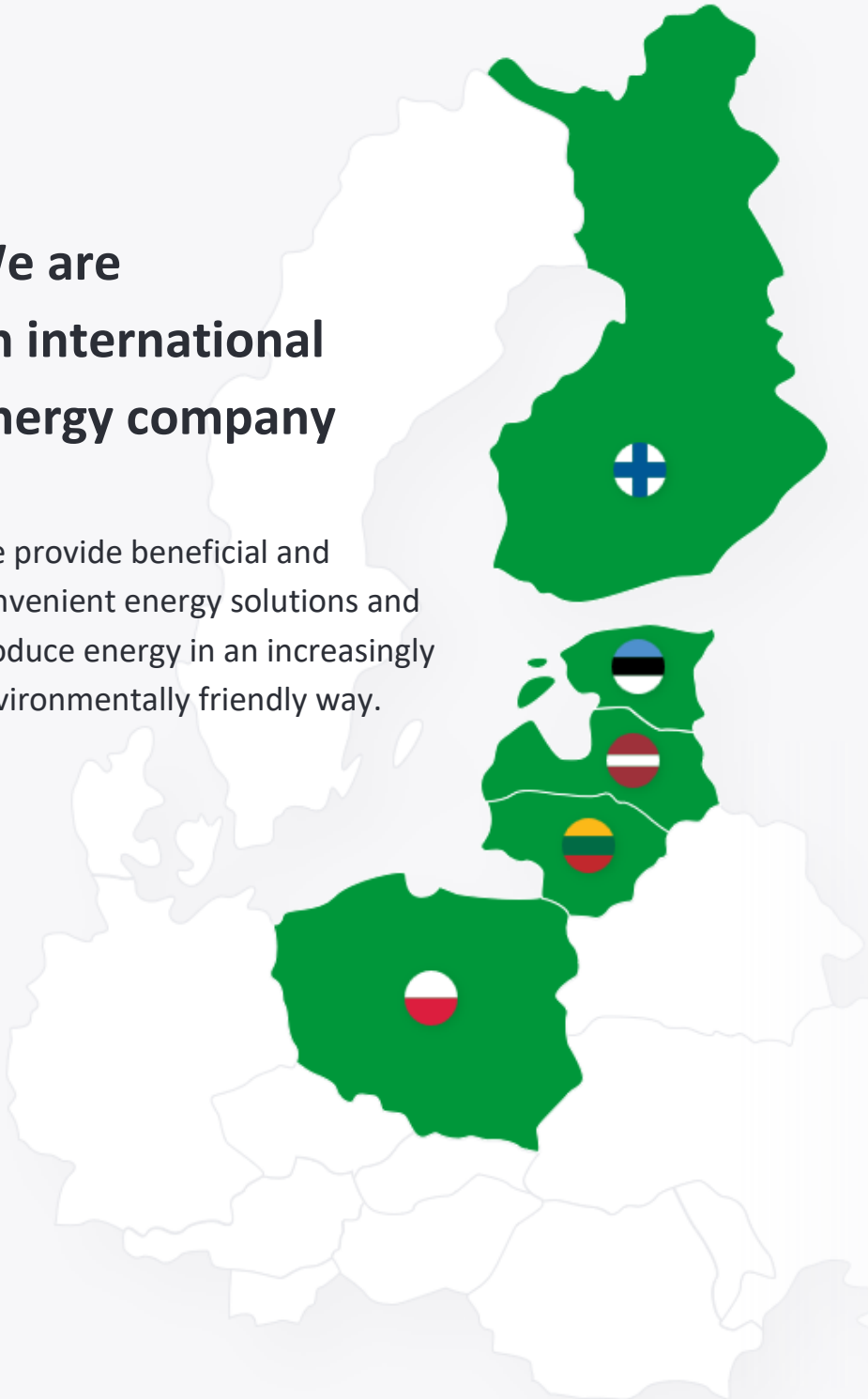
The Structure of Eesti Energia Group

as at 31 March 2025



We are an international energy company

We provide beneficial and convenient energy solutions and produce energy in an increasingly environmentally friendly way.



Production

Estonia
- Wind farms
- Solar parks
- Hydroelectric power plant
- Thermal power plant
- Shale oil plant
- Cogeneration plants

Finland
- Wind farm

Latvia
- Solar parks

Lithuania
- Wind farms

Poland
- Solar parks

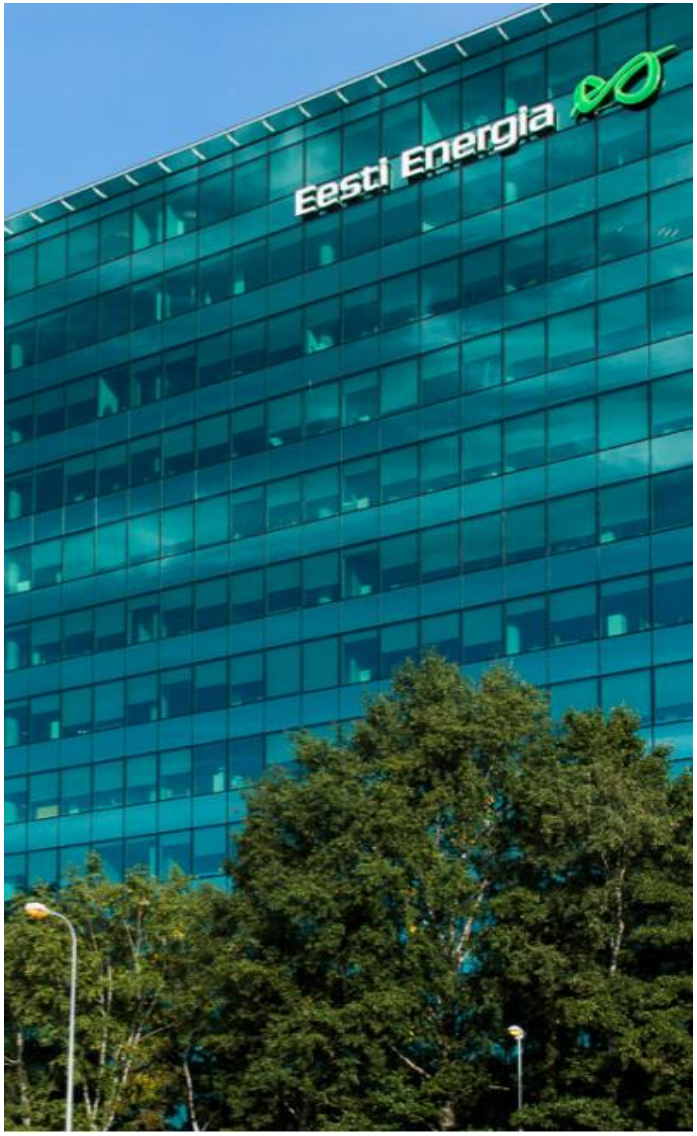
Enefit's services

- Solar solutions with energy storage
- High-speed internet
- Electricity packages
- EV Charging solutions
- Electrical works
- Lighting Solutions
- Smart Energy Management / Flexibility services

Key Figures and Ratios

		Q1 2025	Q1 2024
Total electricity sales	GWh	2,557	2,848
Electricity distributed	GWh	1,897	1,994
Shale oil sales	th t	127	110
Average number of employees	No.	4,780	5,033
Electricity production	GWh	1,329	1,225
Shale oil production	th t	122	129
Heat production	GWh	343	397
Sales revenues	m€	530.1	500.3
EBITDA	m€	121.9	127.4
Adjusted* EBITDA	m€	137.5	136.9
Net profit	m€	77.9	78.6
Adjusted* net profit	m€	93.4	88.2
Investments	m€	97.2	167.6
Cash flow from operating activities	m€	143.4	183.8
Non-current assets	m€	4,092	3,781
Equity	m€	2,431	2,038
Net debt	m€	1,153	1,470
Net debt / EBITDA	times	2.9	3.8
EBITDA margin	%	23.0	25.5

** Profit excluding the fair value adjustments of long-term PPAs*



Operating Environment

The energy sector has a major impact on the functioning of the economy and society, as operators in the sector ensure the availability and security of energy supply for everyday life and business.

As an international energy company, Eesti Energia has to take into account many factors that affect its operating environment, such as market price fluctuations, regulations, weather conditions and the global economic and political situation. In addition, our activities are also driven by key energy trends: expectations regarding climate change, technological innovations and breakthroughs, and the need to offer sustainable and flexible energy solutions to customers.

Compared to the same period last year, the following market price developments had a significant impact on our business in the first quarter of 2025:

- Electricity prices in the Baltic countries increased due to higher natural gas and emission allowance prices and unfavourable wind conditions.
- Emission allowance prices rose by 22%.
- World market prices for oil products decreased slightly due to the global economic slowdown and lower demand.
- Gas prices increased, mainly due to weather conditions and increased demand for LNG.

Average electricity prices in our core markets mostly increased in the first quarter

Estonia is a member of Nord Pool, a power exchange where generators sell the electricity they produce and suppliers buy electricity to sell to end users. We are most affected by electricity prices in Estonia, Latvia, Lithuania and Poland, where we both generate and sell electricity.

The electricity markets in Estonia and neighbouring countries are closely interconnected, which means that electricity production and prices are also affected by a number of factors outside our main markets, such as water levels in Norwegian hydropower reservoirs, wind conditions in the region and the price of natural gas. Potential disruptions to transmission cables also have a strong impact on the balance between supply and demand for electricity, causing price volatility.

Average electricity price (€/MWh)	Q1 2025	Q1 2024	Change
Estonia	110.0	90.4	21.7%
Latvia	110.6	87.0	27.1%
Lithuania	109.9	87.1	26.3%
Poland	115.1	81.7	40.9%
Finland	49.3	72.8	-32.4%
Norway	43.0	58.1	-26.0%
Denmark	98.8	64.9	52.1%
Sweden	39.2	53.3	-26.3%

Electricity prices in the Baltics were affected by the Baltic countries' connection to the Continental European electricity grid, a decline in renewable energy production and the failure of the EstLink2 transmission cable

In the first quarter of 2025, several factors affected the electricity markets in Estonia and its neighbouring countries, but the decoupling of the Baltic countries from the common electricity grid with Russia had a significant impact on prices. The connection of the Baltic countries to the Continental European grid led to a temporary reduction in electricity transmission capacity and the opening of the frequency reserve market. In addition, electricity prices in the first quarter were higher than in the same period last year due to poor wind and solar conditions, which lowered renewable energy production, and relatively high market prices for natural gas. In addition, electricity prices continue to be affected by the disruption of the power link between Finland and Estonia, with long-term and complex repairs scheduled to begin in May 2025. As a result, less electricity than expected will reach Estonia from the Nordic countries, which in turn will affect the dynamics of the energy market and price formation.

Despite the fact that new renewable energy generation facilities were added compared to the same period last year, renewable energy production was relatively low in the first quarter of 2025. Mainly due to unfavourable wind conditions, renewable electricity production decreased and fossil fuel-based electricity production increased. Electricity prices in the Baltic and Nordic countries fluctuated in line with weather conditions and lower than expected production volumes caused electricity prices to rise.

In the first quarter of 2025, the average electricity price in Estonia was €110.0/MWh (+€19.6/MWh, +21.7%). The daily average electricity price in the first quarter was the highest on 15 February: €269.2/MWh (-€621.3/MWh compared to Q1 2024) and the lowest on 22 March: €7.0/MWh (-€17.8/MWh compared to Q1 2024).

Natural gas price is on the rise

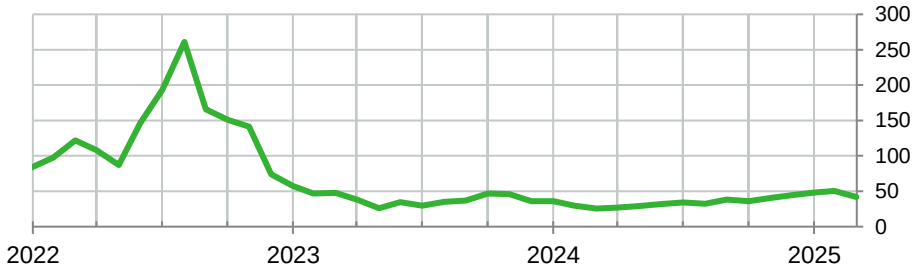
In the first quarter of 2025, the average price of traded natural gas was €46.8/MWh (+€16.3/MWh, +53.4% compared to Q1 2024). In the first quarter of 2025, natural gas prices were higher than a year ago, mainly due to colder weather, supply constraints and geopolitical tensions.

In early 2025, Europe experienced colder-than-usual weather, which increased heating demand and led to higher gas consumption. In addition, the price in the first quarter was influenced by calm weather, lower gas inventories, increased LNG demand and the end of Russian gas transit. Natural gas prices surged to their 2023 peak levels as cold weather continued in Europe and wind power generation was low, which in turn increased demand. At the same time, the gas transit agreement between Russia and Ukraine expired on 1 January 2025, cutting off Russian pipeline gas flows through Ukraine to Europe. This in turn increased Europe's dependence on LNG and triggered price increases. However, LNG supply was limited as Europe had to compete with Asian

markets, where demand was also high. Political and geopolitical factors, including possible sanctions on Russian LNG, added to the uncertainty surrounding natural gas prices, creating market instability and increasing market risks.

All these factors put pressure on natural gas prices, causing them to rise above the levels seen in the same period in 2024.

Natural gas price €/MWh



Source: Intercontinental Exchange

CO_2 emission allowance prices rose year on year

The EU Emissions Trading System aims to reduce CO_2 emissions in Europe by encouraging energy producers to use less polluting raw materials and to invest in more efficient production technologies.

The price of CO_2 emission allowances has a strong impact on the cost of producing electricity from direct combustion of oil shale, particularly at our older and more CO_2 intensive generating facilities.

Prices of CO_2 emission allowances, €/t

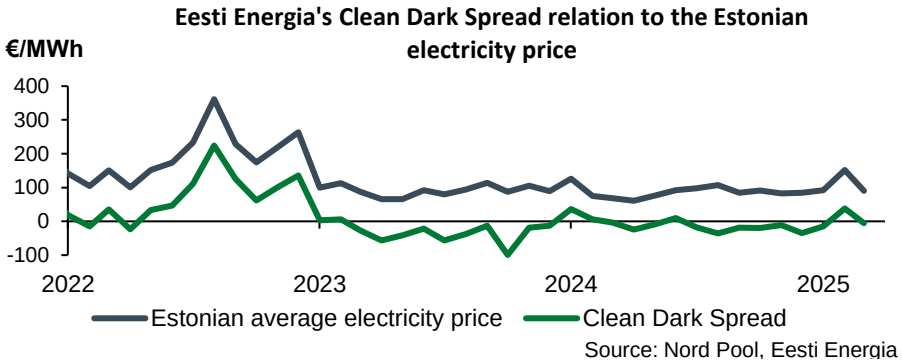
Source: Intercontinental Exchange

The average price of CO_2 emission allowances in the first quarter of 2025 was €75.1/t, 21.7% (+€13.4/t) higher than in the same period last year. An important factor contributing to the price increase is market participants' expectation that the supply of CO_2 emission allowances will decrease significantly from 2026 onwards. This is due to the European Union's Fit for 55 climate package, which reduces the annual volume of emission allowances issued and tightens the market stability reserve mechanism designed to balance supply and demand. In addition, the sale of additional allowances temporarily placed on the market under REPowerEU, which has so far increased the supply of allowances on the market, will end in 2026. These structural changes will reduce the availability of allowances on the market and may cause the market to expect higher prices in the coming years.

In the first quarter of 2025, the price of CO_2 emission allowances fluctuated due to weather conditions, changes in supply and political factors. Although CO_2 allowance prices in Europe were higher than in the same period in 2024, they remained below the peak prices in 2023.

The Clean Dark Spread, an important indicator for power generation, reflects the estimated profit margin of an electricity producer which remains after deducting fuel and CO_2 emission costs from the average market price of electricity.

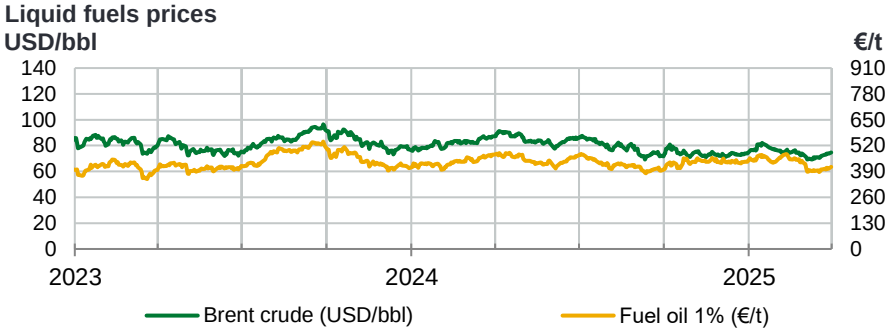
Eesti Energia's Clean Dark Spread in the first quarter of 2025 was €3.6/MWh (-€8.0/MWh compared to Q1 2024). This means that the total cost of CO_2 and oil shale was lower than the market price of electricity, making oil shale electricity production profitable, but at a very low margin.



Source: Nord Pool, Eesti Energia

World oil product prices: fuel oil prices remained relatively stable, while Brent crude oil prices declined slightly

A widely traded oil product that is closest in nature to our shale oil is 1% sulphur fuel oil, the price of which depends mainly on the price of Brent crude oil. The prices of crude oil and fuel oil influence the sales price of shale oil sold by Eesti Energia.



Source: Platts

The average price of Brent crude oil in the first quarter of 2025 was USD 75.0/bbl, which is 8.2% lower (-USD 6.7/bbl) than in the same period last year. In the first quarter, oil prices were affected by weaker demand, geopolitical tensions, and OPEC+ production cuts. Oil markets were pressured by the announcement that OPEC+ plans to gradually ease its voluntary production cuts from April 2025. This has created expectations in the market that supply will increase, which in turn will put downward pressure on oil prices.

Oil prices were also affected by the fact that oil inventories in the United States and other OECD countries remained at unexpectedly high levels for several weeks in the first quarter of 2025. This indicated that the market was well supplied and reduced upward pressure on prices. At the same time, the market was affected by the strengthening of the US dollar, which makes oil more expensive for countries with weaker currencies, thereby dampening international demand and increasing downward pressure on prices.

The average price of 1% sulphur fuel oil was €435.7/t in the first quarter of 2025, at the same level as in the first quarter of 2024 (-0.2%, -€1.0/t).

Main Events for the Group in Q1

Eesti Energia launches Estonia's largest battery storage facility in Auvere industrial complex

On 1 February, the Auvere battery storage facility with a capacity of 26.5 MW and a storage capacity of 53.1 MWh was put into operation. Built in the Auvere industrial complex in Ida-Viru county, the new facility can be used on the power exchange and other energy markets to ensure security of electricity supply. The battery storage facility supports the stability of the region's electricity system and mitigates high peak prices for consumers.

The battery is able to respond effectively to fluctuations in the electricity system. This advanced capacity will significantly reduce the cost of balancing the Baltic power system and therefore the end price for consumers. An additional positive effect is also felt in the day-ahead electricity market, where the battery storage can smooth out high price peaks for consumers and create demand in the market during periods of overproduction.

Eesti Energia supports synchronisation of Baltic power grid with Continental Europe Synchronous Area

The power plants, wind farms and Estonia's largest battery storage facility operated by the Eesti Energia Group supported the smooth connection of Estonia, Latvia and Lithuania to the Continental Europe Synchronous Area.

Since 9 February, Estonia, Latvia and Lithuania have been responsible for balancing their own electricity production and consumption. The power plants operated by Enefit Power in Estonia, the wind farms operated by Enefit Green in Estonia and Lithuania and Estonia's first large-scale battery storage facility in Auvere play an important role. IT solutions such as a virtual power plant, which enables the assets in the Group's portfolio to participate in frequency markets, also contribute.

Eesti Energia is the largest provider of manual and automatic frequency restoration services in Estonia, and the company's production units meet the requirements of the European frequency control platform for both manual frequency restoration reserve (mFRR) and automatic frequency restoration reserve (aFRR) services.

Eesti Energia announces intention to make voluntary takeover bid to Enefit Green shareholders

On 27 March, Eesti Energia, the controlling shareholder of Enefit Green, announced its intention to make a voluntary takeover bid to the other shareholders of Enefit Green at an above-market price in order to return Enefit Green to full ownership of Eesti Energia. The aim of the transaction is to transform Eesti Energia into an integrated energy group with a combined generation and sales portfolio.

The combination of dispatchable power plants and renewable energy generation will enable the Group to offer electricity at more competitive prices, increase profitability and restore its investment capacity.

Eesti Energia confirmed that it intends to offer Enefit Green shareholders the opportunity to sell their shares in Enefit Green through a voluntary takeover bid at a price of €3.4 per share. The price of the voluntary takeover bid was based on three factors: market analysis, target prices set by analyst firms and the opportunity for shareholders to exit the transaction profitably. The offer price is 47% higher than the closing price on the Nasdaq Baltic Exchange on 26 March 2025 and 27% higher than the average trading price over the last three months.

Customer Solutions

Enefit to install EV chargers near recreational trails in Estonia

Enefit and Eesti Terviseradade SA (the foundation responsible for recreational trails in Estonia) have launched a joint project called 'Charge two batteries at once', which will see electric vehicle (EV) chargers installed in ten recreational trail car parks across Estonia in the first phase of the project. The aim is to make recreational trails more accessible to EVs and to encourage people to exercise outdoors. The first charging station near the Mammaste trail is already operational and the next ones will be added gradually.

Enefit secures €4 million to develop charging infrastructure in Estonia and Europe

Enefit has secured €4 million from the sixth call of the Connecting Europe Facility (CEF) to expand its network of ultra-rapid charging points in Estonia, Latvia, Lithuania and Poland. 50 new charging points will be built, each with up to two 320 kW charging stations that will allow up to four EVs to be charged at the same time. The new charging points will be built mainly in Lithuania and Poland to meet the EU requirement that the distance between two charging points should not exceed 60 km. By building charging points, Enefit is making electric car travel in Europe more convenient and facilitating the transition to sustainable transport.

Enefit donates 28 EV chargers to Ukraine

Enefit is upgrading its EV charging network and has donated 28 decommissioned ABB Terra 51 (50 kW) CHAdeMO chargers to Ukraine. The chargers were replaced because the manufacturer stopped providing software support and development for the platform. This is not a limitation for Ukraine's needs as the chargers are still operational. The old chargers have been replaced with newer CCS standard chargers, which are compatible with most modern electric cars. CHAdeMO charging will remain available throughout Estonia in locations where it is most used.

Renewable Energy

Enefit Green makes investment decision to build solar farm in Poland

Enefit Green will invest approximately €26 million in the construction of a 45 MW solar farm in Strzałkowo, Poland.

Scheduled for completion in the summer of 2026, the Strzalkowo solar farm is expected to have an annual production capacity of approximately 45 GWh. 75% of the expected production is covered by a 15-year indexed contract for difference (CfD).

Enefit Green enters into partnership with Sumitomo Corporation

Enefit Green and Sumitomo Corporation, an international business investment company, have signed a strategic cooperation agreement to develop the Baltic region's first offshore wind farm in the Gulf of Riga.

Under the agreement, Enefit Green has sold a 50% stake in Liivi Offshore OÜ, the project company for the Gulf of Riga offshore wind farm, to Sumitomo Corporation, a Fortune Global 500 company.

Sumitomo Corporation will provide the Gulf of Riga offshore wind project with extensive international experience and a strategic partnership that will help accelerate the project's implementation.

Electricity Production

Enefit Power's power plants play major role in desynchronisation and Baltic island mode

The electricity systems of Estonia, Latvia and Lithuania were synchronised on Sunday 9 February with the Continental Europe Synchronous Area (CESA), which serves more than 400 million consumers in 26 countries. Joining CESA means that the Baltic countries have completely cut all electricity links with Russia and Belarus. Enefit Power's electricity production during the two days – during the desynchronisation and when the Baltic countries were operating in island mode – accounted for almost 50% of Estonia's total production, reflecting the importance of Enefit Power's power plants to the whole process.

Final preparations for splitting Enefit Power AS into two companies

The names of the companies that started operations on 1 April were decided in the first quarter – the liquid fuels and circular economy company is Enefit Industry AS and the reserve power plant company is Enefit Power OÜ. The decision to split Enefit Power AS into two companies was made in order to operate two different business areas, which are moving in different directions, in the most efficient and profitable way for the owner – the Republic of Estonia.

Distribution Network

Production capacity connected to Elektrilevi network increased to 967 MW

At the end of the first quarter, 22,825 electricity generators were connected to the Elektrilevi network, including 13,455 micro-generators. The total power generation capacity connected to the grid is 967 MW. In the first quarter of 2025, 353 new electricity generators with a total production capacity of 19.7 MW were connected to the grid.

Elektrilevi's customers have concluded contracts for the use of storage devices at 390 consumption points – in the first quarter of this year the number of storage-related grid connections increased by 147.

The maximum capacity fed into the grid by power generators in the first quarter was 657.4 MW (17 March 2025), which was almost 56 MW or 9% higher than in the same period last year.

Financial Results

Revenue and EBITDA

Eesti Energia's revenue for the first quarter of 2025 was €530.1 million, 6% (+€29.8 million) up on the same period in 2024. Revenue from renewable energy and electricity sales changed only slightly (-1%), as the positive impact of a higher average price was offset by lower sales volumes. Revenue from non-renewable electricity production grew by 22% (+€17.8 million), supported by a higher market price, which allowed oil shale power plants to compete in the market. Revenue from the provision of distribution service increased by 2% (+€1.8 million) due to higher average network charges. Shale oil revenue grew by 18% (+€8.3 million), driven by higher sales volumes. Revenue from other products and services increased by 6% (+€3.9 million), mainly due to higher revenue from flexibility services such as frequency containment and restoration in the power grid.

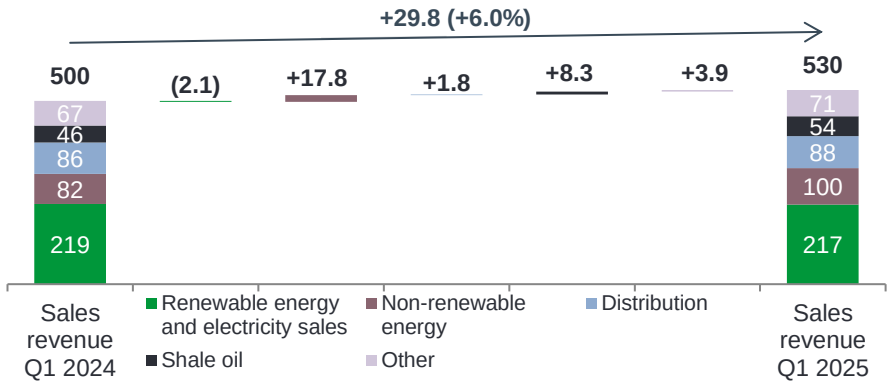
The Group's EBITDA for the first quarter of 2025 was €121.9 million, 4% (-€5.5 million) lower than in the same period last year. The figure includes a loss of €15.5 million from changes in the value of long-term power purchase agreements (PPAs) (Q1 2024: a loss of €9.5 million). Adjusted EBITDA (excluding the effect of PPAs) was €137.5 million (+€0.5 million, +0.4% compared to Q1 2024).

Compared to the same period last year, EBITDA from renewable energy and electricity sales decreased due to a lower margin and smaller sales volumes. EBITDA from non-renewable electricity production increased, supported by higher market prices, and EBITDA from distribution service grew due to lower fixed costs.

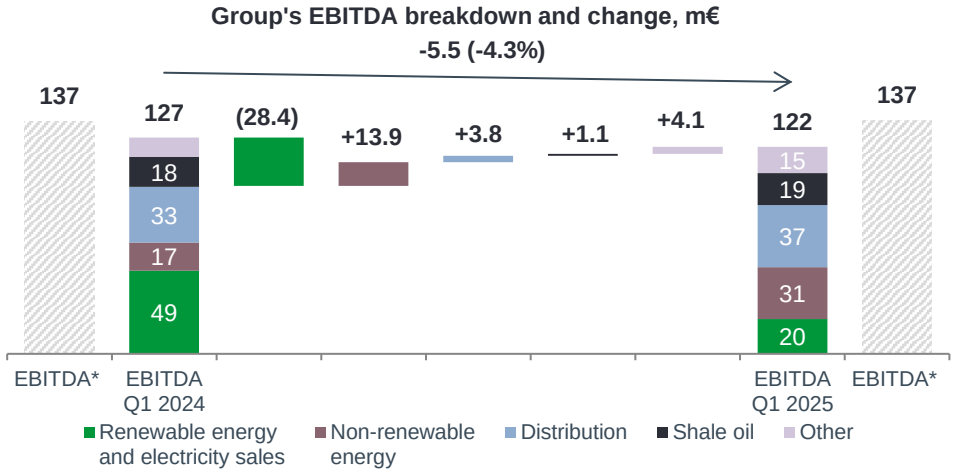
Shale oil EBITDA increased slightly, driven by higher sales volumes and a better result from derivative transactions. EBITDA from other products and services increased by €4 million compared to the same period last year.

The Group's net profit for the first quarter was €77.9 million (-€0.7 million, -1%) and adjusted net profit was €93.4 million (+€5.3 million, +6%).

Group's sales revenue breakdown and change, m€



Group's EBITDA breakdown and change, m€



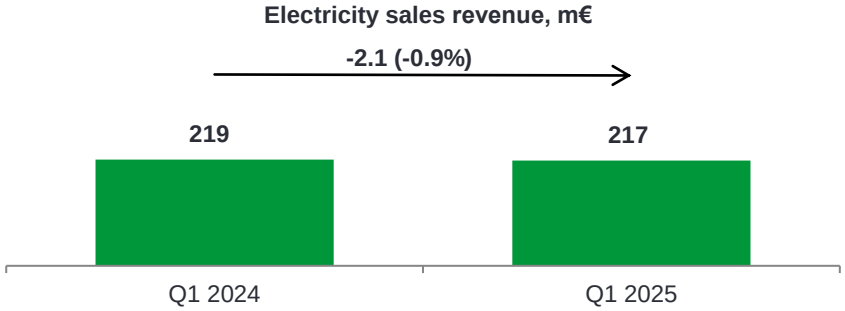
** Adjusted EBITDA excludes the impact of fluctuations in the fair values of long-term power purchase agreements (PPAs).*

Renewable Energy and Electricity Sales

The renewable energy and electricity sales segment reflects the results of renewable electricity generation, electricity sales and energy trading.

Revenue

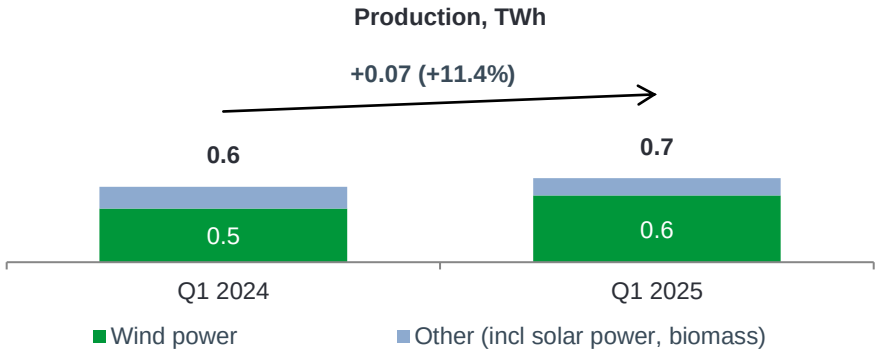
The electricity sales price increased, but sales volumes decreased slightly year on year. As a result, the segment's revenue for the first quarter of 2025 remained stable at €217.2 million (-1%; -€2.1 million compared to Q1 2024).



Renewable energy production volume

The Group's renewable energy generation grew by 72 GWh (+11%) year on year to 708 GWh. The largest share of renewable energy came from wind farms, which produced 564 GWh of electricity (+25%, +113 GWh). The main growth drivers were wind farms under construction (Sopi-Tootsi in Estonia and Kelmė I in Lithuania), which contributed 194 GWh.

The output of wind farms in operation was reduced by unusually calm weather in February, production curtailments due to low market prices and the provision of system services.



Sales volume and Eesti Energia's market share

Retail sales of electricity decreased by 175 GWh (-6%) year on year to 2,607 GWh. Retail sales by market were as follows: Estonia 962 GWh (-145 GWh), Latvia 428 GWh (+6 GWh), Lithuania 724 GWh (-7 GWh), Poland 487 GWh (-21 GWh) and Finland 6 GWh (-8 GWh).

In terms of customers' electricity consumption volume, Eesti Energia's market share in Estonia was 47% in the first quarter of 2025, 6 percentage points lower than a year earlier (54%). The decrease in market share is partly attributable to the fact that Eesti Energia ceased providing general service from June 2024 as well as stiff competition between suppliers. Our market shares in Latvia and Lithuania were 22% and 24%, respectively. Compared to the first quarter of 2024, we lost 3 percentage points of market share in Latvia, but gained 1 percentage point in Lithuania.

Key indicators for renewable energy and electricity sales

		Q1 2025	Q1 2024
EBITDA from renewable energy and electricity sales	€/MWh	10.7	21.7
Adjusted EBITDA from renewable energy and electricity sales	€/MWh	18.9	25.9

EBITDA from renewable energy and electricity sales

EBITDA from renewable energy and electricity sales amounted to €20.5 million in the first quarter of 2025 (-58%, -€28.4 million).

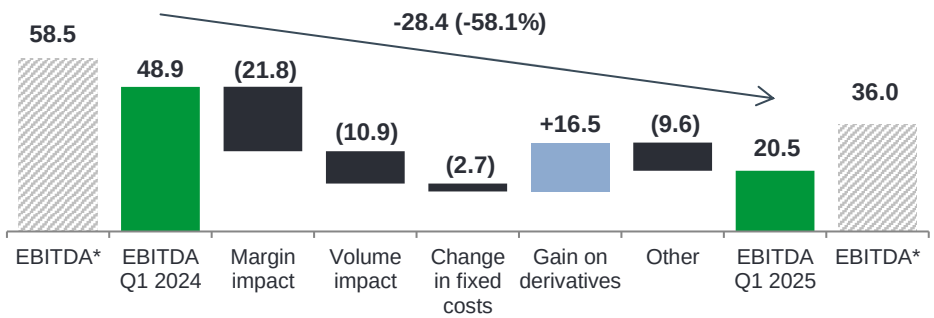
EBITDA for the period includes the impact of changes in the value of long-term PPAs of -€15.5 million (Q1 2024: -€9.5 million). Adjusted EBITDA (excluding those impacts) for the first quarter of 2025 was €36.0 million, 38% (-€22.4 million) lower than in the same period last year.

The impact of a lower margin on EBITDA development was -€21.8 million (-€11.4/MWh). While average income increased by €16.0/MWh, average variable costs increased by €27.5/MWh due to higher electricity purchase costs. The impact of a lower sales volume was -€10.9 million. Although renewable energy production increased year on year, both retail sales volumes and volumes sold on the power exchange decreased.

The impact of higher fixed costs was -€2.7 million. The figure reflects, among other items, growth in payroll expenses of €0.8 million and growth in the repair and maintenance costs of renewable energy production assets of €0.6 million.

Higher realised gain on derivative transactions improved EBITDA by €16.5 million (realised gain amounted to €1.5 million in Q1 2024 and €18.0 million in Q1 2025). Other impacts of -€9.6 million mainly include changes in the values of derivative transactions, of which -€6.0 million was related to long-term PPAs.

Renewable energy and electricity sales EBITDA development, m€



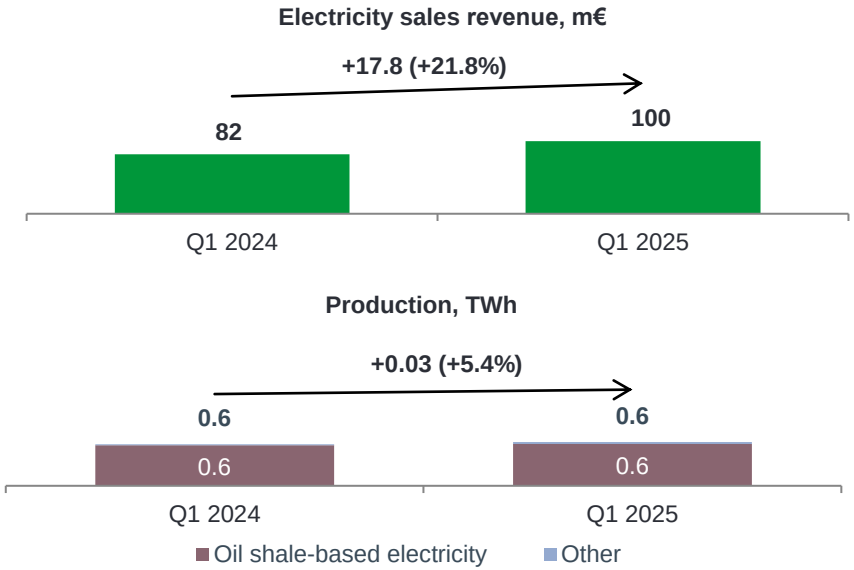
** Adjusted EBITDA excludes the impact of fluctuations in the fair values of long-term power purchase agreements (PPAs).*

Non-renewable Electricity Production

The non-renewable electricity production segment reflects the results of electricity generation from oil shale and other non-renewable sources.

Revenue

In the first quarter of 2025, the segment's revenue increased by 22% year on year to €99.6 million (+€17.8 million). The main growth driver was higher electricity production from oil shale power plants.



Non-renewable electricity production volume

Although the increase in renewable power generation in the Baltic region has reduced the need for fossil fuel power plants, these plants still play an important role in ensuring the availability of dispatchable power in the region.

In the first quarter of 2025, Eesti Energia produced 621 GWh of non-renewable electricity, 5% (+32 GWh) more than in the same period in 2024. The growth was supported by the connection of the Baltic countries to the Continental Europe Synchronous Area, lower renewable electricity production due to unfavourable wind and solar conditions and the failure of the EstLink2 interconnector. These circumstances created opportunities for our older generating units to compete in the market.

In the first quarter of 2025, the availability of the Auvere power plant remained high at 85% of the planned operating time (-15 pp). This was largely due to the modernisation and the replacement of the heat exchangers carried out in 2023.

Key indicators for non-renewable electricity production

		Q1 2025	Q1 2024
EBITDA from non-renewable electricity production	€/MWh	47.2	28.3

EBITDA from non-renewable electricity production

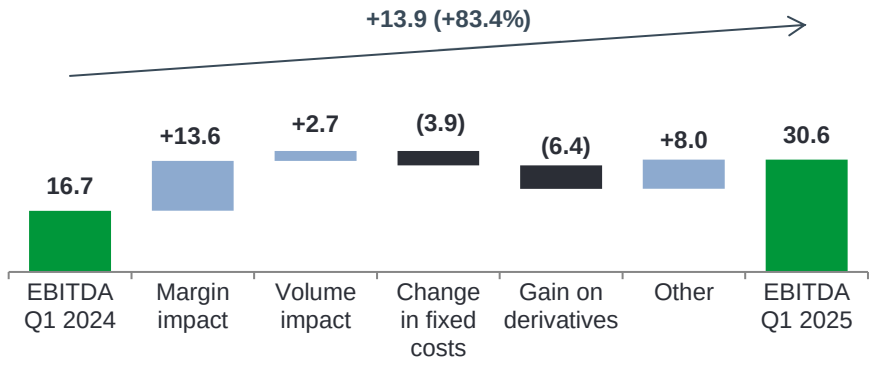
EBITDA from non-renewable electricity production amounted to €30.6 million in the first quarter of 2025 (+83%, +€13.9 million).

The impact of a higher margin on EBITDA development was +€13.6 million (+€21/MWh). Average income increased by €14.7/MWh and average variable costs decreased by €6.2/MWh, mainly due to lower CO_2 emission costs. The impact of a higher production volume was +€2.7 million.

The impact of higher fixed costs was -€3.9 million. Payroll expenses increased by €1.8 million and repair and maintenance costs by €0.4 million.

Realised gain on derivative transactions decreased. The resulting negative impact on EBITDA was -€6.4 million (realised gain amounted to €9.2 million in Q1 2024 and €2.8 million in Q1 2025).

Non-renewable energy production EBITDA development, m€



Other impacts of +€8.0 million mainly include the year-on-year change in the value of unrealised derivative transactions; the main factor was the impact of revaluations related to the provision of universal service of -€9.1 million recorded in the comparative period.

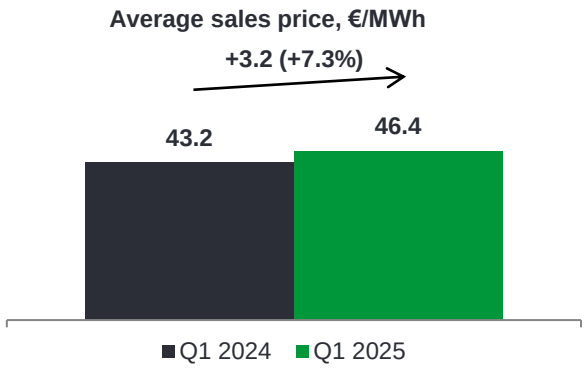
Distribution

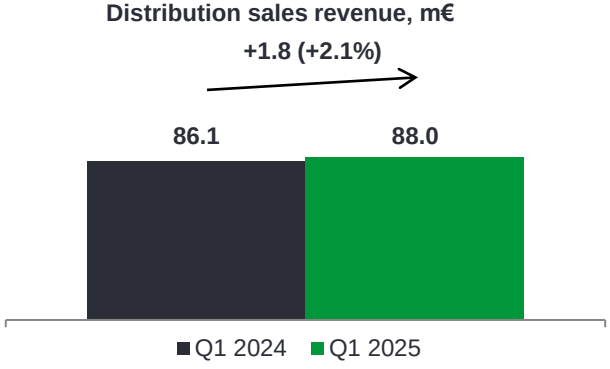
Distribution revenue, sales volume and price

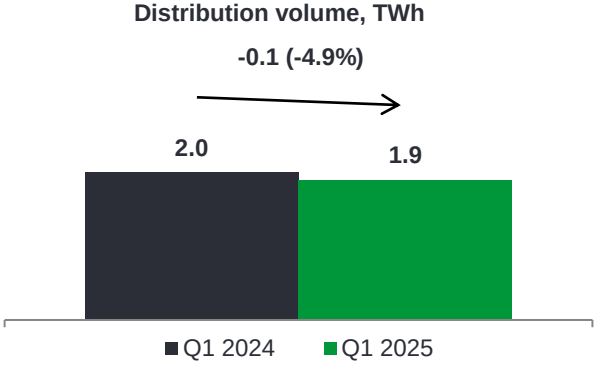
In the first quarter of 2025, distribution service revenue increased by 2.1% year on year to €88.0 million (+€1.8 million), while sales volume decreased by 4.9% to 1,897 GWh (-97 GWh). The decline in sales volume was mainly due to the mild winter – air temperature in the first quarter of 2025 was around +3°C higher than usual. As a result, consumption of the distribution service provided by Elektrilevi decreased by 9.9% for household customers and by 2.6% for corporate customers. The average price of the distribution service was €46.4/MWh (+7.3%). The average sales price increased by €3.2/MWh year on year due to changes in network charges.

Distribution losses

Distribution losses amounted to 82.9 GWh, i.e. 4.1%. The amount of distribution losses decreased by 8.3 GWh and the rate of distribution losses decreased by 0.2 percentage points year on year. The main factor influencing distribution losses in Elektrilevi's network was sales volume, which decreased by 4.9% due to the mild winter.







Supply interruptions

The average duration of unplanned supply interruptions in the first quarter of 2025 was 63.9 minutes (Q1 2024: 25.7 minutes). Due to adverse weather conditions, the number of interruptions was the highest in January.

The average duration of planned supply interruptions was 16.9 minutes (Q1 2024: 21.7 minutes). The duration of planned supply interruptions depends on the extent of planned network maintenance and renewal.

Key indicators for distribution

		Q1 2025	Q1 2024
Distribution losses	GWh	82.9	91.2
SAIFI	index	0.58	0.43
SAIDI (unplanned)	index	63.9	25.7
SAIDI (planned)	index	16.9	21.7

Power outages can be reduced by replacing bare conductors with weatherproof cables. At the end of the first quarter of 2025, 96.7% of our low voltage distribution network and 47.0% of our medium voltage distribution network was weatherproof.

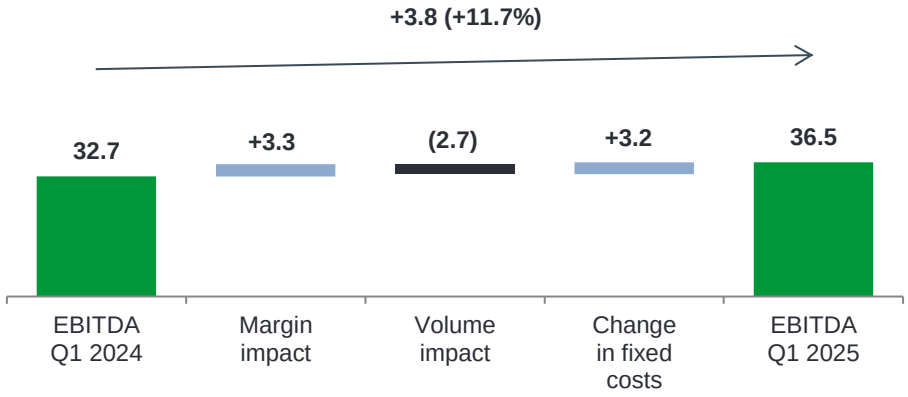
Distribution EBITDA

Distribution EBITDA for the first quarter of 2025 amounted to €36.5 million (+12%, +€3.8 million). A higher margin increased distribution EBITDA by €3.3 million compared to the same period last year. Average revenue grew by €3.2/MWh, while average variable costs increased by €1.4/MWh.

The sales volume of distribution service decreased by 5% or 97 GWh. The impact on EBITDA was -€2.7 million.

The impact of a decrease in fixed costs on EBITDA development was +€3.2 million. The decline in fixed costs is related to lower maintenance and repair costs. Network maintenance and repair costs have partly been shifted to future periods. We do not expect the annual costs to decrease.

Distribution EBITDA development, m€



Shale oil

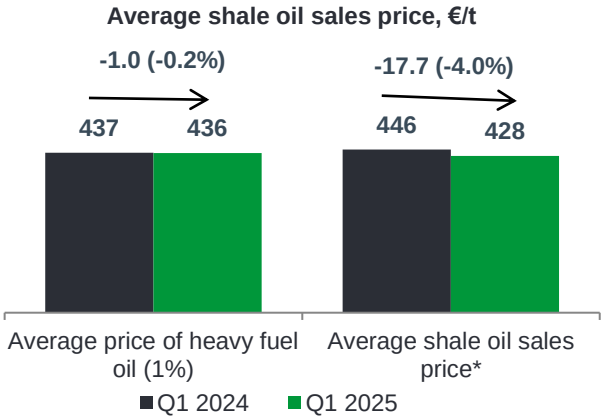
Shale oil revenue and sales volume

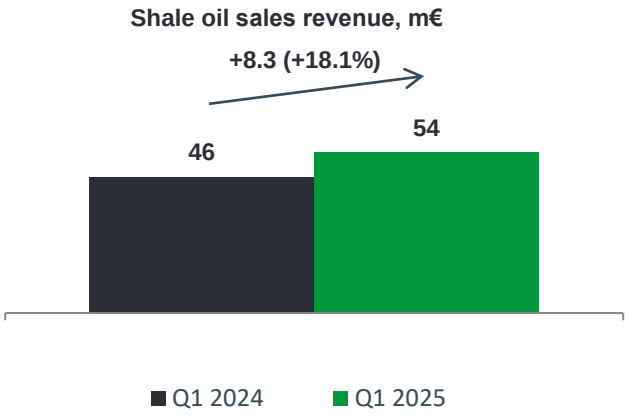
We sold 127.4 thousand tonnes of shale oil in the first quarter of 2025, which generated revenue of €54.1 million. Shale oil revenue grew by 18% (+€8.3 million) and sales volume increased by 15% (+17.0 thousand tonnes) compared to the first quarter of 2024, mainly because inventories of 16 thousand tonnes produced in 2024 were sold in the first quarter of 2025 on more favourable terms.

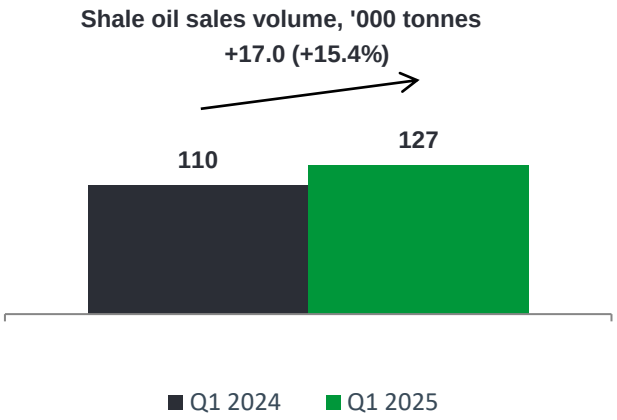
Shale oil price

The average sales price of shale oil (excluding the impact of derivative transactions) decreased by 4% (-€17.7/t) year on year to €428.2/t.

Derivative transactions of the period resulted in a loss of €3.4/t (Q1 2024: a loss of €30.7/t). The average shale oil sales price including the impact of derivative transactions was €424.8/t (+2.3%, +€9.6/t compared to Q1 2024).







Shale oil production volume

We produced 122.4 thousand tonnes of shale oil in the first quarter of 2025, 5% (-6.2 thousand tonnes) less than in the first quarter of 2024. To reduce emissions and meet environmental requirements, the Enefit-140 oil plant is operating at reduced capacity and using oil shale with low calorific value, which has significantly reduced production volumes compared to the same period in 2024.

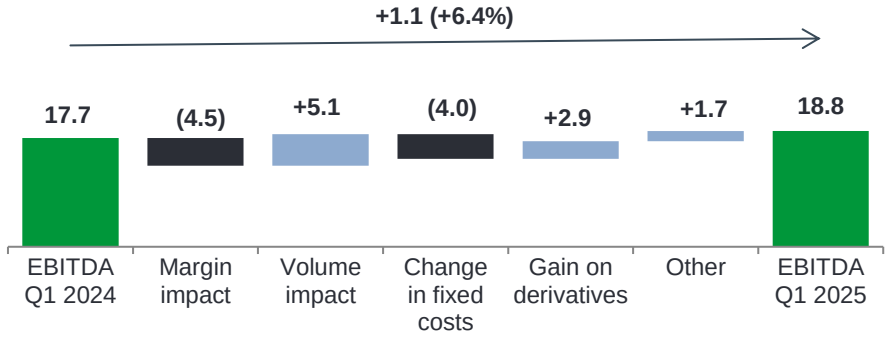
Key indicators for shale oil

		Q1 2025	Q1 2024
Shale oil EBITDA	€/t	147.9	160.5

Shale oil EBITDA

Shale oil EBITDA for the first quarter of 2025 amounted to €18.8 million (+6%, +€1.1 million).

Shale Oil EBITDA development, m€



The impact of a lower margin on EBITDA development was -€4.5 million (-€35/t). Average income decreased by €18/t, while average variable costs increased by €18/t compared to the same period in 2024. Shale oil sales volume increased by 17.0 thousand tonnes (+15%) to 127.4 thousand tonnes. The impact of a higher sales volume was +€5.1 million.

The segment's fixed costs increased by €4.0 million, of which €3.7 million was related to changes in inventories.

A better result on realised derivative transactions improved EBITDA by €2.9 million compared to the first quarter in 2024. Other impacts on EBITDA totalled +€1.7 million, consisting mainly of the change in the value of unrealised derivative transactions.

Other Products and Services

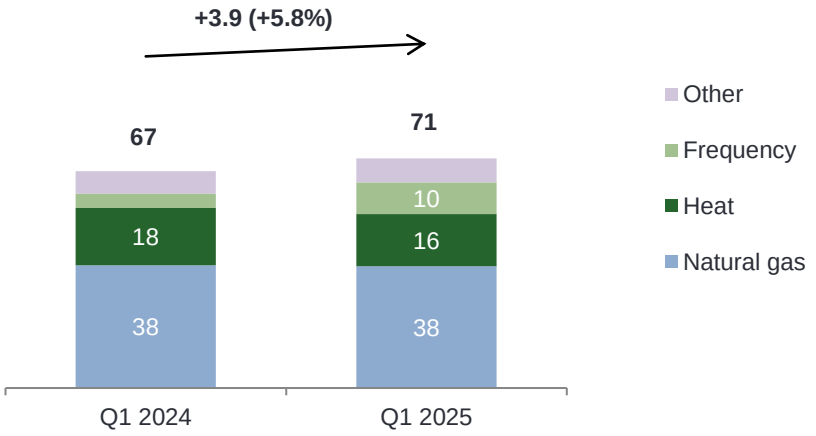
The segment of other products and services includes the sale of natural gas, heat, industrial equipment and ancillary services. Our main ancillary services are flexibility services, solar solutions and charging services. The effects of one-off transactions and part of the Group's central development expenses and fixed costs are also reported in this segment.

Revenue from the sale of other products and services

Revenue from the sale of other products and services amounted to €71.3 million in the first quarter of 2025. Compared to the same period in 2024, revenue increased by 6% (+€3.9 million).

Revenue growth was mainly related to flexibility services, which generated revenue of €9.9 million in the first quarter of 2025 (+€5.4 million). Revenues from the sale of natural gas and heat decreased by €0.3 million and €1.6 million, respectively.

Sales revenue from other products and services, m€



EBITDA from other products and services

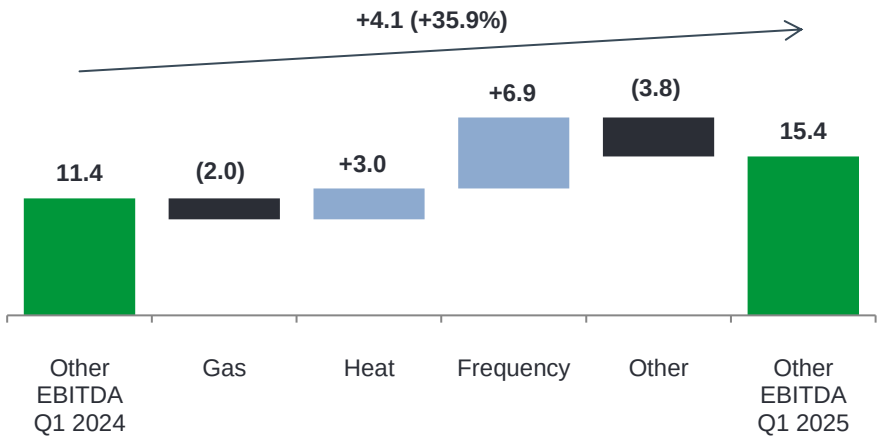
In the first quarter of 2025, EBITDA from other products and services increased by €4.1 million year on year to €15.4 million.

Natural gas EBITDA decreased by €2.0 million due to the impact of derivative transactions.

Heat EBITDA increased by €3.0 million year on year, mainly due to lower fuel and greenhouse gas emission costs.

EBITDA from flexibility services increased by €6.9 million. The total effect of other impacts on EBITDA was -€3.8 million.

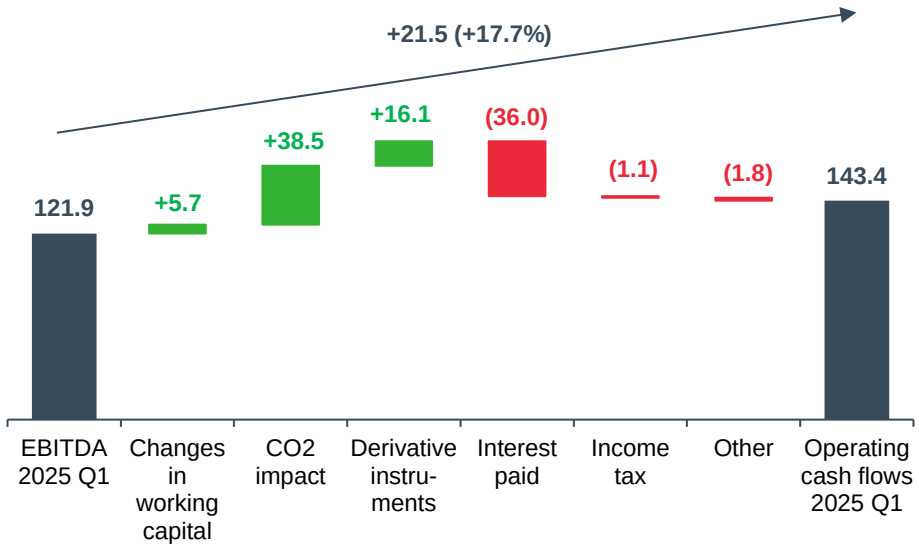
Other EBITDA development, m€



Cash Flows

The Group's net operating cash flow for the first quarter of 2025 was €143.4 million, €21.5 million (+17.7%) higher than EBITDA, which amounted to €121.9 million.

EBITDA to operating cash flow development, m€



Changes in working capital increased net operating cash flow by €5.7 million relative to EBITDA. Working capital for the period was affected by an increase in receivables due to the growth in electricity consumption. However, the negative effect of the latter was offset by a positive change in inventories (+€23.4 million), mainly due to the decrease in oil shale inventories.

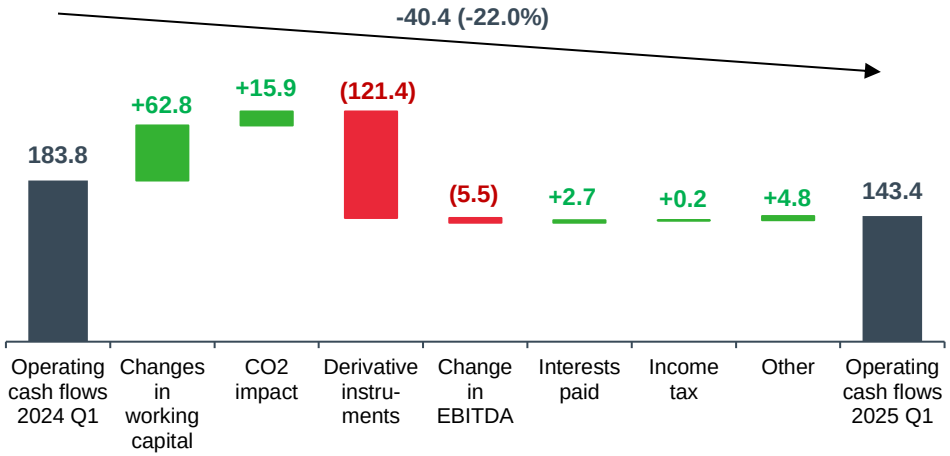
Settlements related to CO_2 emission allowances increased operating cash flow by €38.5 million compared to EBITDA, the figure including the impact of provisions recognised for CO_2 emission allowances of +€41.6 million (non-cash impact on EBITDA).

The impact of derivative financial instruments (excluding CO_2 instruments) was +€16.1 million. The figure includes the impacts of electricity derivatives of +€16.9 million, shale oil derivatives of -€2.2 million and other derivatives of +€1.4 million (the impact of derivatives in addition to the impact of derivatives already included in EBITDA).

Interest paid on borrowings reduced operating cash flow by €36.0 million. Income tax paid in the first quarter of 2025 amounted to €1.1 million. Other impacts on operating cash flows totalled -€1.8 million.

Operating cash flow decreased by €40.4 million (-22.0%) compared to the same period last year.

Operating cash flow changes, m€



Changes in working capital increased net operating cash flow by €62.8 million compared to the same period last year. The item with the strongest impact on working capital was the release of collateral for derivative financial instruments in the first quarter of 2024, which lowered the reference base.

The effect of settlements related to CO_2 emission allowances was +€15.9 million.

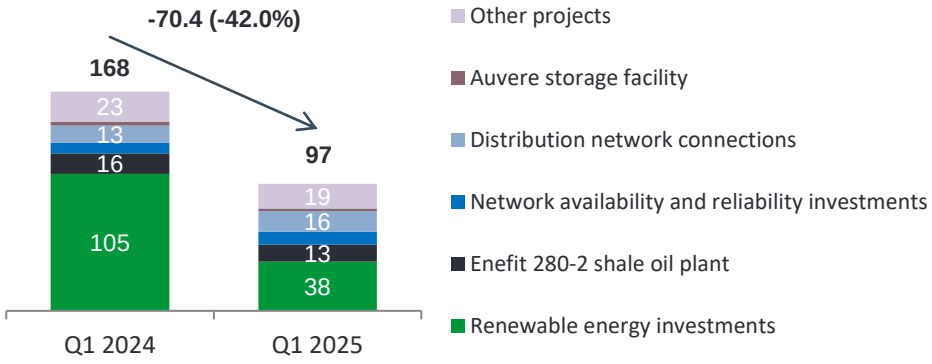
The impact of derivative financial instruments (excluding CO_2 instruments) was -€121.4 million, including the impact of electricity derivatives of -€121.1 million. The significant negative impact was mainly due to a high reference base in the same period last year. The result for the first quarter of 2024 was influenced by an exceptional transaction, which resulted in the release of collateral for derivative instruments. Transactions in electricity derivatives were moved from the exchange to an OTC market and their cash collateral was replaced by bank guarantees. Shale oil derivatives and other derivatives had an impact of -€2.9 million and +€2.7 million respectively.

In the first quarter of 2025, the amount of income tax paid was €0.2 million higher and the amount of interest paid on borrowings was €2.7 million higher than in the same period in 2024. Other impacts on operating cash flow totalled +€4.8 million.

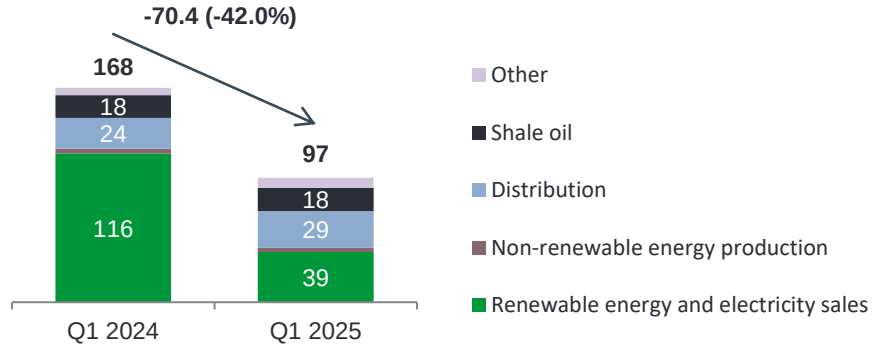
Investment

In the first quarter of 2025, we invested €97.2 million, 42% less than in the same period last year (-€70.4 million). Investments in the development of renewables totalled €37.7 million (-€67.1 million, -64%).

Capex breakdown by projects, m€



Investment breakdown by segments, m€



RENEWABLE ENERGY

To increase our renewable energy production capacity, we invested in the development of wind farms: €19.3 million in Lithuania, €7.5 million in Estonia, €1.9 million in Poland and €1.5 million in Finland. The largest investments were made in the Sopi-Tootsi wind farm in Estonia and the Kelmė wind farms in Lithuania.

In solar energy development, Enefit Green made the final investment decision for the 45 MW Strzałkowo solar farm, which is expected to be completed in the summer of 2026.

DISTRIBUTION SERVICE

Investments to maintain and continuously improve the quality of the electricity distribution service amounted to €26.5 million in the first quarter of 2025 (Q1 2024: €22.2 million). We built 54 substations and 166 km of power lines (Q1 2024: 61 substations and 206 km of power lines).

At the end of the quarter, 96.7% of Elektrilevi's low voltage distribution network was weatherproof (end of Q1 2024: 95.9%). During the year, the weatherproof low voltage overhead network increased by 40 km and the bare conductor network decreased by 56 km. At the end of the first quarter of 2025, 75.6% of Elektrilevi's total low and medium voltage distribution network was weatherproof (end of Q1 2024: 74.4%).

At the end of the first quarter of 2025, 95.4% of Imatra Elekter's low voltage distribution network was weatherproof (end of Q1 2024: 94.3%) and 68.1% of its total low and medium voltage distribution network was weatherproof.

LARGE-SCALE INDUSTRY

We invested €13.0 million in the construction of a new shale oil plant, which is scheduled for completion in 2025 and is expected to increase our annual shale oil production to 700,000 tonnes. The new plant will be the cornerstone of our future chemical industry.

Financing

Development activities in the energy sector are generally capital intensive. The company's own resources are not always sufficient to build new production units or significantly expand the business. We therefore raise debt in the market to finance major development projects.

Financing decisions are made in accordance with the Group's financing policy, which defines our financing principles, the permitted debt ratio and the sources of debt financing. According to the policy, Eesti Energia's objective is to keep the ratio of net debt to EBITDA below 3.5 in the long term (the ceiling may be exceeded in the short term in the case of major investments or acquisitions).

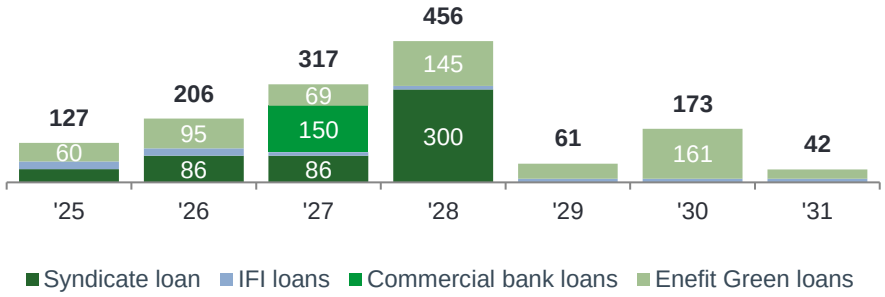
Our main sources of debt are bonds, investment loans from the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Nordic Investment Bank (NIB) and commercial banks. We also use revolving credit and guarantee facilities from regional banks.

BORROWINGS

The Group's borrowings at the end of the first quarter of 2025 amounted to €1,630 million (end of 2024: €1,670 million).

At the reporting date, investment loan liabilities totalled €1,583 million, including the liabilities of the parent company of €882 million and the liabilities of the subsidiary Enefit Green of €721 million. In the first quarter, the parent company and Enefit Green made scheduled loan repayments of €42.9 million and €18.7 million, respectively.

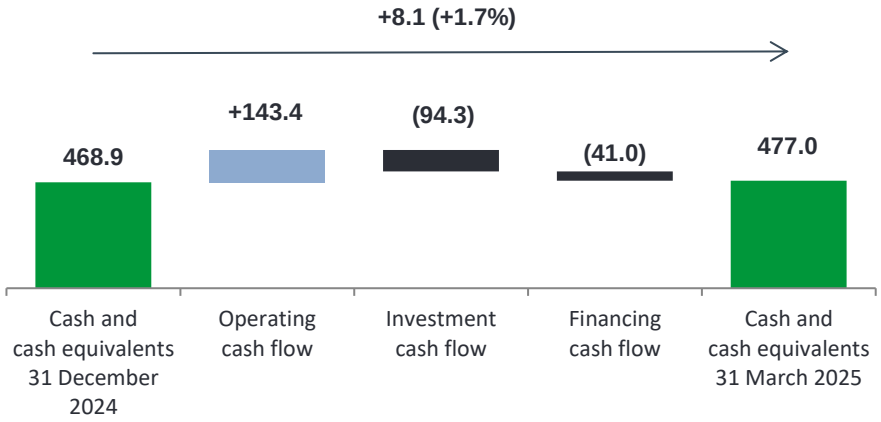
Debt maturity, m€



LIQUID FUNDS

At the end of the first quarter of 2025, the Group had liquid assets (cash and cash equivalents) of €477 million. In addition, the Group had undrawn loans of €465 million, of which €270 million was attributable to the parent company and €195 million to the subsidiary Enefit Green.

Liquidity development in Q1 2025, m€



At the reporting date, the Group had revolving credit facilities of €320 million. The revolving credit consists of €270 million available to the parent company and €50 million available to the subsidiary Enefit Green. At the end of the first quarter, the parent company had not drawn down any of the revolving credit, while Enefit Green had drawn down €20 million.

INTEREST RATES

The weighted average interest rate of Eesti Energia's borrowings at the end of the first quarter of 2025 was 4.81% (end of 2024: 5.26%).

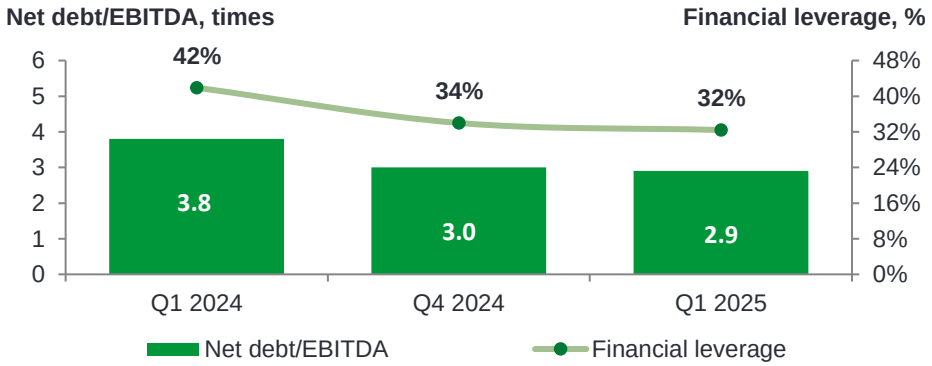
At the end of the first quarter of 2025, the Group had fixed-rate borrowings of €162 million and floating-rate borrowings of €1,442 million (end of 2024: fixed-rate borrowings of €167 million and floating-rate borrowings of €1,477 million).

EQUITY AND FINANCIAL RATIOS

The Group's equity stood at €2,431 million at the end of the first quarter of 2025. Eesti Energia's sole shareholder is the Republic of Estonia.

At the reporting date, the Group's net debt amounted to €1,153 million (end of 2024: €1,201 million). The net debt to EBITDA ratio was 2.9 (end of 2024: 3.0). The current net debt to EBITDA ratio is below the target ceiling of 3.5 set by the Group's financing policy.

Net debt/EBITDA ratio and financial leverage



CREDIT RATING

In April 2025, Moody's updated its credit analysis of Eesti Energia and affirmed the company's credit rating at Baa3, but changed the outlook to negative. In April 2025, S&P conducted its annual financial review and assigned Eesti Energia a BB+ rating with a negative outlook. Eesti Energia's financial policy aims to secure and maintain an investment grade credit rating in the long term.

Outlook for 2025

In the first quarter of 2025, the Baltic region's energy sector faced a number of important developments and challenges that affected security of supply, energy prices and the transition to a climate-neutral energy system. More independent operation of the energy system will become increasingly important this year – the desynchronisation from the Russian grid has created new markets for flexibility services and increased the need for grid balancing and ensuring security of supply. Eesti Energia is facing these challenges in a balanced way – we are committed to increasing the share of green energy in our region, while ensuring energy security and strong power networks.

The outlook for Eesti Energia's financial performance in 2025 will continue to be affected by developments in the energy markets, possible regulatory changes, the economic environment in Estonia and internationally, and geopolitical events. Electricity prices in the region have been highly volatile and difficult to predict, and this trend will continue in 2025. On the positive side for the economic environment, we expect interest rates to continue to decline and economic growth to slowly recover.

In 2025, we expect revenue to increase slightly compared to 2024, mainly due to the completion of new renewable generation capacities. We expect EBITDA (excluding one-off items) to remain similar to 2024. While the new renewable generation capacities will increase the Group's profitability, the competitiveness of oil shale power plants will remain an issue. Oil shale power plants provide dispatchable generation capacity that is much needed by the electricity market, but at current electricity price levels they are no longer competitive – we are waiting for a solution from the pending draft Estonian Electricity Market Act, which would help ensure the maintenance of oil shale power plants through the island mode reserve measure.

In 2025, we will continue to focus on improving the customer experience and providing flexibility services to help customers optimise their energy costs.

After record investment in 2023 and 2024, we plan to reduce the pace of new investment in 2025. The focus will be on completing ongoing renewable energy developments and the construction of a new shale oil plant. We will also continue to make significant investments in the distribution network to improve network availability and ensure system reliability.

Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Income Statement

	1st Quarter		Note
in million EUR	**2025**	**2024**	
Revenue	530.1	500.3	4
Other operating income	27.3	50.3	5
Change in inventories of finished goods and work-in-progress	(8.0)	4.4	
Raw materials and consumables used	(335.2)	(319.8)	6
Payroll expenses	(48.7)	(48.1)	
Depreciation, amortisation and impairment	(40.4)	(38.9)	
Other operating expenses	(43.6)	(59.8)	7
OPERATING PROFIT	**81.5**	**88.4**	
Financial income	3.3	1.5	
Financial expenses	(12.8)	(12.9)	
Net financial income (expense)	**(9.5)**	**(11.4)**	
Profit from associates under the equity method	2.0	1.8	
PROFIT BEFORE TAX	**74.0**	**78.8**	
Corporate income tax expense	3.9	(0.2)	
PROFIT FOR THE PERIOD	**77.9**	**78.6**	
Equity holder of the Parent Company	**72.8**	**69.5**	
Non-controlling interest	**5.1**	**9.1**	

Condensed Consolidated Statement of Comprehensive Income

	1st Quarter		Note
in million EUR	2025	2024	
PROFIT FOR THE PERIOD	**77.9**	**78.6**	
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Revaluation of hedging instruments net of reclassifications to profit or loss	(30.2)	(101.5)	
Of which share of non-controlling interest	(0.1)	0.3	
Impact of comprehensie income of associates	(0.8)	(0.1)	
Excange differences on the transactions of foregin operations	0.8	0.9	
Of which share of non-controlling interest	0.1	-	
Other comprehensive income for the period	**(30.2)**	**(100.7)**	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**47.7**	**(22.1)**	
Equity holder of the Parent Company	**42.6**	**(31.5)**	
Non-controlling interest	**5.1**	**9.4**	

Condensed Consolidated Interim Statement of Financial Position

in million EUR	31.03.2025	31.12.2024	Note
Non-current assets			
Property, plant and equipment	3,619.5	3,563.8	8
Right-use-of assets	28.0	27.9	
Intangible assets	94.9	93.5	
Prepayments for non-current assets	61.1	61.1	8
Deferred tax assets	4.8	4.2	
Derivative financial instruments	203.9	213.3	9
Investments in associates	76.2	74.9	
Other shares and holdings	0.3	0.3	
Non-current receivables	3.3	3.3	
Total non-current assets	**4,092.0**	**4,042.3**	
Current assets			
Inventories	148.7	172.0	
Greenhouse gas allowances and certificates of origin	74.5	74.5	
Trade and other receivables	317.1	282.2	
Derivative financial instruments	64.0	90.0	9
Cash and cash equivalents	477.0	468.9	
Total current assets	**1,081.3**	**1,087.6**	
Total assets	**5,173.3**	**5,129.9**	3

in million EUR	31.03.2025	31.12.2024	Note
EQUITY			
Capital and reserves attributable to equity holder of the Parent Company			
Share capital	746.6	746.6	10
Share premium	259.8	259.8	
Statutory reserve capital	75.0	75.0	
Perpetual bond	406.3	398.5	
Other reserves	130.0	160.2	14
Retained earnings	630.5	565.5	
Total equity and reserves attributable to equity holder of the Parent Company	**2,248.2**	**2,205.6**	
Non-controlling interest	**182.9**	**177.8**	
Total equity	**2,431.1**	**2,383.4**	
LIABILITIES			
Non-current liabilities			
Borrowings	1,501.3	1,498.7	12
Deferred tax liabilities	24.6	28.0	
Other payables	8.0	8.0	
Derivate financial instruments	10.3	4.4	9
Contract liabilities and government grants	481.8	467.9	
Provisions	39.4	39.0	13
Total non-current liabilities	**2,065.4**	**2,046.0**	
Current liabilities			
Borrowings	140.6	197.0	12
Liquidity swap	79.8	79.8	
Trade and other payables	253.5	267.5	
Derivative financial instruments	27.0	22.6	9
Contract liabilities and government grants	2.2	2.0	
Provisions	173.7	131.6	13
Total current liabilities	**676.8**	**700.5**	
Total liabilities	**2,742.2**	**2,746.5**	
Total liabilities and equity	**5,173.3**	**5,129.9**	

Condensed Consolidated Interim Statement of Cash Flows

	1st Quarter		
in million EUR	**2025**	**2024**	**Note**
Cash flows/ used from operating activities			
Cash generated from operations	176.9	222.3	
Interest and loan fees paid	(36.0)	(38.7)	15
Interest received	3.6	1.5	
Corporate income tax paid	(1.1)	(1.3)	
Net cash generated from operating activities	**143.4**	**183.8**	
	-	-	
Cash flows used in investing activities	**-**	**-**	
Purchase of property, plant and equipment and intangible assets	(95.3)	(183.4)	8
Proceeds from grants of property, plant and equipment	0.5	5.0	8
Proceeds from sale of property, plant and equipment	0.5	0.3	8
Dividends received from associates	-	1.6	
Proceeds from sale of associate	-	16.9	
Net cash used in investing activities	**(94.3)**	**(159.6)**	
	-	-	
Cash flows used in financing activities	**-**	**-**	
Loans received	20.0	60.0	
Repayments of bank loans	(61.5)	(129.0)	12
Principle elements of lease liabilities	(0.6)	(0.5)	12
Proceeds from realisation of interest rate swaps	1.1	1.7	
Net cash used in financing activities	**(41.0)**	**(67.8)**	
	-	-	
Net cash flows	**8.1**	**(43.6)**	
Cash and cash equivalents at the beginning of the period	468.9	174.5	
Cash and cash equivalents at the end of the period	477.0	130.9	
Net change in cash and cash equivalents	**8.1**	**(43.6)**	

Condensed Consolidated Interim Statement of Changes in Equity

	Attributable to equity holder of the Parent Company								
in million EUR	Share capital	Share premium	Statutory legal reserve	Perpetual bond	Other reserves	Retained earnings	Total	Non-control-ling interest	Total
Equity as at 31.12.2023	**746.6**	**259.8**	**75.0**	**-**	**155.0**	**656.5**	**1,892.9**	**167.1**	**2,060.1**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the period	-	-	-	-	-	69.5	69.5	9.1	78.6
Other comprehensive income for the period	-	-	-	-	(101.0)	-	(101.0)	0.3	(100.7)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(101.0)**	**69.5**	**(31.5)**	**9.4**	**(22.1)**
Equity as at 31.03.2024	**746.6**	**259.8**	**75.0**	**-**	**54.0**	**726.0**	**1,861.4**	**176.5**	**2,038.0**
Equity as at 31.12.2024	**746.6**	**259.8**	**75.0**	**398.5**	**160.2**	**565.5**	**2,205.6**	**177.8**	**2,383.4**
Profit for the period	-	-	-	-	-	72.8	72.8	5.1	77.9
Other comprehensive income for the period	-	-	-	-	(30.2)	-	(30.2)	-	(30.2)
Total comprehensive income for the period	-	-	-	-	**(30.2)**	**72.8**	**42.6**	**5.1**	**47.7**
Coupons on perpetual	-	-	-	7.8	-	(7.8)	-	-	-
Total contributions by and distributions to owners of the Group, recognised directly in equity	**-**	**-**	**-**	**7.8**	**-**	**(7.8)**	**-**	**-**	**-**
Equity as at 31.03.2025	**746.6**	**259.8**	**75.0**	**406.3**	**130.0**	**630.5**	**2,248.2**	**182.9**	**2,431.1**

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 consolidated statements for the year ended 31 December 2024, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies and presentation of information applied to this interim report were consistent with those used in the consolidated financial statements for the financial year that ended on 31 December 2024.

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 2024.

According to the Management Board the interim report prepared for the period 1 January 2024 – 31 March 2024 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 risks

The Group's activities are exposed 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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. The purpose of financial risk management is to mitigate financial risks and minimise the volatility of financial results. The risk and internal audit department under the Chairman of the Management Board and the Audit Committee are engaged in risk management and responsible for the development, implementation and maintenance of the Group's risk management system. The Group's financial risks are managed in accordance with the principles established by the Management Board at the Group level. The Group's liquidity, interest rate and currency risks are managed in the finance department of the parent company.

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 2024.

2.2. Interest rate swaps

Interest rate swaps usually involve the exchange of a floating interest rate for a fixed rate (or vice versa) with a purpose to hedge against the cash flow fluctuations. An economic relationship exists between the hedging instruments (interest rate swaps) and the hedged items (loan agreements), because as at 31 March 2025 the critical terms of all interest rate swaps matched the terms of the loan agreements (notional amounts, currencies, maturities, payment schedules). Future hedging transactions are entered into with a hedge ratio of one to one. The Group tests hedge effectiveness by using the hypothetical derivative method and compares the changes in the fair value of interest rate swaps with the changes in the fair value of loan agreements.

Potential sources of hedge ineffectiveness are the following:

• A change in the credit risk of the Group or the counterparty of the interest rate swap. The impact of credit risk may cause an imbalance in the economic relationship between the hedged item and the hedging instrument. According to the assessment of the Group's management, it is highly unlikely that changes in credit risk would cause significant hedge ineffectiveness.

Fair value is calculated using a third-party model which is confirmed by the transaction partner. On the basis of the Group's internal calculations, the fair value of interest rate swaps is determined as the present value of the expected future cash flows based on the Euribor forward curves derived from observable market data. The fair value measurement takes into account the credit risk of the Group and the counterparty, which is calculated on the basis of credit spreads derived from credit default swaps or bond prices. The fair value of interest rate swaps qualifies as a level 2 measurement in the fair value hierarchy. As at 31 March 2025, the Group had three interest rate swaps to hedge the interest rate risk of three loans (in the comparative period, there were no interest rate swaps):

• An interest rate swap with a notional amount of EUR 62.6 million (66.1 million 2024), whereby the Group receives interest at a rate equal to 6-month EURIBOR and pays a fixed rate of interest of 1.1%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan that was drawn down on 30 September 2022.

• An interest rate swap with a notional amount of EUR 43.8 million (44.8 million 2024), whereby the Group receives interest at a rate equal to 3-month EURIBOR and pays a fixed rate of interest of 1.049%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan that was drawn down on 24 September 2022.

• An interest rate swap with a notional amount of EUR 30.8 million (31.7 million 2024), whereby the Group receives interest at a rate equal to 6-month EURIBOR and pays a fixed rate of interest of 1.125%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan that was drawn down on 30 June 2022.

2.3 Derivatives used to hedge the risks associated with the purchase of electricity

The Group sells electricity to its customers in the retail market. Part of the customers have agreements with fixed rates. To hedge the volatility risk in electricity prices, the Group uses derivatives (futures, forward contracts and long-term power purchase agreements), which are entered into for the purchase of electricity at each hour of trading. Transactions designed to hedge the volatility risk in electricity prices are designated as hedging instruments in cash flow hedges. The underlying hedged item is the risk components of highly probable forecast electricity purchase transactions: TGE Polish base and peak load prices (Polish market) and the Nord Pool system price, and the difference between the system price and the Finnish area price i.e. the price spread (markets other than Poland). Long-term cash-settled power purchase agreements hedge the exposure to the Nord Pool Lithuanian price area. The volumes of derivative instruments entered into to hedge the purchase price risk is driven by the volumes of forecast fixed-price sales transactions. The hedge ratio of the hedging relationships is one to one.

2.4 Derivatives used to hedge the risks associated with the sale of natural gas

The Group sells gas to its customers in the retail market. Part of the customers have agreements with variable rates. The Group uses derivatives (futures and forwards) to hedge the volatility risk in natural gas prices in the Baltic market. These instruments have been designated as hedging instruments in cash flow hedges.

To hedge the price risk associated with natural gas obtained from Inčukalns at a fixed rate and sold to customers in the Baltic countries under long-term floating-price agreements, the Group enters into derivative transactions to convert the fixed price of gas obtained from Inčukalns into a floating price. The underlying hedged item is highly probable forecast gas purchase transactions (purchase to warehouse for fixed price) that are priced against the TTF ICE Endex Futures which are determined by the volumes required by floating-price customers. The hedge ratio of the hedging relationships is one to one.

2.5 Derivatives used to hedge the risks associated with the purchase of natural gas

The Group sells natural gas to its customers in the retail market. Part of the customers have agreements with fixed rates. The Group uses derivatives (futures and forwards) to hedge the volatility risk in natural gas prices in the Polish market, which are entered into for the purchase of a specific amount of gas in each month. Transactions designed to hedge the volatility risk in gas prices are designated as hedging instruments in cash flow hedges. The underlying hedged item is the risk component of highly probable forecast gas purchase transactions: the purchase price of natural gas on the Polish power exchange TGE.

The volume of derivative instruments entered into to hedge the price risk associated with the natural gas purchases in Poland depends on the natural gas sales volumes which are determined by volumes required by customers under long-term fixed-price agreements. Consistent with the Group's hedging strategy, derivative contracts are concluded for the next three years and allowed net open position is 5% of the volumes of highly probable forecast purchase transactions. The hedge ratio of the hedging relationships is one to one.

2.6. Derivatives used to hedge the risks associated with the sale of shale oil and shale oil gasoline

The Group has shale oil production facilities in Estonia and it sells the produced shale oil and shale oil gasoline in the global energy markets. The Group uses derivatives (futures and swaps) to hedge the volatility risk in the prices of shale oil and shale gasoline (for shale gasoline from 1 January 2021). In these transactions, the counterparty undertakes to pay the difference between a fixed price and the market price in a given period of time. According to the Group's hedging policy, the purpose of hedging is to ensure a predefined amount of profit after variable expenses. Contracts are concluded for the sale of specific amounts of shale oil and shale oil gasoline in future periods and they are designated as hedging instruments in cash flow hedges. The underlying hedged item is the risk component of highly probable forecast shale oil sales transactions: heavy fuel oil with 1% sulphur content or its separately identifiable subcomponents. For shale oil gasoline, the underlying hedged item is the risk component of highly probable forecast shale gasoline sale transactions: Naphtha Cargoes CIF NWE, or its separately identifiable subcomponents. The volume of derivative transactions entered into to hedge the price risk of the sale of shale oil and shale oil gasoline depends on long-term sales contracts signed for future periods and the production plan. Consistent with the Group's hedging strategy, derivative contracts are concluded for the next two years to the extent of up to 80% of the volumes of highly probable forecast sales transactions. The percentage of hedged sales volumes is higher for the years closer to the reporting date, due to the liquidity of the derivatives and the Group's hedging strategy. The hedge ratio of the hedging relationships is one to one.

2.7. Fair value

The Group estimates that the fair values of financial assets and liabilities reported at amortised cost in the statement of financial position as of 31 March 2025 and 31 December 2024 do not materially differ from the carrying amounts reported in the consolidated financial. The carrying amount of current accounts receivable and payables and loan receivables less impairments is estimated to be proximately equal to their fair value. For disclosure purposes, the fair value of financial liabilities is determined by discounting the contractual cash flows at the market interest rate which is available for similar financial instruments of the Group.

The table below analyses 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 2025 and 31 December 2024:

In million EUR	31.MARCH 2025							
	ASSETS				LIABILITIES			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash flow hedges								
Future, forward and long-term PPA contracts to purchase electricity	-	20.6	131.2	151.8	13.5	13.6	-	27.1
Future and forward contracts to purchase natural gas	0.5	-	-	0.5	0.7	-	-	0.7
Swap and forward contracts for sale of shale oil	1.5	-	-	1.5	0.2	-	-	0.2
Interest rate swap	-	5.3	-	5.3	-	-	-	-
Total cash flow hedges	**2.0**	**25.9**	**131.2**	**159.1**	**14.4**	**13.6**	**-**	**28.0**
Trading derivatives								
Future, forward and long-term PPA contracts to purchase electricity	-	*4.4*	*98.4*	102.8	-	4.5	-	4.5
Future and forward contracts to purchase natural gas	-	-	-	-	(0.4)	-	-	(0.4)
Swap and forward contracts for sale of shale oil	1.9	-	-	1.9	-	-	-	-
Swap and forward contracts for sale of shale oil gasoline	0.8	-	-	0.8	-	-	-	-
Guarantees of origin	-	-	3.3	3.3	-	-	5.0	5.0
Other derivatives	-	-	-	-	0.2	-	-	0.2
Total trading derivatives	**2.7**	**4.4**	**101.7**	108.8	**(0.2)**	**4.5**	**5.0**	**9.3**
Total derivative financial instruments (Notes 2.1, 2.7 and 14)	**4.7**	**30.3**	**232.9**	**267.9**	**14.2**	**18.1**	**5.0**	**37.3**

	31. DECEMBER 2024							
In million EUR	ASSETS				LIABILITIES			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash flow hedges								
Future, forward and long-term PPA contracts to purchase electricity	-	32.6	132.8	165.4	13.4	0.8	-	14.2
Future and forward contracts to purchase natural gas	3.6	-	-	3.6	-	-	-	-
Swap and forward contracts for sale of shale oil	-	-	-	-	1.9	-	-	1.9
Interest rate swap	-	-	-	-	-	-	-	-
Total cash flow hedges	**-**	**5.8**	**-**	**5.8**	**-**	**-**	**-**	**-**
Trading derivatives	**3.6**	**38.4**	**132.8**	**174.8**	**15.3**	**0.8**	**-**	**16.1**
Future, forward and long-term PPA contracts to purchase electricity	-	10.0	113.6	123.6	-	4.2	-	4.2
Future and forward contracts to purchase natural gas	1.8	-	-	1.8	-	-	-	-
Swap and forward contracts for sale of shale oil	0.1	-	-	0.1	0.2	-	-	0.2
Swap and forward contracts for sale of shale oil gasoline	0.1	-	-	0.1	0.8	-	-	0.8
Guarantees of origin	-	-	2.9	2.9	-	-	5.6	5.6
Other derivatives	-	-		-	0.1	-	-	0.1
Total trading derivatives	**2.0**	**10.0**	**116.5**	**128.5**	**1.1**	**4.2**	**5.6**	**10.9**
Total derivative financial instruments (Notes 2.1, 2.7 and 14)	**5.6**	**48.4**	**249.3**	**303.3**	**16.4**	**5.0**	**5.6**	**27.0**

2.7 Fair value. cont.

Financial instruments within level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting 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 derivatives that are traded on Nasdaq OMX, ICE, Platts European Marketscani (for spot prices), TGE, Argus and Nymex exchanges, are classified as Level 1 instruments. The fair values of forwards. swaps and futures are determined on the basis of their spot prices at the reporting date.

Financial instruments within 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 values of the Group's derivatives arising from Baltic electricity and interest rate swap transactions is calculated using valuation techniques, which are based on the quotations of Nasdaq OMX and the interbank swap market at the reporting date.

Financial instruments within 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 guarantees of origin (green certificates) and power purchase agreements (PPAs) 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.

Level 3 instruments

In million EUR	**31.03.2025**	**31.12.2024**
Long-term PPAs	229.6	246.4
Concluded derivatives for Guarantees of Origin	(1.7)	(2.7)
Total	**227.9**	**243.7**

The fair value of PPAs is calculated using a valuation technique, which is based on the forecasts future period electricity prices The technique combines market-based inputs for the Nord Pool system price and Helsinki EPAD, as quoted on Nasdaq OMX at the balance sheet date, with unobservable 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. The fair value calculations are made on a monthly basis.

The fair value of level 3 derivatives of guarantees of origin (GoOs) is calculated using a valuation technique, which is based on the bid and ask quotations of traders in GoOs. The fair value calculations are made on a daily basis.

Level 3 instruments

In million EUR	Cash flow hedged	Derivatives held for trading
Opening balance 1 January 2024	**149.9**	**133.5**
Gains recognised in other comprehensive income	(30.9)	-
Gains recognised in revenue	13.8	-
Gains recognised in other operating income	-	14.4
Loss recognised in other operating expenses	-	(37.0)
Closing balance 31 December 2024	**132.8**	**110.9**
Gains recognised in other comprehensive income	24.3	-
Gains recognised in revenue	(0.6)	-
Gains recognised in other operating income	-	6.3
Loss recognised in other operating expenses	-	(45.8)
Closing balance 31 March 2025	**156.5**	**71.4**

Gains recognised in other comprehensive income are accounted for within Revaluation of hedging instruments net of reclassifications to profit or loss. Gains recognised in other income are accounted for within Gain from revaluation of derivatives.

2.8 Fair value of financial assets and liabilities measured at amortized cost

Fair value of bank loans

In million EUR	31.03.2025	31.12.2024
Nominal value of bank loans with fixed interest rate	24.7	24.7
Fair value of bank loans with fixed interest rate	24.2	24.0
Nominal value of bank loans with fixed interest swap rate	137.3	142.4
Fair value of bank loans with fixed interest swap rate	137.3	142.4
Nominal value of bank loans with floating interest rate	1,441.5	1,473.3
Fair value of bank loans with floating interest rate	1,441.5	1,473.3

Management estimates that the fair values of the loans with floating interest rates do not differ from their carrying amounts as at the end of the period as the risk margins have not changed. The fair values of the bank loans with a fixed interest rate were determined based on discounted cash flows using discount rate 3.068% (2024: 3.110%), that are within level 2 of the fair value hierarchy. The discount rates are calculated based on the interpolated interest rate swaps taking into account the average length of years to the repayment date(s).

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

- Trade and other receivables
- 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 four main products and services, which are presented as separate reportable segments, and a number of minor products and services, which are presented together within other segments:

1) renewable energy and electricity sales (renewable electricity generation. electricity sales and energy trading.);

2) non-renewable electricity production (electricity generation from non-renewable sources);

3) distribution (sale of network services in the regulated market and sale of additional services by Elektrilevi);

4) shale Oil (shale oil production and sale);

5) other products and services (including sale of natural gas, heat, industrial equipment and ancillary services, other products and services sale).

The non-renewable electricity production segment includes the generation of electricity from non-renewable sources, such as oil shale and waste fuel. All other activities related to the generation and sale of electricity, including the generation of electricity from renewable sources, the sale of electricity to retail customers and the trading of electricity on the wholesale market, are included in the renewable energy and electricity sales segment. From 2024. there is no longer a separate natural gas segment as the proportion of natural gas sales to external customers has fallen below the quantitative thresholds of IFRS 8.

The segment of other products and services includes by-products and services whose 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 generated 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. 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 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.

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.

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.

	Q1 2025	
in million EUR	**2025**	**2024**
Revenue from external customers		
Renewable energy and electricity sales	217.2	219.2
Non-renewable electricity production	99.6	81.7
Distribution	88.0	86.1
Shale oil	54.1	45.8
Total reportable segments	**458.9**	**432.8**
Other	71.2	67.5
Total	**530.1**	**500.3**

Assets

in million EUR	**31.03.2025**	**31.12.2024**
Renewable energy and electricity sales	2,185.4	2,147.0
Non-renewable electricity production	208.5	213.8
Distribution	1,696.2	1,672.3
Shale oil	700.0	656.1
Total reportable segments	4,790.1	4,689.2
Other	383.2	440.7
Total	**5,173.3**	**5,129.9**

EBITDA

	Q1 2025	
in million EUR	**2025**	**2024**
EBITDA		
Renewable energy and electricity sales	20.5	48.9
Non-renewable electricity production	30.6	16.7
Distribution	36.5	32.7
Shale oil	18.8	17.7
Total reportable segments	**106.4**	**116.0**
Other	15.5	11.3
Total	**121.9**	**127.3**
Depreciation. amortisation and impairment	(40.4)	(38.9)
Net finance costs	(9.5)	(11.4)
Profit from associates using equity method	2.0	1.8
Profit before tax	**74.0**	**78.8**

4. Revenue

	1st Quarter	
in million EUR	**2025**	**2024**
Revenue from contracts with customers		
By activity		
Sale of goods		
Shale oil	54.5	49.2
Shale rock	0.1	-
Other goods	1.2	1.0
Total sale of goods	**55.8**	**50.2**
Sale of services	**-**	**-**
Electricity	319.8	304.8
Sales of services related to network	93.0	86.1
Gas energy	37.8	38.1
Heat	13.4	14.7
Waste reception and resale	3.8	4.0
Rental and maintenance income	0.3	0.3
Other services	5.9	5.5
Total sale of services	**474.0**	**453.5**
Total revenue from contracts with customers	**529.8**	**503.7**
Reclassifications from other comprehensive income	-	-
Realisation of shale oil and shale oil gasoline cash flow hedges	(0.4)	(3.4)
Realisation of electricity cash flow hedges	0.7	-
Total reclassifications from other comprehensive income	**0.3**	**(3.4)**
Total revenue	**530.1**	**500.3**

5. Other operating income

	1st Quarter	
in million EUR	**2025**	**2024**
Gain from revaluation of derivatives	19.2	35.4
Renewable energy grant	4.3	6.4
Fines. penalties and compensations	2.3	2.0
Government grants	0.4	0.4
Gain on disposal of property. plant and equipment	0.3	0.3
Gain/loss on disposal of business	-	5.0
Other operating income	0.8	0.8
Total other operating income	**27.3**	**50.3**

6. Raw materials and consumables used

	1st Quarter	
in million EUR	**2025**	**2024**
Electricity	186.7	157.8
Greenhouse gases emissions expense*	41.6	45.9
Gas bought for resale	33.5	32.8
Transmission services	20.2	21.4
Technological fuel	13.1	18.2
Maintenance and repairs	11.4	16.5
Materials and spare parts	10.2	9.2
Resource tax on mineral resources	6.0	6.7
Purchased works and services	4.9	5.4
Environmental pollution charges	4.7	3.2
Other raw materials and consumables used	2.9	2.7
Total raw materials and consumables used	**335.2**	**319.8**

7. Other operating expenses

	1st Quarter	
in million EUR	**2025**	**2024**
Loss from revaluation of derivatives	26.1	45.4
Miscellaneous office expenses	4.8	3.9
Insurance	2.3	1.8
Building and structure costs	2.0	1.6
Consultation	1.9	2.0
Rental expense	1.4	1.4
Research and development costs	1.2	0.5
Taxes	1.0	1.2
Compensatsions	-	0.1
Other operating expenses	2.9	1.9
Total other operating expenses	**43.6**	**59.8**

8. Property. plant and equipment

in million EUR	Land	Buildings	Const-ruction	Plant and equipment	Other	Construction in progress	Prepayments	Total
Property. plant and equipment as at 31.12.2024								
Cost	93.1	342.9	1,639.1	3,638.5	8.2	1,116.9	61.1	6,899.8
Accumulated amortisation	-	(226.7)	(733.7)	(2,309.1)	(5.4)	-	-	(3,274.9)
Carrying amount at 31.12.2024	**93.1**	**116.2**	**905.4**	**1,329.4**	**2.8**	**1,116.9**	**61.1**	**3,624.9**
Movements in the reporting period								
Additions	0.4	-	0.7	5.8	-	85.7	1.3	93.9
Refund of overpaid connection fees	-	-	-	-	-	(1.1)	-	(1.1)
Depreciation charge and write downs	-	(1.3)	(10.2)	(25.6)	(0.2)	-	-	(37.3)
Disposals (at carrying amount)	-	-	-	(0.2)	-	-	-	(0.2)
Foreign exchange adjustments	(0.1)	0.1	-	0.3	-	0.1	-	0.4
Transfers	-	0.2	17.3	34.6	-	(50.9)	(1.2)	0.0
Total changes occurred in Q1 2025	**0.3**	**(1.0)**	**7.8**	**14.9**	**(0.2)**	**33.8**	**0.1**	**55.7**
Property. plant and equipment as at 31.03.2025								
Cost	93.4	343.2	1,657.1	3,677.7	8.2	1,150.7	61.2	6,991.5
Accumulated amortisation	-	(228.0)	(743.9)	(2,333.4)	(5.6)	-	-	(3,310.9)
Carrying amount at 31.03.2025	**93.4**	**115.2**	**913.2**	**1,344.3**	**2.6**	**1,150.7**	**61.2**	**3,680.6**

The Group has concluded construction and development contracts, which are not recorded on the balance sheet as a liability, and which are accounted for off-balance sheet. As of March 31. 2025. the Group had obligations arising from these agreements in the amount of EUR 593.0 million (31 December 2024: EUR 548.8 million).

9. Derivative financial instruments

in million EUR	31.MARCH 2025		31. DECEMBER 2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges				
Future, forward and long-term PPA contracts to purchase electricity	151.8	27.1	165.4	14.2
Future and forward contracts to purchase natural gas	0.5	0.7	3.6	-
Swap and forward contracts for sale of shale oil	1.5	0.2	-	1.9
Interest rate swap	5.3	-	5.8	-
Total cash flow hedges	**159.1**	**28.0**	**174.8**	**16.1**
Trading derivatives				
Future, forward and long-term PPA contracts to purchase electricity	102.8	4.5	123.6	4.2
Future and forward contracts to purchase natural gas	-	(0.4)	1.8	-
Swap and forward contracts for sale of shale oil	1.9	-	0.1	0.2
Swap and forward contracts for sale of shale oil gasoline	0.8	-	0.1	0.8
Guarantees of origin	3.3	5.0	2.9	5.6
Other derivatives	-	0.2	-	0.1
Total trading derivatives	**108.8**	**9.3**	**128.5**	**10.9**
Total derivative financial instruments (Notes 2.1, 2.7 and 14)	**267.9**	**37.3**	**303.3**	**27.0**

	31.MARCH 2025		31. DECEMBER 2024	
in million EUR	Assets	Liabilities	Assets	Liabilities
Including non-current portion:				
Cash flow hedges				
Future, forward and long-term PPA contracts to purchase electricity	115.9	7.5	110.1	0.9
Future and forward contracts to purchase natural gas	0.4	-	1.1	-
Swap and forward contracts for sale of shale oil	-	-	-	0.4
Interest rate swap	3.4	-	3.4	-
Total cash flow hedges	**119.7**	**7.5**	**114.6**	**1.3**
Trading derivatives				
Future, forward and long-term PPA contracts to purchase electricity	82.6	0.3	97.3	-
Swap and forward contracts for sale of shale oil gasoline	-	-	-	0.1
Renewables as trading derivatives	1.6	2.5	1.4	3.0
Total trading derivatives	84.2	2.8	**98.7**	**3.1**
Total non-current portion	**203.9**	**10.3**	**213.3**	**4.4**
Total current portion	**64.0**	**27.0**	**90.0**	**22.6**

10. Share capital and dividends

As at 31 March 2025. Eesti Energia AS had 746 645 750 registered shares (31 December 2024: 746 645 750 registered shares). The nominal value of each share is 1 euro.

Eesti Energia AS had not paid dividends during the reporting period (In the first 3 months of 2024. dividends were not paid.)

11. 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.

	1st Quarter	
in million EUR	**2025**	**2024**
Profit attributable to the equity holders of the company (million EUR)	72.8	69.5
Weighted average number of shares (million)	746.6	746.6
Basic earnings per share (EUR)	0.10	0.09
Diluted earnings per share (EUR)	0.10	0.09

12. Borrowings at amortised cost

	Short-term borrowings			Long-term borrowings		
in million EUR	**Interest**	**Bank loans**	**Lease liabilities**	**Bank loans**	**Lease liabilities**	**Total**
Borrowings at amortised cost 31.12.2024	**25.5**	**168.9**	**2.6**	**1,471.5**	**27.2**	**1,695.7**
Changes occurred in the reporting period						
Cash movements						
Amortisation of borrowing expenses	-	-	-	-	-	-
Borrowings received	-	-	-	20.0	-	20.0
Repayments of borrowings	(36.0)	(61.5)	(0.6)	-	-	(98.1)
Non-cash movements						
Initial recognition of borrowing	22.8	-	-	-	0.9	23.7
Transfers	-	18.7	0.2	(18.7)	(0.2)	(0.0)
Foreign exchange adjustments	-	-	-	0.1	0.1	0.2
Amortization of borrowing costs	-	-	-	0.4	-	0.4
Total changes occurred in Q1 2025	**(13.2)**	**(42.8)**	**(0.4)**	**1.8**	**0.8**	**(53.8)**
Borrowings at amortised cost 31.03.2025	**12.3**	**126.1**	**2.2**	**1,473.3**	**28.0**	**1,641.9**

As at 31 March 2025. the Group had undrawn loan facilities of EUR 465.0 million (31 December 2024: EUR 485.0 million).

13. Provisions

in million EUR	Opening balance 31.12.2024	Recognition and reversal of provisions	Interest charge	Use	Closing balance 31.03.2025	
					Short term provision	Long term provision
Environmental protection provisions	22.3	-	0.3	(0.1)	1.2	21.3
Provision for dismantling cost of assets	14.5	-	0.2	-	-	14.7
Provision for greenhouse gas emission allowances	125.2	41.6	-	-	166.8	-
Provision for renewable energy certificates	2.4	1.0	-	-	3.4	-
Other provisions	6.2	(0.3)	-	(0.2)	2.3	3.4
Total provisions	**170.6**	**42.3**	**0.5**	**(0.3)**	**173.7**	**39.4**

14. Other reserves

	31.MARCH	31 DECEMBER
in million EUR	2025	2024
Other reserves at the beginning of the period (Note 2.1)	**160.2**	**155.0**
of which hedge reserve at the beginning of the period	**145.7**	**141.6**
electricity cash flow hedges	140.4	144.5
gas cash flow hedges	3.6	(13.5)
shale oil cash flow hedges	(1.5)	3.7
shale oil gasoline cash flow hedges	-	0.6
interest rate swap	5.8	8.9
non-controlling interest of hedging instruments	(2.6)	(2.6)
of which currency translation reserve at the beginning of the period	9.0	7.0
of which reserve related to other comprehensive income of associates at the beginning of the period	5.5	6.4
Change in fair value of cash flow hedges	**(25.9)**	**(31.8)**
electricity cash flow hedges	(15.1)	(18.4)
gas cash flow hedges	(5.5)	2.5
shale oil cash flow hedges	(2.0)	(16.3)
shale oil gasoline cash flow hedges	(3.2)	(0.6)
interest rate swap	0.1	1.0
non-controlling interest of hedging instruments	(0.2)	-
Recognised as an (increase)/decrease of revenue (Note 4)	**8.9**	**11.1**
shale oil cash flow hedges	5.7	11.1
shale oil gasoline cash flow hedges	3.2	-

	31.MARCH	31 DECEMBER
In million EUR	2025	2024
Recognised as an increase/(decrease) of cost of raw materials and consumables (Note 6)	**(12.8)**	**28.9**
electricity cash flow hedges	(14.4)	14.3
gas cash flow hedges	1.6	14.6
Recognised as an increase/(decrease) of interest expenses	(0.6)	(4.1)
Non-controlling interest of hedging instruments	(0.1)	-
Currency translation differences attributable to foreign subsidiaries	**0.8**	**2.0**
of which share of non-controlling interest	0.1	(0.1)
Change in associates other comprehensive income	**(0.8)**	**(0.9)**
Other reserves at the end of the period (Note 2.1)	**130.0**	**160.2**
of which hedge reserve at the end of the period	**115.2**	**145.7**
electricity cash flow hedges	110.9	140.4
gas cash flow hedges	(0.3)	3.6
shale oil cash flow hedges	2.2	(1.5)
shale oil gasoline cash flow hedges	-	-
interest rate swap	5.3	5.8
non-controlling interest of hedging instruments	(2.9)	(2.6)
of which currency translation reserve at the end of the period	**10.0**	**9.0**
of which reserve related to other comprehensive income of associates at the end of the period	**4.8**	**5.5**

15. Profit generated from operations

	1st Quarter	
in million EUR	**2025**	**2024**
Profit before tax	**74.0**	**78.8**
Adjustments		
Depreciation and impairment of property. plant and equipment and right of use assets	38.0	37.1
Amortisation and impairment of intangible assets	2.4	1.8
Deferred income from connection and other service fees	(4.0)	(3.6)
Gain on disposal of property. plant and equipment	(0.3)	(0.3)
Gain on disposal of associate	-	(5.0)
Amortisation of government grant received to purchase non-current assets	(0.4)	(0.4)
Profit from associates using equity method	(2.0)	(1.8)
Unpaid/unsettled gain/loss on derivatives	15.5	(26.3)
Profit (loss) from other non-cash transactions	0.1	0.2
Interest expense on borrowings	12.0	13.8
Interest and other financial income	(3.3)	(1.5)
Adjusted net profit before tax	**132.0**	**92.8**
Net change in current assets relating to operating activities		
Change in receivables related to operating activities	(27.5)	22.9
Change in inventories	23.4	6.1
Net change in other current assets relating to operating activities	(7.6)	72.5
Total net change in current assets relating to operating activities	**(11.7)**	**101.5**
Net change in current liabilities relating to operating activities		
Change in provisions	42.5	46.2
Change in trade payables	(13.9)	(41.9)
Net change in liabilities relating to other operating activities	28.0	23.7
Total net change in liabilities relating to operating activities	**56.6**	**28.0**
Cash generated from operations	**176.9**	**222.3**

16. 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

	1st Quater	
in million EUR	**2025**	**2024**
Purchase of goods	3.2	2.8
Purchase of services	0.3	0.3
Purchase of property. plant and equpiment and prepayments	0.1	-
Proceeds from sale of services	0.1	0.1
Dividends received	-	1.6

Receivables from associates and payables to associates

in million EUR	**31.03.2025**	**31.12.2024**
Receivables	12.6	13.1
Incl. long-term loan receivables	12.6	13.1
Allowance for doubtful loan receivables	(12.6)	(13.1)
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 2025 remuneration to management and supervisory boards amounted to EUR 1.4 million (1 January – 31 March 2024: EUR 1.3 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 entities over which the members of Supervisory and Management Board have significant influence

	1st Quater	
in million EUR	**2025**	**2024**
Sale of goods and services	2.5	1.2
Purchase of services. goods and prepayments	0.2	0.4

Transactions with Elering AS

	1st Quater	
in million EUR	**2025**	**2024**
Purchase of services. goods and prepayments	23.9	24.3
Purchase of property. plant and equipment and prepayments	0.7	0.9
Sale of goods and services	21.8	6.8
Renewable energy grant	4.2	6.4

In addition to the above, Elering refunded overpaid connection fees in the amount of 1.1 million euros in the first quarter of 2025 (4.8 million euros in the first quarter of 2024).

Receivables from Elering AS and payables to Elering AS

in million EUR	31.03.2025	31.12.2024
Receivables	21.2	4.3
Payables	18.1	20.7

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 CO_2 costs (taking into account the price of CO_2 allowance futures maturing in December and the amount of CO_2 emitted in the generation of a MWh of electricity)

CO_2 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 (CO_2). 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

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.

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

RAB – Regulated Asset Base. which represents the value of assets used to provide regulated services

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