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Annual Report 2025

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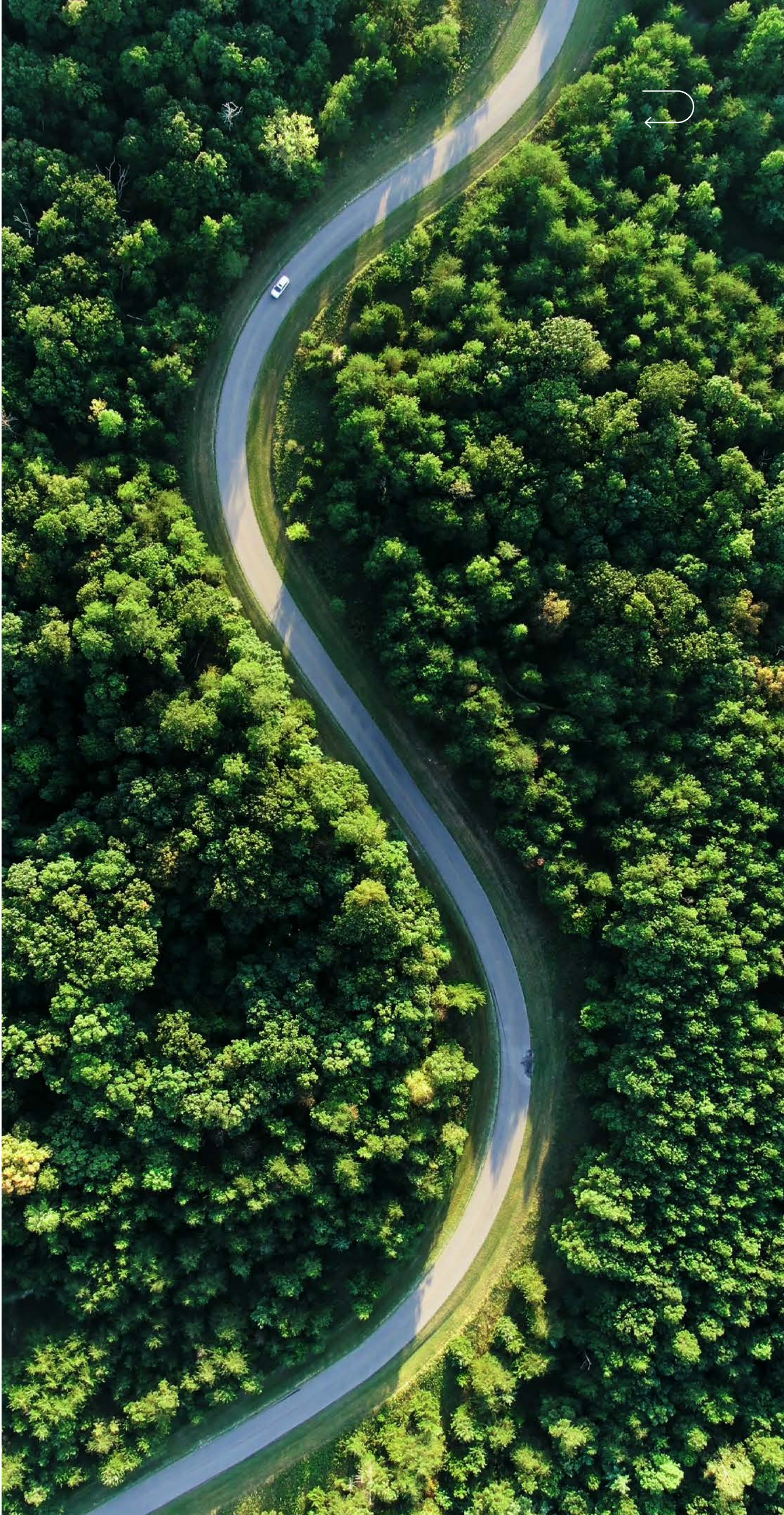
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Operating Results in 2025

SALES REVENUE

1.6 bn €

EBITDA

317 m €

INVESTMENTS

459 m €

EMPLOYEES (average number)

4,697 No.

ELECTRICITY PRODUCTION

3.6 TWh

SHALE OIL PRODUCTION

378 th t

TOTAL ELECTRICITY SALES

10.6 TWh

ELECTRICITY DISTRIBUTED

6.6 TWh

Group CEO's Letter

Eesti Energia's role is no longer just to produce energy and ensure security of supply. We must lead the way in driving the transition to sustainable electricity production and a cleaner economic model across the Baltic countries and Poland.

The year 2025 confirmed that Eesti Energia's strength lies not only in megawatts, but also in its people. Our employees fight for every megawatt, make difficult decisions, maintain and build complex energy systems, and take daily action to provide hundreds of thousands of people and companies in the region, from Estonia to Poland, with a sense of security.

We are evolving in line with the business environment

Our ambition is to become the region's leading energy company that supports Estonia and its neighbouring countries in both achieving energy security and transitioning to sustainable electricity production. This requires forward-looking decisions and consistent investment, which will ultimately enable the switch to a cleaner, more environmentally friendly economic model. Our investments of over €2 billion in recent years have laid the groundwork for a future energy system characterised by growing renewable energy capacities, a robust power grid and smart solutions.

Eesti Energia started 2026 with a renewed management structure to support its goal of becoming the leading energy company in the region. Business operations are now divided between three subsidiaries: Enefit, which handles the electricity business; Enefit Industry, which deals with the industrial business; and Elektrilevi, which operates the distribution network. These changes underpin our new operating model, which will enable us to become more flexible, transparent and competitive

A green transition that creates value

Enefit, the Group's electricity business subsidiary, is the largest wind energy producer in the Baltic countries. Last year, we expanded our renewable energy portfolio by 335 MW of wind power and 74 MW





of solar power. The Sopi-Tootsi green energy site, which includes Estonia's largest wind farm, is a prime example of how revitalising a former industrial area can create value for local communities.

During the year, we built new wind farms in Lithuania and new solar farms in Latvia. Construction began on one of our largest solar farms: the Strzałkowo project in Poland, which is expected to have an annual output of around 45 GWh.

These projects are much more than just production units: they represent a significant step forward in making electricity increasingly affordable for people in the Baltics and Poland

We also made significant progress in promoting the transition to electric transport to reduce the environmental footprint of the transport sector. We expanded our electric vehicle charging network by 40%. This means that we now have enough connectors to charge over 1,600 electric vehicles simultaneously across the region from Estonia to Poland.

The use of electric transport is growing rapidly, as reflected by the increase in charging volumes. In 2025, customers in our core markets charged their cars with almost 6,000 MWh of electricity – twice the quantity recorded the previous year. This amount of electricity could power a journey of around 29 million kilometres.

A more resilient power grid and improved security of supply in Estonia

In the field of dispatchable power generation, we ensured the security of supply in Estonia by signing a new island operation capability agreement with the Estonian transmission system operator Elering, which guarantees 1,036 MW of dispatchable capacity. In addition, we signed an agreement to build a 100 MW hydrogen-ready power plant at the site of our existing Balti power plant.

Shortly before the Baltic electricity grid was connected to the Continental Europe Synchronous Area, we launched Estonia's first large-scale energy storage facility. Built by Eesti Energia, the 53.1 MWh battery is located in the Auvere industrial complex in Ida-Viru County. It balances the grid and reduces price spikes.

Record investments by Elektrilevi (totalling over €182 million) have made Estonia's distribution networks more resilient to weather and crises. The more than twofold decrease in faults in the medium-voltage network on the island of Saaremaa clearly demonstrates that our efforts to enhance the security of supply are having a tangible impact on people's lives in Estonia.

In addition, we conducted various exercises and implemented changes across the Group to enhance crisis resilience and maximise our contribution to energy security.

Reducing our environmental footprint with smart solutions

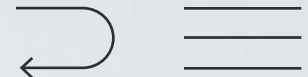
Reducing our environmental footprint is also a constant priority in our shale oil production operations. For example, in early summer 2025, we installed a new secondary air system in both units of our oldest shale oil plant, Enefit140, which can reduce emissions without the need for costly afterburning. Thanks to the consistent efforts of our engineers, emissions from the plant were reduced by almost 80%.

Large infrastructure projects boost the circular economy. In collaboration with Rail Baltic, we are investigating the use of waste rock from mining in railway construction. This would reduce our environmental footprint while enabling us to contribute to the completion of the Baltic countries' strategically important railway infrastructure project by utilising our production by-products. If the trial is successful, 800,000 tonnes of waste rock could be used in the construction of Rail Baltica. This would promote sustainable construction, support the environmental goals of Estonia and Europe, and reduce costs for end users

All of these measures are designed to help us achieve a clean industry by 2050, with production processes that do not result in the direct emission of greenhouse gases.

Caring is an integral part of our daily work

The impact of the Eesti Energia Group extends far beyond kilowatt-hours. We acknowledge our responsibility to society. As part of the 'Lae end' ('Charge Yourself') programme, we are working with various Estonian companies and institutions to inspire students to study the natural sciences and support the professional development of teachers. The ten mathematics and chemistry teachers who completed the fourth season of the programme were recognised by Alar Karis, the President of Estonia. In Latvia, we are collaborating with universities and the state to train new science, technology and mathematics teachers to ensure that STEM education is equally accessible in all regions of the country. We are also contributing to the development of the Energy Discovery Centre, which aims to spark interest in energy among children and young people. Last year, we helped young engineers build a solar car that came second in the Bridgestone World Solar Challenge in Australia.



April 2025 saw the Estonian Health Trails Foundation celebrate its 20th anniversary. During this time, 130 wellbeing trails have been built across Estonia in cooperation with local governments. These are open daily and free for everyone to use. The founders of the Foundation – Enefit, Merko and Swedbank – have invested a total of €8.5 million in providing Estonians with opportunities to exercise outdoors. In recent years, the trails have been visited nearly 8 million times. The goal is to encourage people to exercise more in open air and increase their healthy life expectancy.

These projects are investments in the future, aimed at engaging young people with the natural and real sciences, as well as engineering, to drive the future development of the energy and technology sectors. The projects also aim to ensure that everyone living in Estonia has access to high-quality exercise opportunities close to home, enabling them to pursue a healthy lifestyle safely and conveniently.

Moving into a cleaner future with dedicated employees

Our organisational culture is characterised by high levels of employee engagement and a strong focus on safety. While engagement can decline during periods of significant organisational change, it actually increased at the Eesti Energia Group. Our employee engagement index, as measured by Kantar Emor, was 76 points in 2025, surpassing both the Estonian average and the benchmark for manufacturing companies. During the period, we invested in the development of our safety culture and well-being programmes. We also kept our employees informed of ongoing changes, maintained openness and encouraged them to provide feedback to the management board.

Our transition to sustainability is a marathon, not a sprint, and we are running it together with our partners, communities and customers. We recognise that the decisions we make today will influence the energy landscape for decades to come.

I would like to thank our employees, partners, customers and communities for joining us on this journey. Together, we are creating the energy of the future in a responsible and sustainable way.

Andrus Durejko

Chairman of the Management Board and CEO of Eesti Energia



Key Figures and Ratios

Key Figures and Ratios

		2025	2024
Total electricity sales	GWh	10,574	10,417
Electricity distributed	GWh	6,598	6,557
Shale oil sales	th t	394	435
Electricity production	GWh	3,623	3,791
<i>incl renewable electricity production</i>	GWh	2,257	2,129
Shale oil production	th t	378	451
Heat production	GWh	960	1,041
Average number of employees	No.	4,697	4,908
Sales revenue	m €	1,646.9	1,785.2
EBITDA	m €	317.2	398.2
Net profit (loss)	m €	(82.6)	12.9
<i>incl impairment of fixed assets*</i>	m €	(197.6)	(171.1)
Investments	m €	459.2	723.6
Cash flow from operating activities	m €	362.8	594.6
Non-current assets	m €	3,940	4,042
Equity	m €	1,993	2,383
Net debt	m €	1,254	1,201
Net debt / EBITDA	times	3.95	3.02
EBITDA margin	%	19.3	22.3
ROE**	%	(2.3) [6.9]	2.9 [9.4]

* Includes impairment of oil shale assets in the amount of €164 million in 2024 and €195 million in 2025
** The value shown in square brackets represents the return on equity (ROE) excluding the impact of asset impairments



Operating Environment

Operating Environment

The energy sector plays a vital role in the functioning of the economy and society because its operators ensure the availability and security of the energy supply, which is essential for everyday life and business.

As an international energy company, Eesti Energia must consider various factors that affect its operating environment, including market price fluctuations, regulations, weather conditions, and the global economic and political situation. Our activities are also driven by key trends in the development of the energy sector, such as expectations regarding climate change, technological innovations and breakthroughs, and the need to provide customers with sustainable and flexible energy solutions.

The following trends in market prices (compared to 2024) had a significant impact on our business in 2025:

- Electricity prices in the Baltic countries decreased due to high levels of renewable energy production. However, they remained volatile due to interconnection constraints and weather-related fluctuations.
- Natural gas prices increased at the beginning of the year, but remained stable for the rest of the year thanks to favourable weather and supply conditions.
- Emission allowance prices rose moderately.
- World market prices for oil products fell due to the impact of OPEC+ production policy, geopolitical tensions and weakening demand.

Norway	
Production	159.2 TWh
Consumption	136.8 TWh
Average price	40.1 €/MWh (+8.5%)

Sweden	
Production	159.8 TWh
Consumption	129.5 TWh
Average price	35.0 €/MWh (+3.5%)

Denmark	
Production	32.7 TWh
Consumption	38.4 TWh
Average price	81.8 €/MWh (+15.6%)

Finland	
Production	79.4 TWh
Consumption	84.5 TWh
Average price	40.5 €/MWh (-11.2%)

Estonia	
Production	4.6 TWh
Consumption	7.9 TWh
Average price	80.4 €/MWh (-7.9%)

Latvia	
Production	5.5 TWh
Consumption	6.7 TWh
Average price	85.7 €/MWh (-1.9%)

Lithuania	
Production	9.0 TWh
Consumption	11.7 TWh
Average price	85.3 €/MWh (-2.3%)

Poland	
Production	153.9 TWh
Consumption	157.8 TWh
Average price	104.3 €/MWh (+8.4%)

Source for production and consumption data: ENTSO-E
Source for average prices: Nord Pool

Average electricity price (€/MWh)	2025	2024	Change
Estonia	80.4	87.3	-7.9%
Latvia	85.7	87.4	-1.9%
Lithuania	85.3	87.3	-2.3%
Poland	104.3	96.3	+8.4%
Finland	40.5	45.6	-11.2%
Norway	40.1	36.9	+8.5%
Denmark	81.8	70.8	+15.6%
Sweden	35.0	33.8	+3.5%

Average electricity prices in our core markets mainly decreased in 2025

Estonia is a member of Nord Pool, the Nordic and Baltic power exchange, where electricity generators sell their electricity to the exchange and electricity suppliers buy it for resale to end consumers. Nord Pool prices are determined in each price area based on the relationship between supply and demand. Our operations are most affected by electricity prices in Estonia, Latvia, Lithuania and Poland, as we both produce and sell electricity in these countries.

The electricity markets in Estonia and its neighbouring countries are closely interconnected by transmission cables. This means that electricity generation and prices are also influenced by various factors beyond our main markets, such as water levels in Norwegian hydropower reservoirs, regional wind conditions and natural gas prices. Additionally, potential disruptions to transmission cables can strongly impact the balance between electricity supply and demand, causing price volatility.

In 2025, electricity prices in the Baltic countries were primarily influenced by renewable energy production and transmission capacity

In the first half of 2025, the electricity markets in Estonia and its neighbouring countries were influenced by several factors, the most significant of which was the Baltic countries’ decoupling from the Russian electricity system and synchronisation with the Continental Europe Synchronous Area. This was

accompanied by transmission capacity restrictions and the opening of the frequency reserve market, which affected electricity prices. Unfavourable wind and solar conditions, coupled with relatively high natural gas prices, led to a decline in renewable energy production and higher prices in the first quarter. The second quarter saw stabilisation, with more favourable weather conditions leading to increased wind, solar and hydropower production, while stable LNG supplies ensured a more reliable gas supply, triggering a decline in prices. However, price dynamics throughout the first half of 2025 were negatively impacted by the failure of the EstLink2 power link between Finland and Estonia, which limited electricity imports from the Nordic countries until it was restored at the end of the second quarter.

The second half of the year began with a surge in renewable energy production across the Baltics, with solar and hydropower production reaching record levels in July. This significantly reduced the proportion of electricity produced from fossil fuels, as renewable energy and imports were able to meet much of the region’s electricity demand. However, with the arrival of autumn, renewable energy production declined due to fewer daylight hours and variable wind conditions, leading to price increases. Price pressure was increased by the disruption to the EstLink1 interconnector in September, which reduced transmission capacity between Finland and Estonia, limiting the flow of cheaper Nordic electricity to the Baltic countries.

In the fourth quarter, electricity prices were primarily affected by a seasonal growth in demand, variations in wind energy productivity, and transmission capacity constraints between Estonia and Latvia. Overall, the second half of the year was characterised by high volatility in electricity prices, primarily due to variations in the availability of solar and wind energy, the reliability of power transmission links, and seasonal changes in electricity demand.

In 2025, the average electricity price in Estonia was €80.4/MWh (-€6.9/MWh, -7.9% compared to 2024). The highest daily average price was recorded on 15 February at €269.3/MWh (-€621.3/MWh compared to 2024), while the lowest was recorded on 29 June at -€2.4/MWh (-€5.0/MWh compared to 2024).

In 2025, electricity prices in the Baltic countries continued to converge, with price levels in Estonia, Latvia, and Lithuania remaining very similar for most of the year. This reflects the close integration of the regional market, in which prices are determined by the source of production that ensures market balance. Intraday price fluctuations are determined by the production units that ensure market balance at any given

moment. Prices peak when more expensive oil shale and gas-fired power plants are used, more moderate price levels are reached with the support of hydropower in Latvia, and the lowest prices are achieved when there is strong solar and wind energy production in Estonia and Lithuania.

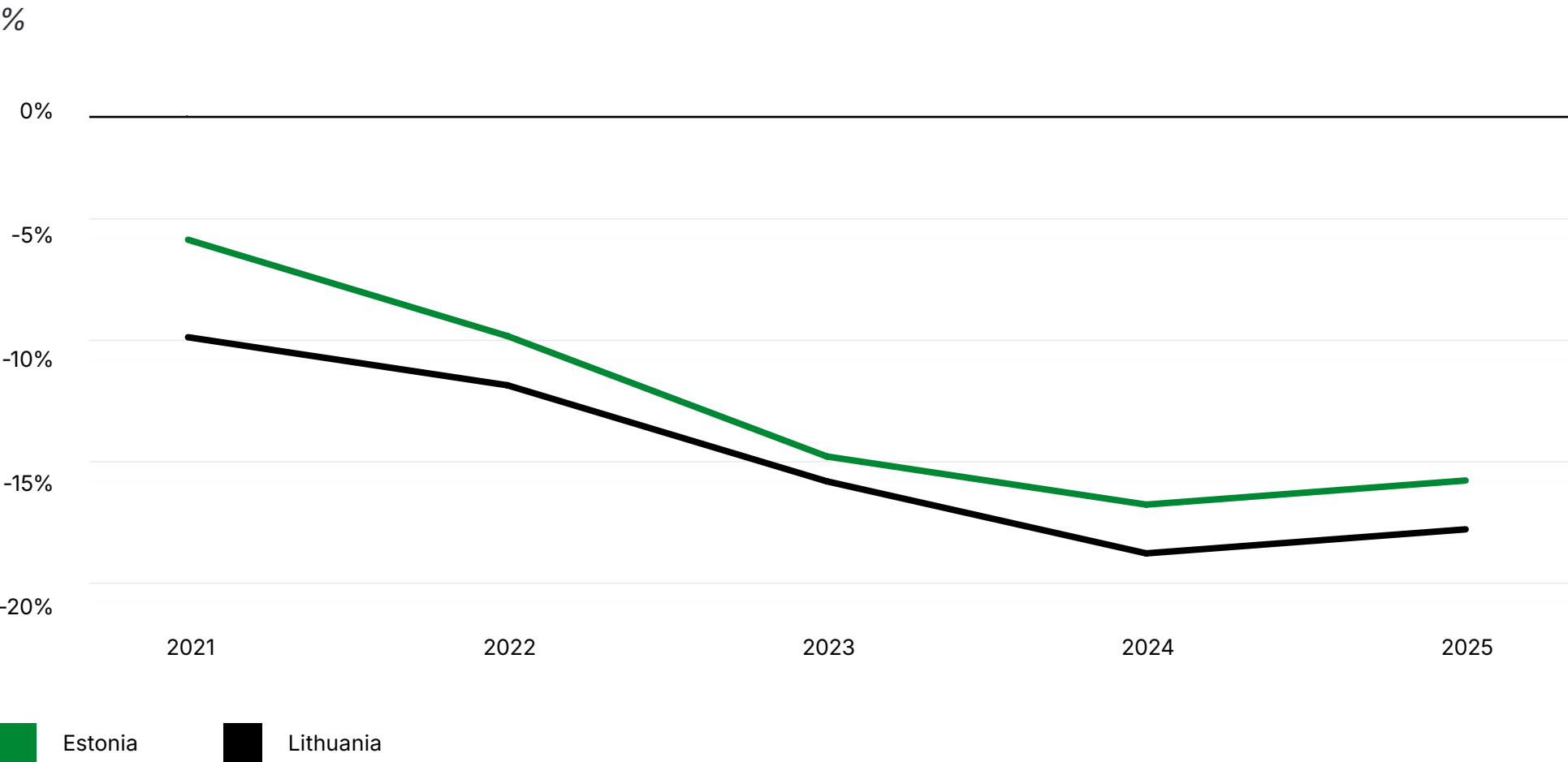
Against the backdrop of daily price fluctuations and the growing role of renewable energy, a new challenge has emerged in the electricity market: zero and negative prices. These arise mainly from temporary overproduction of renewable energy and limited export or storage capacity. Zero and negative prices indicate that the balancing mechanisms of the electricity market are changing and that supply-driven price fluctuations are intensifying. While they encourage the consumption of renewable energy, they also make the competitive environment considerably more challenging for electricity companies. In an environment of rapid and significant price fluctuations, producers have to invest in flexible production and storage solutions to avoid unprofitable periods, improve their portfolio balancing capabilities and ensure stable production volumes in a situation where prices can fluctuate from negative values to expensive peak rates within a single day.

The rapid growth of renewable energy production volumes in recent years has increased the effect of renewable energy discounts. Renewable energy producers earn an hourly production-weighted average market price, which differs from the arithmetic average of hourly prices. Since renewable energy output fluctuates and electricity prices are generally lower during hours of high production, the price earned by renewable producers typically ends up being lower than the overall market price. The renewable energy discount expresses the percentage difference between the price earned by renewable producers and the market price.

Over the last three years, the realized prices for renewable energy producers in the Baltic electricity markets have continued to decline. The main reason is the sharp increase in renewable energy production volumes, which has boosted supply and put downward pressure on prices. The impact has been most pronounced in the case of solar energy, where rapidly increasing output has often exceeded market demand during peak hours.

The wind energy discount averaged -16% in the Baltic markets in 2025, remaining close to previous years (2024: -17.5%; 2023: -14.5%). This reflects a relatively stable pricing environment, although wind production volumes fluctuate significantly throughout the year. In winter, the discount is typically larger

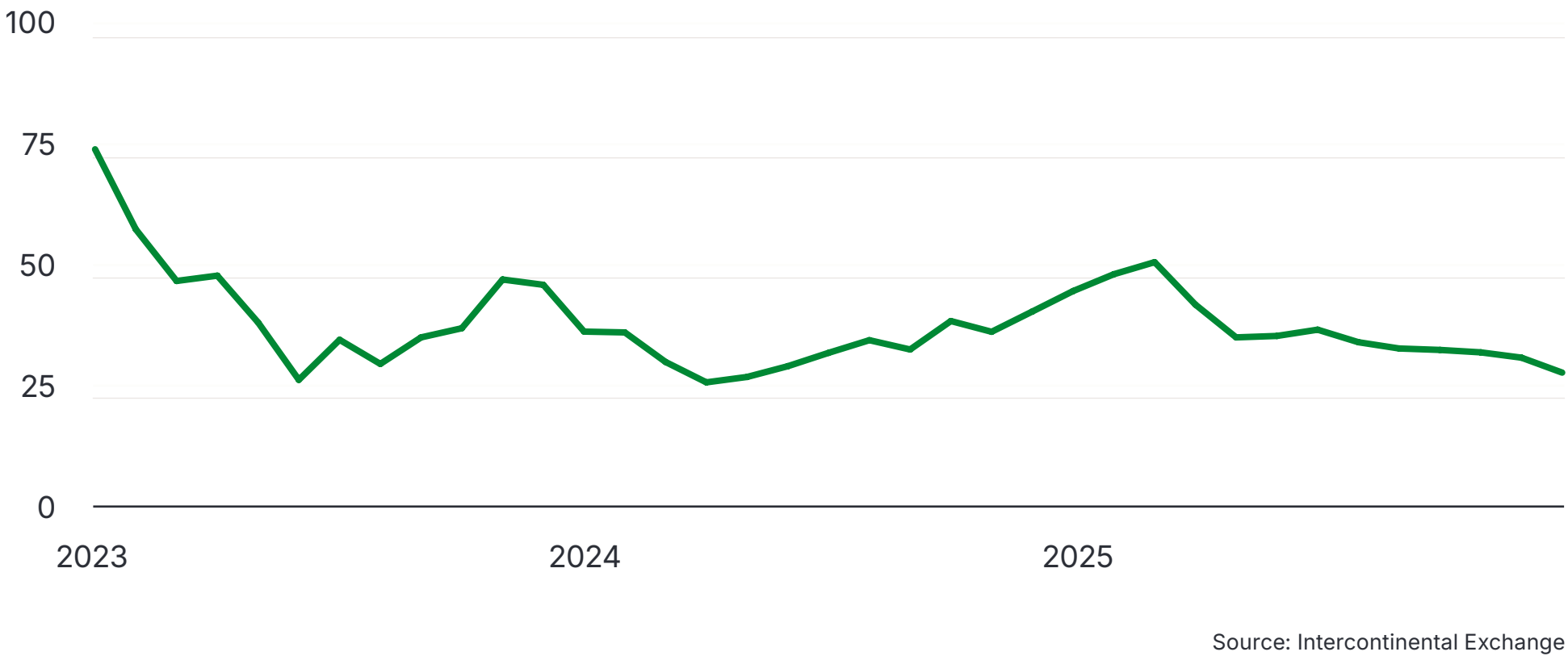
Wind energy discounts compared with the average electricity market price



due to stronger wind production, while in summer it is lower. In Estonia, the wind energy discount has remained more moderate compared to the other Baltic states, thanks to the regional price environment and a more balanced production profile.

The solar energy discount deepened significantly in 2025, reaching -42% (2024: -25%), the highest level observed to date. This was driven by the sharp increase in solar energy availability both in the Baltic region and the Nordics, which considerably boosted supply during peak hours. During such hours, market prices frequently dropped close to zero, which in turn increased the solar energy discount and exerted substantial pressure on producers' realized revenues.

Natural gas price
€/MWh



The price of natural gas started 2025 on an upward trend, but later stabilised

In early 2025, the European natural gas market faced significant price pressures due to an unusually cold winter, reduced renewable energy production and increased heating demand. The start of the year was also impacted by the termination of Russian gas transit through Ukraine on 1 January, which led to greater reliance on LNG at a time when supplies were limited and competition with Asia was intense. Price volatility was exacerbated by ongoing geopolitical tensions and discussions about possible sanctions on Russian LNG. However, the Council of the European Union eased gas storage requirements in the summer, which reduced speculative pressure on the market and stabilised price movements. During the summer, price pressure eased due to warmer weather, higher renewable energy production, and more stable LNG supplies. Although a heatwave in southern Europe and geopolitical events caused temporary price increases, their impact was short-lived, and the overall price level remained lower than at the start of the year.

The second half of 2025 saw a more stable pricing environment, supported by relaxed storage requirements within the European Union and robust LNG supply. The price of natural gas ranged from €27/MWh to €36/MWh during this period and also remained stable at the start of winter due to the absence of supply-related market pressures.

The average price of natural gas traded on the Title Transfer Facility (TTF) market in 2025 was €36.4/MWh (+€2.6/MWh; +7.7% compared to 2024). The moderate price increase compared to the prior year was primarily driven by strong price pressures caused by cold weather and supply disruptions at the start of the year, as well as Europe's growing reliance on LNG following the end of Russian gas transit through Ukraine.

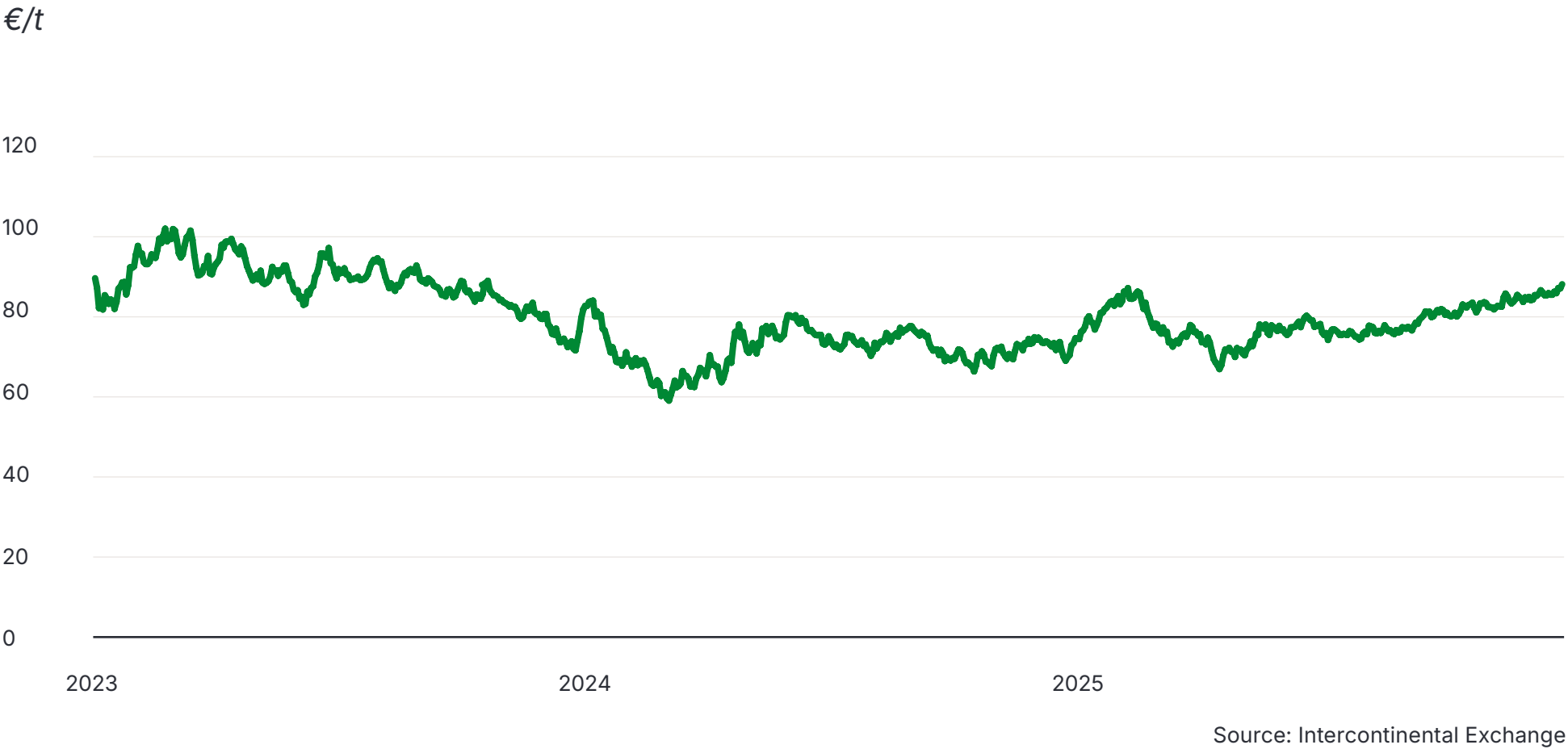
CO₂ emission allowance prices increased compared to the prior year

The European Union's Emissions Trading System is one of the key climate policy instruments aimed at reducing CO₂ emissions and encouraging energy producers to use more modern and efficient production technologies. The price of CO₂ emission allowances has a strong impact on the cost of electricity produced by the direct combustion of oil shale, particularly at older, more CO₂-intensive production facilities.

In the first quarter of 2025, the price of CO₂ emission allowances showed a clear upward trend. This was primarily driven by market expectations of a substantial reduction in the supply of emission allowances from 2026 onwards, due to the Fit for 55 measures and the end of the sale of extra allowances made available under the REPowerEU initiative. Although there were price fluctuations during the quarter due to weather and political factors, the overall price level remained high. At the start of the second quarter, the price of CO₂ emission allowances declined due to economic uncertainty, trade tensions with the US and favourable weather conditions, which reduced the need for fossil fuel-based production. However, by the end of the first half of 2025, the market had stabilised.

In the second half of the year, CO₂ emission allowance prices came under short-term downward pressure due to growth in renewable energy production, which reduced fossil fuel-based electricity production and consequently the need for allowances. As autumn arrived, the market saw a slight price increase, which continued into the final quarter of the year. By mid-December, the price of CO₂ emission allowances

Prices of CO₂ emission allowances

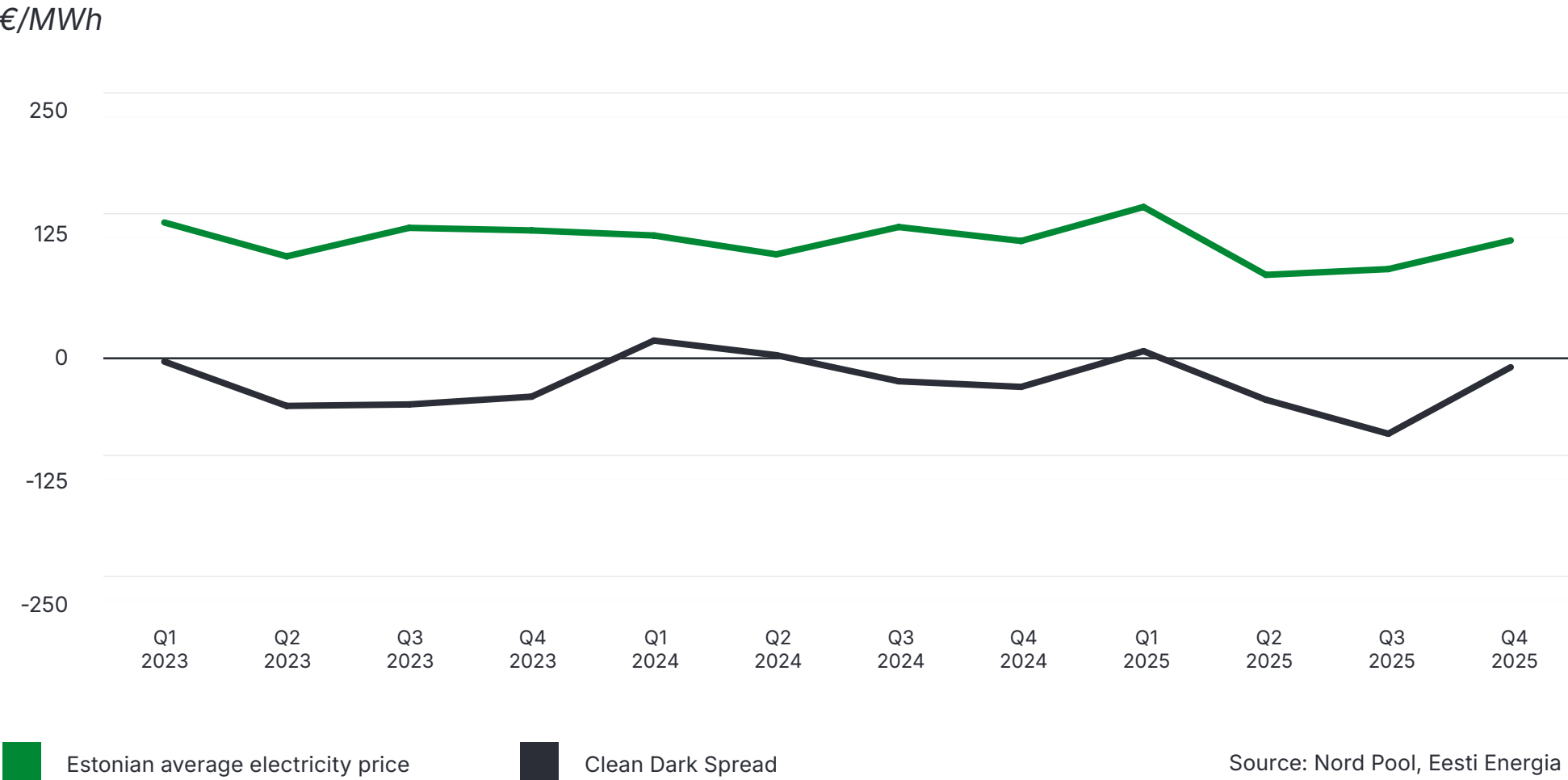


had risen to €85.0/t, reaching its highest level of the year. The increase was primarily driven by market expectations of stricter climate targets, including the European Union’s new 2040 emissions reduction goal and further tightening of the supply of emission allowances by 2030. These developments increased demand for allowances and strengthened upward pressure on the price.

Throughout the year, the market remained sensitive to economic and regulatory signals. Market participants’ expectations are increasingly shaped by structural changes in European climate policy, such as the expected decline in supply from 2026 and the end of the sale of additional REPowerEU allowances, which could increase pressure on the price in the coming years.

In 2025, the average price of CO₂ emission allowances was €74.3/t, 11.7% (+€7.8/t) higher than in 2024. While there was greater price volatility at the beginning of the year, the price remained relatively stable for the remainder of the year, showing an overall upward trend.

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



The Clean Dark Spread reflects the estimated gross margin per MWh of a fossil-fuel-based electricity producer, representing the portion of the electricity market price that remains after deducting fuel and CO₂ costs.

In 2025, Eesti Energia’s CDS was -€22.5/MWh (-€15.0/MWh compared to 2024). When the Clean Dark Spread is negative, producing electricity from oil shale is not competitive because the direct production costs exceed the average market price of electricity. As a result, the fixed costs and the cost of capital associated with production also remain uncovered.

World market prices for oil products decreased

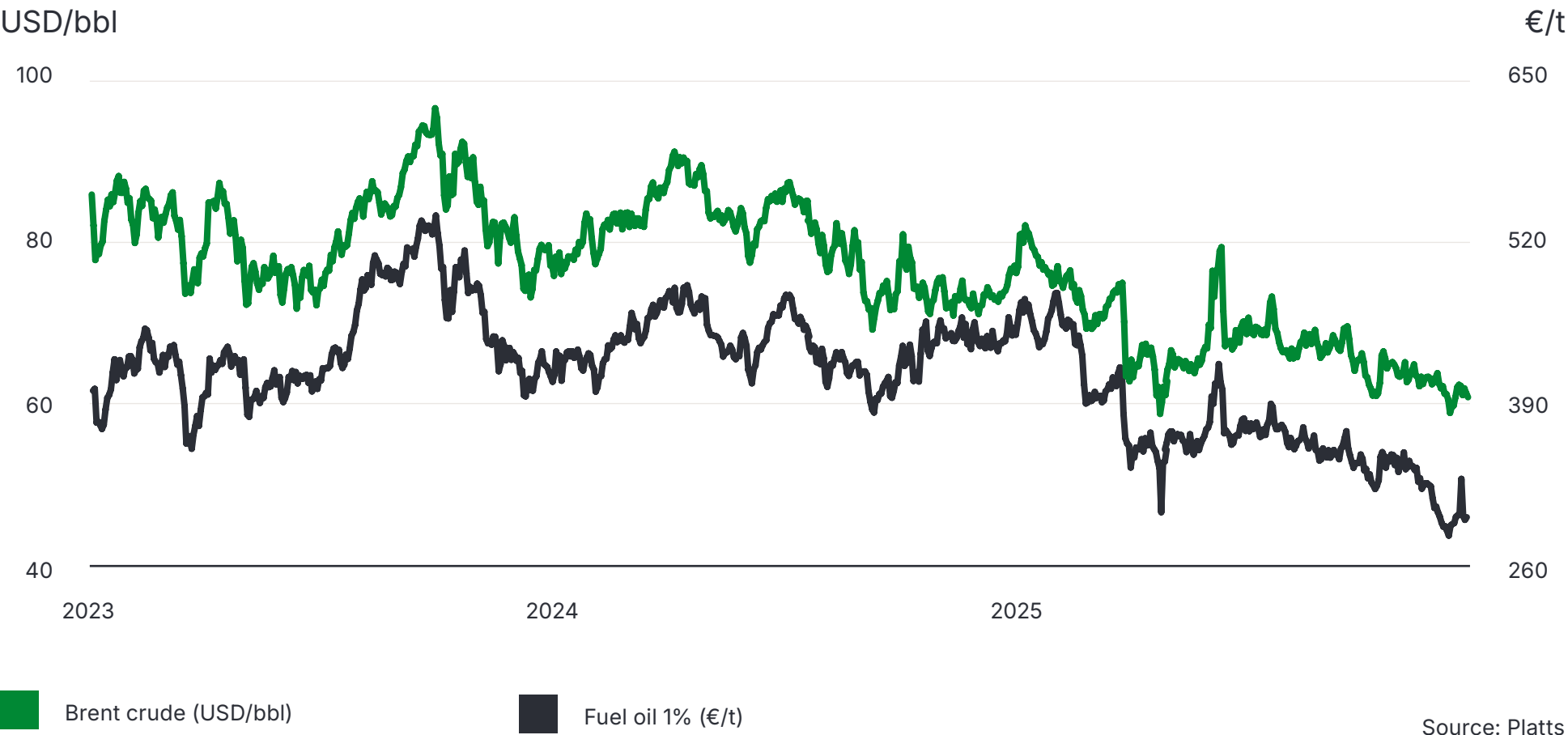
A widely traded oil product most similar to our shale oil is 1% sulphur fuel oil, whose price mainly depends on the price of Brent crude oil. The sales price of shale oil sold by Eesti Energia is influenced by crude oil and fuel oil prices.

In 2025, the price of Brent crude oil was relatively volatile, ranging from USD 59 to USD 82 per barrel. The average price was USD 68.2/bbl, 14.6% (-USD 11.7/bbl) lower than in 2024. In the first half of the year, prices were influenced by OPEC+’s decision to begin relaxing earlier production cuts, which increased the global oil supply from spring onwards and put downward pressure on prices. At the same time, demand remained weak – global economic growth slowed, Chinese oil consumption was lower than expected and growth in LNG use further reduced liquid fuel consumption. Another factor contributing to the price decline was the unusually high level of oil inventories in the US and other OECD countries, which indicated an oversupply in the market. The second half of the year was characterised by continued growth in supply compared to the pace of demand recovery, as well as by geopolitical tensions and structural changes in energy economics, including increased use of LNG. The combined effect of these factors kept liquid fuel prices below 2024 levels.

In 2025, the average price of 1% sulphur fuel oil was €369.9/t, 15.3% (-€66.7/t) lower than in 2024.

Liquid fuels prices

USD/bbl, €/t



Key Events in 2025



Electricity Business

Creating an integrated electricity business

RECLAIMING CONTROL OF ENEFIT GREEN

In April 2025, Eesti Energia made a voluntary takeover bid to the minority shareholders of Enefit Green in order to regain full ownership of the subsidiary. Priced at €3.4 per share, the bid which closed on 12 May increased the parent company's stake in Enefit Green to 97.2%, thereby creating a basis for building an integrated electricity business. This was followed by the acquisition of the remaining shares for cash compensation and full reintegration of Enefit Green into the Group.

The takeover bid was one of the largest in the history of the Baltic capital market, particularly given Enefit Green's extensive retail investor base.

BUILDING AN INTEGRATED ELECTRICITY BUSINESS

The next logical step after regaining full ownership of Enefit Green is to consolidate the electricity business into a single entity.

From 2026 onwards, all areas of the electricity business – retail, renewable energy generation, energy trading, and development activities – were incorporated into a single subsidiary: Enefit. This will strengthen the Group's competitiveness and streamline its management. In 2026, Enefit Green and Enefit will also merge into a single company called Enefit in Latvia, Lithuania and Poland.

The new Enefit electricity company will have over 560,000 retail customers and over 1,000 MW of renewable energy generation capacity across Estonia, Latvia, Lithuania and Poland. Its portfolio will also include the Auvere battery storage facility, the Iru cogeneration plant and any future generation and storage facilities.





Electricity production

RENEWABLE ENERGY

At the end of 2025, the Eesti Energia Group had 872 MW of wind energy production assets and 172 MW of solar energy production assets. During the year, 335 MW of new wind energy assets and 91 MW of new solar parks were added.

Opening of the Sopi-Tootsi green energy site

We opened the Sopi-Tootsi green energy site, which was built on the former Tootsi peat field in the northern part of Pärnu County. The site comprises the Sopi-Tootsi wind farm and the Sopi solar farm. Together, they produce enough electricity to meet around a tenth of Estonia’s annual consumption.

The completion of the Sopi-Tootsi wind farm and the Sopi solar farm is important for the entire region. The former peat bog has been given a new lease of life, which will also directly benefit the local community.

Renewable energy generation helps make Estonia greener and strengthens local governments by attracting investment, creating jobs and supporting community development. It is a prime example of how smart solutions and environmental protection can align with local well-being.

The Sopi-Tootsi wind farm generates electricity using 38 Nordex wind turbines, each 241 metres high and with a nominal capacity of 6.7 MW. It is the largest wind farm in Estonia and one of the largest in the Baltic region.

The Sopi solar farm covers an area of around 95 hectares and comprises approximately 112,000 Risen solar panels, each with a nominal capacity of 660 W.



New wind and solar farms in Latvia and Lithuania

In 2025, our main focus was on completing the construction of our new wind and solar farms and ensuring their stable operation.

In Lithuania, we finished building the Kelmė I wind farm (80 MW). At Kelmė II, we erected wind turbines and began generating electricity (87 MW).

In Latvia, we completed the construction of the Carnikava Dzērves and Carnikava Austrum solar farms, which have a combined capacity of 17 MW.

Construction of the largest solar farm in Poland

In Poland, we made an investment decision and started to build the 45 MW Strzałkowo solar farm. This will be one of our largest solar farms, with annual output that can reach approximately 45 GWh.

The total investment in the project amounts to around €26 million. 75% of the farm’s production has been covered by a 15-year indexed contract for difference (CfD), which will help mitigate price risk and ensure stable cash flow.

The Strzałkowo solar farm is a valuable addition to our Polish solar energy portfolio, which currently comprises 21 operational solar farms with a combined capacity of 33 MW.

Sale of the Tolpanvaara wind farm in Finland

Tolpanvaara was our only wind farm in Finland. As we had no plans to expand our operations in the Finnish market, we decided to find a new owner for it. As a result, Enefit Green sold the Tolpanvaara wind farm to the TD Greystone Infrastructure Fund.

This transaction enables us to focus our efforts on our core markets in the Baltic countries and Poland, where we have a substantial production portfolio and customer base, as well as optimal conditions for developing an integrated business model.

DISPATCHABLE POWER GENERATION

At the end of 2025, Eesti Energia’s net dispatchable power generation capacity stood at 1,254 MW. The figure breaks down between the facilities operated by Enefit Power as follows: the Eesti power plant 770 MW, the Balti power plant 185 MW, the Auvere power plant 270 MW and the Enefit 280 oil plant 12 MW. In addition, Enefit (previously Enefit Green) owns the Iru cogeneration plant, which has a capacity of 17 MW.

Island operation capability agreement helps ensure oil shale power plants will remain operational even when unable to sell output on the market

On 1 December 2025, following a public procurement process, the Estonian transmission system operator Elering and Enefit Power OÜ, a Group company, signed an agreement to ensure island operation capability. Under the agreement, Enefit Power guarantees to supply the 1,036 MW of dispatchable power required for Estonia’s energy security.

New power plant to be built at the Balti power plant site

On 18 November, Enefit Industry, Baran International Ltd and Baran Group Ltd signed a turnkey contract for the construction of a 100 MW hydrogen-ready thermal power plant at the site of the existing Balti power plant. The contract is valued at €100 million. The plant is designed for combined heat and power generation, as well as providing frequency reserves.

DESYNCHRONISATION AND FREQUENCY MARKETS

The electrical systems of Estonia, Latvia, and Lithuania were synchronized on Sunday, February 9, 2025, with the Continental Europe frequency area, which now includes over 400 million consumers from 26 countries. Enefit Power’s electricity production accounted for nearly 50% of Estonia’s total output during the desynchronization and the period when the necessary tests were conducted in the Baltics. This demonstrates that the role of Enefit Power’s power plants was significant.

Following decoupling, the need to ensure system stability in the new market environment has increased demand for grid balancing and dispatchable generation capacities. This has created a new source of revenue for flexible generation assets in the form of frequency markets.

By the end of 2025, Eesti Energia had qualified almost 1,500 MW of its generation assets, including wind and solar farms, for these markets. This shows that renewable energy assets can also be managed in line with the requirements of the electricity system.

Auvere battery storage facility

Shortly before the Baltic electricity grids were decoupled from the Russian network, Estonia’s first large-scale energy storage facility began operating. Built by Eesti Energia, the 26.5 MW battery has a storage capacity of 53.1 MWh and is located in the Auvere industrial complex in Ida-Viru County. The investment in the construction of the battery storage facility amounted to around €20 million.

The Auvere battery storage facility stabilises the region’s electricity system and mitigates high peak electricity prices for consumers. It also significantly reduces the cost of balancing the Baltic countries’ electricity system, consequently lowering the final price for consumers.





Customer Services and Electricity Sales

NEW ELECTRICITY PACKAGE STRIKES A BALANCE BETWEEN SPOT AND FIXED PRICES

We are constantly seeking ways to provide customers with energy consumption options that suit their preferences. In 2025, we launched a new electricity package that sets a cap and floor for the exchange price. This package is ideal for those who recognise the advantages of the power exchange, but who also want some degree of price stability.

With our price-capped exchange package, customers can shift their consumption to cheaper hours, safe in the knowledge that the price of electricity will not exceed the agreed limits, even on days when the exchange price is highly volatile.

ELECTRIC VEHICLE (EV) CHARGING INFRASTRUCTURE

Enefit's EV charging network grew by 40% in 2025, with the number of connectors at charging stations rising to over 1,600. Much of this expansion consisted of ultra-fast chargers, built with support from the Connecting Europe Facility, which enable drivers to add up to 100 kilometres of range in just 10 minutes.

Customers across the Baltics and Poland charged almost 6,000 MWh of electricity into their EVs in 2025 – around double the amount charged in 2024. This amount of electricity could power a vehicle to travel approximately 29 million kilometres.

We improved the reliability and convenience of the service by adding card payment and autocharge functionality to the charging stations. In addition, we opened the Baltics' first public charger equipped with a battery storage system in Tallinn.

In Lithuania, the number of connectors in the Enefit charging network exceeded 600 and new ultra-fast chargers were installed in Vilnius. The number of EV users has also increased in Latvia, boosted by the Enefit EV Rally, which attracted 200 participants. In Poland, we expanded our charging service to include strategic locations such as the Riviera Gallery shopping centre.

CUSTOMER SATISFACTION

In 2025, we took several steps to improve customer experience management in order to gain a better understanding of customer needs and respond to feedback more quickly. We primarily measure customer satisfaction through transactional surveys, in which customers provide feedback immediately after using our services. The most important indicator is the Net Promoter Score (NPS), which reflects customers' willingness to recommend our services to their friends and family. This methodology provides a clear and reliable picture of satisfaction levels, helping us identify the strengths of our services and areas for improvement.

In 2025, we introduced a new transactional survey solution that enables us to collect customer feedback continuously, rather than periodically. This has made our workflows more flexible and efficient, reduced manual steps and eliminated IT risks.

Automated processes simplify the process of contacting customers about NPS and strengthen customer relationships. A modern, mobile-friendly survey design makes providing feedback more convenient.

In 2025, the NPS result was good (> 50) in all our markets: 75 in Poland, 66 in Latvia, 59 in Estonia and 51 in Lithuania. While we significantly exceeded our targets in the household customer segment, we fell short in certain areas of the business customer segment. Therefore, our main focus in 2026 will be on improving the experience of business customers.





Industry

CONSOLIDATION OF INDUSTRIAL OPERATIONS

In 2025, Enefit Industry AS and Enefit Solutions AS signed a merger agreement aimed at consolidating competencies and strengthening the company’s operational and strategic capabilities. Under the agreement, the assets, rights, and obligations of Enefit Solutions AS were transferred to Enefit Industry AS starting from 2026, with Enefit Industry AS continuing to fulfill all existing contractual obligations.

The merger establishes a strong foundation for more integrated management, the development of more efficient processes, and better coordination in the use of resources. Operating as a unified organisation enables enhanced internal cooperation, streamlined decision-making, and a more holistic utilisation of technical and operational competencies. This strengthens the company’s ability to respond flexibly to industry developments and supports the continuity of day-to-day operations.

The structural integration is a deliberate step toward a long-term vision of building a stronger and more coordinated industrial unit — one capable of delivering greater value to customers, employees, and the entire Enefit industrial portfolio.

HOT COMMISSIONING OF THE NEW SHALE OIL PLANT

In 2025, we completed the installation of equipment at the under-construction Enefit 280-2 oil plant and achieved mechanical readiness of the facility. Enefit’s engineers then started the procedures required for the initial commissioning tests on the first units.

Towards the end of the year, hot commissioning of the plant began. In early December, Enefit Industry started up the start-up burners of the Enefit 280-2 CFB furnace for the first time. The test confirmed that they were working properly.

The next stages of the plant’s hot commissioning will be carried out in 2026, after which the plant will be ready for operation.





Circular Economy and Environment

Waste rock and crushed stone for Rail Baltica

Waste rock and crushed stone are valuable by-products of oil shale mining. TTK University of Applied Sciences has studied the quality of the limestone produced during mining and confirmed its suitability for road construction, including for the collector roads of the Rail Baltica project. In December 2025, we sent three trial batches of crushed stone to Pärnu for the project.

If the local product from Ida-Viru County proves suitable, 800,000 tonnes of limestone will be supplied for the construction of Rail Baltica in 2026. This would promote sustainable construction, support the achievement of Estonia's and the European Union's environmental goals, and reduce costs for end users.

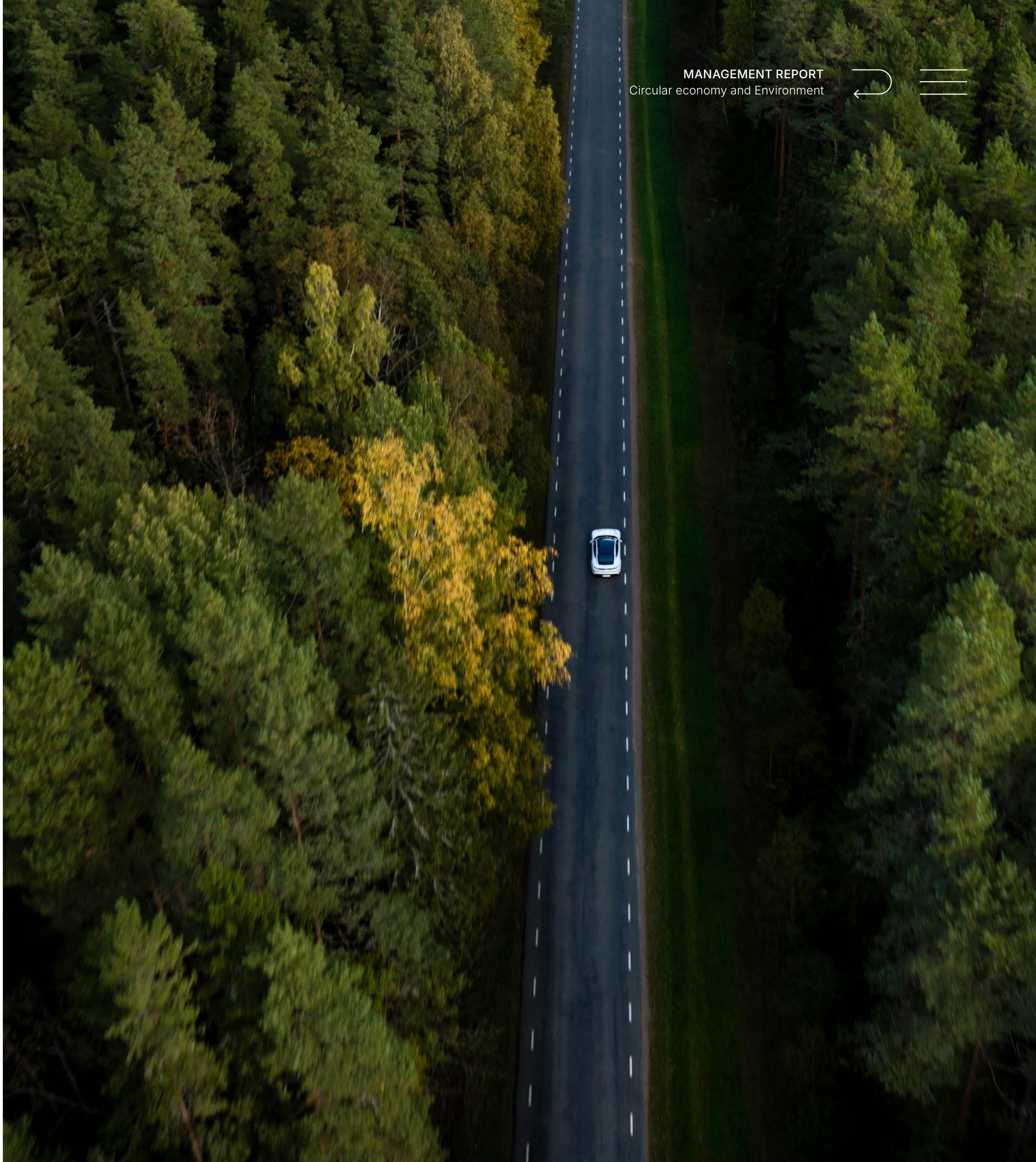
Emission standards are under more rigorous control

The older the production equipment, the more attention must be paid to reducing emissions. Enefit Industry focused on air emissions from its oldest shale oil plant, Enefit 140. Addressing this issue was essential to ensure the continued operation of the plant and reduce its environmental footprint.

Significant work was carried out at the plant in 2025, enabling engineers to improve the technological process and adjust operating modes more effectively. This brought the main emissions into compliance with applicable requirements, and the testing program will continue in 2026.

Major work to control emissions was also carried out at Enefit Power's power plants, where operating modes were adjusted and deficiencies in monitoring were eliminated. Consequently, the Environmental Board decided not to initiate misdemeanour proceedings regarding emission exceedances and the lack of monitoring at the Eesti power plant.

A few years ago, there were dozens of incidents relating to power plant emissions to air that required the company's attention. In 2025, however, there was only one such incident. Enefit Power is working hard to ensure there are no such incidents in 2026.





Distribution Network

ORGANISATIONAL CHANGE

Elektrilevi has once again established in-house teams of electricians across Estonia. This enables the organisation to respond quickly to faults and carry out maintenance and repair work. Compared to the previous situation, when all of this work was outsourced, Elektrilevi is now saving several million euros per year.

By the end of 2025, most fault response and repair services had been incorporated into Elektrilevi. During the year, work also began on setting up maintenance teams and providing relevant training. The Pärnu, Paide and Võru regions already have staff in place.

The aim is to provide the teams with work and ensure that Elektrilevi has the capacity to handle faults independently. Under normal circumstances, Elektrilevi resolves 75% of faults using its own resources. However, in crisis situations, all available resources must be utilised, including those of partners.

STRONG GROWTH IN INVESTMENTS IN SECURITY OF SUPPLY

In 2025, we built 1,300 km of weatherproof networks, comprising 810 km of new overhead lines and 490 km of underground cables, and renovated 395 substations. This was the largest construction volume in recent years. The average power line construction volume for the previous five years was 1,200 km per year.

The most significant growth in power line construction was for medium-voltage lines, which are particularly vulnerable in severe weather conditions. Additionally, we replaced around 650 km of bare conductor medium-voltage overhead lines with new weatherproof cables and underground solutions. By the end of the year, 77% of the network was weatherproof.

In 2025, we invested €182 million in network services. Of this, €103 million was invested in improving the reliability of the distribution network and €65 million in network connections.



By the end of the year, we had completed two additional funding projects.

- Support from the European Union’s Recovery and Resilience Facility (NextGenerationEU – RePowerEU) to improve the climate resilience of the distribution network and increase free, production-oriented capacity. The amount received in the period 2023–2025 was €38 million.
- Support from the state budget to improve the climate resilience of distribution networks on Estonia’s largest islands. The amount received in the period 2023–2025 was €13.7 million.

The largest investments in 2025 were as follows:

- A new submarine cable was installed between the islands of Saaremaa and Hiiumaa to secure Hiiumaa’s electricity supply. Cost: €7.3 million.
- The high-voltage power line between Läätsa and Kihelkonna was upgraded to meet increased energy demand. Cost: €4.2 million (completion expected in 2026).
- Transformers at the Veskimetsa regional substation were replaced to meet increased energy demand. Cost: €4.5 million (completion expected in 2026).
- Transformers at the Jõgeva regional substation were replaced. Cost: €3 million.
- The high and medium-voltage network in the Pärnu-Jaagupi area was upgraded. Cost: €3.1 million (completion expected in 2026).

SUCCESSFUL GRANT IMPLEMENTATION REDUCED FAULTS IN SAAREMAA’S MEDIUM-VOLTAGE NETWORK MORE THAN TWO TIMES

Following the snowstorm in December 2022, Elektrilevi has been working to improve the reliability of the medium-voltage network on Saaremaa island through investment and maintenance activities.

Between 2023 and 2025, two major government grant projects were successfully implemented:

- a €13.7 million project to increase the weather resistance of electricity networks on Estonia’s two largest islands;
- a €76 million project (including €38 million of self-financing) to improve the weather resistance of the entire Estonian electricity network and enable micro-generators to connect to the grid.

This is the largest foreign investment in the Elektrilevi network to date. The project was successfully implemented thanks to accelerated processes and close collaboration between internal and external partners over a two-year period.

Despite the short timeframe and challenging market conditions, the company was able to implement the grants in full without a significant increase in costs. The result is a more weatherproof and reliable distribution network with greater capacity, which supports the development of renewable energy and Estonia’s energy security.

Thanks to these activities, the number of faults in Saaremaa’s medium-voltage network has decreased more than two times.

ELEKTRILEVI’S CRISIS RESERVE

In recent years, Estonia has been hit by several severe storms, which have caused widespread power outages. Around 15,000 km of the distribution network is located in forest areas, where fallen trees and branches can damage the lines during storms.

Elektrilevi aims to resolve all faults within 12 hours. However, this is extremely difficult to achieve in a crisis situation, given that electricians are a limited resource. To resolve widespread power outages more effectively, Elektrilevi has created a voluntary crisis reserve comprising employees who will be assigned to non-routine tasks during a crisis.

Over 600 employees have expressed their willingness to join the reserve. To date, 200 employees have completed training and crisis exercises, and the reserve currently comprises 150 field electricians, 20 low-voltage network service managers and 30 customer service specialists.

During a crisis in 2025, 30 teams of electricians, 6 low-voltage network service managers and 8 customer service specialists were deployed from the crisis reserve.

EVERY CENT OF NETWORK CHARGES INVESTED IN STRENGTHENING THE ELECTRICITY DISTRIBUTION NETWORK

Elektrilevi is an essential service provider whose operations influence the well-being of everyone in Estonia. It is therefore important that the company’s activities are sustainable, with costs and investments covered by network charges.

The Competition Authority approved changes to Elektrilevi’s network charges on 22 April 2025. In connection with this, Elektrilevi updated its price list.

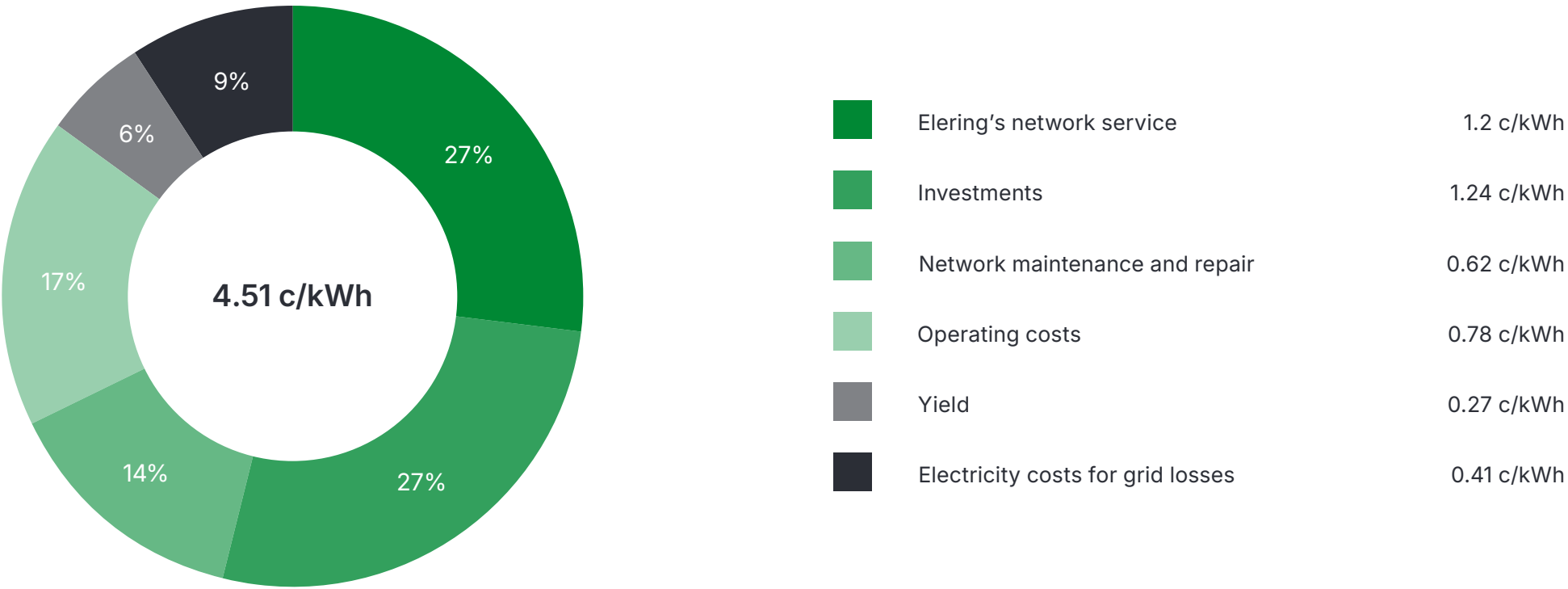
On 1 August, Elektrilevi increased its network charges by around 2.6%. This was necessary to offset a shortfall in distribution service revenue caused by an increase in transmission service charges from the transmission network operator, Elering, and a decline in distribution service volumes.

Only the monthly fee and the distribution network capacity charge components of the network charge were affected. All kWh-based prices remained unchanged. The prices of regulated additional services and reactive power charges also remained unchanged.

The impact of the change on the average household is less than 50 cents per month. The monthly fee and any changes to it depend on the chosen network package and the size of the main fuse.

Over the past two years, Elektrilevi has invested a total of €300 million in the distribution network, including connections, of which €70 million was covered by network charges. Most of these investments were funded by taking out loans and not paying dividends to the owner. This is not sustainable in the long term.

Distribution of Elektrilevi’s network fee (effective from August 2025)
c/kWh



SMALL GENERATORS’ GROWING CONTRIBUTION TO POWER PRODUCTION

In 2025, distribution network investments totalled €182 million, of which €103 million were allocated to network reliability investments and €65 million to network connection investments.

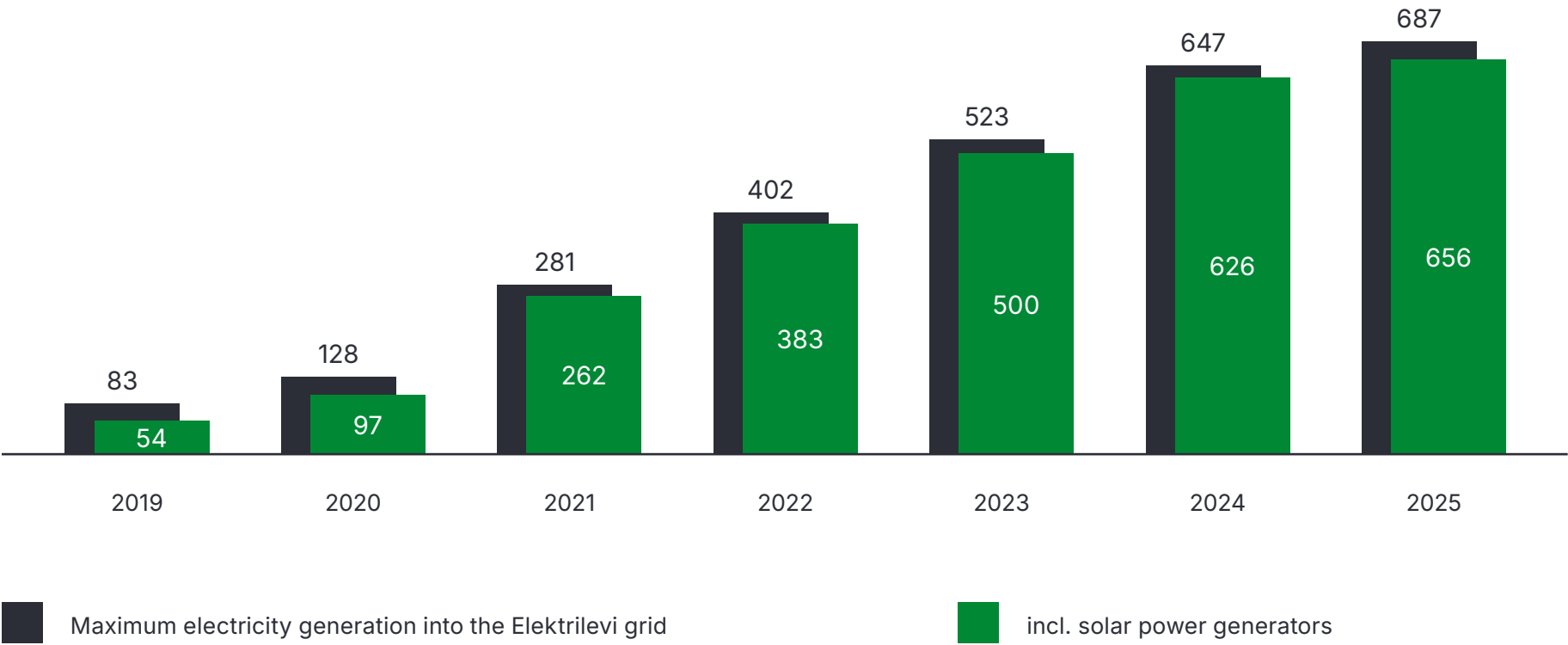
By the end of the year, a total of 23,900 electricity generators, with a combined capacity of 1,021 MW, had been connected to the network. A total of 1,453 generators with a combined capacity of 74 MW were added to the Elektrilevi network in 2025.

By the end of 2025, 1,507 storage facilities with a total capacity of 74.1 MW had been connected to the Elektrilevi network.

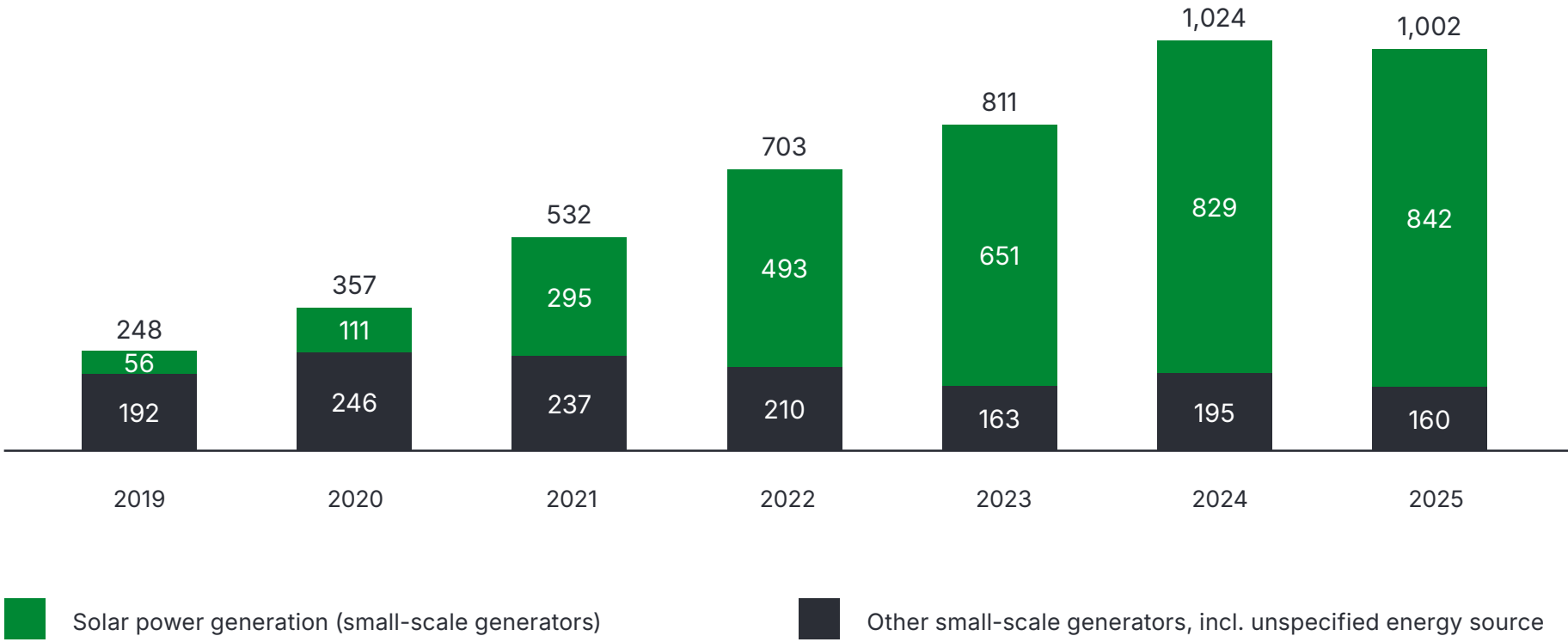
In 2025, solar power plants supplied the largest amount of electricity to the grid on 19 May, when their capacity reached almost 656 MW. This was 30 MW higher than in 2024, when the maximum solar power production in the grid was 626 MW. In the second half of 2025, the maximum capacity supplied to the grid did not increase further.

In 2025, the amount of electricity supplied to the Elektrilevi network by connected generators decreased by almost 22 GWh (-2% compared to 2024), reaching 1,002 GWh. There was less sunshine and wind speeds were more moderate than in the previous year. Furthermore, negative electricity prices were recorded at times during the production period, which reduced the incentive to feed electricity into the grid.

Maximum power generated in Elektrilevi’s grid
MW (hourly average)



Electricity generated to Elektrilevi’s grid
GWh



Value-Based Organisational Culture and Dedicated Employees



Organisational Culture is a Story Created Together

Culture starts with people and shared values that shape everyday work practices and decisions. We want every employee to have their own personal story with Eesti Energia – a meaningful experience that they can share with others. When we feel that our contribution matters, we are happier and create an environment that attracts new talent.

Our responsible approach is confirmed by a candidate Net Promoter Score (cNPS) of 79. This demonstrates that our recruitment process is well designed and reliable.

In 2025, our focus was on implementing internal changes while preserving traditions. At the Enefit gala, we recognised the top performers and achievements of the year. Our management conference addressed self-management and organisational development, and ViruFest celebrated Miners' Day with a vibrant community event.

OUR EMPLOYEE ENGAGEMENT EXCEEDS THE ESTONIAN AVERAGE

According to a Kantar Emor survey, our engagement index increased to 76 points, compared to 72 points in 2024 and 75 points in 2023. This exceeds both the Estonian average (68) and the average for manufacturing companies (61).

The 93% response rate indicates that our employees are willing to voice their opinions. Employees highlighted clear goals and inclusive management, a supportive and caring team, flexible working arrangements, and additional benefits included in the motivation package as positive aspects.



However, areas requiring attention were also identified, including change management, explaining management decisions and goals, customer focus within the organisation, innovation and resource use, organisation of day-to-day work, information flow and career development opportunities.

HEALTHY EMPLOYEES, HEALTHY MINDS

We support our employees and provide opportunities to help them maintain a healthy work-life balance. Employees in the Estonian market can choose from three wellness packages, which include employer-paid health insurance and/or Stebby credits. These packages offer faster access to medical services and cover the cost of sports activities and wellness services.

Throughout the year, we organised various initiatives to promote exercise and well-being. The summer wellness day brought people together to enjoy outdoor activities, while the autumn health forum focused on mental and physical well-being. The Energiasport series kept us active all year round, and we came third in the Firmasport series, which recognises the most athletic companies in Estonia.

We celebrated the twentieth anniversary of Estonian Health Trails together with Merko and Swedbank. Throughout the year, we organised free training sessions and campaigns to encourage people to exercise outdoors.

We also installed the first EV chargers at the health trails, so that people could recharge themselves and their vehicles at the same time.



Education and Innovation

We promoted interest in engineering and science through various initiatives. Eesti Energia study grants were awarded to 25 vocational and higher education students. In collaboration with the Ida-Viru County Association of Local Authorities, we awarded 51 scholarships from the Energy Fund for Young Talent.

We took on 207 interns and were named the best internship provider in 2025 by the Estonian Employers' Confederation.

We continued to support the 'Lae End' ('Charge Yourself') education programme. In its fourth year, the programme was completed by 20 mathematics and chemistry teachers. We provided participating schools with teaching materials and awarded the teachers a thirteenth-month salary. President Alar Karis attended the closing ceremony.

We continued for the third consecutive year with the "Enefit Mission Possible: Save STEM" programme, which aims to ease the shortage of STEM teachers in Latvia and encourage young people to choose science and technology-related fields. In 2025, 14 new teachers joined the programme, and the goal for 2026 is to involve 30 teachers. In cooperation with the NGO Iespējamā misija, the programme also offers specialists without a pedagogical background the opportunity to start working in schools immediately while developing their teaching and leadership skills.

At the Energy Discovery Centre in Tallinn, a permanent exhibition on solar energy opened, and the EnerHUB incubator was established to support technology-focused student companies and research projects. The centre was visited over 42,000 times during the year.



Rakett69
Photo: Helen Västriik

We supported the Positron festival for young people, as well as the TV science show Rakett 69, which was watched by 84,000 people. We also contributed to a solar car project run by young Estonian engineers – their Solaride III Enefit took second place in the Bridgestone World Solar Challenge in Australia.

We continued our collaboration with Tallinn University of Technology and TTK University of Applied Sciences and introduced the subject of energy to around 2,700 visitors.





Safety Culture

To ensure that safety culture remains a priority at the highest level of management, a safety committee was established at the beginning of the year. The committee comprises the managers of the Group’s subsidiaries and its work is coordinated by a member of Eesti Energia’s management board.

Under the leadership of the Safety Committee, the group’s safety culture principles were adopted, serving as the foundation for shaping the safety culture. Presentations and workshops were organized for employees to implement these principles.

The principles of Eesti Energia’s safety culture are as follows

- 1. Managers play a key role in creating a safety climate and ensuring the safety of employees.
- 2. Each employee is responsible for their own safety.
- 3. We talk openly about safety and encourage others to do the same.
- 4. We identify and reduce safety risks.
- 5. We work with internal and external partners and ensure that information is exchanged promptly.
- 6. We create a safe environment based on knowledge and skills.
- 7. Every employee deserves recognition for their contribution to developing and maintaining the safety culture.

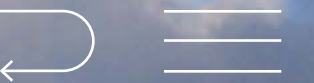
In 2025, the safety committee initiated the process of updating the safety framework. This involves implementing safety culture principles and reviewing group-wide safety documents in order to harmonise them, make them more universal and reduce their number. This work will continue in 2026.

The integration of safety training into the employee development process is also underway to ensure consistent acquisition of safety knowledge and competencies. This is particularly necessary in view of the establishment of the new business lines: electricity, industry, and distribution network.

ACCIDENTS AT WORK IN 2025

During the year, there were 5 workplace accidents without loss of working time and 7 with loss of working time at companies belonging to the Eesti Energia Group.

Eesti Energia Begins 2026 with a Stronger Structure and Clearer Focus



Eesti Energia started 2026 with a new management structure designed to support its goal of becoming the region's leading energy company. The Group's core business operations are now conducted through three subsidiaries: the electricity company Enefit, the industrial company Enefit Industry and the distribution network operator Elektrilevi.

Streamlining the management model and strengthening the subsidiaries will enable the Group to respond more flexibly to market changes and develop solutions that support both customer expectations and the Estonian energy policy goals. Investments totalling over €2 billion in recent years create clear expectations for the management board to increase the Group's competitiveness and asset productivity, and to restore its investment capacity.

The Group's electricity retail, renewable energy production, energy trading and development functions have been transferred to a single subsidiary: Enefit. This will increase the Group's competitiveness and streamline management in the rapidly evolving electricity market.

Our priorities are to increase profitability and investor confidence, and to ensure the Group's ability to make strategic investments in dispatchable and renewable production capacities, as well as energy storage solutions that support price stability and security of supply.

In the industry business line, we incorporated our design, production and maintenance expertise into Enefit Industry, a company that produces shale oil and operates mines. We also made Enefit Power, a company that operates reserve power plants, into a subsidiary of Enefit Industry. This has clarified responsibilities and should generate better synergies in the management of the business line.

The restructuring did not affect Elektrilevi, an independent distribution network operator within the Group.



Governance



Transparent Management Decisions

The sole owner of Eesti Energia is the Republic of Estonia. The Republic of Estonia owns Eesti Energia to ensure an energy supply that generates income for the owner and supports the sustainability of the economy in line with the European Union’s energy and climate policy objectives. The owner expects the company to be profitable and provide continuous dividend income that grows over time. The expected dividend is 50–100% of the consolidated net profit attributable to the owner of the parent company, averaged over a five-year period and taking into account the company’s capital structure and investment needs.

MANAGEMENT PRINCIPLES

The management and supervisory boards manage Eesti Energia in line with the owner’s expectations and the Group’s ambitions, strategic goals and values. The Group’s strategic goals are set out in a strategy document, which is updated regularly and takes a sufficiently long-term view of the future. We keep our employees informed of the organisation’s objectives and how they are being implemented through our internal communication channels.

Eesti Energia presents and comments on its financial results four times a year and publishes the presentation materials on its website. We provide a safe working environment and foster a strong work culture. We pay our employees competitive salaries and recognise and reward their achievements.

CODE OF ETHICS

Eesti Energia has adopted a Code of Ethics which states, among other things, that our organisational culture does not tolerate discrimination, harassment, bullying, abuse or any other form of inappropriate behaviour. All employees must be treated fairly and equally, regardless of their ethnicity, age, race, gender, language, origin, skin colour, religion, disability, sexual orientation, or political or other beliefs.

Leaders play a key role in shaping an ethical culture by setting an example and encouraging employees to adhere to high ethical standards. Eesti Energia has also established an ethics committee, which plays an important role in shaping organisational culture.

Organisational structure and governing bodies

The governing bodies of Eesti Energia, the Group’s parent company, are the general meeting, the supervisory board and the management board.

GENERAL MEETING

The owner is represented at the general meeting by the Minister of Finance. Eesti Energia’s highest governing body is the general meeting of shareholders. Among other things, it decides on:

- setting the owner’s expectations, which determine the strategic and financial goals;
- electing and removing members of the supervisory board, including the chairman;
- making significant investments;
- appointing the auditor;
- approving the annual report;
- establishing and acquiring new subsidiaries.

Annual general meetings are held within six months after the end of the Group’s financial year, at a time and place determined by the management board.

SUPERVISORY BOARD

The supervisory board is a governing body with the following main responsibilities:

- approving and overseeing the implementation of the Group’s strategy;
- adopting key strategic decisions;
- overseeing the activities of the management board.

The supervisory board reports on its oversight activities to the owner.

The supervisory board of Eesti Energia consists of six to eight members. They are appointed by the Minister of Finance, who represents the owner, taking into account the proposals made by the nomination committee for members of the supervisory boards of companies in which the state is a shareholder.

The supervisory board is headed by a chairman. The requirements and expectations for members of the supervisory board are set out in the Commercial Code and the State Assets Act of the Republic of Estonia. The supervisory board is also guided by Eesti Energia’s articles of association and its own rules of procedure.

Composition and remuneration of the supervisory board

Anne Mere continued as chairman and Kristi Klaas and Kaur Kajak continued as members of the supervisory board. Einari Kisel, Andres Liinat, Meelis Einstein and Allan Niidu were also members of the supervisory board until they were removed by the general meeting on 11 May 2025. The general meeting then appointed Anna Ebers Broughel, Priit Rohumaa and Jevgeni Kabanov as new members of the supervisory board for a period of three years, effective from 11 May. Jevgeni Kabanov was removed from the supervisory board on 16 December 2025 at his own request. The nomination committee will propose a new sixth member of the supervisory board to the Minister of Finance.

The remuneration of the members of the supervisory board of Eesti Energia is regulated by the State Assets Act, according to which the amount of the remuneration and the payment procedure are determined by the owner. Based on the proposal of the nomination committee for members of the supervisory boards of companies in which the state is a shareholder, the remuneration for the chairman and each member of the supervisory board is €2,000 and €1,000 per month, respectively. The members of the supervisory board are not entitled to termination benefits or additional remuneration.

The remuneration paid to members of the supervisory board is also based on their participation in meetings of the supervisory board and its committees. Meetings of the supervisory board are generally held once a month, except in July. In 2025, there were 16 supervisory board meetings: ten regular and six extraordinary.

In 2025, the supervisory board’s legal adviser was Sven Papp, an attorney from the law firm Ellex Raidla.

Attendance at meetings and remuneration of members of the supervisory board

	Meeting attendance 2025	Total remuneration 2025 (€)	Total remuneration 2024 (€)
Anne Mere	16	24,000	24,000
Einari Kisel	6	4,286	12,000
Andres Liinat	6	4,286	12,000
Meelis Einstein	6	4,286	12,000
Allan Niidu	5	4,286	12,000
Kaur Kajak	16	12,000	12,000
Kristi Klaas	15	12,000	11,318
Anna Broughel	10	7,714	0
Priit Rohumaa	10	7,714	0
Jevgeni Kabanov	7	7,714	0

Conflicts of interest

Members of the supervisory board avoid conflicts of interest and do not exploit business opportunities intended for the company for personal gain. They act in the best interests of the Group and its owner, the Republic of Estonia. They do not engage in business activities in the same field as the company.

Supervisory board

As at 31 December 2025



Anne Mere
Chairman

Beginning of term of office: 12 May 2022
Chairman since: 12 May 2022
End of term of office: 11 May 2028



Anna Ebers Broughel
Member

Beginning of term of office: 12 May 2025
End of term of office: 12 May 2028



Priit Rohumaa
Member

Beginning of term of office: 12 May 2025
End of term of office: 12 May 2028



Kaur Kajak
Member

Beginning of term of office: 3 April 2023
End of term of office: 2 April 2026



Kristi Klaas
Member

Beginning of term of office: 23 January 2024
End of term of office: 23 January 2027

Committees of the supervisory board

AUDIT COMMITTEE

The audit committee is a body established by the supervisory board of Eesti Energia. It advises the supervisory board on matters relating to oversight, such as accounting, external auditing, risk management, internal control and auditing, and budgeting.

Members of the audit committee are appointed by the supervisory board for a period of three years. The committee consists of three to four members. At least half of the members are selected from among the members of the supervisory board. The members elect one of their number as the chairman. The chairman is responsible for coordinating the work of the committee.

The audit committee meets at least once every two months in accordance with its agreed action plan. It submits its report to the supervisory board once a year, before the board approves the Group’s annual report.

Until 27 May 2025, the audit committee consisted of Mait Palts (chairman) and Einari Kisel, Andres Liinat and Tarmo Porgand (members). On 27 May, the supervisory board removed all four members and appointed a new committee for a three-year term, consisting of Kristi Klaas, Mait Palts, Tarmo Porgand and Priit Rohumaa. Mait Palts continued as chairman of the audit committee.

The remuneration of an independent member of the audit committee is €500 per month and the remuneration of a member of the supervisory board serving on the audit committee is €250 per month. In 2025, the audit committee held 12 meetings.

Attendance at meetings and remuneration of members of the audit committee

	Meeting attendance 2025	Total remuneration 2025 (€)
Mait Palts	12	6,000
Tarmo Porgand	12	6,000
Andres Liinat*	5	1,500
Einari Kisel*	5	1,500
Kristi Klaas	7	1,750
Priit Rohumaa	7	1,750

* Member of the supervisory board until 12 May 2025, thereafter an independent member until 27 May 2025

Audit committee
As at 31 December 2025



Mait Palts
Audit Committee Chair

Beginning of term of office: 27 May 2025
End of term of office: 26 May 2028



Kristi Klaas
Audit Committee Member

Beginning of term of office: 27 May 2025
End of term of office: 26 May 2028



Tarmo Porgand
Audit Committee Member

Beginning of term of office: 27 May 2025
End of term of office: 26 May 2028



Priit Rohumaa
Audit Committee Member

Beginning of term of office: 27 May 2025
End of term of office: 26 May 2028



REMUNERATION COMMITTEE

The supervisory board of Eesti Energia has formed a remuneration committee. The purpose of this advisory body is to support the supervisory board in matters relating to the management board of Eesti Energia, including its composition, goal-setting, remuneration, succession planning and changes to membership.

The remuneration committee consists of three to five members. The chairman and members of the remuneration committee are appointed by the supervisory board for a period of three years.

The remuneration committee holds regular meetings as necessary, but at least twice a year. It reviews the remuneration plans, performance indicators and succession planning principles once a year and conducts an annual compliance check on the implementation of the remuneration principles.

Until 27 May 2025, the remuneration committee consisted of Meelis Einstein (chairman), Ahti Kuningas and Anne Mere (members). On 27 May, the supervisory board removed all three members of the remuneration committee and appointed a new committee for a three-year term, consisting of Anne Mere (chairman) and Anna Ebers Broughel and Kaur Kajak (members).

The members of the remuneration committee do not receive separate remuneration for their participation in the committee.

MANAGEMENT BOARD

The day-to-day management of the Group is the responsibility of Eesti Energia’s management board, which manages the company in accordance with the instructions and guidance of the supervisory board, the owner’s expectations and the Group’s strategy that has been approved by the supervisory board.

The chairman of the management board is appointed by the supervisory board. The members of the management board are approved by the supervisory board, taking into account the proposals of the chairman of the management board regarding the composition of the management board.

Andrus Durejko continued as chairman and Raido Ivalo, Lauri Karp, Marlen Tamm, Kelli Toss-Kaasik and Kristjan Kuhi continued as members of the management board of Eesti Energia. Changes were made to the composition of the management board: on 27 November 2025, Kristjan Kuhi was removed from the management board, and on 31 December 2025, Kelli Toss-Kaasik and Raido Ivalo were also removed.

The remuneration of the members of Eesti Energia’s management board is regulated by the State Assets Act. The amount of remuneration is decided by the supervisory board, taking into account the proposals of the remuneration committee set up by the supervisory board. A member of the management board may receive additional remuneration.

Management board member Lauri Karp also fulfils the role of chairman of the management board of Enefit Industry. His fee for serving on the management board is specified in his service contract with Enefit Industry and he does not receive any additional remuneration for serving on the management board of Eesti Energia.

The total amount of additional remuneration paid to a member of Eesti Energia’s management board during a financial year may not exceed four times the member’s average monthly remuneration in the previous financial year. Any additional remuneration must be justified and consistent with the Group’s performance, value creation and market position. Termination benefits may only be paid if the supervisory board removes a management board member on its own initiative before the end of their term of office, and the amount must not exceed that member’s remuneration for three months.

The management board usually meets once a week. If necessary, electronic votes are held without convening a meeting.

Remuneration of members of the management board

	Total remuneration 2025 (€)*	Total remuneration 2024 (€)
Andrus Durejko	273,720	232,289
Kristjan Kuhi**	221,679	174,720
Marlen Tamm	199,760	174,720
Kelli Toss-Kaasik**	240,020	174,720
Raido Ivalo	178,555	117,000
Lauri Karp	209,939	58,895

* Remuneration comprises the service fee, holiday pay and performance-related remuneration
** Remuneration also includes termination benefits

Conflicts of interest

Members of the management board do not make decisions based on personal interests and do not exploit business opportunities intended for the company for personal gain. Any conflict of interest must be disclosed to the supervisory board and the other members of the management board before a contract is concluded, and immediately upon its subsequent occurrence.

The avoidance of conflicts of interest by members of the management board is governed by the principles set out in their contracts. They must also adhere to the principles for managing conflicts of interest approved by the supervisory board of Eesti Energia.



Management Board
As at 31 December 2025



Andrus Durejko
Chairman

Beginning of term of office: 1 April 2023
End of term of office: 31 March 2029



Kelli Toss-Kaasik
Member, Chairman of the Management Board of Enefit AS

Beginning of term of office: 1 April 2023
End of term of office: 31 December 2025



Lauri Karp
Member, Chairman of the Management Board of Enefit Industry

Beginning of term of office: 7 September 2024
End of term of office: 7 September 2027



Marlen Tamm
Member, CFO

Beginning of term of office: 1 April 2023
End of term of office: 31 March 2029



Raido Ivalo
Member in the field of business IT

Beginning of term of office: 1 April 2024
End of term of office: 31 December 2025

PREVIOUS CAREER	PREVIOUS CAREER	PREVIOUS CAREER	PREVIOUS CAREER	PREVIOUS CAREER
- Ericsson Estonia: Chairman of the Board; Program Director in the Nordic and Baltic Countries; Head of Digital Services in Sweden, Finland and the Baltics; Director of Technology; Project Manager - Chairman of the Board, CEO at Ericsson Latvia - Director of Technology at Reveko Telekom - Project Manager at Baltcom	- Eesti Energia: Head of Customer Experience; Leading HR Partner; Training and Development Manager - Eesti Post: Development Department's Training Coordinator	- Silmet Grupp: Member of the Board of Directors - Molycorp Silmet: Member of the Board of Directors - KFPD GmbH: Director - State Salzburg Austria: Member of Advisory Board - Springer AG Management Consultants: Senior Consultant Derivatives - Swedbank: Head of Banking Division - Deutsche Bank: Sovereign Debt Restructuring	- Eesti Energia: Head of Management Accounting; Head of Group Controlling; Head of Financial Controllers in Management Accounting; Leading Financial Controller - Swedbank: Head of the Financial Unit at Swedbank IT in the Baltics; Controller of Services at Swedbank IT; accountant	- Twilio Estonia: Engineering Manager - Ericsson Eesti: Head of IoT Technical Operations, Head of ADM and MSIT Finland and Baltics, Head of Emergency handling RECA - ERC Europe in Budapest: Acting Head of ERC Europe
EDUCATION	EDUCATION	EDUCATION	EDUCATION	EDUCATION
Estonian Business School MBA Estonian University of Life Sciences, Electroenergetics, Master's studies	Tallinn University, Master of Education Tallinn University of Pedagogy, Bachelor of Andragogy	Heidelberg University, Master of Arts - MA Economics, Monetary Policy and FinancialMarkets University of Tartu, Microdegree, Renewable Energy and Hydrogen Economy	Estonian Business School, Economics/ Business Administration, Master of Science, <i>cum laude</i> Tallinn University of Technology, Economics/ Business administration, Bachelor's degree	Tallinn University of Technology, MBA in International Business Administration Tallinn University of Technology, M.Sc. Telecommunication



**DIFFERENCES APPLYING TO THE MANAGEMENT OF DISTRIBUTION NETWORK OPERATORS
ELEKTRILEVI OÜ AND IMATRA ELEKTER AS**

According to the Electricity Market Act and the common rules for the internal electricity market, distribution network operators Elektrilevi and Imatra Elekter must ensure, among other things, that all market participants are treated equally and that the network operator’s information is protected. In accordance with the law and best practice, we have introduced differences in the management of Elektrilevi and Imatra Elekter to ensure that they are independent when making investment decisions, carrying out procurements and maintaining the confidentiality of information relating to market participants and contracts with customers.

SUPERVISORY BOARDS OF SUBSIDIARIES AND ASSOCIATES

The supervisory boards of Eesti Energia’s subsidiaries and associates generally consist of members of Eesti Energia’s management board and management team.

Due to its large customer base, distribution network operator Elektrilevi has an additional obligation to ensure the full independence of its management and supervisory boards. Members of Elektrilevi’s governing body or management cannot be members of the governing body or management of another Group company. However, the governing bodies of Elektrilevi and its subsidiary Imatra Elekter may have overlapping members if this does not pose a risk to the network operator’s independence.

Proposals regarding members of Elektrilevi’s supervisory board are made by the nomination committee for members of the supervisory boards of companies in which the state is a shareholder.

Meetings of the supervisory boards of subsidiaries and associates are held as required and in compliance with legal requirements. Meetings are convened in accordance with the Group’s internal regulations, the articles of association of the subsidiary or associate, applicable laws and agreements with co-owners.

GROUP STRUCTURE

By April 2025, Enefit Power AS (new business name Enefit Industry AS) had been split into two companies (division by separation) so that the business consisting of the Eesti power plant, the Balti power plant and the Auvere power plant was transferred to a new company, Enefit Power OÜ, which became a subsidiary of Eesti Energia AS. On 30 December 2025, Enefit Industry AS acquired a 100% stake in Enefit Power OÜ from Eesti Energia AS. On 1 January 2026, Eesti Energia AS transferred the business consisting of the provision of advisory services to the industry business line to Enefit Industry AS. As the sole owner of both entities, Eesti Energia AS decided to merge Enefit Solutions AS with Enefit Industry AS at the end of 2025. The merger was entered in the commercial register on 2 January 2026. On 8 January 2026, Enefit Industry AS was transformed from an AS (a limited company defined as ‘aktsiaselts’ under Estonian law) into an OÜ (a limited company defined as ‘osaühing’ under Estonian law).

In April 2025, Eesti Energia AS made a voluntary takeover bid for the shares in Enefit Green AS which were listed on the stock exchange. As a result, it gained ownership of 97.2% of the shares. By 1 August 2025, Eesti Energia AS had acquired 100% of the shares in Enefit Green AS.

On 27 August 2025, Enefit Wind Purtse AS and Tootsi Windpark OÜ merged with Enefit Wind OÜ. In early December 2025, Enefit Green AS sold Tolpanvaara Wind Farm Oy to the TD Greystone Infrastructure Fund.

With effect from 1 January 2026, Eesti Energia AS transferred the business consisting of the provision of advisory services to the electricity business line to Enefit Green AS. As the sole owner of both companies, Eesti Energia AS decided to merge Enefit AS with Enefit Green AS at the end of 2025. The merger was entered in the commercial register on 2 January 2026 (merger balance sheet date 1 October 2025). On 12 January 2026, Enefit AS (previous business name Enefit Green AS) was transformed from an AS (a limited company defined as ‘aktsiaselts’ under Estonian law) into an OÜ (a limited company defined as ‘osaühing’ under Estonian law).

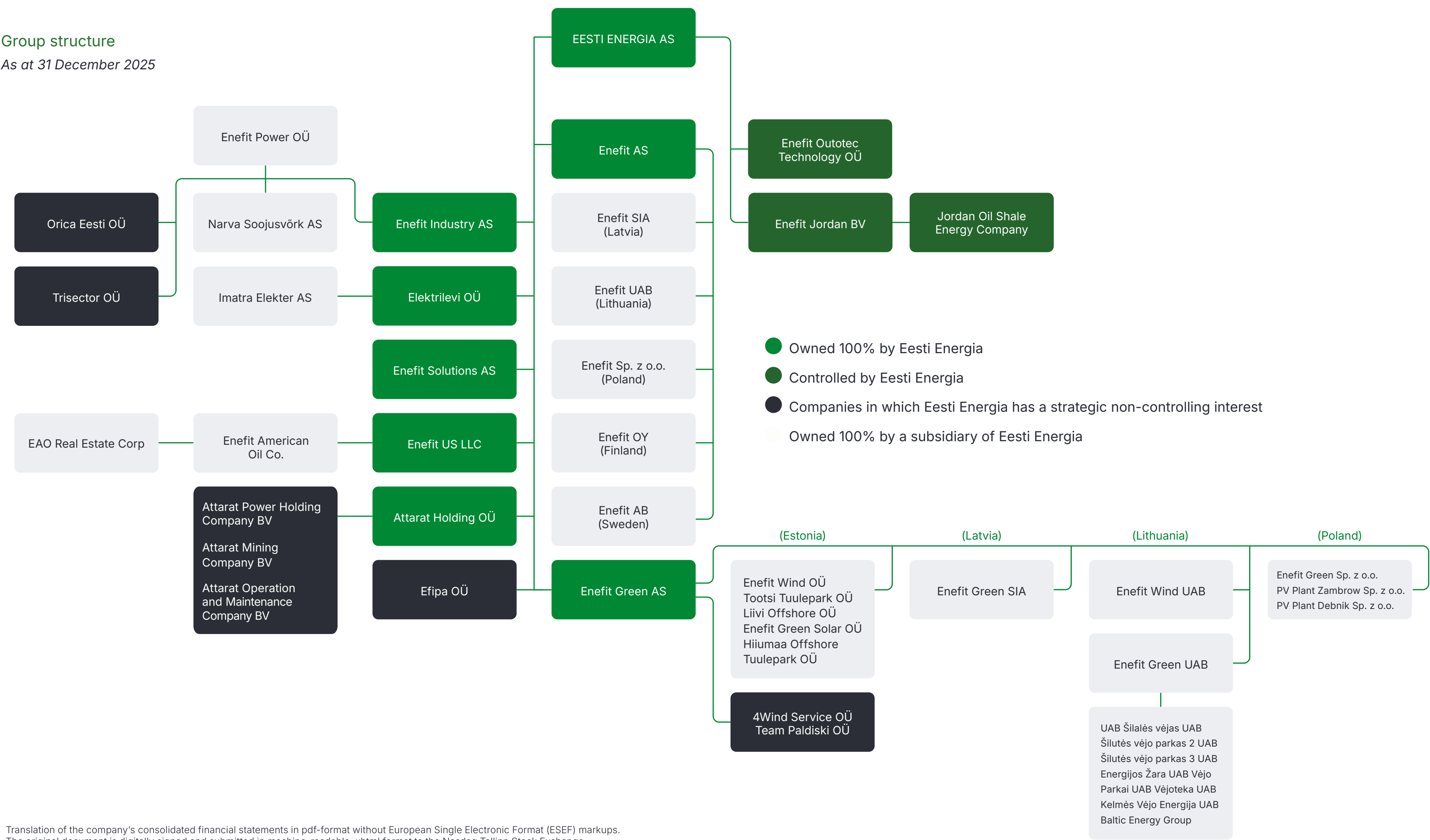
Further intragroup restructuring is planned for the first half of 2026, including the merger of the Enefit Green and the Enefit businesses in Latvia, Lithuania and Poland.

The liquidation of Enefit AB, a legal entity owned by Enefit OÜ, is underway in Sweden.

Elektrilevi OÜ plans to complete the merger of Imatra Elekter AS and Elektrilevi OÜ by the end of 2026.

Group structure

As at 31 December 2025



REPORTING PRINCIPLES

Timely and reliable information is key to quality management decisions. We have established reporting processes to monitor our key performance indicators and other important metrics on a weekly, monthly, quarterly and annual basis. Once a month, we compare our results against the budget and the latest forecast. We update our action plan for the remainder of the year on a quarterly basis, adjusting our business as necessary to reflect current market conditions. We update the Group’s five-year strategic action plan once a year.

We have approved principles for the Group’s key performance indicators to ensure that the activities of all levels of management are aligned with the Group’s main goals. We share information on an ongoing basis to implement more effective performance measures.

The Group’s management accounting tool is Tableau, a business intelligence and analytics software. Modern management information dashboards allow us to obtain feedback on our results quickly, conveniently and interactively, and to make better and faster management decisions.

In addition to various reports submitted to Statistics Estonia, we publish annual and quarterly reports. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards. The annual report is audited and subsequently approved by the Group’s supervisory board. The annual report, together with the report of the supervisory board, is submitted to the general meeting for final approval.

Quarterly and annual results are presented at a press conference and a detailed overview of the results is also made available to employees.

AUDITOR OF THE FINANCIAL STATEMENTS

The financial statements of Eesti Energia are audited in accordance with International Standards on Auditing. According to the company’s articles of association, the auditor is appointed by the general meeting. The general meeting has appointed the audit firm PricewaterhouseCoopers (PwC) as the auditor of the financial statements for 2025.

Risk Management



Risk Management

The management board is ultimately responsible for the Group’s risk management. The Group’s supervisory board, audit committee and internal audit department are responsible for overseeing risk management activities and processes to ensure they are functioning properly.

The purpose of our risk management activities is to:

- support the development and implementation of the strategy;
- contribute to the achievement of the Group’s financial and operational objectives;
- identify potential opportunities;
- prevent undesirable events.

The managers of Group companies and units are responsible for implementing the risk management process and addressing the risks inherent in the Group’s operations that affect its performance.

The Group’s risk appetite is defined in its strategy and reflected in its budget. The Group’s risk tolerance is determined by Group-wide policies, thresholds and limits, as well as legal and regulatory requirements and permits. We have established risk management mandates, limits and thresholds, for example for managing financial risks (including price risk relating to production assets, counterparty credit risk and liquidity risk), as well as environmental risks.

RISK MANAGEMENT FRAMEWORK AND ORGANISATION

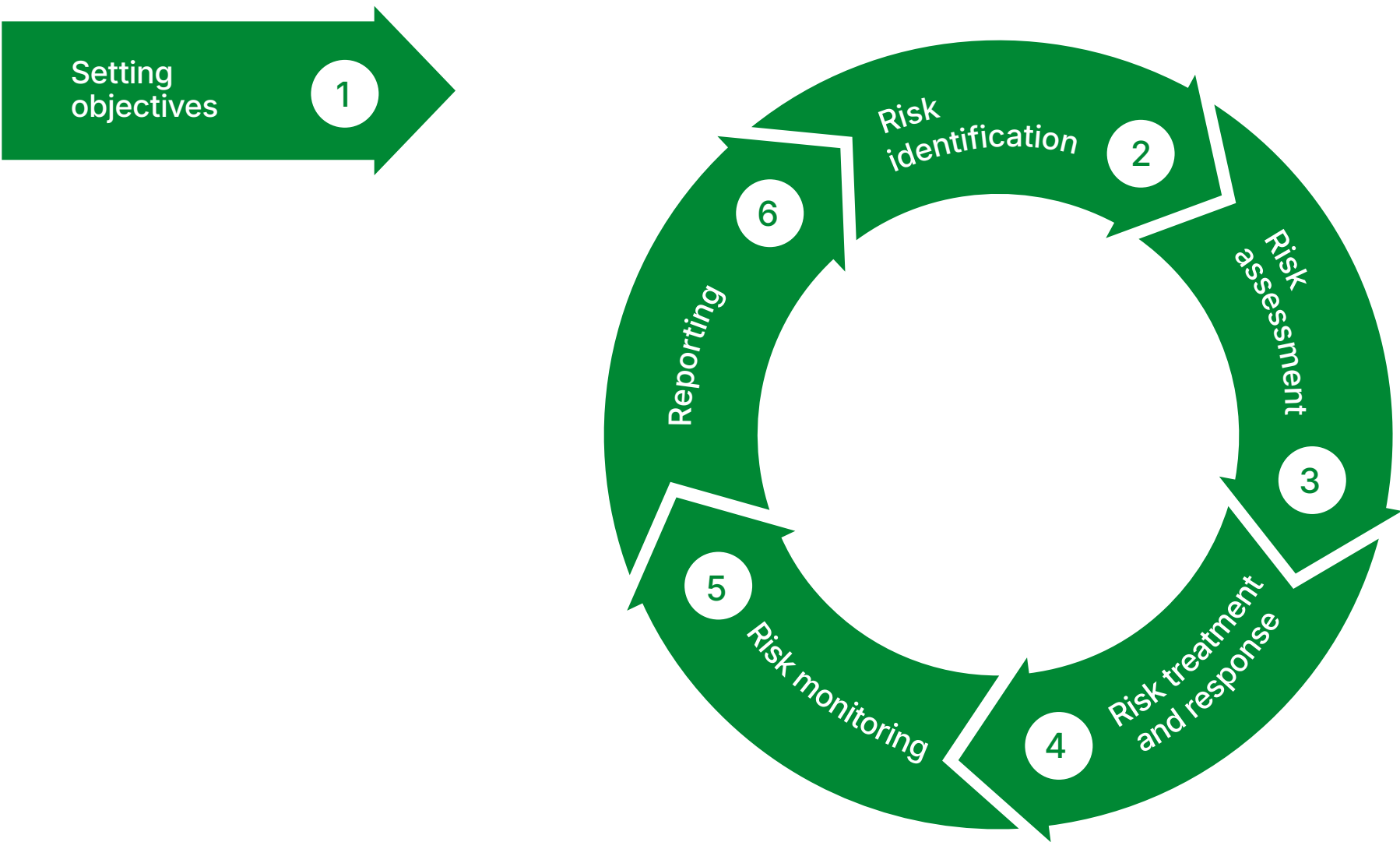
Our risk management framework comprises risk management principles and policies that have been approved by the Group’s supervisory board. These principles and policies describe the risk management

process and the roles and responsibilities of those involved. They also set out the principles and policies for managing the main risks that could prevent the Group from achieving its objectives. When developing these principles and policies, we are guided by international standards and best practice.

We have implemented risk management measures to prevent risks from materialising. The measures are regularly updated to reflect changes in the Group’s strategy, activities and organisational structure.

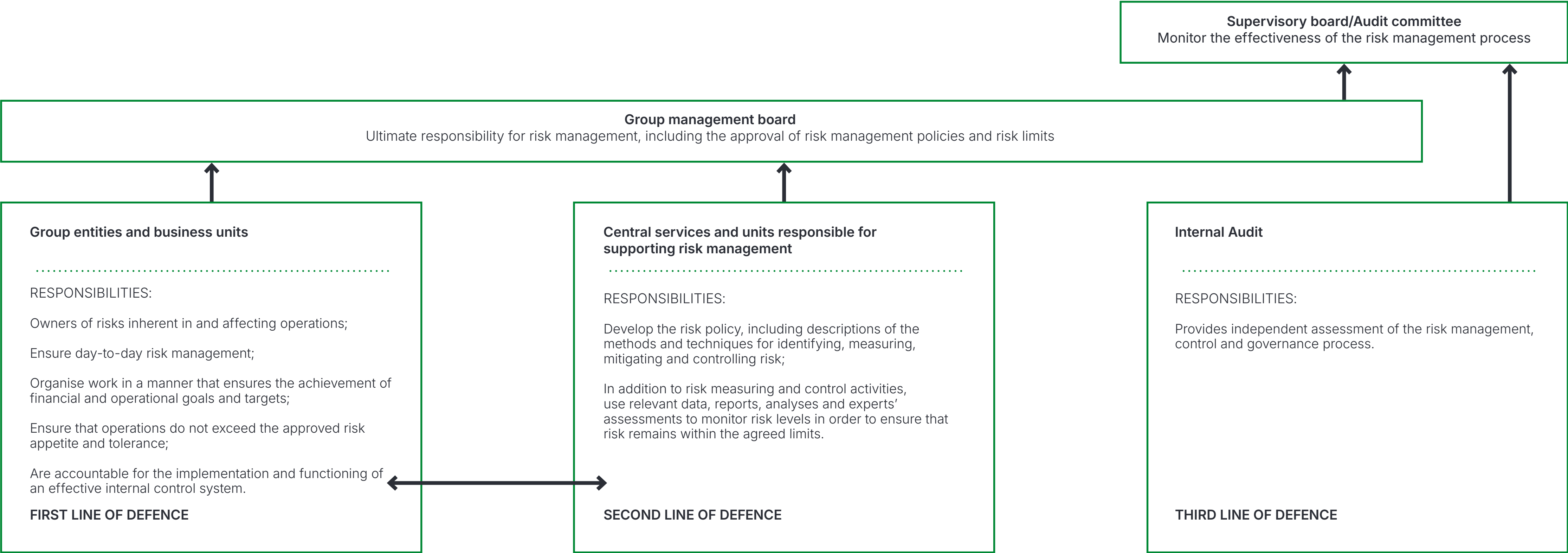
The risks associated with and affecting our activities are identified and assessed, and losses are prevented through the Group’s governance and control processes.

RISK MANAGEMENT PROCESS



RISK MANAGEMENT SYSTEM

Arrows indicate lines of information exchange and reporting.





RISK PROFILE

Our risk profile describes the risks with the greatest potential impact on our business and operations. These include strategic risk, financial risk (including market, credit, liquidity, interest rate and currency risks), technological and technical risk, legal risk, compliance risk, environmental risk, occupational health and safety risk, security and fire risk, tax risk, regulatory risk, third-party risk, information security risk, fraud risk, human resources risk, reputational risk, and personal data protection risk.

Assessing and updating the risk profile is part of our daily management activities. We assess the risks associated with both existing activities and those under development.

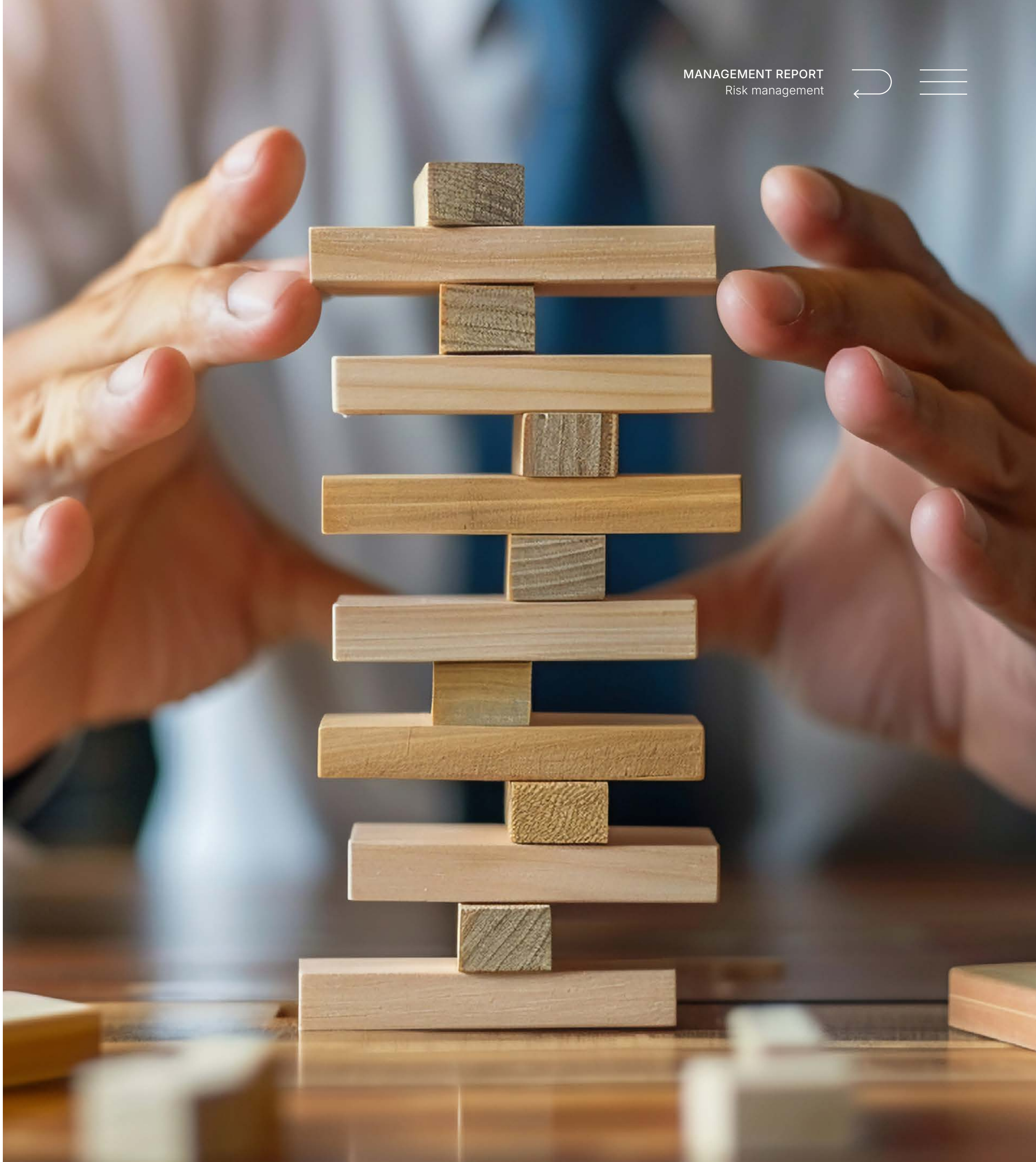
SIGNIFICANT RISKS AND THEIR MITIGATION

Significant risks that could impact our ability to achieve our objectives include financial risks such as liquidity risk, market risk, regulatory risk, environmental risk, information security risk, technological and technical risk, and operational risks. We pay close attention to ensuring the continuity and resilience of essential services and business-critical operations, as well as to data protection and occupational safety.

RISK REPORTING

The Group's risk reporting and information-sharing processes ensure that risk-related information reaches all relevant stakeholders. We measure the success of our risk management processes and activities, as well as the achievement of our risk management objectives, using key performance indicators (KPIs) and other metrics. We validate these by assessing the maturity of risk management.

Any risks that could significantly impact the achievement of the Group's objectives and targets are reported regularly to management teams, the management board, the audit committee and the supervisory board. Management and other relevant parties are promptly informed of any significant events, as well as of any potential or actual changes to the Group's risk profile.



Risks		Key risk management activities
Financial risk: Liquidity risk	Liquidity risk is the risk that the Group will not have sufficient cash or other sources of liquidity to meet its obligations and to implement its strategy.	• The Group's objective is to keep the liquidity coverage ratio above 1.2. To achieve this, the Group maintains sufficient revolving credit facilities (RCFs) and/or raises additional funds. • In 2025, we extended several RCF agreements. • We entered into a new long-term loan agreement of €150 million. • We issued bonds totalling €50 million on the Nasdaq Baltic market.
Financial risk: Market risk	Market risk is defined as the risk of financial loss resulting from fluctuations in financial markets due to changes in commodity prices. The Group's main market risks relate to changes in the prices of electricity, liquid fuels, CO ₂ and natural gas.	• We introduced a new, dynamic methodology for hedging the market risk associated with liquid fuels. • We developed a new, integrated, portfolio-based approach to hedging market risk in electricity generation and sales.
Regulatory risk	The Group's operations are significantly influenced by the requirements established in its main markets and within the European Union. Regulatory risk primarily arises from political and regulatory decisions, as well as how the competent authorities interpret and apply legal requirements. These factors may impact the Group's business conditions and financial results.	• We monitor developments in the regulatory environment and planned legislative changes in the Group's core business areas. • We actively participate in consultations and discussions to represent the Group's interests when legal changes are being drafted. • We ensure that the Group's activities comply with all applicable legislation and legal requirements. • We have mitigated the regulatory risk associated with the negative margin of the capacity reserve service provided by Enefit Power to Elering by signing an agreement to ensure island operation capability – a measure that guarantees the costs of providing the service are covered.
Environmental risk	The strategic objective is to reduce the Group's environmental footprint, particularly industrial emissions. Environmental risk arises when the Group's actions or inactions cause environmental damage that is not in line with agreed objectives.	• We increase efficiency by operating our facilities and equipment optimally, as well as by implementing new technological solutions and circular economy principles. • We control, manage and reduce our environmental impact by applying an environmental management system that complies with ISO 14001 and the Eco-Management and Audit Scheme (EMAS). • We operate in accordance with applicable environmental legislation and the requirements of the environmental permits issued to us. • We systematically collect and analyse monitoring data, initiate additional studies where necessary, and implement preventive measures based on the information obtained. • When combining or applying for environmental permits, we conduct a risk analysis, plan activities and start communicating and cooperating with the relevant officials as early as possible in order to prevent problems.
Information security risk	Information security risk is defined as the possibility that a Group company will be unable to achieve its business objectives due to deficiencies in the use of IT solutions. The main risks are information system failure and loss of data (including customer data) integrity or confidentiality.	• We conduct and update risk analyses for essential and business-critical activities. • We increase employee awareness of information and cyber security through training and seminars. • We regularly monitor cyber security incidents.
Technological and technical risk	Technological and technical risk is defined as the possibility that technological solutions will not meet strategic expectations, or that technical systems or control, management and/or security systems will fail or be subject to attacks that disrupt their operation and services, resulting in service and/or production interruption, accidents with a significant impact and/or extensive loss or damage (including environmental damage).	• We collaborate with research institutions and technology developers to find solutions that are more reliable, environmentally friendly and efficient. • We apply the principles of the ISO 55001 asset management standard. • We implement additional cybersecurity solutions. • We analyse the root cause of every significant incident and develop measures to reduce the likelihood of similar events occurring, as well as their potential negative impact.
Business continuity risk	The ultimate goal of business continuity is to make Group companies or units that provide essential, business-critical or continuity-critical services resilient to adverse circumstances, so that the Group can fulfil its obligations and achieve its business objectives.	• We regularly update our business continuity risk analyses and plans in line with changes in the external environment and within the Group. • We organise training exercises to test recovery plans at individual units and across the Group. • We establish crisis committees at subsidiaries. • We identify business-critical services and review them regularly.

Financial Results

Revenue and EBITDA

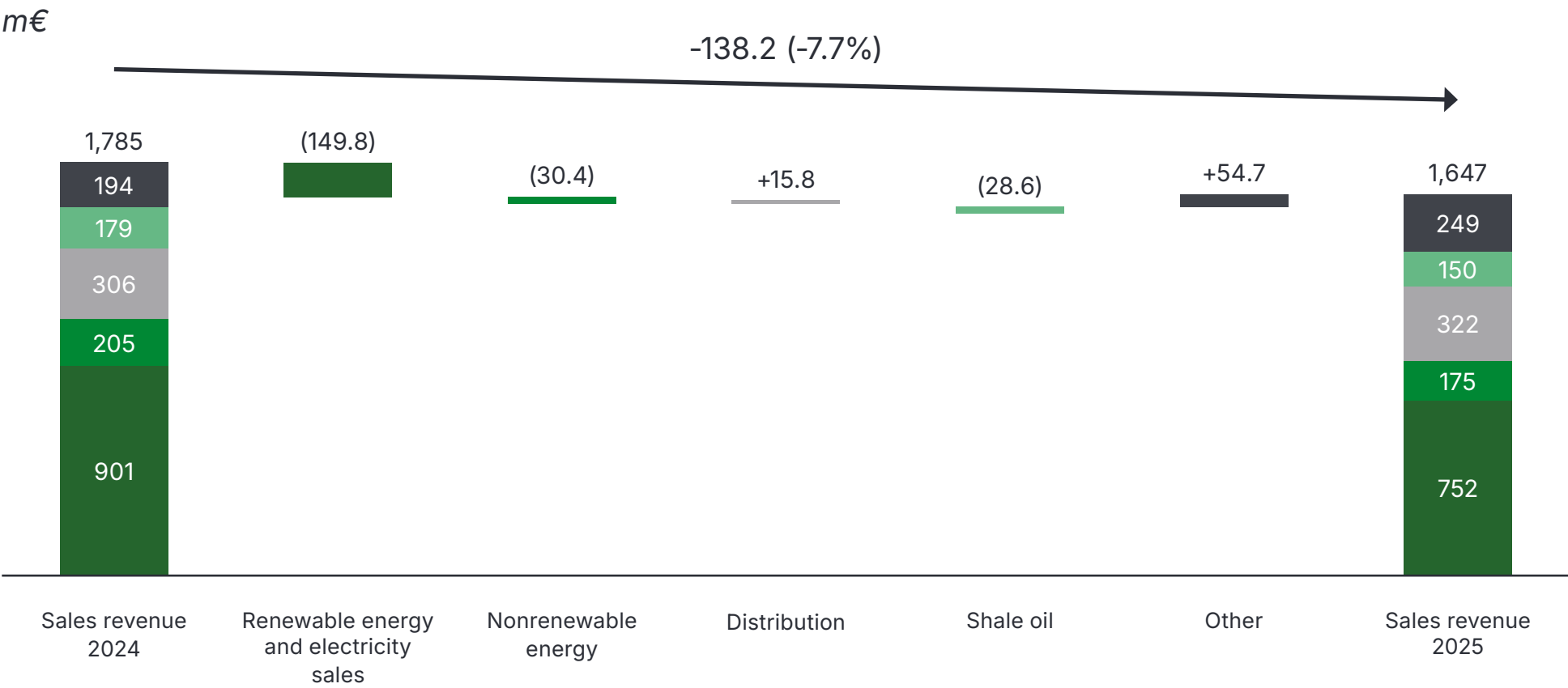
Eesti Energia's revenue for 2025 was €1,646.9 million, 8% (-€138.2 million) lower than in 2024. Most of the decrease came from electricity-related segments: revenue from renewable energy and electricity sales dropped by 17% (-€149.8 million) and revenue from non-renewable electricity production declined by 15% (-€30.4 million). In both cases, the main reason was a significant year-on-year decrease in the average sales price.

EBITDA for the year was €317.2 million, 20% (€81.0 million) lower than in 2024:

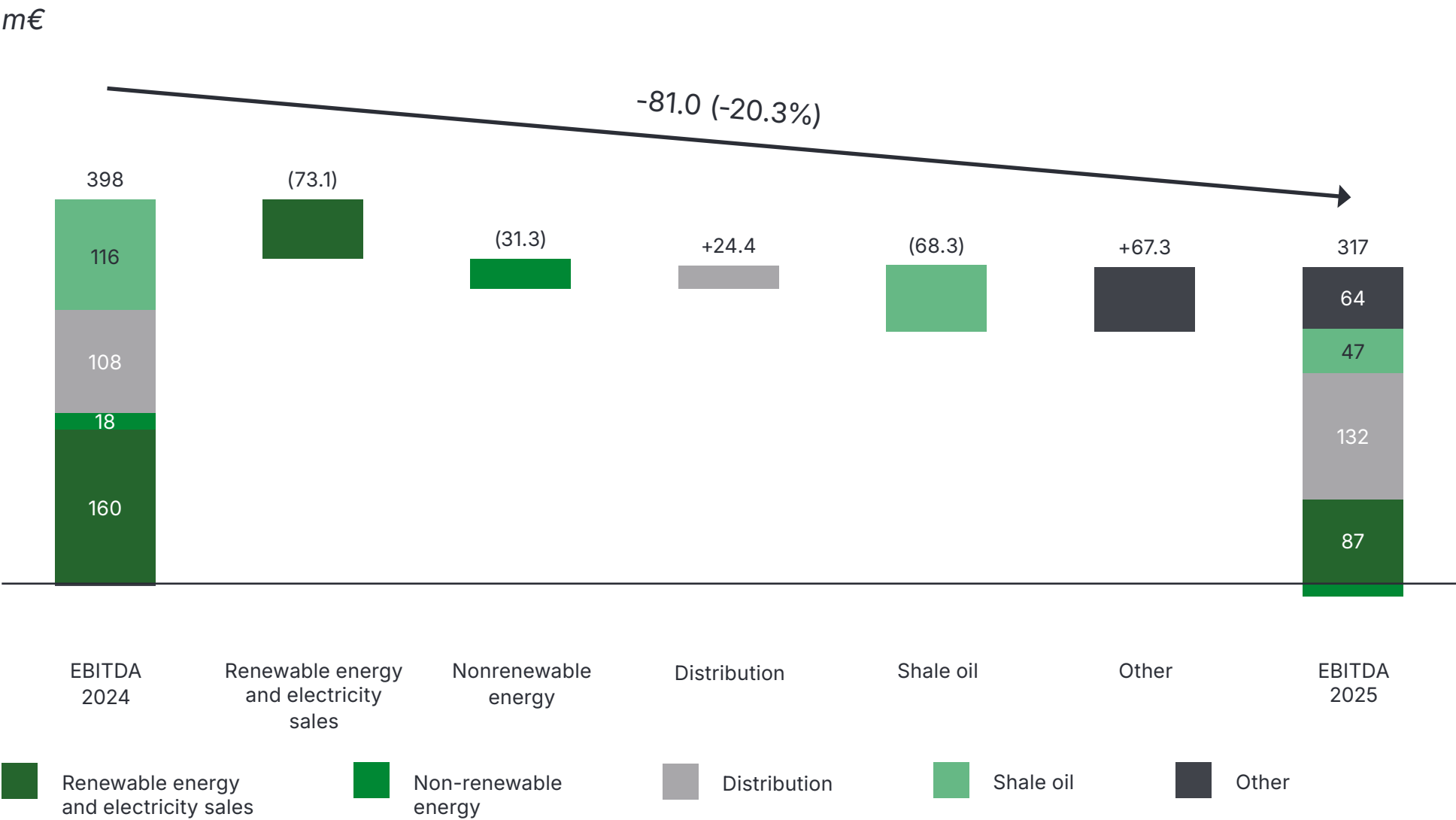
- EBITDA from renewable energy and electricity sales and non-renewable electricity production fell, mainly due to lower average sales prices.
- Distribution EBITDA increased, driven by a higher margin and lower fixed costs.
- Shale oil EBITDA declined, because the figure for the previous year was improved by a one-off gain from the use of additional CO₂ emission allowances allocated free of charge. Excluding the impact of this exceptional item, the segment's EBITDA remained comparable to 2024.
- EBITDA from other products and services increased by €67.3 million, primarily through higher revenue from flexibility services

Net loss for 2025 was €82.6 million (€95.5 million lower than in 2024). Net loss for the reporting period includes losses from asset impairments of €197.6 million, of which €194.5 million were related to shale oil production assets.

Group's sales revenue breakdown and change



Group's EBITDA breakdown and change



Renewable Energy Production and Electricity Sales

The renewable energy production and electricity sales segment reflects the results of renewable energy generation and electricity sales and tradingsi.

REVENUE

The sales price of electricity decreased and sales volume remained stable compared to 2024. As a result, the segment’s revenue for 2025 was €751.5 million, 17% (-€149.8 million) lower than in the prior year.

RENEWABLE ENERGY PRODUCTION VOLUME

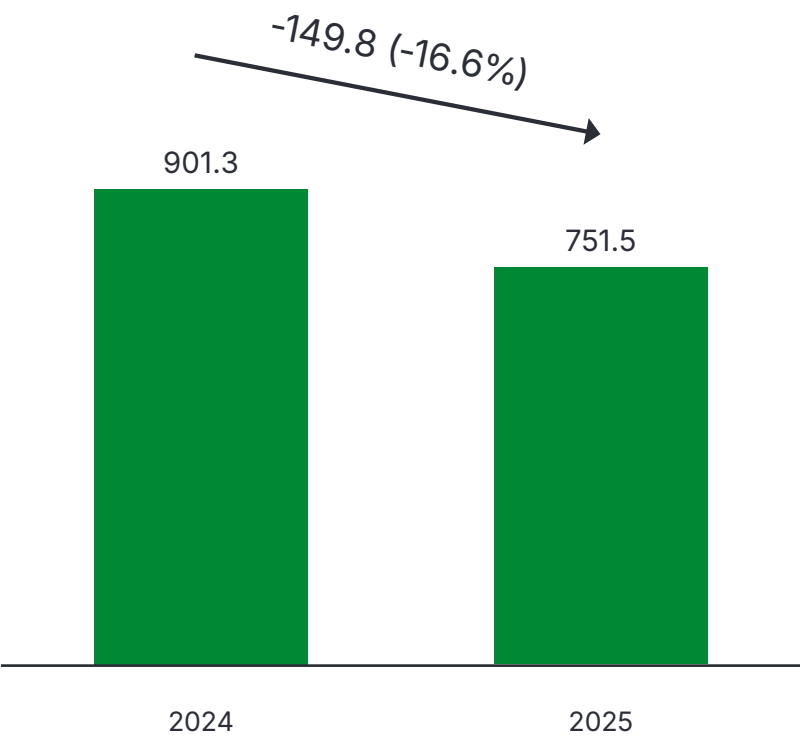
The Group’s renewable energy generation grew by 128 GWh (+6%) to 2,257 GWh in 2025. The largest share of renewable energy came from wind farms, which produced 1,809 GWh of electricity (+8%, +128 GWh). The main growth drivers were Sopi-Tootsi in Estonia and Kelmė I and Kelmė II in Lithuania, which contributed 704 GWh of wind power during the year (+503 GWh).

	2025	2024	Change
Renewable energy production, GWh	2,257	2,129	+128
incl. Estonia	1,323	1,178	+146
incl. Lithuania	798	737	+60
incl. Latvia	14	2	+12
incl. Poland	33	32	+1
incl. Finland	89	180	(91)
Renewable energy production, GWh	2,257	2,129	+128
incl. existing assets	1,464	1,744	(281)
incl. sold assets	89	184	(95)
incl. new wind and solar farms	704	201	+503

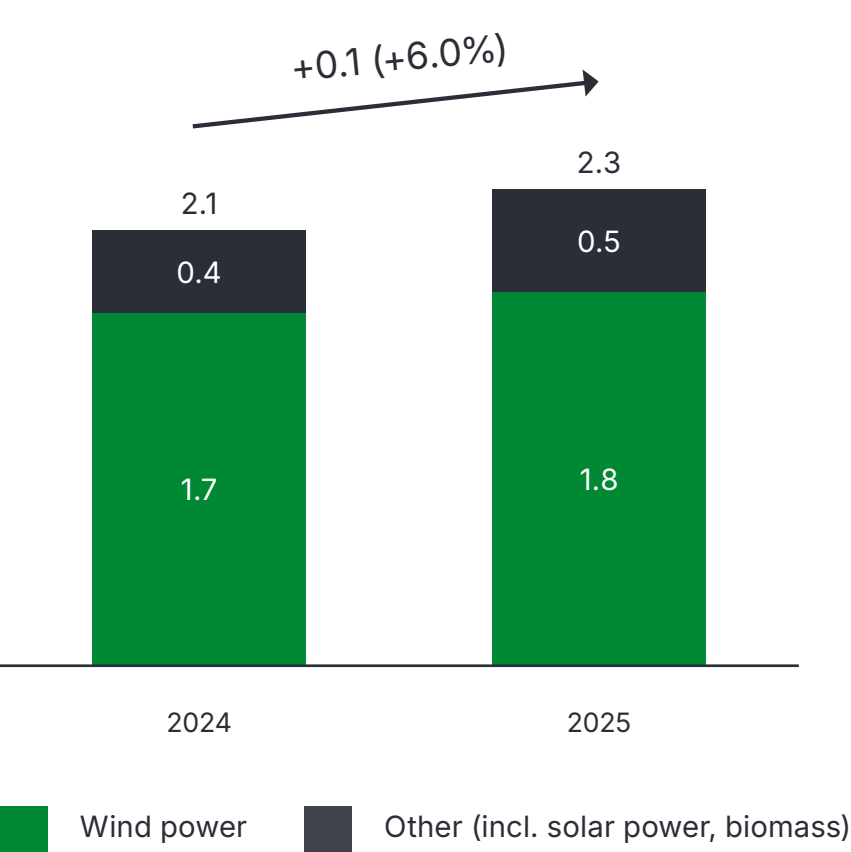
Share of renewable energy production and electricity sales in Group's sales revenue and EBITDA %



Sales revenue m€



Production TWh



The Sopi-Tootsi green energy site, which opened in 2025, is one of the most significant renewable energy development projects in Estonia in recent years. Built on a former peat field, the wind and solar farm produces enough electricity to meet around a tenth of Estonia’s annual consumption. The Kelmė I and II wind farms in Lithuania, with a combined capacity of 167 MW, have also significantly increased the region’s renewable energy production capacity.

SALES VOLUME AND EESTI ENERGIA'S MARKET SHARE

Compared to 2024, retail sales of electricity decreased by 478 GWh (-5%) to 9,361 GWh. Retail sales by market were as follows: Estonia 3,183 GWh (-237 GWh), Latvia 1,610 GWh (-14 GWh), Lithuania 2,631 GWh (-77 GWh) and Poland 1,902 GWh (-148 GWh).

In terms of customers’ electricity consumption, Eesti Energia’s market share in Estonia was 44% in 2025, 3 percentage points lower than in the prior year. The decrease is mainly attributable to stiff competition in the electricity market. Eesti Energia’s market shares in Latvia and Lithuania were 22% and 23%, respectively. Compared to 2024, we lost 4 percentage points of market share in Latvia, but gained 1 percentage point in Lithuania.

Key indicators for renewable energy and electricity sales

		2025	2024
EBITDA per sales volume	€/MWh	9.9	18.3
EBITDA per assets	%	4.2	8.0

EBITDA FROM RENEWABLE ENERGY PRODUCTION AND ELECTRICITY SALES

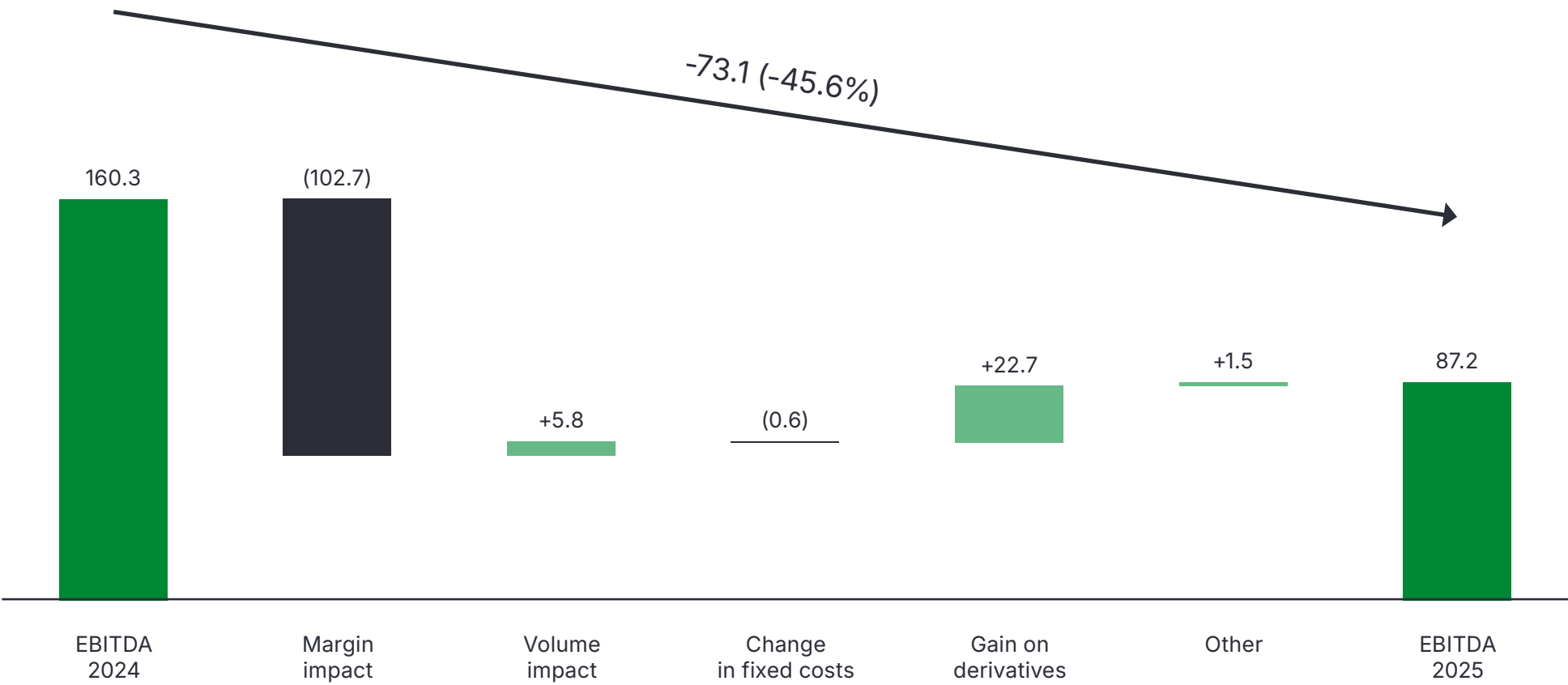
EBITDA from renewable energy production and electricity sales amounted to €87.2 million in 2025 (-46%, -€73.1 million). The key factor was a lower margin, which reduced EBITDA by €102.6 million (-€12/MWh) compared to 2024. Average revenue decreased by €21/MWh, while average variable costs declined by €9/MWh due to lower electricity purchase costs.

EBITDA was positively impacted by realised derivative transactions (+22.7 million) and growth in sales volume (+€5.8 million). Although retail sales of electricity decreased, the quantities sold on the power exchange increased year on year.

Other impacts of +€1.5 million mainly reflect changes in the values of derivative transactions, including +€4.4 million from the change in the value of long-term PPAs.

Renewable energy production and electricity sales EBITDA development

m€



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 2025, the segment’s revenue decreased by €30.4 million (-15%) to €174.8 million, mainly due to the decrease in production volume.

NON-RENEWABLE ELECTRICITY PRODUCTION VOLUME

Although the production of renewable electricity has increased across the Baltics, reducing the need for fossil fuel power plants, these plants still play a vital role in ensuring the availability of dispatchable power in the region.

In 2025, we produced 1,366 GWh of non-renewable electricity, 18% (-295 GWh) less than in 2024. The decline resulted from a major overhaul carried out at the Auvere power plant in the third quarter and at the Balti power plant in the fourth quarter, as well as lower market prices.

Since our oil-shale-based power plants primarily serve as reserve capacity within our portfolio, we operate them mainly according to market and system needs. In periods of low market prices, this also results in significantly lower production volumes.

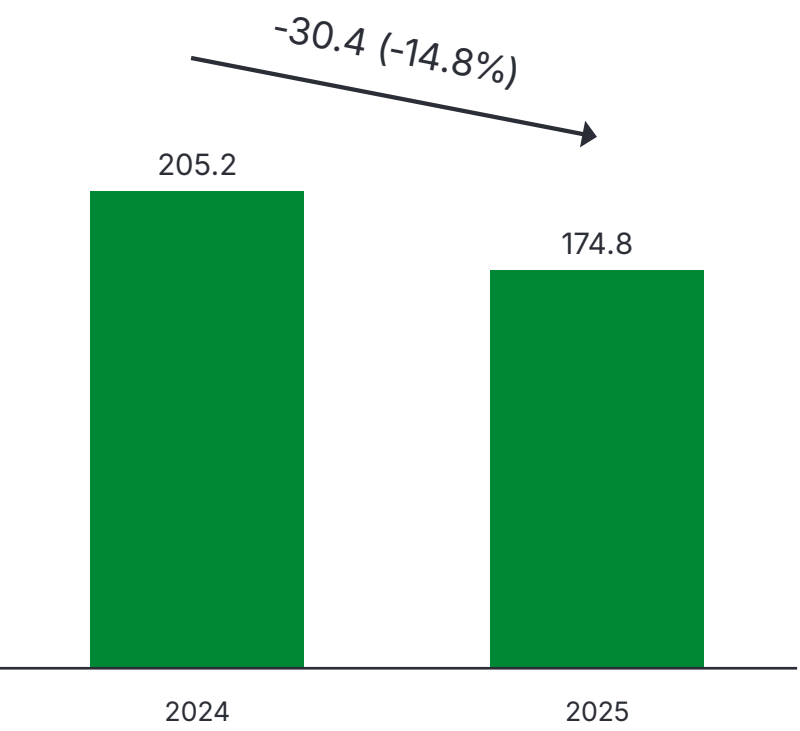
Key indicators for non-renewable electricity production

		2025	2024
EBITDA per sales volume	€/MWh	(7.4)	10.8
EBITDA per assets	%	(6.4)	6.8

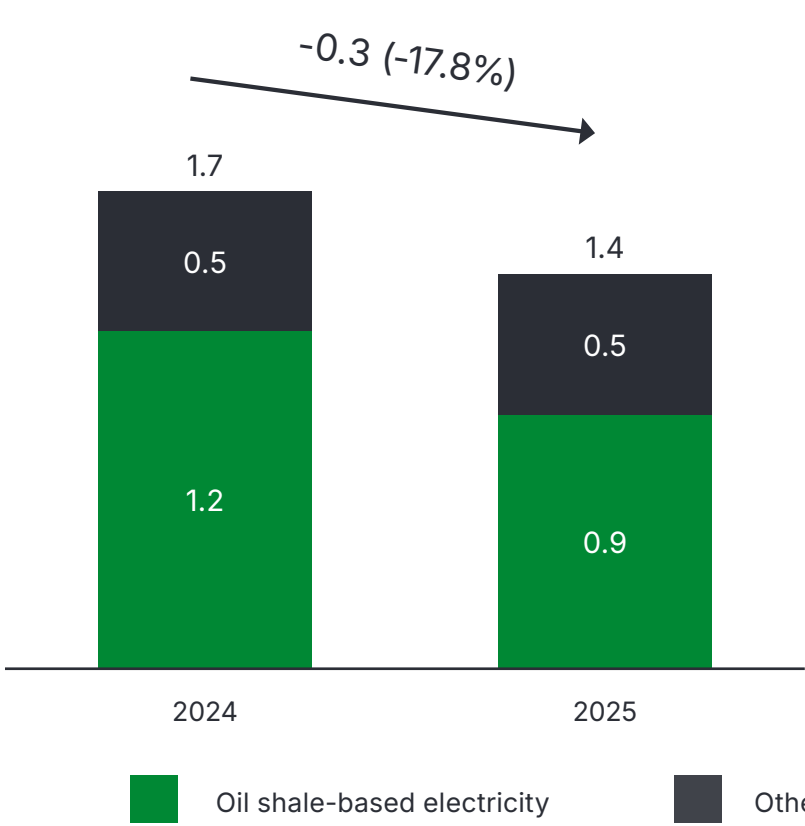
Share of non-renewable electricity production in the Group's revenue and EBITDA %



Sales revenue m€



Production TWh



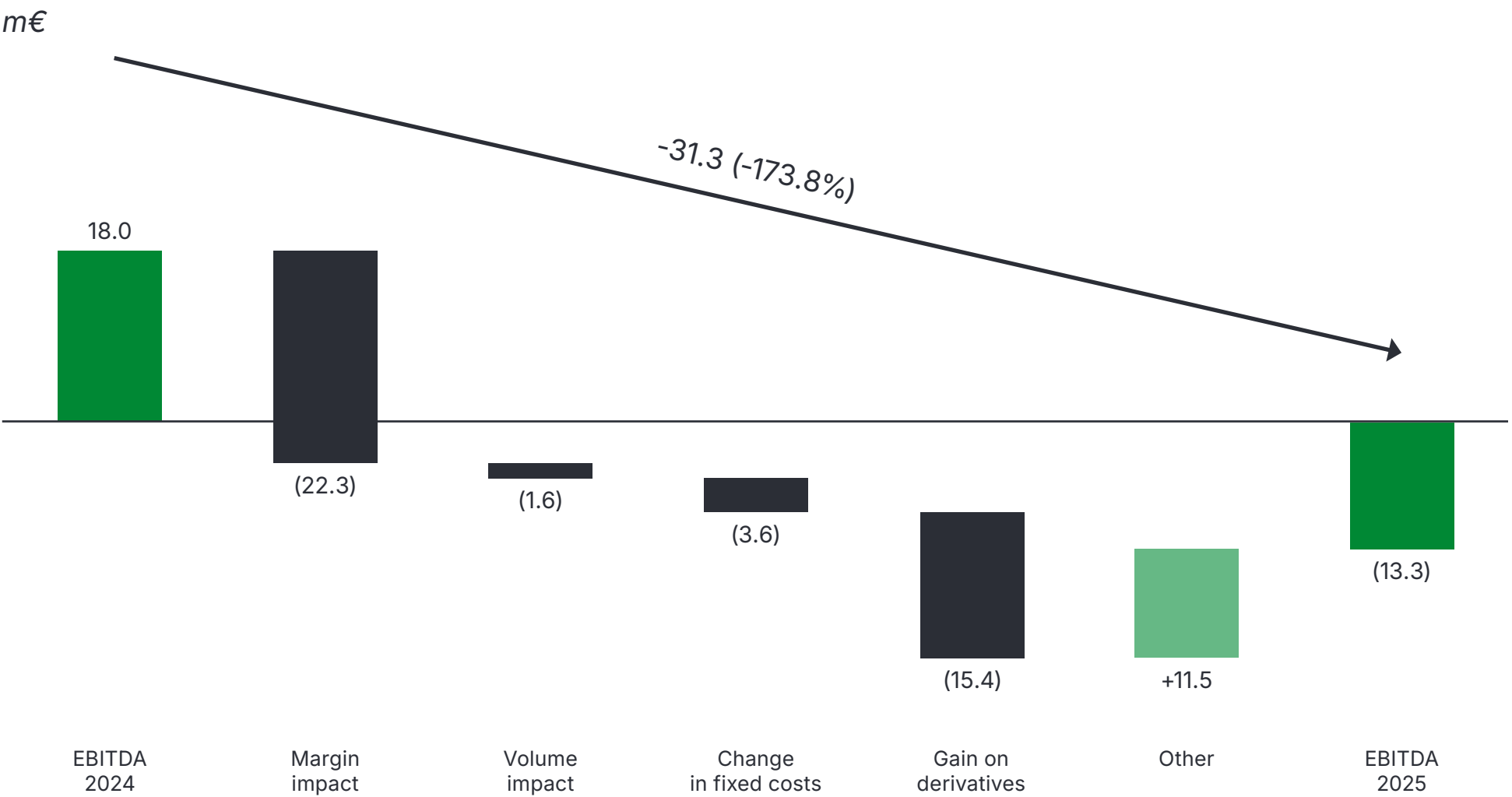
EBITDA FROM NON-RENEWABLE ELECTRICITY PRODUCTION

The non-renewable electricity production segment's EBITDA for 2025 was negative at €13.3 million (–€31.3 million). This was mainly due to a lower margin, which reduced EBITDA by €22.3 million (–€12/MWh) compared to 2024. Average variable costs remained stable and the margin decrease resulted from a fall in the average sales price.

The decrease in realised gain on derivative transactions lowered EBITDA by a further €15.4 million (realised gain was €22.6 million for 2024 and €7.2 million for 2025).

Other impacts of +€11.5 million mainly reflect changes in the values of unrealised derivative transactions (an impact of +€8.0 million compared to 2024) and the recognition of environmental provisions (an impact of +€4.3 million).

Non-renewable energy production EBITDA development



Distribution

DISTRIBUTION REVENUE, SALES VOLUME AND PRICE

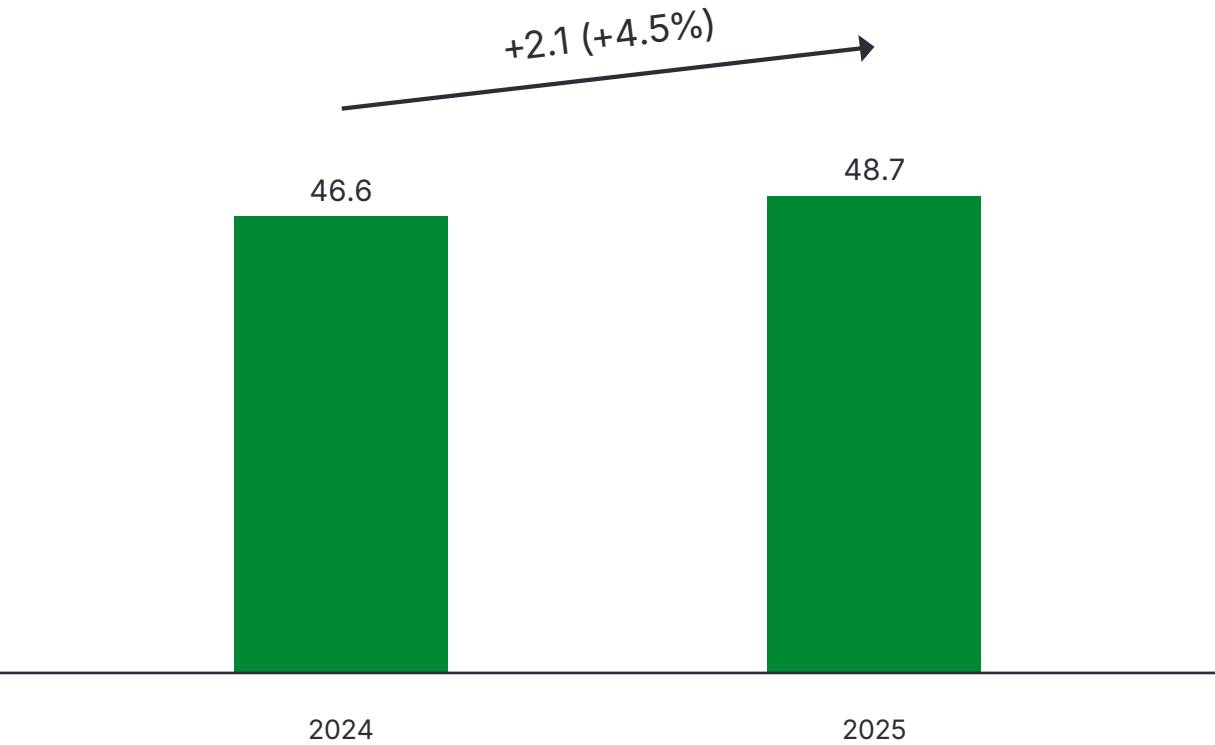
In 2025, distribution service revenue increased by 5% to €321.5 million (+€15.8 million), while sales volume remained stable (+0.6%), amounting to 6,598 GWh (+41 GWh). The slight growth in sales volume was driven by an improvement in the economic environment, which boosted sales to corporate customers (+0.9%).

The average price of the distribution service was €48.7/MWh (+4.5%), reflecting an increase of €2.1/MWh compared to 2024 due to changes in network charges.

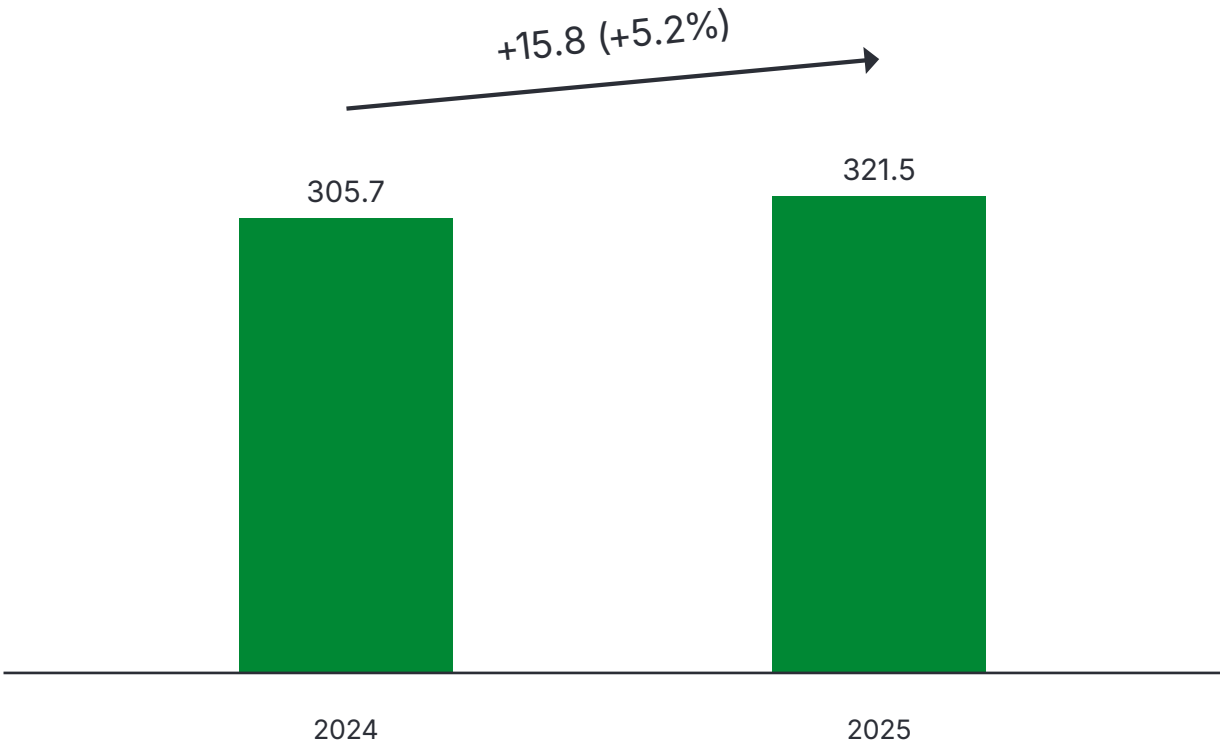
Share of distribution product in Group's sales revenue and EBITDA
%



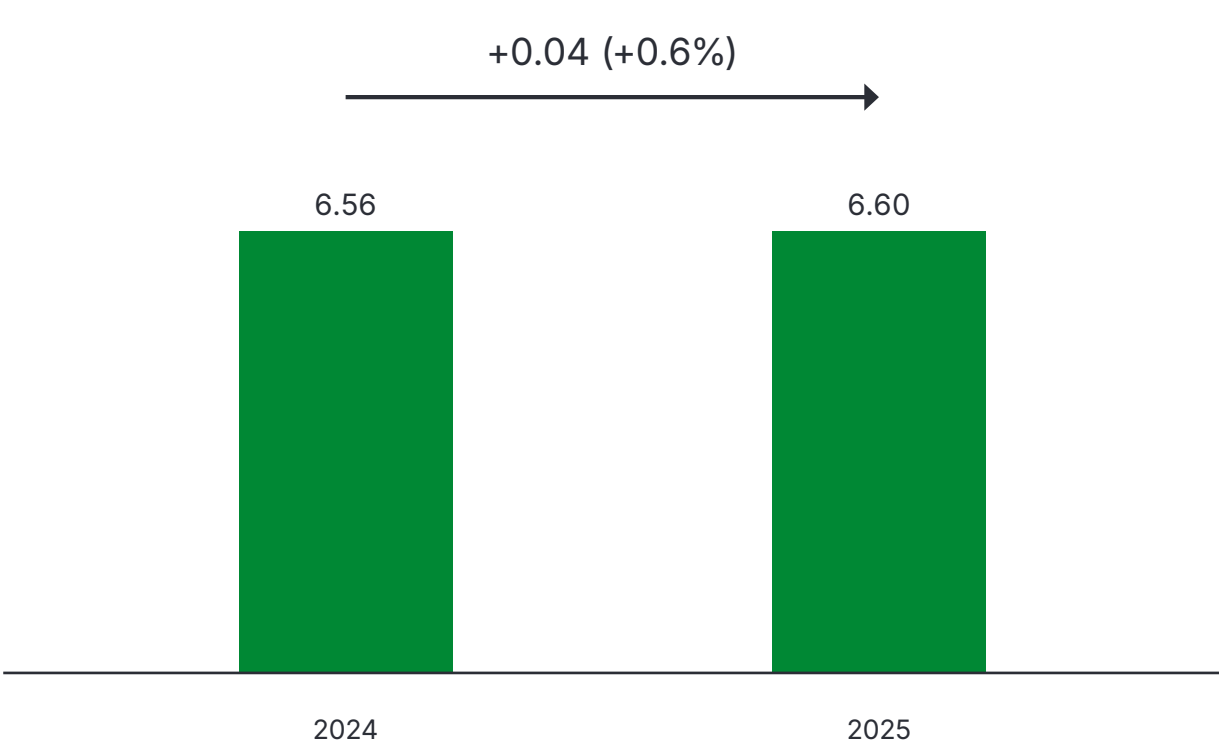
Average distribution sales price
€/MWh



Distribution sales revenues
m€



Distribution volume
TWh



SUPPLY INTERRUPTIONS

In 2025, the average duration of unplanned supply interruptions was 179.5 minutes (2024: 142.2 minutes). Due to adverse weather conditions, the number of unplanned interruptions was the highest in July.

The average duration of planned supply interruptions was 91.0 minutes (2024: 86.0 minutes). The duration of planned supply interruptions depends on the extent of planned network maintenance and renewal.

Power outages can be reduced by replacing bare conductors with weatherproof cables. At the end of 2025, 97.5% of our low-voltage distribution network and 48.1% of our medium-voltage distribution network was weatherproof.

Key indicators for distribution

		2025	2024
Distribution losses	GWh	300.3	312.6
SAIFI	index	2.2	1.5
SAIDI (unplanned)	index	179.5	142.2
SAIDI (planned)	index	91.0	86.0
EBITDA per assets	%	7.7	6.9

DISTRIBUTION LOSSES

Distribution losses amounted to 300.3 GWh, i.e. 4.1% in 2025. The amount of distribution losses decreased by 12.3 GWh and the rate of distribution losses declined by 0.2 percentage points compared to 2024.

DISTRIBUTION EBITDA

Distribution EBITDA for 2025 was €132.3 million (+23%, +€24.4 million). EBITDA increased, driven by a higher margin, which improved EBITDA by €17.5 million. Average revenue grew by €2.1/MWh and average variable costs decreased by €0.5/MWh. The decline in variable costs resulted from reduced spending on electricity purchased to cover network losses. The positive effect came from a decrease in both distribution losses and the market price of electricity.

EBITDA was also improved by a decrease in fixed costs (impact: +€5.7 million). The impact is mainly related to lower repair and maintenance costs: we have reduced the amount of work we outsource and increased our own employees' involvement in the repair and maintenance of the distribution network, which has increased efficiency.

Distribution EBITDA development



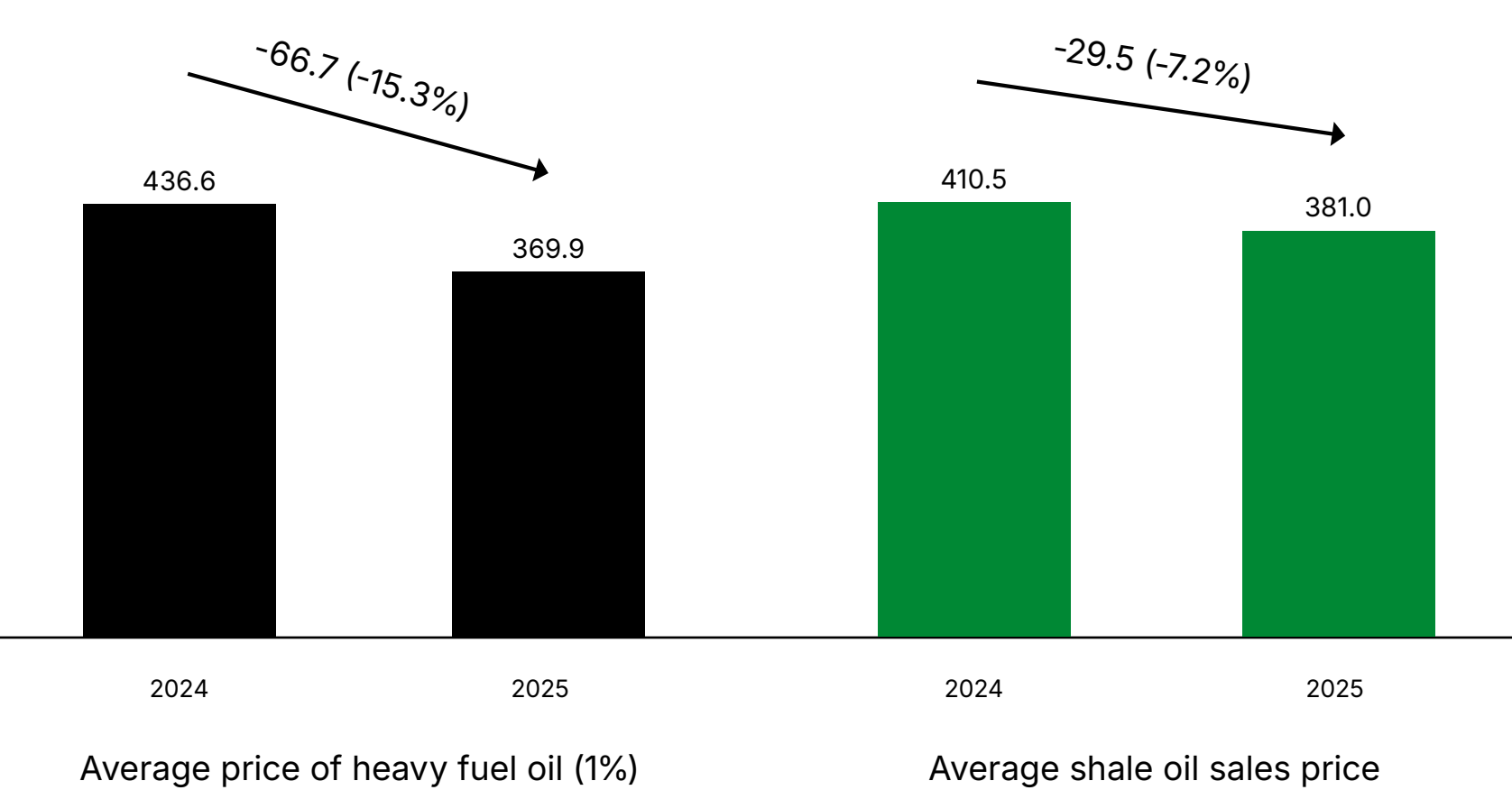
Shale Oil

SHALE OIL REVENUE AND SALES VOLUME

We sold 393.8 thousand tonnes of shale oil in 2025, which generated revenue of €150.0 million. Shale oil revenue decreased by 16% (–€28.6 million) year on year. Shale oil sales volume declined by 9% (41.3 thousand tonnes) compared to 2024, primarily due to long-term repairs carried out at the oil plants, which reduced shale oil output as well as sales opportunities.

Average shale oil sales price

€/t



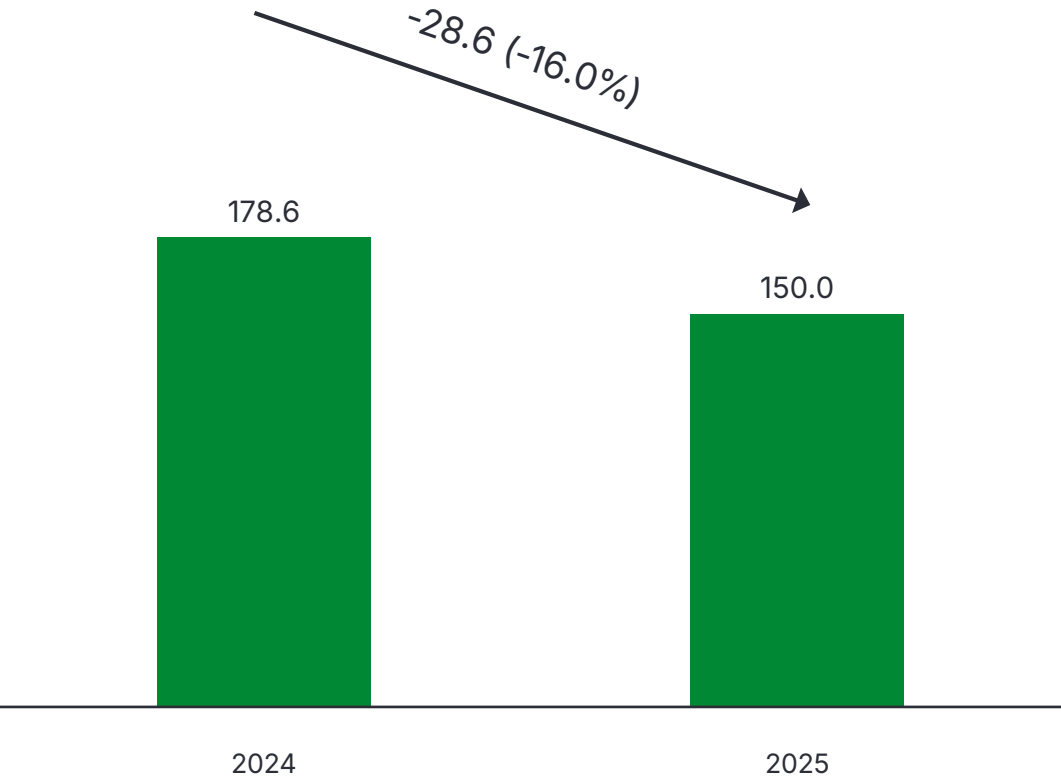
Share of shale oil product in Group's sales revenue and EBITDA

%



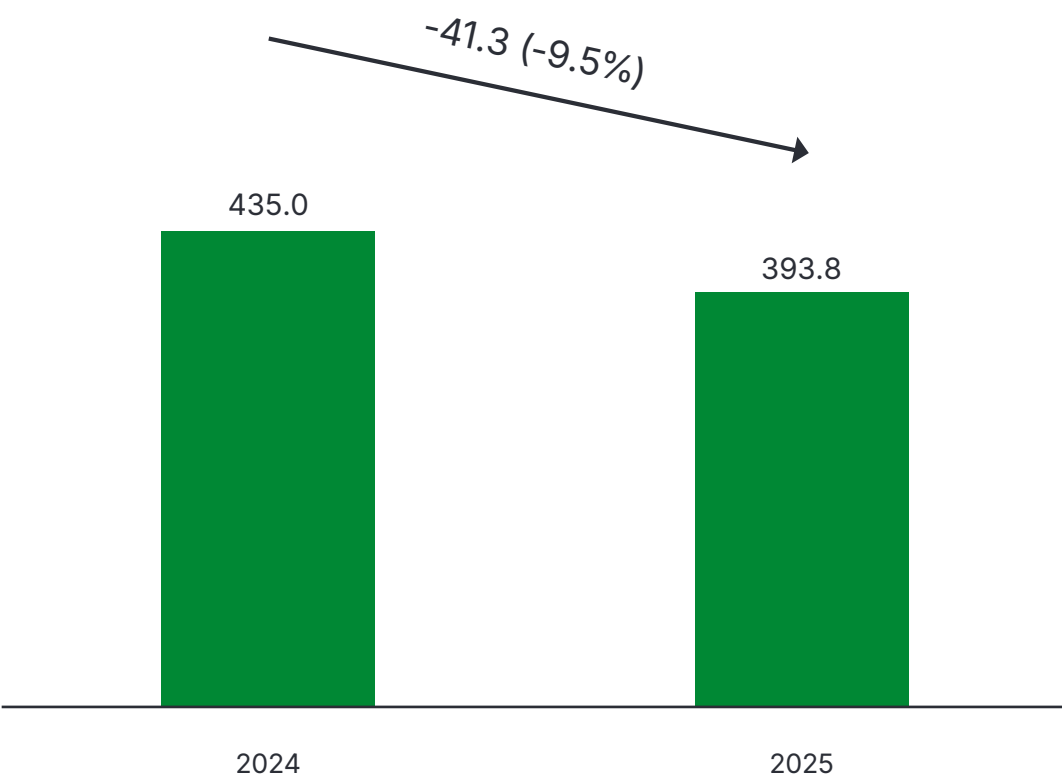
Shale oil sales revenue

m€



Shale oil sales volume

'000 tonnes



SHALE OIL PRICE

The average sales price of shale oil including the impact of derivative transactions was €381.0/t (-7%, -€29.5/t compared to 2024).

The average sales price of shale oil (excluding the impact of derivative transactions) decreased by 17% year on year to €360.9/t (-€75.1/t). Derivative transactions resulted in a gain of €20.1/t (2024: a loss of €25.5/t).

SHALE OIL PRODUCTION VOLUME

We produced 378.4 thousand tonnes of shale oil in 2025, which is 16% (-73.0 thousand tonnes) less than in 2024. The decline in production volume is attributable to restrictions on the use of retort gas at the power plants as well as a general overhaul at the Enefit 280-1 oil plant.

Key indicators for shale oil

		2025	2024
EBITDA per sales volume	€/t	120.0	265.6
EBITDA per assets	%	8.4	16.3

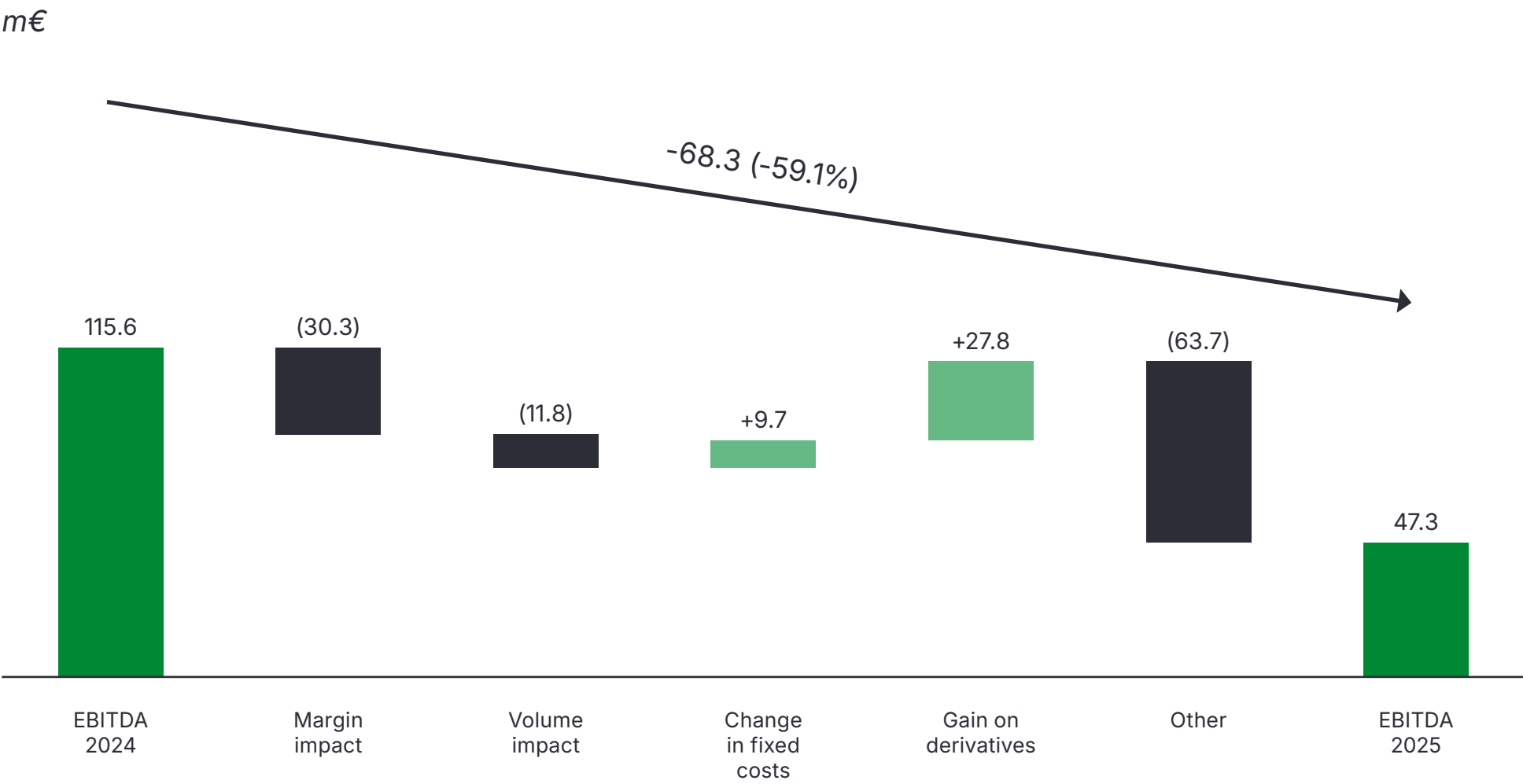
SHALE OIL EBITDA

Shale oil EBITDA for 2025 was €47.3 million (-59%, -€68.3 million). A key factor was a decrease in the margin, caused by a lower sales price (average revenue decreased by €75/t compared to 2024), which reduced EBITDA by €30.3 million (-€77/t). The decrease in shale oil sales volume by 41 thousand tonnes (-9%) to 394 thousand tonnes reduced EBITDA by €11.8 million compared to 2024.

The change in realised gain on derivative transactions and the decrease in fixed costs had a positive impact, improving EBITDA by €27.8 million and €9.7 million, respectively. The segment’s fixed costs have decreased due to a decline in the payroll costs of the units involved in oil shale mining and repair and maintenance operations.

Other impacts of -€63.7 million mainly reflect the effect of a one-off transaction in the comparative period: shale oil EBITDA for 2024 was increased by the use of additional CO₂ emission allowances allocated free of charge, which had an impact of +€64.8 million.

Shale Oil EBITDA development



Other Products and Services

The segment of other products and services includes the sale of natural gas, heat, industrial equipment, and solar and charging solutions. The impact of one-off transactions, the Group’s participation in system services (frequency markets), and some of the Group’s central development and fixed costs are also reported in this segment.

REVENUE FROM THE SALE OF OTHER PRODUCTS AND SERVICES

In 2025, revenue from the sale of other products and services amounted to €249.1 million. Compared to 2024, revenue increased by 28% (€54.7 million).

Revenue growth was driven by flexibility services, which generated revenue of €54.3 million in 2025 (+€45.3 million). Revenue from the sale of natural gas decreased by €16.2 million, while revenue from the sale of heat increased by €4.2 million.

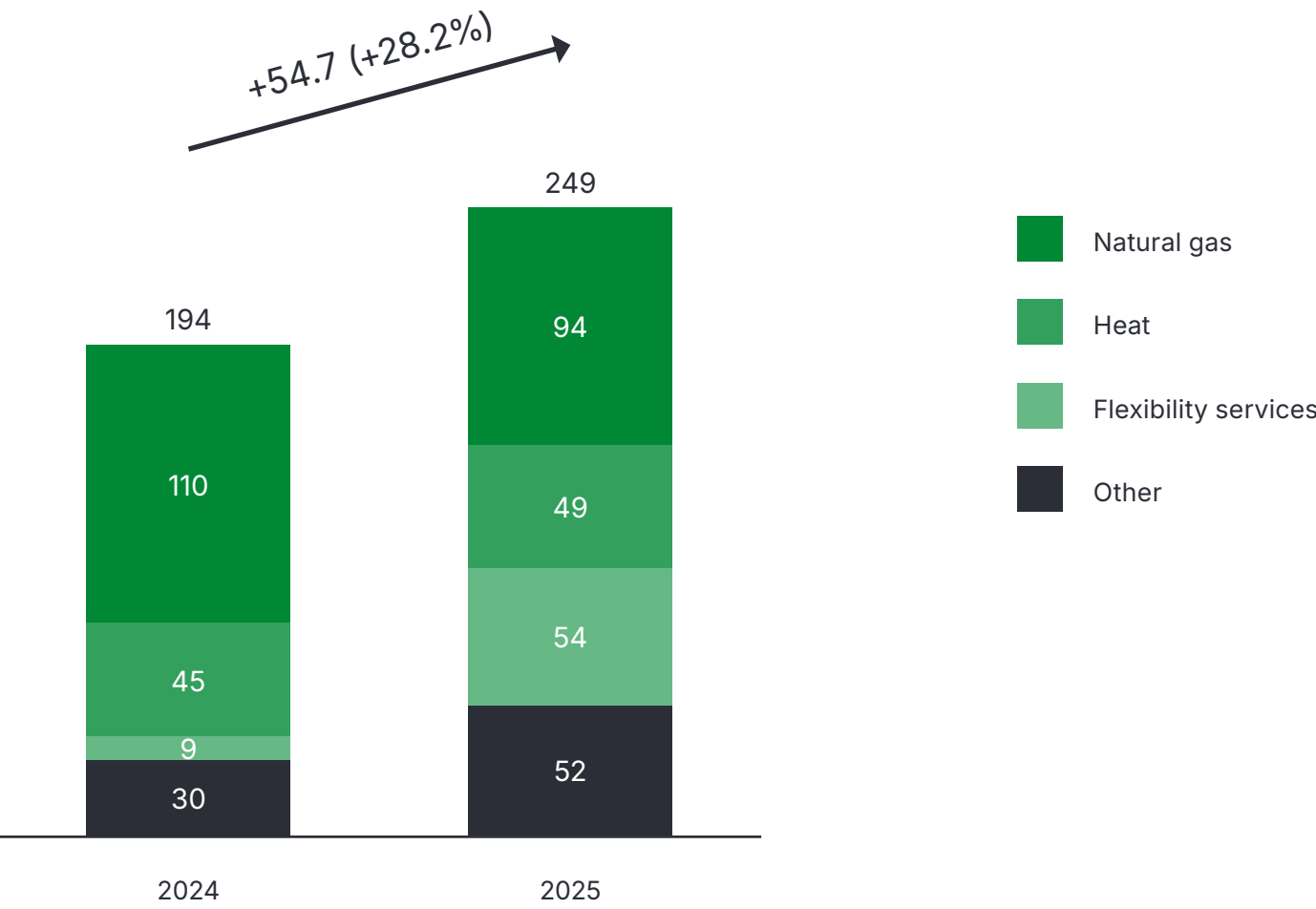
EBITDA FROM OTHER PRODUCTS AND SERVICES

In 2025, EBITDA from other products and services increased by €67.3 million to €63.7 million. The main growth driver was flexibility services (+€57.0 million). The profitability of flexibility services was significantly impacted by the exceptional market situation in the first half of the year, primarily due to the connection of the transmission network to the continental European grid. In the second half of the year, the flexibility services market stabilised.

Share of other products and services in Group's sales revenue and EBITDA %



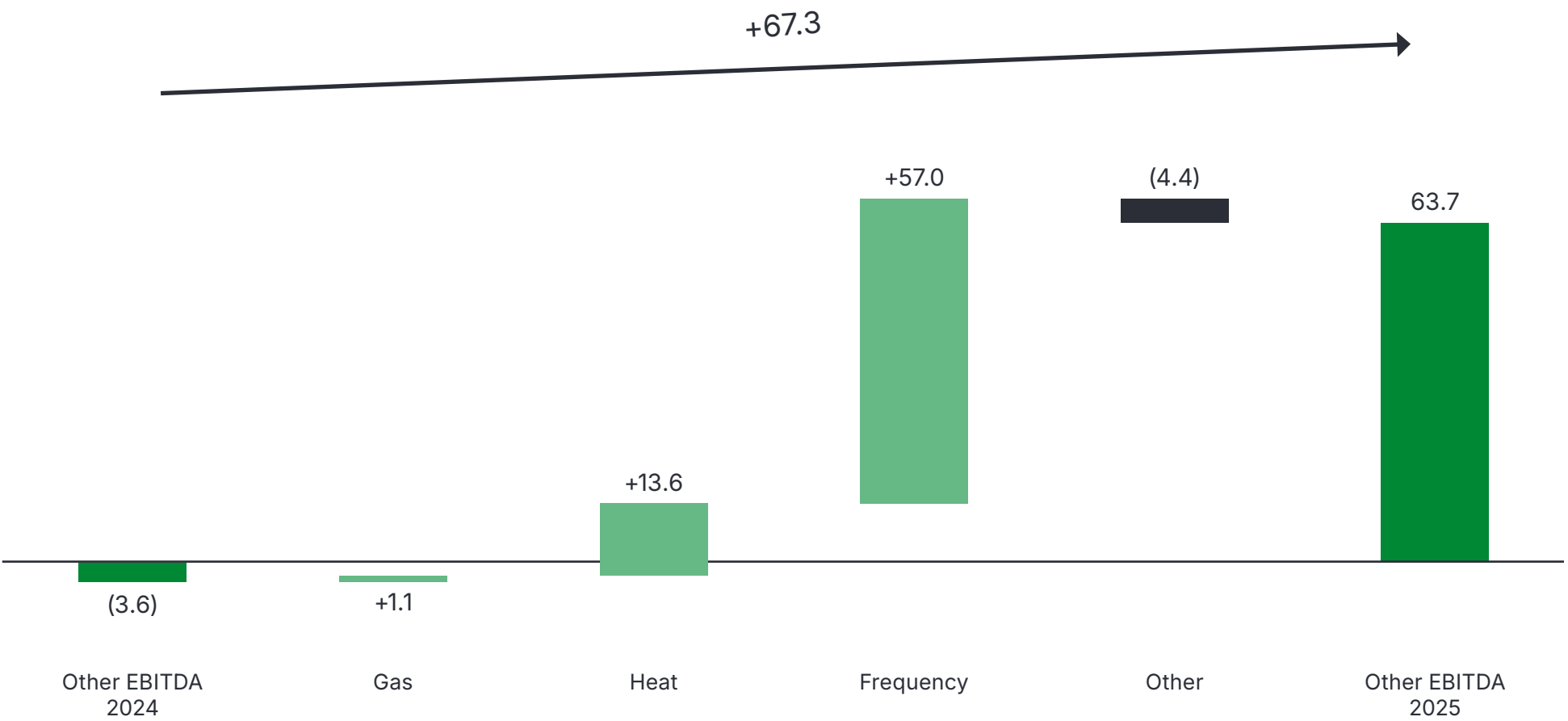
Sales revenue from other products and services m€



Heat EBITDA increased by €13.6 million compared to 2024, supported by revenue growth and lower fuel and greenhouse gas emission costs.

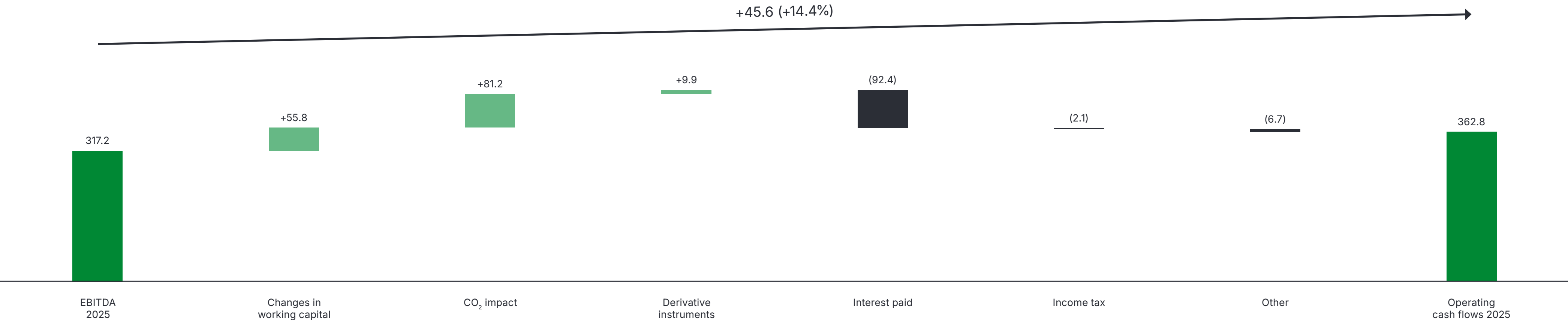
Natural gas EBITDA increased by €1.1 million. Despite a 15% decrease in revenue, profitability remained stable.

Other products and services EBITDA development
m€



Cash Flows

EBITDA to operating cash flow development
m€



The Group’s net operating cash flow for 2025 was €362.8 million, 14.4% (€45.6 million) higher than its EBITDA, which amounted to €317.2 million.

Changes in working capital increased operating cash flows by €55.8 million relative to EBITDA. The decrease in electricity prices temporarily reduced current receivables, which had a positive impact of +€18.7 million, and an increase in current liabilities had a positive impact of +€26.4 million on working capital. A decrease in inventories, which mainly resulted from a decline in natural gas inventories (+€23.6 million), increased working capital by €13.7 million.

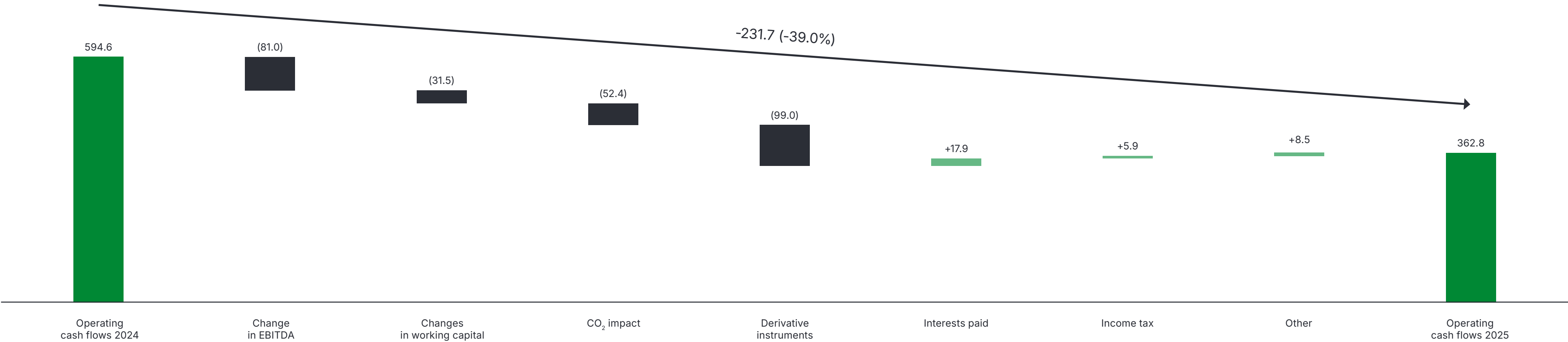
Settlements relating to CO₂ emission allowances increased operating cash flows by €81.2 million compared to EBITDA. Purchasing part of the required CO₂ emission allowances on longer payment terms had the biggest positive impact on cash flows.

The impact of derivative financial instruments (excluding CO₂ instruments) on operating cash flows was +€9.9 million. The figure includes the impacts of electricity derivatives of +€12.4 million, shale oil derivatives of -€4.9 million, and gas and other derivatives of +€2.4 million. These impacts from derivative transactions are in addition to those already included in EBITDA.

Interest paid on borrowings reduced operating cash flows by €92.4 million compared to EBITDA. Income tax paid in 2025 amounted to €2.1 million. Other impacts on operating cash flows totalled -€6.7 million, most of which resulted from the amortisation of connection fees, which had an impact of -€16.9 million.

Operating cash flow changes

m€



Net operating cash flow decreased by €231.7 million compared to 2024.

The item with the strongest impact on the change in net operating cash flow compared to 2024 was the change in EBITDA. The main reasons for the decrease in EBITDA were lower market prices for electricity and shale oil.

Changes in working capital had a positive impact on operating cash flows in both 2024 and 2025. However, this positive impact decreased by €31.5 million year on year.

The impact of settlements relating to CO₂ emission allowances on operating cash flows was -€52.4 million. This was primarily due to the effect of a one-off transaction in 2024: the implementation of additional emission allowances totalling €64.8 million, which were allocated to the Group free of charge.

The impact of derivative financial instruments (excluding CO₂ instruments) on operating cash flows was -€99.0 million. The figure comprises the impacts of electricity derivatives of -€106.6 million, shale oil derivatives of -€1.8 million and other derivatives of +€9.4 million. In 2024, the collateral fees for derivative financial instruments were released, which increased operating cash flows at the time as well as the reference base for 2025.

Items with a positive impact on net operating cash flow were income tax and interest payments, which decreased by €17.9 million and €5.9 million compared to 2024. Other impacts on operating cash flows totalled +€8.5 million.

Investment

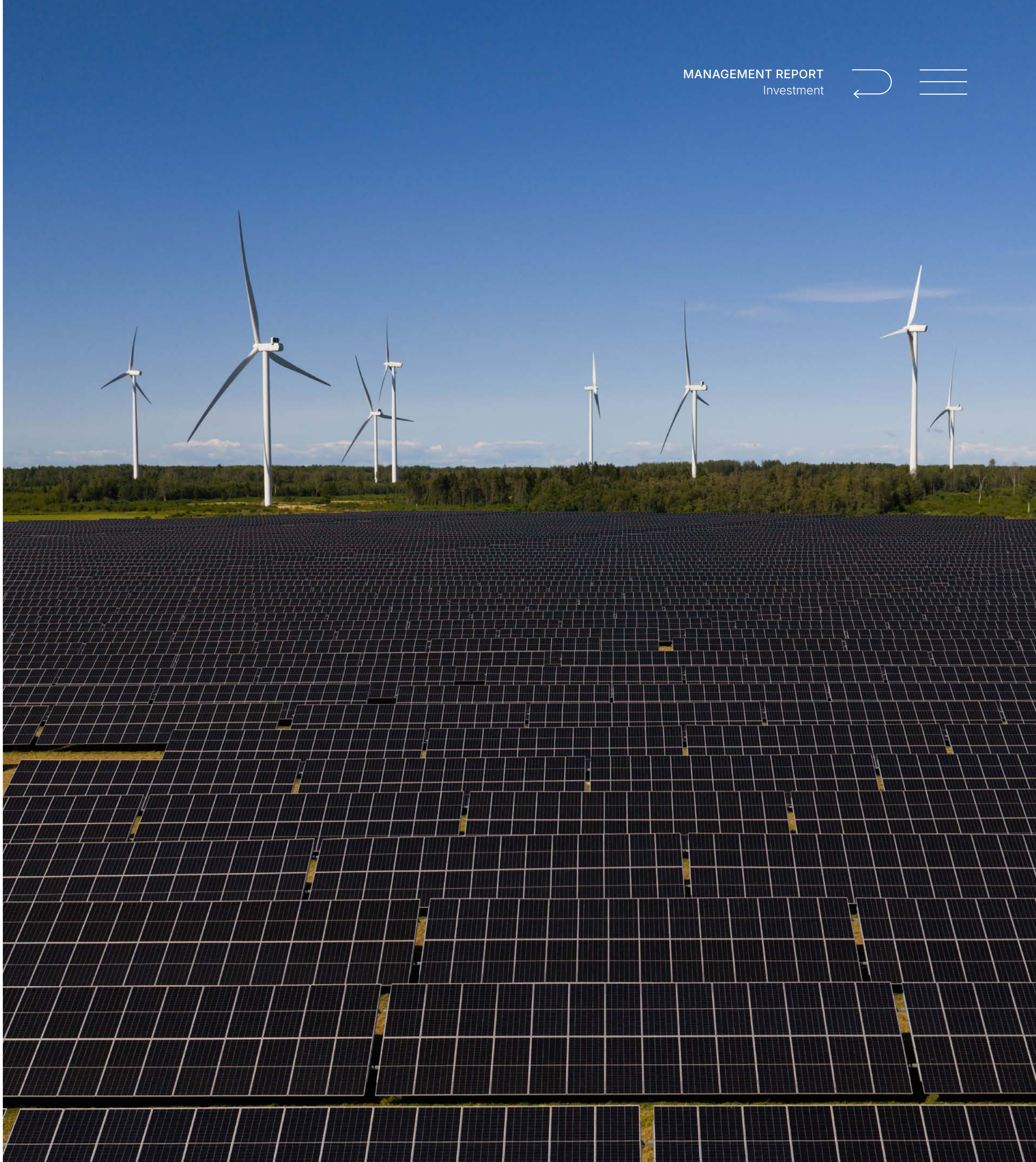
Investment

In 2025, we invested €459.2 million, 37% (€264.4 million) less than in 2024. Investments in renewable energy totalled €144.8 million (-€244.8 million, -63%).

RENEWABLE ENERGY

To increase our renewable energy production capacity, we invested in the development of wind farms in 2025: €85.8 million in Lithuania, €12.6 million in Estonia, €2.9 million in Poland and €2.5 million in Finland. The largest investments were made in the Kelmė II wind farm in Lithuania, which is expected to be fully operational in the first quarter of 2026, and the Sopi-Tootsi wind farm in Estonia, which is already operating at full capacity.

The largest investment in solar energy development was €18.0 million for the Strzałkowo project in Poland, which is expected to be completed in summer 2026.

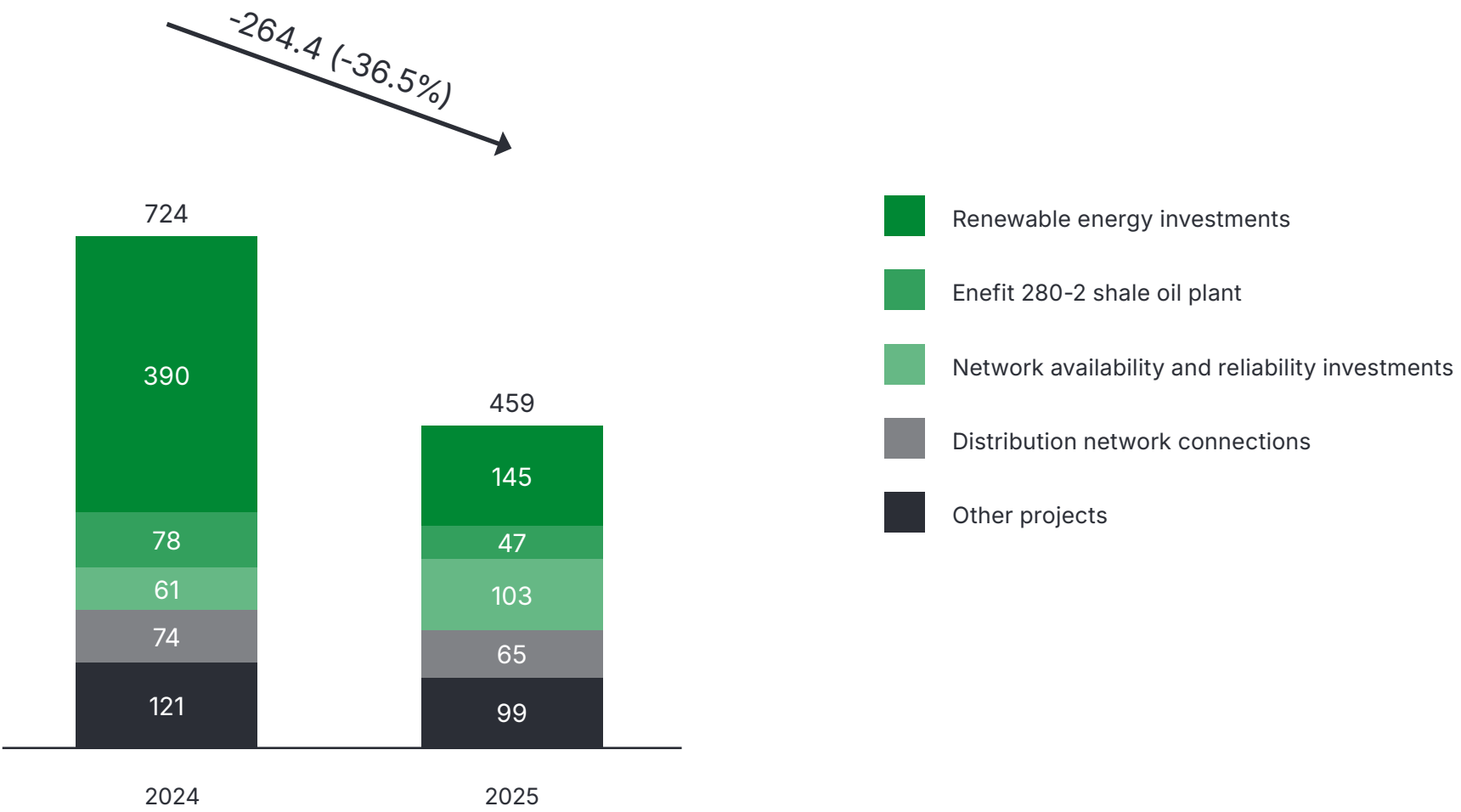


DISTRIBUTION SERVICE

In 2025, we allocated €102.6 million (2024: €60.9 million) of our distribution investments to improving network reliability and €65.2 million (2024: €73.7 million) to distribution network connections. We built 395 substations and 1,299 km of power lines (2024: 363 substations and 1,237 km of power lines).

At the end of 2025, 97.5% of Elektrilevi’s low-voltage distribution network was weatherproof (2024: 96.4%). During the year, the weatherproof low-voltage overhead network increased by 279 km, while the bare conductor network decreased by 371 km. By the end of 2025, 77.1% of Elektrilevi’s total low- and medium-voltage distribution network was weatherproof (2024: 75.7%).

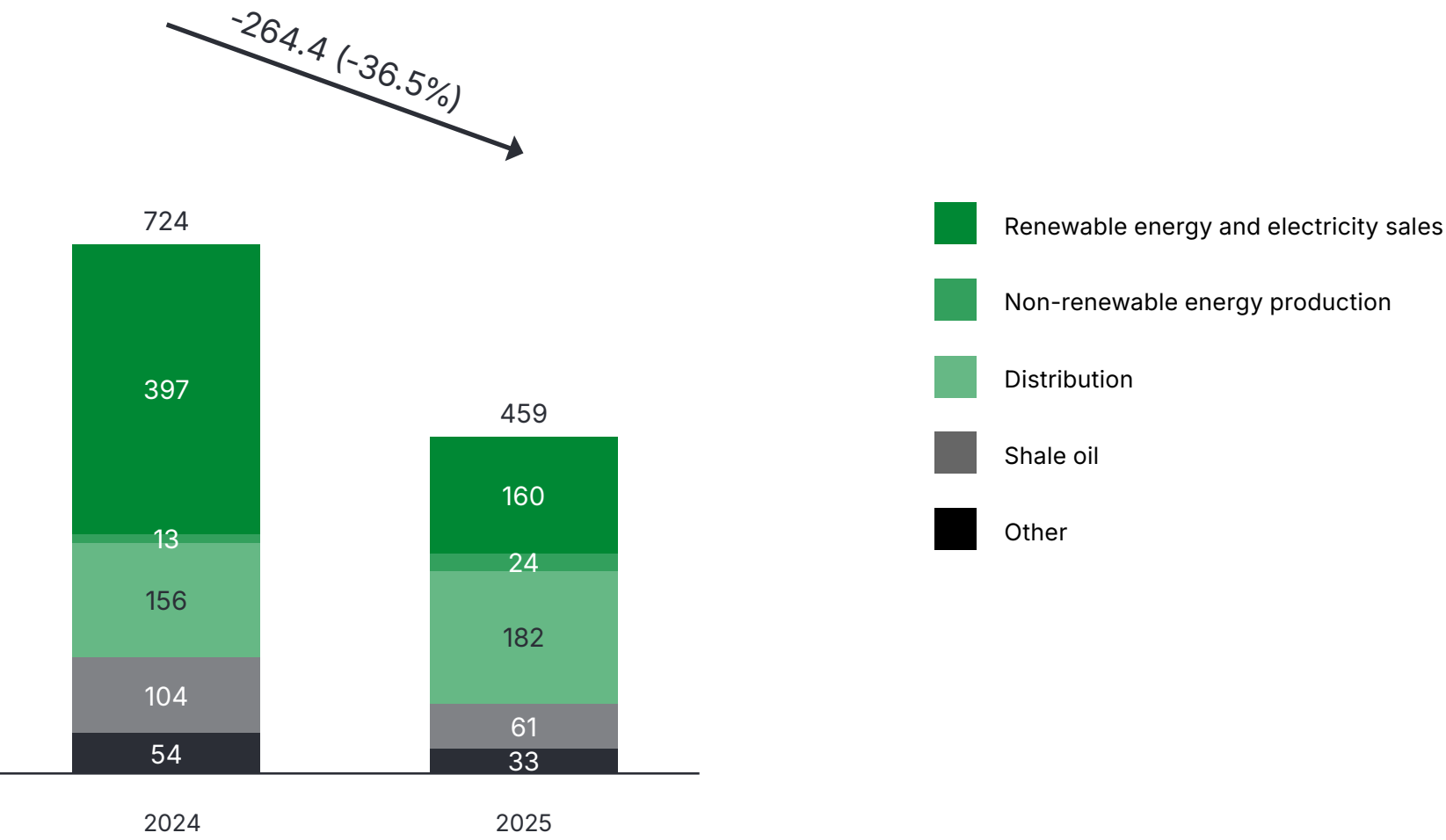
Capex breakdown by projects
m€



SHALE OIL

We invested €47.5 million in building a new shale oil plant in 2025. Construction is nearing completion – the equipment has been installed and the plant has reached mechanical readiness. Once operational, the plant will provide employment for around 150 people.

Investment breakdown by segments
m€



Financing



Financing

Development activities in the energy sector are 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 financial policy, which outlines the financing principles, the permitted debt ratio and the sources of debt financing. According to the policy, Eesti Energia's objective is to keep the net debt to EBITDA ratio below 3.5 in the long term (the ceiling may be exceeded in the short term in the event of major investments or acquisitions).

Our main sources of debt are senior unsecured bonds and investment loans from the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Nordic Investment Bank (NIB) and commercial banks. Eesti Energia has issued a hybrid bond of €400 million and a Baltic retail bond of €50 million. The company also uses revolving credit and guarantee facilities provided by regional banks.



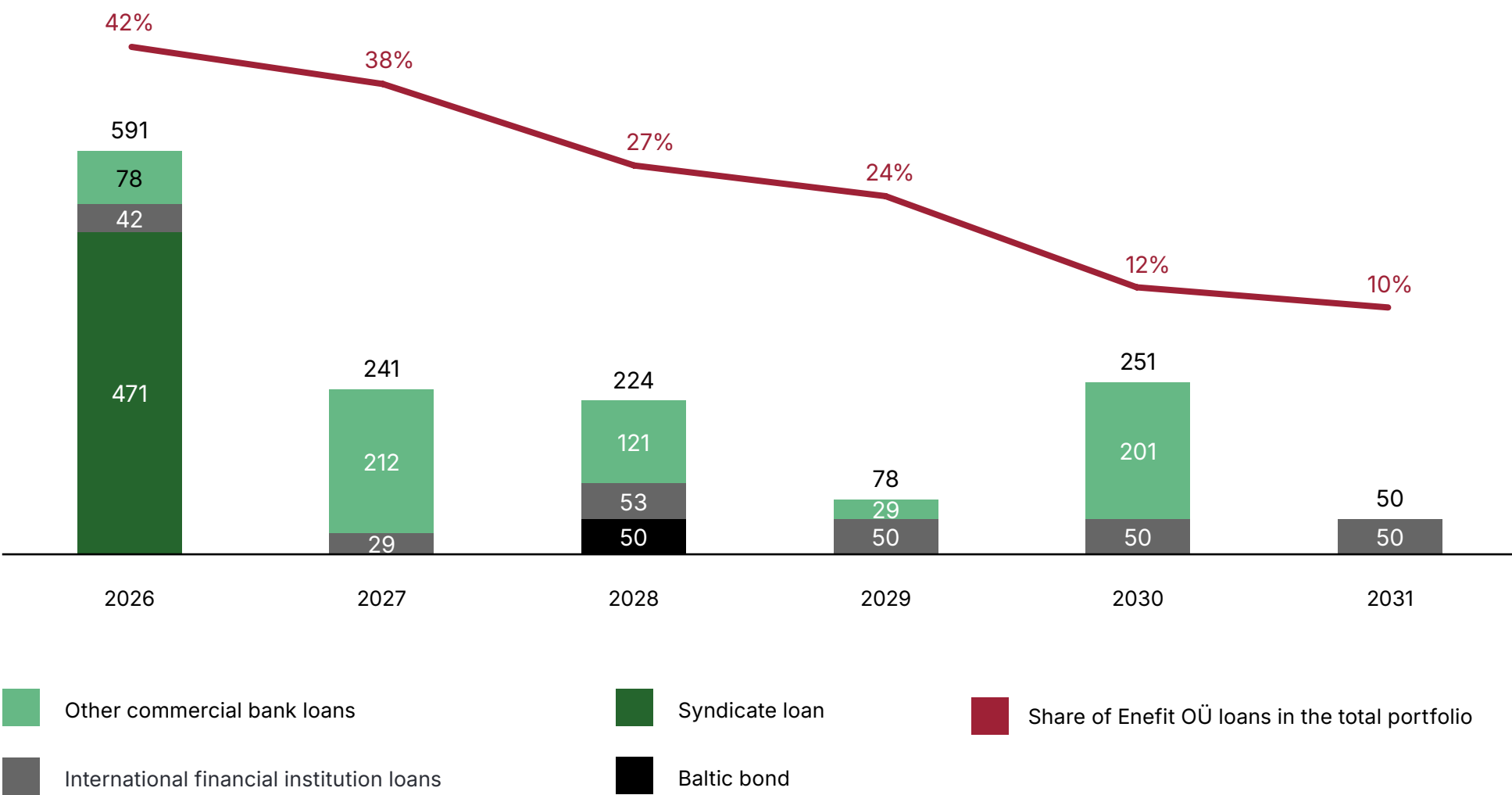
BORROWINGS

The Group’s borrowings amounted to €1,612 million at the end of 2025 (compared to €1,670 at the end of 2024).

At the reporting date, liabilities related to long-term investment loans and bonds totalled €1,591 million (2024: €1,645 million). There were no short-term revolving credit liabilities. The Group’s borrowings consisted of borrowings of the parent company of €865 million (2024: €925 million) and those of the subsidiary Enefit OÜ (formerly Enefit Green AS) of €726 million (2024: €720 million).

Debt maturity

m€

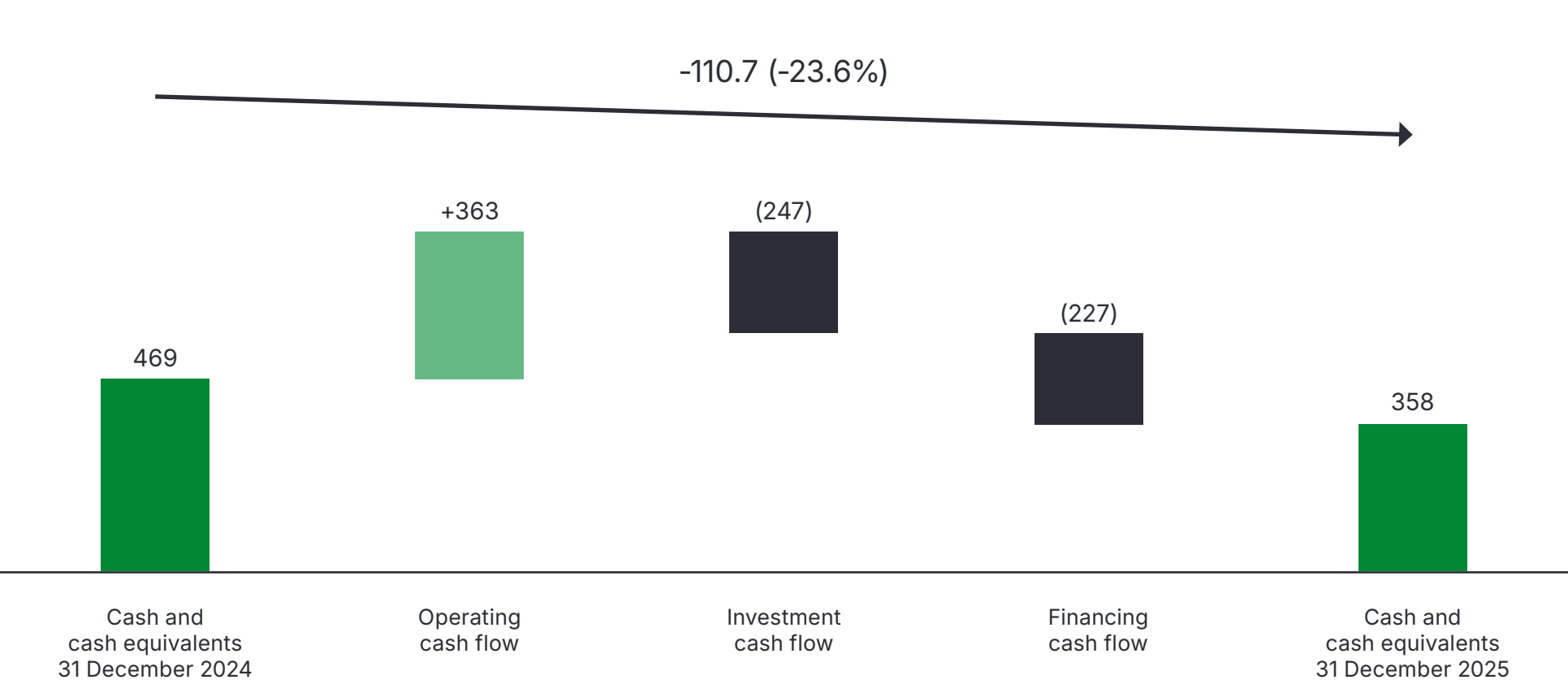


LIQUID FUNDS

At the end of 2025, the Group had liquid assets (cash and cash equivalents) of €358 million. In addition, the Group had undrawn loans of €520 million, of which €370 million was attributable to the parent company and €150 million to the subsidiary Enefit OÜ (formerly Enefit Green AS).

Liquidity development in 2025

m€



INTEREST RATES

At the end of 2025, the weighted average interest rate of Eesti Energia’s borrowings was 4.96%.

The Group had fixed-rate borrowings of €131 million and floating-rate borrowings of €1,459 million at the end of 2025 (compared to fixed-rate borrowings of €167 million and floating-rate borrowings of €1,477 million at the end of 2024).

EQUITY AND FINANCIAL RATIOS

The Group’s equity stood at €1,993 million at the end of 2025. Eesti Energia’s sole shareholder is the Republic of Estonia.

At the reporting date, the Group’s net debt amounted to €1,254 million (compared to €1,201 million at the end of 2024) and the net debt to EBITDA ratio was 3.95 (2024: 3.02), exceeding the target level set out in the financial policy. The long-term goal is to maintain the ratio below 3.5, as required by the Group’s financing principles.

CREDIT RATING

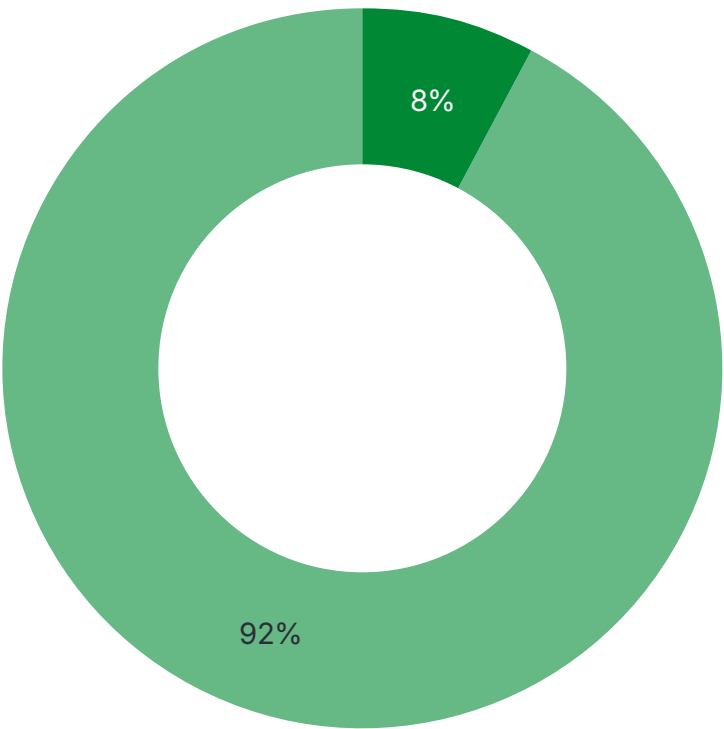
Eesti Energia’s current credit ratings are as follows:

- Moody’s: Baa3, outlook negative;
- Fitch: BBB-, outlook stable.

Eesti Energia's financial policy aims to maintain an investment-grade credit rating in the long term.

Loans by interest rates

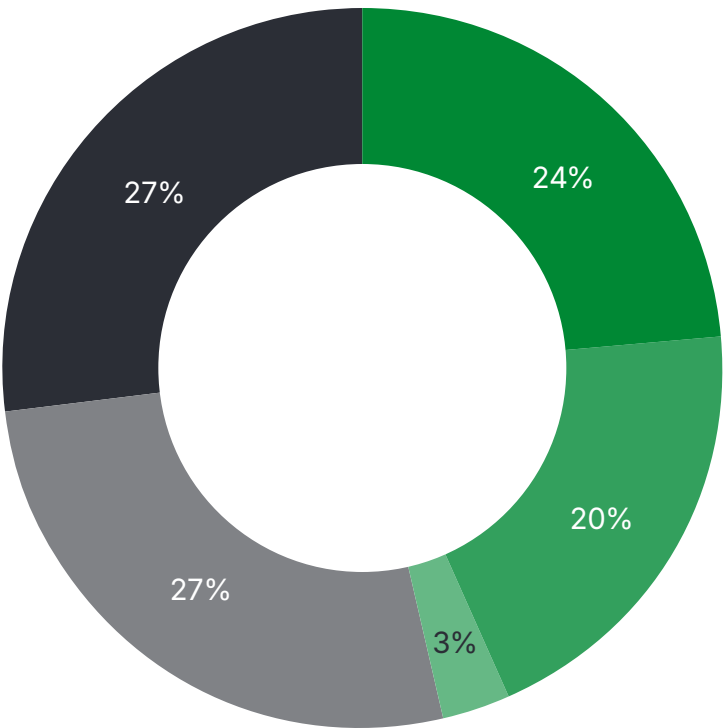
%



Fixed	8%
Variable	92%

Debt capital provider

%



Syndicate loan	24%
Hybrid bond	20%
Baltic bond	3%
International financial institution loans	27%
Other bank loans	27%

Outlook for 2026



Outlook for 2026

In 2025, the Baltic energy sector experienced significant developments and challenges that had a major impact on energy security and prices, as well as the region’s transition to a climate-neutral energy system. One of the most notable changes was the synchronisation of the Baltic countries’ electricity system with the Continental Europe Synchronous Area, a vital step towards achieving energy independence. Following this, frequency markets opened in the region, shaping the new market situation and increasing the need for grid balancing and dispatchable generation capacities. To ensure a reliable energy supply across the region, a greater focus on system stability and energy security will also be required in 2026.

In 2025, the state confirmed its expectations as the owner of Eesti Energia, emphasising the importance of ensuring the availability of dispatchable production capacities and the reliability of the electricity network. Clear guidelines were provided for strengthening energy security and moving towards climate neutrality. Eesti Energia is operating in line with these objectives, with a focus on completing existing development projects, ensuring security of supply and enhancing the reliability and flexibility of electricity networks. The company also continues to comply with current European Union market organisation requirements regarding 15-minute intervals in electricity trading and settlement. This requires greater accuracy in balance management and supports increased system flexibility.

In addition, discussions are ongoing at the European Union level regarding the 2040 climate target and the design of the post-2030 climate framework, both of which will have a long-term impact on Eesti Energia’s investment and production portfolio, as well as the framework for risks related to greenhouse gas emissions.

Eesti Energia’s financial performance in 2026 will continue to be impacted by changes in the energy markets, potential regulatory developments, the broader economic landscape in Estonia and abroad, and geopolitical events. While the external environment remains volatile, renewable energy projects in our core markets and portfolio growth will strengthen the company’s long-term performance and increase the proportion of production assets with low variable costs.

Following an extensive investment period, in 2026 Eesti Energia will prioritise completing existing development projects and ensuring system reliability. While the volume of investments will be lower than in previous years, improving customer experience will remain a key priority in order to support customers in using energy more efficiently and strengthen the value proposition of our services. This focus is supported by a renewed management structure implemented at the beginning of the year, which distinguishes core activities more clearly and streamlines management processes, enabling us to achieve the objectives set by the owner more effectively.

Sustainability Statement

ESRS 2. General Disclosures

BP-1, BP-2. BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

Table 1. Basis for preparation of the sustainability statement

Reporting period	1 January – 31 December 2025
Legal framework	The consolidated sustainability statement has been prepared in accordance with the applicable requirements of Directive (EU) 2022/2464 (CSRD) and Delegated Regulation (EU) 2023/2772. It also takes into account the Commission Delegated Act C(2025) 4812 published on 11 July 2025 as well as the proposals to relax Sustainability Statementing requirements and due diligence rules (known as the Omnibus I package).
Scope of the sustainability statement	The sustainability statement is part of, and consistent with, the Eesti Energia Group's annual report for 2025. The scope of the statement corresponds to the IFRS consolidated financial statements of Eesti Energia AS and covers all the subsidiaries under its control. Inactive entities and associates have been excluded, but their material impacts have been included. For example, the associate Attarat has not been consolidated but its emissions have been included within category 15 (investments) of Scope 3. Only Eesti Energia AS, the Group's parent company, is required to prepare the sustainability statement.
Value chain and disclosures based on estimates	In accordance with the European Sustainability Statementing Standard (ESRS), the sustainability statement covers both the Group's own operations and material matters in the upstream and downstream value chain. Information on suppliers, customers and partners is included, where relevant, based on the results of the double materiality assessment. Where primary data are not yet available (e.g. value chain data), certain indicators may include estimates. If this is the case, it is specified accordingly. Any disclosed estimates have been assessed as sufficiently accurate for publication at Group level. The sustainability statement does not include quantitative indicators or monetary amounts involving a high degree of uncertainty. The coverage of primary supply chain data will be gradually extended in subsequent periods.
Trade secrets and other sensitive information	The Group has not used the option provided by the ESRS to omit sensitive information relating to intellectual property, know-how or the results of innovation. All the data required by the ESRS and necessary for reliably and fairly presenting the Group's sustainability performance have been disclosed.
Material topical ESRS	In 2025, the material topics included Climate change (E1), Pollution (E2), Water and marine resources (E3), Resource use and circular economy (E5), Own workforce (S1), Affected communities (S3), Consumers and end-users (S4) and Business conduct (G1). These topics are addressed through the respective policies, actions and targets described in the chapters dedicated to each topical standard.
Phased-in Disclosure Requirements	In line with Delegated Act C(2025) 4812 amending Delegated Regulation (EU) 2023/2772, the Group is applying the phased-in disclosure provisions for wave one reporting entities in part. Although the topics Biodiversity and ecosystems (E4), Affected communities (S3) and Consumers and end-users (S4) were identified as material in the double materiality assessment, the Group will apply the phased-in disclosure option to them until the second reporting year.
Time horizons	Short-term: up to 1 year; medium-term: 2–5 years; long-term: 6–10 years. These time horizons are used in the double materiality assessment of sustainability topics and in setting targets.
Corrections and presentation of comparative information	The sustainability statement for 2025 is the Group's first sustainability statement prepared in accordance with the CSRD and the ESRS. Corrections or restatements of prior periods are therefore not applicable, and no comparative information from previous sustainability statements is presented.
External frameworks and methodologies	The disclosures in the statement are based solely on the requirements of the CSRD, the ESRS and the EU Taxonomy Regulation.
Presentation and digital tagging	The sustainability statement is presented as an integral part of the Group's annual report and follows the structure of the topical ESRS. All reported figures are presented in the unit of measurement specified in the corresponding ESRS Disclosure Requirement. Digital tagging of the CSRD sustainability statements in accordance with the European Single Electronic Format (ESEF) taxonomy is not yet effective and has therefore not been implemented in this statement.
Assurance	The Group's auditor PricewaterhouseCoopers (PwC) has expressed limited assurance on the sustainability statement. An independent practitioner's limited assurance report is included in the annual report.



GOV-1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

In accordance with the Estonian Commercial Code and the State Assets Act, the Eesti Energia AS group (the 'Group') has a two-tier governance system consisting of a management board and a supervisory board. The day-to-day management of the Group is the responsibility of the management board, which consists of up to six members, including the chairman of the management board. The supervisory board conducts strategic oversight, approves major investments and monitors the functioning of the risk management and control systems. The supervisory board consists of six to eight members who are appointed by the Ministry of Finance as a representative of the Republic of Estonia. A detailed overview of the governance of the Group is provided in the 'Governance' chapter of the Group's management report.

There are no elected employee representatives on the supervisory board. To ensure that the views of employees are considered in management decisions, regular feedback is collected through surveys, management reviews and the performance of duties. Members of the management and supervisory boards have diverse experience in the energy, industrial, financial and technology sectors, business management and relevant requirements.

At 31 December 2025, the supervisory board comprised of three women and two men and the management board comprised of three men and two women. In line with the Commercial Code and the OECD Guidelines on Corporate Governance of State-Owned Enterprises, the members of the supervisory board are independent of the management board. As the sole shareholder of the Group is the Republic of Estonia, the members of the supervisory board are appointed by the shareholder based on the recommendations of the nomination committee and, therefore, they are not independent of the shareholder within the meaning of ESRS 2.

The monitoring of sustainability-related impacts, risks and opportunities is outlined in the Group's governance framework. In accordance with the Commercial Code and the Group's articles of association, the supervisory board determines the strategy and the general direction of risk management, with support from the audit committee. The audit committee carries out compliance and internal control checks and monitors reporting, including the CSRD reporting. The management board implements the strategy, taking sustainability matters into account in the Group's day-to-day operations. The management board is supported by heads of relevant topical areas in subsidiaries and central units, as well as by a sustainability steering group that helps coordinate the topics. Day-to-day management

of topics is carried out on the basis of a decentralised model, whereby each business unit manages sustainability topics that are material to it. A central sustainability unit provides methodological support and assistance in assessing the materiality of topics, communicating with investors, carrying out the strategy process, consolidating sustainability information across the Group and coordinating reporting. Sustainability management also involves ensuring that management and key personnel are aware of sustainability-related trends, impacts, risks and opportunities within business lines.

The management board is responsible for ensuring that management processes, internal controls and reporting cover sustainability-related impacts, risks and opportunities, and that these are embedded in the Group's management systems. The sustainability steering group is headed by the CFO, who is a member of the management board and bears ultimate responsibility for sustainability. The activities of the sustainability steering group are coordinated by the sustainability manager. In Sustainability Statementing, information flows from the various functional units through the sustainability manager and the CFO to the management and supervisory boards. Controls (including those relating to data quality, audit readiness and updating the risk register) are implemented in accordance with the Group's internal control framework.

Sustainability-related goals and targets are covered by the Group's strategy and action plans, which are approved and monitored by the supervisory board as part of its statutory duties. The management board proposes these goals and targets as part of the annual goal-setting process. Sustainability-related goals and targets may include, for example, reducing emissions, improving occupational safety and developing the circular economy. Material sustainability topics are reflected in the annual sustainability statement.

The State Assets Act and the activities of the nomination committee ensure that the members of the Group's supervisory board collectively have the necessary competencies to oversee strategic and risk-related matters, including sustainability. Where additional expertise is required, the supervisory board involves external or internal experts or arranges relevant reviews. The supervisory and management boards have competencies in energy transition, environmental management, financial management, stakeholder engagement and technology. These competencies support effective monitoring of the Group's material sustainability-related impacts, risks and opportunities, including those relating to climate change, pollution, circular economy, employee well-being and responsible business conduct.

Further information on the Group's governance system and the composition of the supervisory board and the management board is provided in the 'Governance' chapter of the Group's management report.



GOV-2. INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The supervisory board and the audit committee are informed at least annually about the Group’s material sustainability-related impacts, risks and opportunities, and the implementation and effectiveness of sustainability-related due diligence measures, policies, actions, metrics and targets. These reviews are provided by either the management board or the sustainability manager. They also include information on preparing a consolidated sustainability statement. When overseeing the Group’s strategy, major investment decisions and risk management, the supervisory board takes into account sustainability-related factors alongside financial and operational indicators. This ensures alignment with the Group’s energy transition objectives, compliance with applicable legislation, adherence to the principles of long-term value creation and meeting the owner’s expectations. The management board integrates material sustainability-related impacts, risks and opportunities into the Group’s risk management system and development processes, which are supported by the finance, risk management, organisation and culture, and environment units, among others. Material sustainability topics are addressed across all business lines as topics that support the core business.

Further information on the responsibilities and rules of procedure of the supervisory board and the management board is provided in the ‘Governance’ chapter of the Group’s management report.

GOV-3. INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The variable remuneration of employees is linked to the achievement of the Group’s strategic objectives, including sustainability-related goals and targets. Members of the supervisory board receive only the basic remuneration. All employees and members of the management board participate in a single variable remuneration system, which contains both financial and non-financial indicators. Sustainability-related indicators include performance metrics relating to climate, occupational safety and customer satisfaction. Sustainability-related performance metrics can change from year to year, in line with business focus. In 2025, the sustainability-related metrics included GHG intensity (clean energy transition), the lost time injury frequency rate (LTIFR, occupational safety) and the net promoter score (NPS, customer satisfaction).

The maximum variable remuneration is up to four times the basic monthly remuneration. The amount of variable remuneration depends on the performance of the Group, the performance of the employee’s unit and the value-based behaviour score. Due to legal requirements, the methodology for calculating the indicator may differ across Group companies. Consequently, when determining variable remuneration in 2025, the subsidiaries Elektrilevi and Enefit Green did not use the performance metrics determined at Group level but instead set their own. In 2025, the proportion of sustainability-related targets in the maximum variable remuneration ranged from 38% to 60%, depending on the entity.

The remuneration committee reviews the remuneration policy at least annually and, where necessary, proposes amendments to the supervisory board. Each year, the management board updates the Group-level performance indicators and their target levels, which are subsequently approved by the supervisory board. Further information on the remuneration principles of the Group’s governing bodies is provided in the ‘Governance’ chapter of the Group’s management report.

GOV-4. STATEMENT ON DUE DILIGENCE

The Group’s due diligence actions are based on the OECD Due Diligence Guidance and the United Nations (UN) Guiding Principles on Business and Human Rights. Relevant processes are embedded in the Group’s governance, risk management and compliance assurance systems. This ensures that material sustainability-related impacts, risks and opportunities within the Group’s activities and value chain are identified, assessed and managed in the same way as other business impacts.

Information on the management, scope and implementation of the Group’s due diligence process is provided in various chapters of this sustainability statement. A summary table is provided in Annex 3 ‘Due diligence’.

GOV-5. RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY STATEMENTING

The Group operates an internal control and risk management system covering financial, operational and sustainability information. This framework is based on the three lines of defence model, as well as the Group’s principles and policies for internal control, risk management and compliance, as detailed in the



‘Risk Management’ chapter of the Group’s management report. The same structures and practices are employed for sustainability-related reporting controls.

The sustainability steering group coordinates the preparation of the sustainability statement, including data collection and validation, in cooperation with data administrators. An external assurance engagement on the sustainability statement ensures that the reporting standards are applied correctly. In preparing this statement, which is the Group’s first under the CSRD, the quality of sustainability-related data and related management processes have been enhanced to ensure the accuracy, completeness and reliability of the disclosures. The main risks associated with Sustainability Statementing relate to data quality, timely data collection, and timely and effective design of existing and, where necessary, new methodologies. In addition, as this is the first time the statement has been compiled, there is a risk of dependence on the timelines of other audits (the consolidated financial statements, the European Union Emissions Trading System (EU ETS)). To mitigate these risks, the Group plans to enhance data management and controls by prioritising data related to high-impact or high-risk sustainability topics.

The effectiveness of the reporting process is assessed by the preparers of the sustainability statement annually, after the statement has been issued. The results of the assessment are communicated to the reporting team and the audit committee, which oversee the quality of the reporting process and the implementation of any corrective actions.

SBM-1. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

The Group is an integrated energy and industrial company that operates across the entire electricity and heat value chain. The management report provides detailed information on the Group’s business lines, markets, revenue composition, workforce and related changes. Information on employee headcount by geographical area is presented in the S1 ‘Own workforce’ chapter of the sustainability statement. As far as the Group is aware, it does not offer any banned products or services.

The Group operates in the fossil fuel sector, producing oil shale-based electricity, heat and liquid fuels in the eastern part of Estonia. These activities are being progressively aligned with the Group’s clean energy transition plan and evolving investor expectations. Some of the revenue generated by the Group in Estonia comes from liquid fuels derived from oil shale extracted by Enefit Industry. The Group does not generate

revenue from the extraction, processing or sale of crude oil. The sale of natural gas to retail customers in the Baltic countries is limited to trading and supply activities. Revenue from operating activities is presented in the ‘Financial Results’ chapter of the Group’s management report. In 2025, the Group’s activities did not include any Taxonomy-aligned economic activities related to fossil gas. However, the Group is developing a 100 MW hydrogen-ready gas-fired thermal power plant that may qualify as a Taxonomy-aligned ‘transitional economic activity’ in the future.

The Group’s actions are aligned with the expectations of its owner, the Republic of Estonia, which expects the Group to become a clean industry by 2050. This means that there should be no direct (Scope 1) GHG emissions from production processes by that time. Additionally, the owner expects the Group to consistently reduce its GHG emissions per unit of output across its production portfolio. The Group’s sustainability actions primarily focus on environmental issues and are underpinned by robust human resource management and corporate governance practices, including the employee value proposition, corruption prevention, business ethics, stakeholder engagement, and a sustainable supply chain. Key strategic environmental objectives include reducing GHG and other emissions, increasing renewable energy production, promoting the circular economy, exploring carbon capture and storage options, and increasing the weather resistance and capacity of the distribution network, while adhering to the zero net loss of nature principle.

The Group’s product portfolio is gradually shifting towards increasing the production of renewable electricity and providing system services, as well as circular economy and smart energy solutions. In 2025, renewable electricity accounted for 62% of total electricity production. Non-renewable energy production is decreasing, and industrial activities are focused on developing a circular economy-based industry to support the transition of the Group’s revenue base to cleaner energy and more sustainable value chains. Strategic priorities include increasing renewable energy production and storage capacity, developing a circular economy-based industry, and improving the efficiency and weather resistance of the distribution network.

Strategic metrics related to sustainability matters include reducing the GHG intensity of production operations, ensuring occupational safety, and improving customer satisfaction. The strategic sustainability focus is on environmental issues. Topics related to social aspects, such as occupational safety, the employee value proposition, customers, partners and affected communities, as well as governance aspects, such as responsible business conduct, corruption prevention and sustainable procurement, are treated as the foundations of sustainability. These are the basic conditions required for the successful operation of the core business lines. The main focus is on environmental topics that are challenging but on which the Group intends to make strong progress in the near term. The challenges include electricity market volatility, fluctuating EU ETS prices, the environmental impact of increased distributed generation and consumption, and the potential impact of physical

Value Chain

UPSTREAM →

OWN OPERATIONS →

DOWNSTREAM →



ENERGY AND
MATERIAL INPUTS



ENERGY
TECHNOLOGIES



CONSTRUCTION AND
ENGINEERING SERVICES

ELECTRICITY



RENEWABLE ENERGY
AND STORAGE



DISPATCHABLE
GENERATION*



ENERGY SALES AND
CUSTOMER SOLUTIONS



E-MOBILITY

INDUSTRY



LIQUID
FUELS



RESERVE POWER SERVICES*

INDUSTRIAL
MATERIALS

MINING

GRID



GRID SERVICES*

CUSTOMERS AND
END-USERS



UTILITIES AND
GRID OPERATORS



MUNICIPALITIES
AND PUBLIC
INSTITUTIONS



AFFECTED
COMMUNITIES



TRANSPORT AND
EXPORT PARTNERS



WASTE TREATMENT
AND END-OF-LIFE
SERVICES



** including vital service provision*



climate risks on the provision of essential services. Further information can be found in the Group's management report and the relevant chapters of the sustainability statement.

The Group's value chain covers all activities in the energy and industrial sectors, from resource extraction to the wholesale and retail sale of products and services. Upstream, this includes the large-scale procurement of fuels, construction materials, electrical equipment and renewable energy components, as well as engineering, IT and logistics services. The Group's own operations include producing electricity, heat and liquid fuels from renewable and non-renewable sources; mining; cogeneration; constructing, operating and maintaining the distribution network; and running the industry business line, which includes activities that add value to ash and other waste from the oil shale industry. Key production inputs include natural resources such as wind, solar, water and oil shale, as well as infrastructure, skilled labour and financial capital. Key outputs include electricity, heat, processed liquid fuels, and industrial by-products used in the construction and chemical industries. The Group also provides network and reserve services, as well as e-mobility and energy storage solutions. Downstream, the Group provides energy and energy efficiency services to both companies and individuals. Sustainability due diligence and stakeholder engagement processes apply across the value chain. Further information on the Group's core activities, markets and value chain can be found in the Group's management report.

With regard to the ESRS 2 Disclosure Requirements in SBM-1 paragraphs 40(b) (breakdown of total revenue by significant ESRS sectors) and 40(c) (list of additional significant ESRS sectors), the Group is not in a position to provide this information as the European Commission has not yet adopted the sector-specific ESRS and related sector classifications.

SBM-2. STAKEHOLDER ENGAGEMENT

The Group's stakeholders include employees, customers, suppliers, investors, regulators, government agencies, local communities, civil society organisations and other partners. Engaging with stakeholders is an essential part of the Group's day-to-day management and due diligence processes.

Engagement is mostly continuous and carried out as part of the core business activities and central management processes, complemented by regular and needs-based initiatives. These include surveys,

communication with the government, partners, and regulators, as well as other targeted discussions. The channels and topics of engagement depend on the counterparty and are not centralised at Group level; instead, units and subsidiaries are responsible for day-to-day communication in areas related to their core business. More specific forms of engagement, such as cooperation with trade unions and communication with regulators, are regularly employed in line with established practice.

Engagement supports almost all areas of operation. The input received is used for various purposes, including designing strategy and policies, conducting risk management, making strategic and investment decisions, carrying out product innovation, improving service quality, and developing customer-centred solutions. It is also used to design human resource initiatives, occupational safety and health practices, and governance procedures; enhance supply chain transparency, ethical standards, and collaboration; manage environmental and social impacts; and assess the materiality of sustainability issues. Furthermore, engagement supports investor communication and provides input for the drafting of legislation and development plans.

The sustainability unit collects the information necessary to assess double materiality and prepare Sustainability Statementing by engaging with internal and external stakeholders at least once a year. Input obtained on all sustainability topics is reviewed by the sustainability steering group when validating the results of the double materiality assessment, and by the management board when approving them. Thus, stakeholder input informs management decisions, the setting of sustainability priorities, and related disclosures.

Information on stakeholders' interests in relation to the Group's strategy and business model is updated regularly through the Group's day-to-day operations. Cross-cutting topics include energy transition, climate risks and progress towards renewable energy and climate neutrality; protection of the environment and biodiversity, particularly in mining operations and network development; energy availability, fair prices and remuneration; occupational safety, employee well-being and community development, including a just transition in Ida-Viru County; transparency and ethical business conduct; and innovation, cybersecurity and digitalisation as drivers of competitiveness.

Stakeholder views inform the Group's actions with regard to increasing renewable energy production, gradually phasing out oil shale-based electricity production, adding value to industrial by-products,



promoting distributed digital energy solutions, and effectively integrating sustainability principles into investment and procurement decisions.

The actions planned for the strategy period include increasing the Group's renewable electricity production and storage capacity, making the distribution network more digitalised and resilient, and upcycling industrial by-products. These steps are also aimed at building stakeholder trust and collaborating with stakeholders to demonstrate progress towards a cleaner and more competitive energy system. An overview of the Group's transition plan can be found in the E1 'Climate change' chapter of this statement.

The Group's management and supervisory bodies obtain a consolidated view of stakeholders' opinions on sustainability issues from the Group's sustainability statement. All relevant parties obtain time-critical information on the positions of key stakeholders on an ongoing basis as part of their duties and the Group's regular business activities.

Further information on stakeholder engagement is provided in the Group's management report.

SBM-3. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The Group's material sustainability-related impacts, risks and opportunities disclosed in this statement were identified in 2025 based on the Group's double materiality assessment. The key material impacts and risks relate to climate change mitigation and adaptation, pollution reduction and control, occupational safety and employee well-being, and responsible business conduct. The opportunities mainly relate to renewable energy development, power grid modernisation and the circular economy (adding value to industrial by-products). A summary of all material impacts, risks and opportunities is provided in Table 2 below. More detailed information can be found in the respective topical chapters.

Material impacts, risks and opportunities affect the Group's business model, value chain and strategy by influencing investment decisions and risk management priorities. The transition from oil shale-based energy production to renewable energy generation and industrial activities associated with the circular economy reflects market expectations regarding GHG emission reduction and resource efficiency, as well as new business opportunities arising from the energy transition. Negative material impacts primarily relate to air emissions, local water consumption and occupational safety, while positive impacts result from reducing GHG emissions and upcycling secondary materials. These material impacts derive from, and are manifested in, the Group's own operations, as well as its value chain, including suppliers, subcontractors, industrial partners, regulators, etc. Based on the assessment, most environmental and climate-related risks are long-term, whereas the time horizon for social and governance matters is generally shorter.

In this statement, the Group has applied the phase-in provisions designed for wave one reporting entities. Therefore, the estimated financial impact of sustainability matters is not disclosed for this reporting year. However, sustainability matters with a potential financial impact, such as the EU ETS, have long been embedded in the Group's financial management, investment assessment and risk management processes. Further information on risk management is provided in the 'Risk Management' chapter of the Group's management report and in the relevant chapters of the sustainability statement.

The transition to renewable energy, the modernisation of the distribution network, the development of circular industries and investment in workforce skills will increase the Group's long-term competitiveness and the flexibility of its business model under different climate and policy scenarios. These measures strengthen the Group's ability to create long-term value during the energy transition and support national and EU decarbonisation targets.

Further information on material impacts, risks and opportunities, as well as the related management activities and performance indicators, is provided in the relevant chapters of the sustainability statement and in the Group's management report.

Table 2. Material sustainability-related impacts, risks and opportunities

Time horizon	Type of impact	Topic	Description	Business segment	Value chain
E1. Climate change					
Short-term	Actual positive impact	Climate change mitigation: GHG emission reduction	Renewable energy and distribution network development supports systematic GHG emission reduction	Electricity, distribution network	Entire value chain
Medium-term	Risk	Climate change adaptation: transition risks	Possible decline in the competitiveness of fossil assets compared to cleaner technologies	Industry	Entire value chain
Long-term	Risk	Climate change adaptation: transition risks	Rapid changes in investor and market expectations of the energy transition may increase financing costs	Industry	Entire value chain
Long-term	Actual negative impact	Climate change adaptation: physical risks	GHG emissions give rise to physical risks	Industry	Entire value chain
Long-term	Risk	Climate change adaptation: physical risks	Extreme weather conditions may increase operating and maintenance costs	Group	Entire value chain
E2. Pollution					
Short-term	Actual negative impact	Air pollution	Fossil energy production affects local air quality	Electricity, industry	Own operations
E3. Water and marine resources					
Long-term	Actual negative impact	Water consumption	Mining water and quarry water pumping affects the local water regime	Industry	Entire value chain
E4. Biodiversity and ecosystems					
Medium-term	Actual negative impact	Impact on species abundance	Wind farm development and operation affect protected birds	Electricity	Entire value chain
Medium-term	Risk	Impact on species abundance	Implementation of species conservation measures affects productivity	Electricity, industry	Own operations, downstream value chain
E5. Resource use and circular economy					
Long-term	Actual positive impact	Resource outflows	Adding value to ash and waste rock reduces waste and the environmental impact of secondary products in the downstream value chain	Industry	Entire value chain
Long-term	Opportunity	Resource outflows	Adding value to ash and waste rock opens up new markets	Industry	Own operations
S1. Own workforce					
Short-term	Potential positive impact	Working conditions: adequate wages	Competitive and motivating wages foster the well-being of employees and communities	Group	Own operations
Medium-term	Actual negative impact	Working conditions: health and safety	Due to their nature, the Group's activities involve a higher risk of accidents at work and occupational diseases	Group	Own operations
S3. Affected communities					
Short-term	Potential negative impact	Contributing to local communities	Potential impact of the transition to clean energy on employment in local communities	Industry	Downstream value chain, upstream value chain
S4. Consumers and end-users					
Long-term	Potential negative impact	Engagement with consumers	Digitalisation of energy services can make it more difficult for vulnerable groups of consumers to access them	Electricity	Entire value chain
G1. Business conduct					
Medium-term	Potential negative impact	Prevention of corruption	Corruption incidents in the value chain can negatively affect the Group's performance	Group	Entire value chain
Medium-term	Potential positive impact	Relationships with suppliers	Cooperation with local small and medium-sized enterprises supports the local economy and reduces supply risks	Group	Entire value chain
Long-term	Potential negative impact	Whistleblowing culture	The effectiveness of the whistleblowing system or the associated cultural stigmas may affect the Group's sustainability	Group	Own operations



IRO-1. IDENTIFICATION AND ASSESSMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The Group identifies and assesses sustainability-related impacts, risks and opportunities in line with the ESRS, applying due diligence, stakeholder engagement and risk management to determine material sustainability topics. The process carried out in 2025 covered the parent company Eesti Energia AS and all its subsidiaries. Activities across the entire value chain were analysed. After the Group's restructuring, the materiality assessment will be updated.

The aim of the materiality assessment is to identify sustainability matters that have a material impact or pose a financial risk, particularly for the core business activities. The core business segments are based on those used for accounting purposes and include renewable electricity production, non-renewable electricity production, the distribution network, industry and oil production, and other services. Each of these segments includes other business activities. Impacts, risks and opportunities were assessed for each business activity in the Group's own operations, as well as in the upstream and downstream value chains. Within the value chain of each economic activity, the Group identified key suppliers, key inputs and outputs and downstream stakeholders. Based on this information, potential material impacts, risks and opportunities were identified for each economic activity. These included impacts, risks and opportunities associated with the entire value chain (primarily social and governance matters) as well as specific segments or elements of the value chain (primarily environmental matters).

The identification of material impacts is supported by stakeholder engagement. This includes interaction with employees, investors, customers, regulators, communities and civil society, as described in the SBM-2 'Stakeholder engagement' chapter of the sustainability statement. Stakeholders' views guide the setting of priorities, particularly in matters where the Group's actions can have a significant impact on people or the environment.

The key parameters used to assess the materiality of sustainability matters include the scale, likelihood and timeframe of the impact, the information on results and incidents, the assessment of regulatory and market trends, and sectoral and industry benchmark studies. Each sustainability matter is assessed within the short-term (1 year), medium-term (2–5 years) and long-term (6–10 years and above) time horizons, in accordance with the Group's strategy period. Where appropriate for the topic being assessed, time horizons longer than 10 years are used.

Impact materiality is assessed based on the scale, scope, irremediable character (irremediability) and likelihood of the impact. Each of those factors is assessed on a scale from 0 to 5 (a total of six levels). For likelihood, discrete percentage values are used for each level. Materiality is determined by multiplying the average score for the scale, scope and irremediability of an impact by the likelihood of its occurrence. For actual impacts, the likelihood of occurrence is 100% (the impact has already occurred). The levels of the scale for each impact are defined based on the sustainability matter to which the impact relates. For example, in the case of climate change (E1), the highest level is 'global', whereas in the case of own workforce (S1), the highest level is 'all employees' (not all people in the world). For human rights impacts, severity is given higher weighting than likelihood, resulting in severity being weighted at 75% and likelihood at 25%. This should ensure that human rights impacts, even those of low severity, are always visible. For other impacts, severity and likelihood are weighted equally. For positive impacts, the irremediability of the impact is not considered.

The materiality of risks and opportunities is assessed based on the expected financial impact and likelihood of occurrence across all three time horizons. When assessing the financial impact, the impact levels correspond to the methodology of the Group's risk management system (percentage impact on EBITDA). The assessment process thus uses the same scales as those used for operational, financial and compliance risks, but extends them to environmental and social dimensions. Likelihood of risks and opportunities is assessed using the same scales as those used to assess potential sustainability impacts. Links between sustainability matters and financial results are also considered, such as those related to energy transition, resource use and supply chain stability. Impacts, risks and opportunities are deemed material or non-material based on of the defined materiality thresholds. The materiality threshold is 3.5 for impacts and 2.85 for risks and opportunities.

The sustainability unit coordinates the materiality assessment and aggregates its results. The outcome is reviewed by the sustainability steering group and the main topics of the sustainability statement are approved by the management board. Information for the materiality assessment is provided by relevant internal experts from business units and central services (e.g. the finance, risk management, environment, organisation and culture, and procurement departments). Input for the assessment is also gathered from external stakeholders. For each topic, the relevant internal experts determine consensus values for each factor relevant to the materiality assessment in accordance with the agreed definitions of the levels for that topic. The same approach is applied to risks and opportunities, with the finance department leading the process and other experts (e.g. environmental experts) providing support where necessary.



The results of the materiality assessment are used to update the strategy and transition plan and to inform risk management and investor communication.

As this was the Group's first comprehensive ESRS-compliant double materiality assessment, the statement does not include comparative information on previous periods. Using a standards-based process to assess the materiality of sustainability topics aligns these topics with the central risk management system. It also makes the results comparable, auditable and usable in support of the core business lines. Further information on the results of the assessment and the material topics identified is provided in the ESRS 2 SBM-3 'Material impacts, risks and opportunities and their interaction with strategy and business model' chapter and in other relevant chapters of the sustainability statement.

IRO-2. DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE SUSTAINABILITY STATEMENT

ESRS 2 IRO-2. A list of the covered Disclosure Requirements of the ESRS is presented in the 'Annexes' chapter of the sustainability statement.

ESRS 2 IRO-2. A list of EU datapoints is presented in the 'Annexes' chapter of the sustainability statement.

MDR-P. POLICIES ADOPTED TO MANAGE MATERIAL SUSTAINABILITY MATTERS

The Group manages material sustainability matters as part of its management system, which extends to all subsidiaries. The approach is based on business needs, the Group's values and internationally recognised frameworks, such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and International Labour Organisation (ILO) Conventions. Group-wide policies are approved by the management board and made available to all employees. The policy framework is linked to day-to-day business operations through clear responsibilities, regular training and control measures. Policies related to the environment, the Group's own workforce and business conduct are outlined below.

Environment

The Group's environmental policy contains the principles for managing environmental impacts. The policy is supported by internal procedures, rules and guidelines, which are implemented by the subsidiaries based on their area of activity. The Group's environmental policy sets the objective of consistently reducing environmental impacts, and outlines the principles and commitments that guide the Group in interpreting and implementing its environmental responsibilities. These include, for example, reducing impacts on the environment and wildlife, promoting the principles of the circular economy, and managing waste and resources responsibly. Open communication with all stakeholders is integral to the implementation of these actions. In addition to the environmental policy, The Group has implemented a methodology for calculating its GHG footprint and adopted a transition plan.

The management board is responsible for implementing the environmental policy. During the reporting period, the chairman of the Group's management board was responsible for environmental matters. Until the end of 2025, environmental actions were coordinated by the environmental services unit, which worked with the Group's subsidiaries under cooperation agreements. In 2026, however, the environmental services unit was restructured and environmental services were transferred to the business lines, with responsibility for specific environmental issues clearly assigned to their management teams. The Group-level government and partner relations unit remains responsible for administering and managing the environmental policy framework, communicating with regulatory agencies, exchanging information on policy issues, managing general risks, consolidating GHG and environmental strategies and reporting, and supporting the business lines. The unit proposes environmental policy updates and revisions to the management board based on changes in legislation, owner or stakeholder expectations, or other circumstances.

At the time this sustainability statement is authorised for issue, the environmental policy is being updated to align with the owner's and business lines' revised expectations, which prioritise consistent improvements in the environmental friendliness of power generation. In the meantime, the current version of the policy is available to external parties upon request.

All subsidiaries implement the environmental policy in compliance with the ISO 14001 standard. In addition, the Iru power plant, which belongs to the Group's subsidiary Enefit Green, applies an environmental management system that complies with Regulation (EC) No 1221/2009 of the European Parliament and



of the Council (the EMAS Regulation). Regular external and internal audits ensure adherence to these systems and the continuous improvement of practices. The environmental management system, which is part of the Group's overall management system, enables the Group to identify, control and reduce environmental impacts and risks arising from its production activities, and to increase its competitiveness as an environmentally friendly company. The environmental management system is based on a plan-do-check-improve approach, in which ensuring environmental compliance is a key element. The Group adheres to all environmental requirements applicable to its operations in the EU and its core markets. It therefore monitors changes in legal requirements and works with legislators to support these changes.

The environmental management system is based on the guiding environmental principles, as well as the environmental matters, risks and impacts identified at subsidiary level. The system ensures that environmental impacts are systematically identified and mitigated by setting appropriate environmental targets, and that environmental activities are carried out to improve environmental performance. Each year, the management boards of Group companies review the effectiveness of the environmental management system to ensure that it remains suitable, adequate and effective. The results of these reviews are recorded and stored in the companies' document management systems.

Nine of the Group's office buildings meet the Green Office standard. The aim is to continuously monitor and reduce the environmental impact of offices in order to achieve cost savings, use natural resources responsibly, reduce waste and create healthier working environments. The target is to certify at least one office as Green each year. While the environmental impact of offices is relatively small compared to the Group's overall impact, Green Office practices play a significant role in organisational culture and help raise environmental awareness.

The policies for managing each material environmental matter are described in relevant chapters of the sustainability statement.

Own workforce

The Group's workforce policies outline the principles for ensuring occupational safety, human rights and continuous employee development. Specific actions are identified and proposed to the management board through collaboration between various units, led by the organisation and culture, risk management and internal audit teams with the involvement of as many staff members as possible. In addition to

implementing Group-wide procedures, rules and guidelines for managing human resources and the working environment, the Group carries out regular workplace risk analyses and safety audits and uses monitoring mechanisms that support the implementation of policies. The organisation and culture unit is responsible for implementing workforce policies in cooperation with the members of the Group's management board and the subsidiaries' management teams. This ensures a consistent approach at the central and subsidiary levels. Each employee is responsible for complying with the policies on a day-to-day basis. Subsidiaries apply the Group-wide guidelines and practices, adjusting them to the nature of their business, where necessary. All subsidiaries apply the ISO 45001 occupational safety standard.

All staff-related policies are introduced to employees during the onboarding process and at regular training sessions thereafter. The policies are reviewed at least annually, based on employee feedback, occupational safety metrics and incident analyses, to ensure they remain up to date and operational. The Group has a comprehensive framework of policies designed to protect the rights of its workforce. The framework is based on human rights protection, fair remuneration, occupational safety, and representation. It ensures that working practices support both the well-being of employees and the long-term performance of the Group's core business lines.

The key policies related to own workforce include the Group's people management policy, safety culture and employee development principles. They are described in more detail in S1 'Own workforce' chapter of the sustainability statement.

Business conduct

The principles of responsible and ethical business conduct are set out in the Group's Code of Ethics. Supporting procedures, rules and guidelines are also in place to address specific sub-topics of business conduct, such as managing the risks of corruption and conflicts of interest, and ensuring that incidents are handled properly and effectively. Key Group-level policies related to business conduct include the Code of Ethics, the Code of Ethics for Partners, the principles of incident investigation, fraud risk management principles, and principles for managing conflicts of interest. Further details can be found in the 'Business Conduct' chapter of the sustainability statement. Overall, the framework of business conduct-related procedures forms the basis for responsible business practices and the prevention of corruption and unethical behaviour in all business activities.



The business conduct framework is managed centrally by the management board, the internal audit and ethics unit, the risk management unit and the audit committee. External specialists are brought in where necessary to provide support. This ensures that important issues are identified and resolved quickly, and that activities align with the framework in both letter and spirit. The framework is updated regularly to take into account developments concerning employees, the owner, affected stakeholders and best practices. The framework is part of the Group's management system, which is described in more detail in the 'Risk Management' of chapter the Group's management report. The chapter describes the roles and responsibilities of the management and supervisory boards, internal control arrangements and group-wide risk management principles.

MDR-A. ACTIONS IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

The actions and resources used to manage material sustainability matters are based on the materiality of the matters and linked to specific responsibilities, timeframes and resources. The policies relating to each material sustainability matter, along with the actions and resources required to achieve the objectives of these policies, are presented in the subsequent chapters of this sustainability statement. The chapters also describe the measures to achieve the objectives. Each topic-specific chapter presents the key actions implemented or planned to prevent, mitigate or eliminate material impacts and to manage associated risks and opportunities. Where an action supports more than one topic, it is presented in the chapter on the topic where the material impact is the greatest.

Environment

Environmental actions are planned and implemented in accordance with the Group's environmental policy. Key metrics and development targets are used at Group and subsidiary levels to evaluate progress on material topics and the effectiveness of mitigation measures.

Environmental assessment registers are used to analyse the extent to which the Group's environmental matters can be influenced and the measures that can be taken to reduce environmental impacts

or increase environmental benefits. To mitigate material negative impacts, Group companies have prepared environmental action plans setting out actions, timeframes and responsible persons, as well as environmental monitoring plans. More detailed descriptions of the actions and resources in relation to managing each material environmental matter can be found in the environmental chapters of the sustainability statement ('Climate change', 'Pollution', 'Water and marine resources' and 'Circular economy and resource use').

Own workforce

Workforce-related actions are planned in accordance with the principles of occupational safety, labour law and employee experience set out in the Group's Code of Ethics. The effectiveness of measures and the progress made in improving employees' well-being and safety are assessed using workplace risk analyses, feedback surveys, performance indicators and incident analyses. Action plans which include specific steps, timeframes and responsible persons are developed at unit level to manage material occupational and safety risks. The Group's occupational safety and organisation and culture teams work with subsidiaries to support the implementation of the required actions. Further details on the actions and resources for managing material sustainability matters related to the Group's own workforce can be found in the S1 'Own workforce' chapter of the sustainability statement.

Business conduct

Actions related to business conduct are planned in accordance with the Code of Ethics, relevant laws and regulations, and generally accepted principles of responsible business conduct. To mitigate the risks of corruption, fraud and conflicts of interest, controls are implemented and risk analyses, training and internal investigations are conducted on a regular basis. Whistleblowing hotlines and monitoring mechanisms inform the assessment of the effectiveness of these measures. The framework is updated when new circumstances or needs arise. Subsidiaries have implemented Group-wide anti-corruption and ethics processes. These are monitored by the internal audit and risk management units. More detailed descriptions of the actions and resources used to manage each material sub-topic of business conduct can be found in the 'Business Conduct' chapter of the sustainability statement.

E1. Climate Change

E1 IRO-1, SBM-3. MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Table 3. Material climate-related impacts and risks

Time horizon	Type of impact	Topic	Description	Segment	Value chain
Short-term	Actual positive impact	GHG emission reduction	Renewable energy and distribution network development supports systematic GHG emission reduction	Electricity, distribution network	Entire value chain
Medium-term	Risk	Transition risks	Possible decline in the competitiveness of fossil assets compared to cleaner technologies	Industry	Entire value chain
Long-term	Risk	Transition risks	Rapid changes in investor and market expectations of the energy transition may increase financing costs	Industry	Entire value chain
Long-term	Actual negative impact	GHG emission reduction	GHG emissions give rise to physical risks	Industry	Entire value chain
Long-term	Risk	Physical risks	Extreme weather conditions may increase operating and maintenance costs	Group	Entire value chain

Material climate-related impacts and risks reflect the Group’s key role in the Baltic energy system and its transition to cleaner energy sources. Climate-related impacts and risks arise from the Group’s own operations, as well as the upstream and downstream value chains. No material climate-related opportunities were identified during the double materiality assessment. In the 2025 reporting year, the Group applied the transitional provisions and excluded climate-related financial impacts (Disclosure Requirement E1-9) from the statement.

Material impacts

- **GHG emissions:** The production of oil shale-based electricity and liquid fuels results in GHG emissions, which constitute a negative climate-related impact. These activities give rise to both transition and physical climate risks, although the GHG emissions from the Group’s fossil operations are small on a global scale. The priority is to reduce emissions responsibly while ensuring security of supply.
- **Renewable energy and distribution network development:** The Group’s renewable energy, storage, and distribution network developments have a material positive impact on the systematic reduction of GHG emissions. By developing distribution network connections, the Group enables an increasing number of small generators to produce renewable energy and balance the system with storage solutions.

Material risks

- **Competitiveness of fossil assets:** The competitiveness of fossil assets is decreasing due to structural factors such as rising GHG emission taxes, cheaper renewable energy and volatility in electricity markets and oil prices. This poses challenges to the profitability of these assets, which must be kept operational to ensure energy security in Estonia.
- **Increase in financing costs:** The evolving expectations of regulators and investors regarding the energy transition may affect the availability and cost of capital. Climate-related performance issues or difficulties in financing certain activities could reduce the sustainability of traditional business operations and the Group’s financial framework.
- **Physical climate risks:** An increase in the frequency and intensity of extreme weather conditions, as well as long-term changes in weather patterns, could impact the operational continuity of assets, thereby increasing maintenance costs and insurance premiums. In the long term, these risks could affect all production assets.

Climate-related sustainability matters were identified and their materiality was assessed using the same methodology as that used for other sustainability matters (see the chapter ESRS 2 IRO 1 'Identification and assessment of material impacts, risks and opportunities'). The same assessment methodology, time



horizons and materiality thresholds were employed. The materiality of physical and transition risks varies across business lines. Risks classified as climate risks in CSRD reporting are traditionally managed by the Group and its subsidiaries as part of other risk categories rather than as a distinct climate risk category. Therefore, to assess the materiality of physical and transition risks, the risks that overlap with these matters in existing risk categories were mapped into the double materiality assessment framework. In addition to scenario-based analysis, identification of climate risks is thus based on the Group's standard risk management processes, which include preparing strategies and business plans, monitoring regulatory and market risks, and assessing the technical and operational resilience of assets, past realised risks and managers' expert opinions.

Scenario analysis

To assess the resilience of the business model, climate scenarios were used selectively to distinguish between transition and physical risks, and to account for the type, lifetime and requirements of the asset. Due to the greater uncertainty surrounding physical risks, using separate scenarios for transition and physical risks enables consideration of multiple potential future climate change pathways, providing a more comprehensive global perspective than the limited application of regulatory requirements to only some of the global sources of GHG impacts. In the case of transition risks, the policy perspective is based on the scenarios envisaged by EU and Estonian climate and energy policies, as well as the assumptions derived from them. Scenario selection for the assessment of physical climate risks has not been harmonised across the Group as risk assessments have, until now, been carried out on a business line or asset basis as required. Assessments of physical climate risks associated with renewable energy and distribution network asset classes are partly based on climate scenarios. For industrial assets, technical resilience and operational continuity assessments are mainly used. Therefore, not all impact assessments of the described sustainability matters are currently based on the assumptions of a uniform climate scenario. However, together, they provide an overall picture of the resilience of the business model. The Group is planning to harmonise the selection of climate scenarios.

Physical risks

The Group's physical climate risks are covered under the topics of operational continuity, technical risks and environmental risks. Physical risks are assessed at the asset class or project level. The approaches

and standards used depend on the asset type. Assessments are made for renewable energy, the distribution network and industrial assets, covering the hazard levels, vulnerabilities and adaptation measures related to physical risks. Where possible, local climate scenario sources are used. Insurance contracts have been entered into and financed based on the requirements of the counterparty.

For wind energy assets, both CMIP6 models and European Climate Risk Assessment (EUCRA) data based on SSP1.2-6 and SSP3-7.0 scenarios were used. In the case of Elektrilevi's distribution network, an assessment of physical risks was carried out for both weatherproof and non-weatherproof network. The assessment was conducted based on a Commission Notice (2021/C 373/01). As the entire distribution network is located in Estonia, climate change assumptions were taken from the Estonian Environment Agency's study, 'Estonian future climate scenarios until 2100'. Traditionally, the availability and resilience of the distribution network are assessed using the SAIDI (System Average Interruption Duration Index) metric, as well as by monitoring the number of supply interruptions caused by weather. In the industry segment, physical risks are assessed risks to technical and operational continuity and resilience. Vulnerability assessments are based on historical supply interruptions, technical tolerance, and mitigation measures.

Although all hazards related to physical risks are monitored, only a small proportion of these are relevant in view of the Group's assets and locations. For renewable energy assets, long-term threats include changes in wind speed, wildfires, glaze ice, floods, storms and heat waves. For the distribution network, major threats include heat waves, extreme precipitation (rain and snow), floods, storms and glaze ice. Threats affecting the operational continuity of thermal power plant assets include prolonged periods of extreme air temperatures (very hot or very cold), storms, floods, and issues with the availability of cooling water. Based on all the climate scenarios examined and the risks that have materialised so far, the threats in the Baltic countries and Poland are significantly lower than in Southern Europe, but they are nevertheless on the rise. When assessing asset vulnerability, the focus is on technical tolerance, operational continuity, mitigation measures, historical experience and expected changes over the asset's lifetime.

The assessment of physical risks affects development and maintenance investments, project site selection, insurance and financing. Mitigation measures include project design, environmental impact assessments, insurance, operational continuity and resilience analysis, backup systems,



weatherproofing investments and regular reporting. The assessment of the materiality of physical risks at Group level is updated at least annually during the strategy review.

Transition risks

Transition risks are assessed based on applicable EU and Estonian national targets, as well as the associated regulations and roadmaps. In risk management, transition risks are treated as market, legal and financial risks. Key factors affecting resilience include EU Emissions Trading System (ETS) prices, the allocation of free emission allowances, environmental permit renewals, support measures for technologies, Best Available Techniques (BAT) requirements, the regulation of fossil technologies, the owner’s expectations regarding GHG emission targets, stranded asset risks, investor expectations regarding the energy transition and Environmental, Social and Governance (ESG) factors, as well as the resulting cost of capital. Assumptions made about these and other matters form the basis for shaping the strategies of the Group and its subsidiaries, and are part of day-to-day business activities and operational risk management. Regulatory requirements can also have a positive impact, for example in the form of support and grants for circular economy or renewable energy development projects. The Group’s current focus areas – increasing renewable energy production, modernising and digitalising the distribution network and developing circular economy businesses – are in line with the priorities of the European Green Deal and therefore support the Group’s strategic resilience. Overall, the importance of fossil operations in the Group’s total revenue is gradually decreasing, while the share of revenue from low GHG emission businesses is growing.

E1 GOV-3. INTEGRATION OF CLIMATE INDICATORS IN REMUNERATION

Climate-related performance is one of the sustainability-related performance indicators in the Group’s variable remuneration system. The metric is the Scope 1 GHG intensity of energy production, which applies to the Group’s own workforce in accordance with the system described in the ESRS 2 GOV-3 ‘Integration of sustainability-related performance in incentive schemes’ chapter of the sustainability statement. Therefore, part of each employee’s variable remuneration is linked to achieving the Group’s GHG intensity target. In 2025, this target accounted for 20% of the maximum variable remuneration of the Group’s management board. The ultimate proportion of an employee’s variable remuneration that

is linked to climate-related performance depends on the values of other performance indicators that influence variable remuneration in the employee’s unit.

E1-1. TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

The Group’s transition plan is guided by the actions necessary to meet the climate targets set by Estonia and the European Green Deal, as well as the business opportunities related to the energy transition. The plan also reflects the long-term expectations of the Group’s owner, the Republic of Estonia: to provide the state with a stable dividend yield and to maintain compliance with the financial framework in an environmentally friendly manner. The owners also expect the Group to reduce the GHG intensity of its production portfolio by meeting or exceeding the national emission reduction target and to become a clean industry by 2050. Implementing the transition plan will help ensure the resilience of the Group’s business model, reduce the environmental impact of energy production, and facilitate business growth in line with the principles of the circular economy. The activities outlined in the transition plan reflect opportunities in the Group’s existing and new business lines to move towards cleaner energy production and industry.

The Group’s transition plan is consistent with the current national targets. Estonia is drafting the Climate-Proof Economy Act (the Climate Act), which will set national sector-specific GHG emission reduction targets in line with the EU targets for 2030 and 2050. The Group’s energy production assets are also regulated by integrated environmental permits, which specify environmental targets that must be met. The Group’s transition plan aligns with the guidelines set out in the draft Climate Act, and a competent supervisory authority monitors compliance with the requirements set out in the integrated environmental permits. If adopted, the Climate Act will provide greater investment security for renewable energy and network development, but it will also increase pressure on the oil shale industry to continue reducing its GHG emissions.

Since 2015, the Group has reduced emissions from direct combustion (Scope 1) by an average of 12.6% per year (compound annual growth rate, CAGR). The transition plan sets out further reduction targets for these emissions: a 7% reduction by 2030 and a 21% reduction by 2035 compared to 2024. The ultimate goal is to achieve net zero by 2050.



The central elements of the transition plan are the systematic development of renewable energy, energy storage and the electricity distribution network, and the transformation of the fossil fuel-based industry into a circular economy-based one. Each activity in the transition plan contributes to reducing GHG emissions and strengthening the resilience of the business model. The Group also recognises the importance of a just transition, including supporting the reskilling of employees and affected communities. The implementation of each action depends on multiple variables, including technological developments, commercial viability, obtaining permits, market conditions and investment capacity. The main actions set out in the transition plan for the period 2025–2035 are as follows:

- Increasing renewable energy production and electricity storage capacity.
- Adding cleaner dispatchable capacities: gradually replacing the portfolio of oil shale-based electricity production capacities and increasing the share of biomass in the fuel mix.
- Investing in the distribution network: strengthening the network, and digitalising and increasing the flexibility of its management to accelerate the integration of distributed renewable energy production and the electrification of the economy.
- Transforming the industry: developing circular economy-based business models, including upcycling ash and waste rock into base materials for construction and recovering metals and minerals. Optimising the operations of the oil industry.
- Customer solutions: reducing GHG emissions in the value chain through integrated smart energy solutions and developing the electric vehicle charging network, renewable energy packages and other digitalised energy services.

The activities outlined in the transition plan represent a significant proportion of the Group's planned investments over the next few years. Compliance with Commission Delegated Regulation (EU) 2021/2178, which sets out the requirements for disclosing EU Taxonomy-related information, is detailed in the 'EU Taxonomy' chapter of the sustainability statement.

The Group's assets include oil shale-fired power plants and oil plants, which may be exposed to the risk of GHG emissions lock-in. This means that if these assets remain in operation at current emission levels for an extended period, or if additional investments are made in them that do not reduce emissions, they could prevent the Group from achieving its GHG emission reduction targets, increase the cost of offsets

and render the assets uncompetitive. Actions to mitigate these risks include increasing the proportion of biomass-based fuel used, conducting feasibility studies on carbon capture technologies, investing in activities aligned with the energy transition, and monitoring these activities using EU Taxonomy reporting.

The most significant of the Group's areas of activity covered by the Delegated Regulation, which sets out the requirements for disclosing EU Taxonomy-related information, include electricity generation from wind and solar power, transmission and distribution of electricity, storage of electricity, and infrastructure enabling low-carbon road transport and public transport (electric vehicle charging network). A detailed overview of the Taxonomy-eligible and Taxonomy-aligned activities, together with their three key performance indicators (CapEx, OpEx and turnover), is provided in the 'EU Taxonomy' chapter of the sustainability statement.

In 2025, the Group did not invest in any coal or natural gas-related activities. An investment of €50 million was made in oil-related activities.

Based on the criteria set out in Commission Delegated Regulation (EU) 2020/1818, the Group is not included in the EU Paris-aligned Benchmarks (PAB).

The transition plan forms part of the Group's strategy and is updated accordingly. It is approved by the Group's management board and supervisory board as part of the strategy. The owner's expectations were last updated in July 2025. The current version of the transition plan was approved in December 2025 together with the Group's green finance framework.

So far, the Group has implemented its energy transition by developing renewable energy, modernising the distribution network and transforming its industrial assets. In 2025, the proportion of renewable electricity in total electricity production increased by 11% compared to 2024, reaching 62%. This was achieved by completing new production capacities, which raised the total renewable electricity production capacity to 1,030 MW. A further 134 MW is under construction. The launch of new renewable energy capacities was supported by the development of storage capacities: a large-scale battery storage facility with a capacity of 26.6 MW was opened in Auvere. In 2025, €172 million was invested in the development of the distribution network and the share of weatherproof network increased to 77%. In addition, the total capacity of small generators connected to the distribution network exceeded 1 GW. In the industry segment, work continued on developing circular economy business models to add value to



by-products from the oil shale industry, such as ash and waste rock. The GHG intensity of the Group's energy and electricity production operations continued to decline, reaching 0.27 tCO₂eq/MWh and 0.37 tCO₂eq/MWh, respectively.

E1-2. CLIMATE-RELATED POLICIES

The Group's climate-related policies are based on the owner's expectations and the Estonian climate policy, which in turn is guided by the Paris Agreement on climate change and European Union law. Although the Group does not have a separate climate policy document, the policy is incorporated into the Group's environmental policy, which is described in the ESRS 2 MDR-P 'Policies adopted to manage material sustainability matters' chapter of the sustainability statement. The Group's climate policy is based on the owner's expectation of achieving climate impact reduction targets by reducing the impact of GHG emissions. Climate risk management is not separately outlined in the environmental policy; climate risks are managed as described in the E1 IRO-1 'Material climate-related impacts, risks and opportunities' chapter of the sustainability statement. The Group's management board is responsible for implementing the climate-related environmental policy, which is carried out through the units where climate-related performance indicators have been established.

The most important frameworks guiding the implementation of the climate policy are the Paris Agreement, the European Green Deal, the EU ETS, the GHG Protocol, the ISO 14001 standard, and reporting under the CSRD. In addition, information on stakeholders' expectations of the climate policy is regularly collected in the course of the Group's normal business activities across different business areas, and at least once a year this information is collected to update the double materiality assessment.

The Group's climate policy-related procedures and documents (including the strategy, the environmental policy and the Group's GHG emissions calculation methodology) are available to employees on the Group's intranet.

E1-3. CLIMATE-RELATED ACTIONS AND RESOURCES

The Group implements its climate policy through actions which reduce GHG emissions and ensure that GHG impacts are taken into account in decision-making and that this is done on a consistent basis across all subsidiaries. Planned and ongoing actions cover all three business lines (electricity, distribution network and industry) and are described in the transition plan outlined in the chapter E1-1 'Transition plan for climate change mitigation'. These actions can be divided into three categories: climate change mitigation, climate change adaptation and governance practices.

Climate change mitigation actions are primarily aimed at reducing total GHG emissions and the GHG intensity of energy production in the electricity and industry business lines that are involved in production. These actions include, for example, increasing the share of biofuels, improving production efficiency and expanding renewable energy production. The actions of the distribution network business line contribute to climate change mitigation in the value chain through the reduction of Scope 2 and 3 impacts. These actions focus on the technical preparation of the distribution network for an increased share of renewable energy, distributed generation, and large-scale connection of small generators. The aim is to integrate more renewable energy generation into the electricity network as efficiently as possible, while maintaining network stability and security of supply. Actions related to climate change adaptation include the regular assessment of climate risks and the implementation of mitigation measures. Governance practices cover the implementation of the Group-level climate policy and related responsibilities, the integration of climate-related key performance indicators into performance management, the regular assessment and audit of GHG emissions and the enhancement of assessment methodologies.

Actions are carried out based on the strategies of the Group's business lines and their implementation plans.

The impact of actions aimed at reducing GHG emissions in the Group’s operations and value chain is reflected in reductions in the absolute values and intensity of GHG emissions, growth in the share of renewable energy in energy production, an increase in renewable energy production capacity and the total capacity of small generators connected to the distribution network. The expected GHG impacts of current and future actions are presented in the chapter E1-1 ‘Transition plan for climate change mitigation’ at Group level and not at the level of specific activities or facilities. In line with the transitional provisions, the Group does not disclose comparative GHG data for the previous period.

The Group’s ability to implement actions to reduce its climate impact depends primarily on its investment capacity, the receipt of permits, market conditions and the owner’s expectations. Material investments are disclosed in the Group’s consolidated financial statements and EU Taxonomy report. The Group does not present a capital expenditure (CapEx) plan in its Taxonomy report.

E1-4. CLIMATE-RELATED TARGETS

The Group’s climate-related targets are based on the owner’s expectations (net zero emissions in Scope 1 by 2050), the interim targets set for this pathway and the requirements established by the integrated environmental permits. Annual emission volumes may fluctuate depending on the operation of plants designated as reserve capacities, but it is highly unlikely that these fluctuations would significantly affect compliance with long-term GHG emission reduction targets. No targets have been set for Scopes 2 and 3.

The GHG emission reduction targets are based on the same organisational and activity boundaries as the GHG footprint presented in the chapter E1-6 ‘GHG emissions’. All targets are based on absolute emission values. This means that actions reducing GHG emissions such as carbon credits and the effects of emission reduction and avoidance technologies are not taken into account as impacts when setting or assessing the achievement of the targets.

Table 4. The Group’s climate impact reduction targets

Target	Details of the target	2025 result
Reduction of the Group’s Scope 1 GHG emissions to 2.7 MtCO ₂ eq by 2030	KPI: Gross Scope 1 GHG emissions Unit: MtCO ₂ eq Base year: 2025 Target year: 2030 Scope: 1	2.60 MtCO ₂ eq
Reducing the GHG intensity of energy production to 0.19 tCO ₂ eq/MWh by 2030	KPI: GHG intensity of energy production Unit: tCO ₂ eq/MWh Base year: 2025 Target year: 2030 Scope: 1	0.27 tCO ₂ e/MWh
Scope 1 net zero emissions from energy production by 2050 at the latest	KPI: Gross Scope 1 GHG emissions Unit: MtCO ₂ eq Base year: 2025 Target year: 2050 Scope: 1	2.60 MtCO ₂ e

When setting targets, 2025 was chosen as the base year to represent normal conditions. The emissions for the base year were calculated using the same methodology and scope as for the reporting year. This ensures consistency and alignment between the calculation boundaries and the scope of the sustainability statement.

The actions required to achieve the targets are described in the chapters E1-1 ‘Transition plan for climate change mitigation’ and E1-3 ‘Climate-related actions and resources’. To achieve net zero emissions by 2050, carbon capture and storage technologies or nature-based approaches to reducing GHG emissions may also be required to eliminate residual emissions. The Group monitors advances in these options and will determine the optimal approach for eliminating residual emissions based on its business model by the time of implementation.

E1-5. ENERGY CONSUMPTION

The Group uses a variety of energy sources in its operations, including oil shale, retort gas, natural gas, biomass, liquid fuels, mixed municipal waste and purchased electricity and heat. The table below shows energy consumption by source.

Table 5. Energy consumption and mix

Energy consumption and mix (MWh or %)		
1.	Fuel consumption from coal and coal products	748
2.	Fuel consumption from crude oil and petroleum products	134,903
3.	Fuel consumption from natural gas	344,583
4.	Fuel consumption from other fossil sources*	11,790,143
5.	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	363,636
6.	Total fossil energy consumption [sum of lines 1 to 5]	12,634,013
	Share of fossil sources in total energy consumption (%)	92
7.	Consumption from nuclear sources	60,443
	Share of consumption from nuclear sources in total energy consumption (%)	0.4
8.	Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)**	1,186,022
9.	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	55,013
10.	Consumption of self-generated non-fuel renewable energy	706
11.	Total renewable energy consumption [sum of lines 8 to 10]	1,241,740
12.	Share of renewable sources in total energy consumption (%)	8.9
13.	Total energy consumption [sum of lines 6, 7 and 11]	13,936,196
Energy production (MWh) ***		
14.	Non-renewable energy production	6,270,806
15.	Renewable energy production	2,231,968

** This also includes mixed municipal waste in accordance with the EU ETS approach.*
*** This also includes biomass contained in mixed municipal waste.*
****The line for electricity generation on page 8 of the activity report includes, in addition to what is shown here, energy purchased for internal consumption. Unlike what is shown here, the activity report does not classify energy generated from biomass and waste heat as renewable energy production on page 8.*

The Group's energy consumption in high climate impact sectors was 8,467 MWh per million euros of net revenue. As all Group segments are classified as high climate impact sectors, the net revenue used to calculate energy intensity equalled the Group's net revenue disclosed in the consolidated financial statements (see the consolidated income statement) and Note 25 'Revenue'.

E1-6. GHG EMISSIONS

The climate impact of the Group's operations is measured through regular GHG calculations, which involve two separate workflows. Emissions from assets covered by the EU ETS are calculated monthly and audited annually. The Group's overall GHG footprint (Scopes 1–3) is calculated annually in accordance with the GHG Protocol standards and has been audited by an external party every year since 2020. GHG calculations also inform strategic planning and project development. These calculations provide a systematic overview of all actions related to GHG emissions each year, enabling comparison with previous periods. The GHG footprint for 2025 is presented in Table 6.

Accounting policies

The calculation of the Group's GHG emissions is based on the GHG Protocol (GHGP) standards. Organisational boundaries have been set using the financial control approach. The Group has no associates or other subsidiaries whose emissions are under its operational control but which are not included in consolidation.

The main source of emission factors is the UK Government GHG Conversion Factors for Company Reporting database of DEFRA (the DEFRA database), which is updated annually. The emission factors used are based on the global warming potentials reported in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). The DEFRA database is recognised under the GHG Protocol standards and is used when high-quality emission factors for the local region are unavailable. In addition to those obtained from the DEFRA database, the Group applies emission factors based on its own processes, which are as accurate as possible. These factors are used for EU ETS reporting and for calculating emissions from the Attarat power plant, for example. Group-specific emission factors are applied to emissions in Scopes 1 and 3.

Table 6. The Group’s GHG emissions (tCO₂eq or as indicated)

Scope 1	
Gross Scope 1 GHG emissions	2,596,253
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	99%
Scope 2	
Gross location-based Scope 2 GHG emissions	289,047
Gross market-based Scope 2 GHG emissions	288,862
Scope 3	
Total Gross indirect (Scope 3) GHG emissions	1,751,595
1. Purchased goods and services	–*
2. Capital goods	26,645
3. Fuel and energy-related activities	–*
4. Upstream transportation and distribution	1,927
5. Waste generated in operations	1,598
6. Business traveling	135
7. Employee commuting	605
8. Upstream leased assets	1,821
9. Downstream transportation	2,630
10. Processing of sold products	–*
11. Use of sold products	1,172,119
12. End-of-life treatment of sold products	–*
13. Downstream leased assets	–*
14. Franchises	–*
15. Investments	544,116
Total Scopes 1-3 GHG emissions	
Total GHG emissions (location-based)	4,636,894
Total GHG emissions (market-based)	4,636,709
GHG intensity (location-based) per net revenue (tCO ₂ eq/€m)	2,816
GHG intensity (market-based) per net revenue (tCO ₂ eq/€m)	2,815
GHG emissions beyond Scopes 1-3	
Emissions from direct incineration of biogenic fuels	501,913

* Scope 3 category is either not material or data is insufficient. Detailed explanations in Table 7.

Scope 1

In GHG calculations, CH₄ and N₂O emissions from production units covered by the EU ETS are considered to be equal to zero if they remain below one kilogram during the reporting period or are not presented in the ETS reports. This is in accordance with subsection 91(3) of the Atmospheric Air Protection Act currently in force in Estonia. All production units covered by the EU ETS are located in Estonia. Although N₂O levels are identified during measurements, these are mostly below the detection limit and have therefore not been taken into account.

Scope 2

Location-based GHG emissions from electricity are calculated using country-specific GHG intensity values of the residual energy mix (residual mix). The residual mix represents the average emissions from electricity of unproven origin per unit of electricity consumed. As the CSRD statement for the 2025 reporting period is authorised for issue before the residual mix emission factor for 2025 becomes available, the residual mix value for 2024 has been used instead. The data source used for the residual mix is the Association of Issuing Bodies (AIB). Deadlines for publishing residual mix data vary by country but generally fall in the second half of the following year.

Market-based calculations allow renewable electricity with a proven origin, sold through Enefit Volt’s charging infrastructure, to be taken into account. This electricity is recognised within Scope 2 emissions at zero value. Emission factors specified by the issuers of guarantees of origin are applied to electricity covered by these guarantees.

In summary, the residual mix is used for location-based calculations, while guarantees of origin for renewable electricity are used for market-based calculations. As there is no up-to-date regional emission factor available for heat consumption in Estonia, the DEFRA database is used.

Scope 3

This statement presents the categories of Scope 3 whose impact was considered significant and for which reliable data could be collected. During the reporting period, a total of nine significant categories were identified in Scope 3.

Table 7. Significance of Scope 3 categories

Category	Significance	Comments
1. Purchased goods and services	Insignificant	Sufficiently accurate underlying data on the characteristics of goods and services are not available. A methodology that would enable emissions to be calculated with an adequate level of accuracy is under development
2. Capital goods	Significant	Calculated on the basis of the life-cycle GHG footprint of wind and solar energy production, using emission factors published by the United Nations Economic Commission for Europe (UNECE)
3. Fuel and energy-related activities	Insignificant	No activities are listed, as energy production and transmission losses are already included in the calculations for Scopes 1 and 2
4. Upstream transportation and distribution	Significant	Calculated based on kilometres travelled and vehicle-specific emission factors
5. Waste generated in operations	Significant	Includes the transportation of waste to waste handlers. Emissions from waste handling cannot be calculated with sufficient accuracy due to data quality limitations
6. Business traveling	Significant	Calculated based on distances flown
7. Employee commuting	Significant	Includes chartered bus services, whose emissions were calculated based on the distance travelled
8. Upstream leased assets	Significant	Includes electricity and heat consumption on rented premises and fuel consumption of rented machinery
9. Downstream transportation	Significant	Calculated based on the distances travelled by trucks, ships and trains transporting sold products and the emission factors for each mode of transport
10. Processing of sold products	Insignificant	The share of physical products sold is negligible compared to energy products (Scopes 1 and 2), and these products are intended for use without further processing
11. Use of sold products	Significant	Includes the combustion of liquid fuels, with emissions calculated using the mass balance method based on their GHG content
12. End-of-life treatment of sold products	Insignificant	As noted in the comment on category 10, the share of physical products is negligible and they are inert. Therefore, their end-of-life treatment is considered insignificant
13. Downstream leased assets	Insignificant	Data on emissions from assets leased out by the Group are unavailable. The volume of this activity is negligible
14. Franchises	Insignificant	The Group has no franchise-related activities
15. Investments	Significant	The activities of Attarat Holding OÜ were assessed, with emissions calculated based on the amount of electricity produced and the company's emission factor

For each insignificant category, the Group made sure that its inclusion would neither change the completeness of the statement nor significantly influence the calculation of total GHG emissions. The significance of categories will be reassessed annually and if the estimated impact of an activity exceeds the threshold of significance, the category will be included in the statement in the future.

E1-7. GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

The Group has no GHG removals or GHG mitigation projects financed through carbon credits.

E1-8. INTERNAL CARBON PRICING

The Group takes EU ETS prices into account separately for all activities covered by the system, as well as for strategic planning and operational activities at Group level. The EU ETS covers over 99% of the Group’s Scope 1 emissions. While the Group does not apply an additional internal price for GHG emissions on top of the EU ETS price, it is considering the introduction of further pricing methods on a case-by-case basis, including to support management and investment decisions. No internal carbon pricing is applied to Scopes 2 and 3.



EU Taxonomy

1. EU Taxonomy report

1.1. PURPOSE AND SCOPE OF REPORTING

Eesti Energia discloses information in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation), in particular Article 8 of the Regulation, and the complementing Commission Delegated Regulation (EU) 2021/2178, as amended by Commission Delegated Regulation (EU) C(2025) 4568 in July 2025 simplifying taxonomy reporting. The reporting scope corresponds to the consolidated financial statements of Eesti Energia and its subsidiaries.

The key performance indicators (KPIs) presented in the statement – turnover, capital expenditure (CapEx) and operating expenditure (OpEx) – are based on Eesti Energia’s consolidated IFRS reporting. This information is part of Eesti Energia’s sustainability statement and is subject to a limited assurance engagement under the Corporate Sustainability Statementing Directive (CSRD).

1.2. LEGAL FRAMEWORK

The EU Taxonomy framework is supplemented by the following delegated acts:

- Climate Delegated Act establishing the technical screening criteria for climate change mitigation and adaptation objectives – Commission Delegated Regulation (EU) 2021/2139;
- Disclosures Delegated Act specifying the disclosure of performance indicators pursuant to Article 8 of the Taxonomy Regulation – Commission Delegated Regulation (EU) 2021/2178;
- Complementary Climate Delegated Act for nuclear and gas energy activities – Commission Delegated Regulation (EU) 2022/1214.

From 2025, the Group applies simplifications to the content and form of reporting as permitted by Delegated Regulation C(2025) 4568 adopted in July 2025

1.3. RELEVANT ENVIRONMENTAL OBJECTIVES

Eesti Energia reports on all six environmental objectives in accordance with the EU Taxonomy Regulation. For the 2025 financial year, only climate change mitigation (CCM) and climate change adaptation (CCA) objectives were identified as relevant to the Group’s economic activities. In line with the simplifications introduced by Delegated Regulation C(2025) 4568, which was adopted in July 2025, a 10% materiality threshold was applied. Following its application, none of the activities outlined in the statement contributed to the other four environmental objectives. The following activities did not qualify as material:

- 4.10. Storage of electricity (CCM/CCA);
- 4.15. District heating/cooling distribution (CCM/CCA);
- 4.25. Production of heat/cool using waste heat (CCM/CCA);
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CCM/CCA).



2. Methodology

2.1. SCREENING METHOD

Eesti Energia used the European Commission's EU Taxonomy Compass tool to compare its economic activities with the NACE codes (the statistical classification of economic activities in the European Community) provided in the Taxonomy Regulation and the descriptions of these activities. The screening included all activities of the business segments and the related turnover, CapEx and OpEx items in Eesti Energia's consolidated financial statements. By manually reviewing the activities described in the Delegated Regulation, the Group verified that it had correctly identified all its Taxonomy-eligible and Taxonomy-non-eligible activities. This approach ensured a complete list of Taxonomy-eligible activities.

2.2. BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The denominators for turnover, CapEx and OpEx have been derived from Eesti Energia's consolidated IFRS financial statements. Turnover, CapEx and OpEx have been determined in accordance with the definitions in the Disclosures Delegated Act supplementing Article 8. OpEx covers only the categories of expenditure set out in the relevant Regulation (the costs of research and development, short-term lease, maintenance and repair, and related labour costs).

The numerators for turnover, CapEx and OpEx include the portion of those indicators related to the economic activities described in the delegated acts of the EU Taxonomy Regulation. The portion covered by the Taxonomy is determined based on whether the activity is defined in the Taxonomy. The covered portion of the Taxonomy includes only those activities or parts of activities that meet the criteria for a significant contribution to at least one environmental objective, do no significant harm to other environmental objectives (DNSH), and meet the requirements for minimum safeguards.

If the activities included in the consolidated financial statements are only partly related to taxonomy-eligible or taxonomy-aligned activities, the amounts are allocated on a pro rata basis, corresponding to

their respective shares in the production volume, project scope or proportion of the activity. Eesti Energia did not implement any CapEx plans to be reported in the Taxonomy report in 2025. The denominators of the turnover and CapEx KPIs are directly linked to the consolidated financial statements and are presented in the 'Consolidated Financial Statements' section of the annual report.

As the definition of OpEx for financial reporting purposes does not fully align with that for Taxonomy reporting purposes, this KPI is derived from the underlying dataset of the consolidated financial statements and not the statements themselves. In the Group's internal reporting, 'fixed costs' is used as a subdivision of the metric to reflect maintenance costs (covering all external repair and maintenance costs relating to the distribution network and production assets). In the chart of accounts, these costs are included within 'Expenses on machinery, equipment and facilities', and in Elektrilevi's case, also within 'Expenses on commercial measuring equipment'. The item mainly includes the cost of materials and supplies required for asset repairs and the cost of outsourced services. In the case of Enefit Green, it also includes the costs relating to (lease of) land. It also includes payroll expenses related to Elektrilevi maintenance and repair crews.

To ensure completeness and avoid double counting, each taxonomy-eligible activity has been linked to a single primary environmental objective. No comparative information is presented for the previous financial year, because 2025 was Eesti Energia's first year of reporting in accordance with the CSRD.

Enefit's external revenue from solar and wind power production is not recognised separately in Group-level segment reporting. Therefore, the Taxonomy report for 2025 does not include turnover from activities 4.1 (electricity generation using solar photovoltaic technology) and 4.3 (electricity generation from wind power).

2.3. IDENTIFICATION OF TAXONOMY-ELIGIBLE ACTIVITIES

Activities that matched the descriptions provided in the Delegated Acts were designated as Taxonomy eligible. For each KPI, activities below 10% of the denominator of that KPI were omitted on the basis of materiality. Activities that did not match the descriptions were designated as Taxonomy-non-eligible. The activities designated as Taxonomy-eligible were used as input for alignment assessment. All other activities of the group were assessed as non-announcements or not material within the scope of the taxonomy delegated acts, and are therefore excluded.

Table 8. Identified Taxonomy-eligible Group activities

4.1	Electricity generation using solar photovoltaic technology
4.3	Electricity generation from wind power
4.9	Transmission and distribution of electricity
6.15	Infrastructure enabling low-carbon road transport and public transport

Activity 6.15 involves the development of a public electric vehicle charging network. All of the Group's other activities were assessed as either outside the scope of the Delegated Acts or immaterial, and were therefore not included in the Taxonomy-eligible activities.

3. Assessment of alignment

3.1. SUBSTANTIAL CONTRIBUTION CRITERIA BY ACTIVITY

All Taxonomy-eligible activities were assessed against the technical screening criteria for substantial contribution set out in the Delegated Acts. Each activity was reviewed to confirm its compliance with the relevant requirements in terms of all environmental objectives to which it could contribute under the Taxonomy.

3.2. ASSESSMENT OF COMPLIANCE WITH THE DNSH CRITERIA

The Taxonomy-eligible activities that met the substantial contribution criteria were then assessed against the ‘do no significant harm’ (DNSH) criteria to ensure that they would make a substantial contribution without causing significant harm to any other environmental objective. Compliance with the DNSH criteria was checked under the Taxonomy requirements, based on evidence such as environmental permits, environmental impact assessments, and the Group’s management systems. Activity 6.15 (infrastructure enabling low-carbon road transport and public transport) was considered to make a substantial contribution, but was not considered to comply with the DNSH criteria for climate change adaptation.

3.3. MINIMUM SAFEGUARDS

Eesti Energia confirms its compliance with the minimum safeguarding requirements set out in Article 18 of the Taxonomy Regulation. In 2025, no violations relating to labour or human rights, corruption, taxation or competition law were identified, and the Group did not refuse to cooperate with any investigations. The Group carries out its economic activities in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ILO Conventions.

Ensuring compliance with these requirements is integrated into executive management processes through the following documents and systems: the Code of Ethics, the Code of Ethics for Partners, risk management policies and principles (including those relating to corruption), relevant training and raising awareness among employees. These documents and systems ensure the proper handling of incidents relating to labour law and human rights. The Group has implemented anti-corruption processes, and no confirmed incidents of corruption have been identified at management level.

4. KPIs

4.1. Table 9. Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year (N) (summary KPIs)

Financial year (N)		2025											
KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text	€m	%	€m	%	%	%	%	%	%	%	%	(%)	%
Turnover	1,646.9	19.5%	322	19.5%	19.5%	0%	0%	0%	0%	0%	19.5%	0%	0%
CapEx	459	68.3%	295	64.2%	64.2%	0%	0%	0%	0%	0%	36.4%	0%	0.044%
OpEx	70	78.5%	55	78.5%	78.5%	0%	0%	0%	0%	0%	50.4%	0%	0%

Notes

1. Non-material activities – based on Delegated Regulation C(2025) 4568 adopted in July 2025, a 10% materiality threshold was applied to each KPI (turnover, CapEx and OpEx) when identifying Taxonomy-eligible economic activities. Following the application of the threshold, there were no Taxonomy-eligible activities contributing to objectives 3 (Water and marine resources), 4 (Circular economy), 5 (Pollution prevention and control) or 6 (Biodiversity and ecosystems). Therefore, these objectives have been omitted from the sustainability statement.
2. Double counting – each Taxonomy-eligible activity was linked to one primary environmental objective to avoid double counting.
3. Comparative information – no previous year (N-1) data are reported as 2025 is the first CSRD reporting year for Eesti Energia.

4.2. Table 10. Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year (N) (activity breakdown)

Reported KPI		Turnover											
Financial year (N)		2025											
Economic Activities	Code	Proportion of Taxonomy-eligible KPI	Taxonomy-aligned KPI	Proportion of Taxonomy-aligned KPI	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	€m	%	%	%	%	%	%	%	(E)	(T)	%
Transmission and distribution of electricity	CCM 4.9/ CCA 4.9	19.5%	322	19.5%	19.5%	0%	0%	0%	0%	0%	E		100%
Sum of alignment per objective					19.5%	0%	0%	0%	0%	0%			
Total KPI		19.5%	322	19.5%									

Reported KPI		CapEx											
Financial year (N)		2025											
Economic Activities	Code	Proportion of Taxonomy-eligible KPI	Taxonomy-aligned KPI	Proportion of Taxonomy-aligned KPI	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	€m	%	%	%	%	%	%	%	(E)	(T)	%
Electricity generation using solar photovoltaic technology	CCM 4.1/CCA 4.1	4.8%	22	4.8%	4.8%	0%	0%	0%	0%	0%			100%
Electricity generation from wind power	CCM 4.3/CCA 4.3	22.9%	105	22.9%	22.9%	0%	0%	0%	0%	0%			100%
Transmission and distribution of electricity	CCM 4.9/CCA 4.9	36.4%	167	36.4%	36.4%	0%	0%	0%	0%	0%	E		100%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15/CCA 6.15	4.1%	0	0.0%	0.0%	0%	0%	0%	0%	0%	E		0%
Sum of alignment per objective					64.2%	0%	0%	0%	0%	0%			
Total KPI		68.3%	295	64.2%									100%

Reported KPI		OpEx											
Financial year (N)		2025											
Economic Activities	Code	Proportion of Taxonomy-eligible KPI	Taxonomy-aligned KPI	Proportion of Taxonomy-aligned KPI	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	€m	%	%	%	%	%	%	%	(E)	(T)	%
Electricity generation using solar photovoltaic technology	CCM 4.1/CCA 4.1	1.9%	1	1.9%	1.9%	0%	0%	0%	0%	0%			100%
Electricity generation from wind power	CCM 4.3/CCA 4.3	26.1%	18	26.1%	26.1%	0%	0%	0%	0%	0%			100%
Transmission and distribution of electricity	CCM 4.9/CCA 4.9	50.4%	35	50.4%	50.4%	0%	0%	0%	0%	0%	E		100%
Sum of alignment per objective					78.4%	0%	0%	0%	0%	0%			
Total KPI		78.4%	55	78.4%									100%



4.3. FOSSIL GAS AND NUCLEAR ENERGY ACTIVITIES

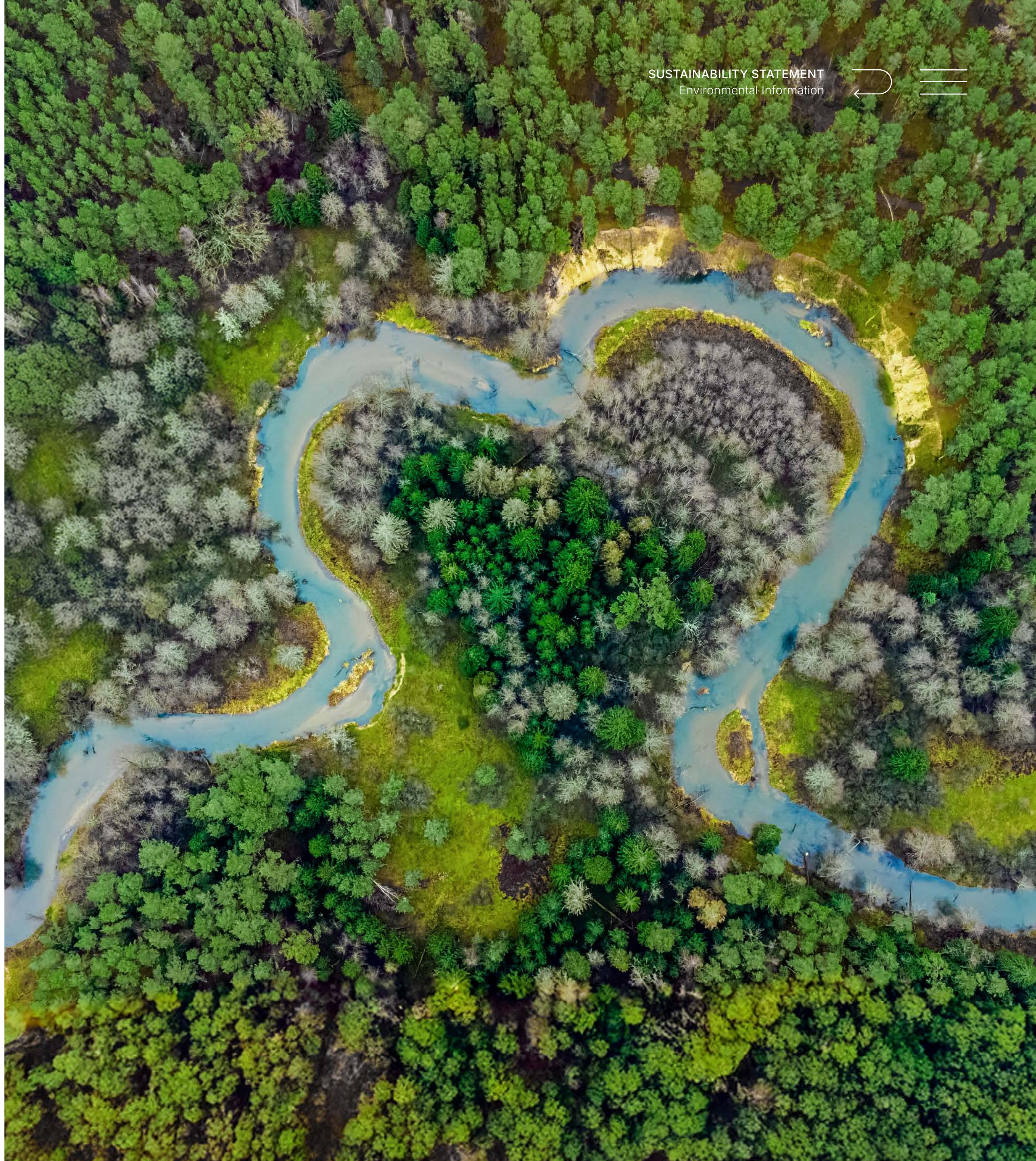
In accordance with Article 8 of Regulation (EU) 2020/852 and the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Group has assessed whether any of its economic activities fall under the following technical screening criteria:

- Electricity generation from fossil gaseous fuels (activity 4.29);
- High-efficiency co-generation of heat/cool and power from fossil gaseous fuels (activity 4.30);
- Electricity generation from nuclear energy and related enabling or supporting activities (activities 4.26–4.28).

For the 2025 reporting period, no such activities were identified or their respective KPIs were below the 10% materiality threshold. Therefore, the Group does not report turnover, CapEx or OpEx associated with fossil gas or nuclear energy activities.

The Group is involved in the resale of natural gas, which is not listed as a Taxonomy-eligible activity in either the Climate Delegated Act (EU 2021/2139) or the Complementary Climate Delegated Act (EU 2022/1214). Consequently, turnover from gas trading and sales, as well as related expenditure, are classified as Taxonomy-non-eligible.

Consequently, Tables 1–4 of the Complementary Climate Delegated Act are inapplicable and have not been included in this statement. However, the Group continues to monitor possible future developments in electricity generation and infrastructure projects, as some economic activities may fall within the scope of the Complementary Climate Delegated Act in the future. For instance, operating a hydrogen-ready gas-fired power plant could constitute such an activity.



E2. Pollution

E2 IRO-1. MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Table 11. Material pollution-related impacts, risks and opportunities

Time horizon	Type of impact	Topic	Description	Business segment	Value chain
Short-term	Actual negative impact	Air pollution	Fossil energy production affects local air quality	Industry, electricity	Own operations

The double materiality assessment identified the impact on local air quality arising from the Group’s large-scale industrial operations as the most material pollution-related issue. However, the potential impact on water resources and soil, and the associated risks, were not identified as material for the Group as a whole since the impact is small and well controlled.

The assessment outcomes are based on detailed risk assessments, conducted regularly by the environmental services unit, which cover compliance with legal and regulatory requirements, mitigation measures and adherence to environmental management standards. In addition to the input of environmental experts and subsidiaries’ leadership gathered as part of the double materiality assessment, the Group receives regular information on these matters from the Environmental Board and local authorities. The general engagement process is described in more detail in the ESRS 2 SBM-3 ‘Material impacts, risks and opportunities and their interaction with strategy and business model’ chapter of the sustainability statement. No incidents with a material impact have occurred in recent history or during the reporting period and none are expected in the future.

The permitted annual limits for pollutant emissions were not exceeded during the reporting period.

Impacts related to microplastics were not identified as material to the Group’s operations.

E2-1. POLICIES RELATED TO POLLUTION

The Group’s policies on pollution are based on its environmental policies and standards, which are described in the ESRS 2 MDR-P ‘Policies adopted to manage material sustainability matters’ chapter of the sustainability statement. The Group needs environmental permits for its day-to-day production activities. Environmental, radiation practice and integrated environmental permits, as well as the relevant registrations, require the subsidiaries to prevent pollution, carry out monitoring, prevent production and workplace accidents, and regularly report on their installations’ compliance with the permit requirements, including emissions. The permits are designed to protect water, air and soil, and to ensure proper waste management that prevents the transfer of pollution from one environmental component (e.g. water, air or soil) to another. They therefore outline emission limit values, as well as monitoring and other obligations that have to be met. Integrated environmental permits also require the use of the best available techniques.

Due to business development and changes in legislation, environmental permits held by subsidiaries are subject to frequent changes. The permits (except radiation practice licences) are publicly available in the Environmental Decisions Information System (KOTKAS) of the Environmental Board.

To minimise emissions and waste and ensure resource efficiency, the Group applies the best available techniques. The Group is also committed to monitoring environmental indicators related to air quality and implementing measures to mitigate negative impacts. Hazardous substances and substances of very high concern are not addressed in the Group’s environmental policy. Instead, these topics are regulated by the Group’s environmental management standards and applicable legislation. The environmental policy requires the Group to analyse the environmental impacts and risks of its activities and continuously develop and enhance its environmental activities. In this context, the Group focuses on preventing potential environmental emergencies and infringements, as well as mitigating their impact.



Potential disasters and emergencies have been identified, and the requirements for responding to them are set out in internal documents. These include actions to prevent emergencies and mitigate their potential impact on the environment and employees. There is also an emergency reporting procedure in place. Documents prepared for emergency management are periodically reviewed during internal audits, as well as after any accidents or emergencies.

E2-2. ACTIONS AND RESOURCES RELATED TO POLLUTION

The Group is committed to continuously improving the resilience of its monitoring systems, reducing emissions and increasing energy efficiency. Where necessary, subsidiaries involved in production prepare action plans for managing specific impacts, which they agree with the Environmental Board.

Although emissions unrelated to production account for only a small proportion of the Group’s overall emissions, the Group consistently modernises its vehicle fleet by purchasing clean vehicles. Using these vehicles helps reduce emissions from the Group’s operations and lower fuel and maintenance costs. Where possible, the Group uses green public procurement to purchase services, products and raw materials.

Should an environmental accident or pollution occur, water and/or soil samples are taken and analysed by an accredited laboratory or contractor, where necessary. The necessary remedial action is decided based on the results of the analysis.

The following is an overview of the measures applied to monitor and reduce emissions at the subsidiaries Enefit Power, Enefit Industry and Enefit Green.

Enefit Power, oil shale power plants

At Enefit Power, one of the main impacts is air pollution, caused by the Auvere, Eesti and Balti oil shale-fired power plants in Ida-Viru County. Over the years, steps have been taken to reduce their emissions through an ongoing development process to ensure compliance with environmental requirements and continuous emission reduction.

Measures to control pollution from oil shale-based electricity generation include regular maintenance and repair of the equipment. During the reporting period, scheduled maintenance was carried out at the Auvere and Eesti power plants to ensure operating efficiency in the current volatile electricity market, where frequent changes to operating modes increase the risk of temporary spikes in air emissions. During a major overhaul at the Auvere power plant, fabric filters that capture dust particles were replaced. This improved particle separation efficiency, reduced dust emissions, and increased the operational reliability and availability of the plant’s equipment.

New dust monitors have been installed at all three oil shale power plants to improve the reliability of continuous monitoring data. At the Eesti power plant, a plan has been implemented to prevent and reduce the impact of sudden emissions, and guidelines have been adopted for the start-up and shut-down processes of the generating units. Incidents are recorded at all oil shale power plants. After each incident, the circumstances are reviewed and the causes analysed. Pollutants released during sudden emissions are assessed based on indirect indicators, with periodic measurements carried out. In order to prevent sudden emissions from the generating units of oil shale power plants and to increase the reliability and availability of these units, five-year maintenance and repair plans are prepared and implemented.

The plants’ operating modes are continuously adjusted and operating instructions are updated to ensure that permitted emission levels are not exceeded. The necessary actions depend on the technical characteristics of the plants. For example, retort gas combustion at the Eesti power plant is capped at 20% to prevent the hydrochloride (HCl) limit value from being exceeded. At the Balti power plant, more biofuel is burned to reduce dust emissions and prevent the particulate matter limit value from being exceeded. At the Auvere power plant, nitrogen oxide (NOx) levels are kept within the required limits by using urea and continuously monitoring boiler operation. At the Eesti power plant, the environmental permit was updated in 2025 to reflect that its pulverised combustion units have been switched to part-time operation, with a maximum usage of 1,500 hours per year. Additionally, the combustion process at the Eesti power plant has been analysed, with efforts being made to increase its efficiency and reduce the concentration of HCl in its flue gases. The tests performed have shown good results.

Improvements have also been made to the ash field pipelines and other technical solutions at the Eesti power plant. In 2025, the shaft spillways were raised to enable safe operation of the ash field.



Further plans to reduce air emissions include the continued modernisation of the continuous monitoring system and the integration of reporting systems. It has been determined that phenolic water from operating the new oil plant can be used to reduce dust emissions at the Eesti power plant, and a permit for this has been obtained.

In 2026, upgrading of the pipelines and technical solutions at the Eesti power plant will continue in order to reduce leaks and pollution. Plans include relocating the shaft spillways, renovating the ash pulp pipeline and extending its discharge pipes, and building a neutralisation unit in the ash field.

Enefit Industry, production of liquid fuels and oil shale mining

At Enefit Industry, emissions originate from the liquid fuel (shale oil) plants in Ida-Viru County, the Estonia mine and the Narva quarry. In 2025, various promising development activities were carried out alongside regular maintenance and optimisation work to reduce emissions from liquid fuel production. The emissions-related development activities focused on the older shale oil plant, Enefit140, where adding low-calorie oil shale and secondary air to the cyclone separator in various operating modes and quantities was successfully tested to reduce emissions and increase combustion efficiency. An innovative, permanent technological solution for the secondary air system was completed at the Enefit140-2 facility in April, and at the Enefit140-1 facility in June. The plan is to test and optimise the secondary air system over a longer period. Measurements from the secondary air tests reflect a reduction in pollutant concentrations (H₂S, CO, NMVOC, CH₄, NH₃, COS and benzene). However, SO₂ concentration has increased. To reduce SO₂ emissions, a testing programme covering three different solutions was agreed with the Environmental Board. The test results show a significant decrease in SO₂ concentrations.

Development activities were also carried out at the newer shale oil plant, Enefit280. A new dust monitor was installed to improve the quality of the continuous monitoring data on dust emissions. Various activities have been planned to reduce the risk of leakage and water discharge, such as replacing obsolete and leak-prone pipelines, expanding systems, and carrying out additional studies. These actions aim to reduce the risk of soil and groundwater pollution and ensure the safe discharge of wastewater. In addition, a new oil separator is to be installed to improve wastewater treatment efficiency.

Due to the reduced need for heat energy, the 9.24 MWth boiler at the Estonia mine was replaced with a smaller 4.89 MWth boiler. The upgrade reduces air emissions from the boiler plant's operation and ensures that energy production meets actual needs.

Maintenance and improvements aimed at optimising wastewater treatment efficiency were carried out at the Narva quarry. Reconstruction of the effluent sedimentation basin enhanced the efficiency of the treatment process, ensuring that clean effluent is discharged into the natural environment. Additionally, iron separation filters were installed in the drinking water supply wells to ensure that drinking water quality meets established standards.

The plans to reduce oil industry emissions in 2026 include further testing and optimisation of the secondary air system, long-term testing in stable operating conditions to confirm earlier results, and new SO₂ abatement testing. The planned replacement of the liquid fuel tanks will significantly improve safety by reducing the risk of leakage and evaporation. The new tanks will reduce the likelihood of liquid fuels leaking into the soil and groundwater. They will also reduce air pollution and ensure ongoing compliance with environmental requirements. The 2026 plans also include extending the scope of accreditation of the emissions laboratory. The laboratory analyses emissions from large combustion plants and calibrates continuous monitoring systems. Expanding the laboratory's scope of accreditation will reduce reliance on external service providers and ensure timely monitoring.

Enefit Green, Iru power plant

The source of emissions at Enefit Green is the Iru power plant, which produces electricity and heat by incinerating waste and gas. Regular activities to control pollution include cleaning the interior walls of the boilers. This reduces the amount of slag that accumulates on the walls of the boilers, slightly increases combustion efficiency and reduces the number of unplanned outages, while also making the surfaces of the heat exchangers more efficient. The incineration process is optimised in cooperation with the boiler manufacturer where necessary to reduce pollutant generation and ensure more complete and efficient fuel combustion. New dust monitors have been installed to provide more reliable continuous monitoring data on emissions. The power plant cleans flue gases by injecting activated charcoal, scrubbing flue gas with lime milk and adding slaked lime. As a final step, fly ash is captured in fabric filters. Additionally, selective non-catalytic reduction (SNCR) is employed to reduce nitrogen oxides. Environmental



monitoring involves continuous measurement of the concentrations of nitrogen oxide (NO_x), carbon monoxide (CO), sulphur dioxide (SO₂), total organic carbon (TOC), hydrogen chloride (HCl), hydrogen fluoride (HF), ammonia (NH₃) and particulate matter. The old mercury-containing lamps on the premises of the plant are being replaced with more energy-efficient lighting to reduce the risk of pollution and energy consumption.

The following key actions are planned for 2026 to reduce air emissions: upgrading water treatment equipment to reduce reagent use and ensure more stable operation, installing automated boiler cleaning systems, replacing light sources with more energy-efficient, mercury-free solutions and modernising bottom ash removal to reduce emergency outages and improve equipment reliability and availability. These activities should all reduce pollution generation at the power plant.

E2-3. TARGETS RELATED TO POLLUTION

All of the Group's pollution reduction targets require compliance with the environmental permits held by production units, as well as with national and international legal requirements. This means ensuring that all environmental requirements are met. The Group-wide pollution-related goal for 2025 and beyond is to comply with all limit values specified in environmental permits. All development activities are guided by the actions necessary to achieve this goal. In line with the expectations of the owner (the Republic of Estonia), the Group has set itself the objective of becoming a clean industry by 2050. This means achieving net-zero GHG emissions from production processes by 2050, which will likely require offsetting or removing a small proportion of residual emissions through technological or nature-based methods.

At the level of subsidiaries, environmental targets are set based on the environmental policy and the guiding principles of the companies. In 2025, both Enefit Industry and Enefit Power had the targets of meeting all environmental requirements and ensuring the resilience of continuous monitoring systems. The targets of Enefit Green's Iru power plant included increasing the measurement certainty of emissions from the waste-to-energy unit and preparing a plan for installing a flue gas condenser.

Environmental accidents

In the event of an environmental accident or pollution, the Group reacts immediately, acting in accordance with the procedure laid down in internal documents. The Environmental Board is immediately notified of the incident and the elimination of the consequences of the accident or pollution is initiated. To analyse an incident, a committee is set up to carry out a root cause analysis, identify the necessary corrective and preventive actions, and monitor the effectiveness of their implementation. Conclusions are drawn from all incidents, staff is trained where necessary, and further improvement measures are implemented to prevent similar incidents from recurring. When an environmental accident or pollution occurs, water and/or soil samples are taken, if necessary, and analysed by an accredited laboratory of the Group or a contractor.

During the reporting period, there were 20 environmental incidents, including leaks, fires and an accidental overflow into the environment. All incidents were thoroughly analysed and the necessary corrective actions implemented. The accidents and the pollution have been eliminated, water and soil samples have been taken and hazardous waste has been handed over to relevant partners. An application for the amendment of an integrated environmental permit has also been submitted to obtain the right to an emergency discharge from the ash field in the event of exceptional rainfall.

Proceedings

Compliance with the requirements provided in the environmental permits is monitored by the Environmental Board, which regularly inspects production units every one to three years. The Environmental Board also reviews the submitted environmental monitoring results and checks compliance with other requirements through the Environmental Decisions Information System (KOTKAS). Outside Estonia, supervision is carried out by the supervisory authority of the host country. In 2025, a decision was made to fine the Group for exceeding the regulatory environmental limit values. Enefit Industry was fined for the unauthorised handling of phenolic water in the Enefit140 equipment between January and April 2024. The €110,000 fine has been paid. On 9 January 2026, the Supreme Court overturned the decision to fine Enefit Power in the misdemeanour proceedings initiated in 2024 for failing to carry out measurements and for exceeding emission limit values at the Eesti power plant.

At the time of preparation of this sustainability statement, the following proceedings were pending with regard to environmental requirements:

- Misdemeanour proceedings initiated against Enefit Industry in 2024 in relation to its Enefit140 oil plant for violating the conditions of the integrated environmental permit and exceeding limit values for emissions to ambient air in the period 2023–2024, as evidenced by laboratory measurements. The decision to issue a fine was made on 9 July 2025, and the company’s subsequent appeal was dismissed by the Viru County Court. Enefit Industry paid the €70,000 fine in February 2026.
- Misdemeanour proceedings initiated against Enefit Industry in 2025 in relation to its Enefit140 oil plant for the unauthorised handling of phenolic water in the Enefit140 equipment in the period April – September 2024. The decision to issue a fine, made on 4 December 2025, has been appealed.
- Administrative proceedings initiated against Enefit Industry in 2025 in relation to its Enefit140 oil plant for repeatedly exceeding monthly average emission limit values and instantaneous emissions in the period 2023–2024, as evidenced by laboratory measurements.

During the reporting period, two proceedings concerning the Group’s environmental compliance were closed. Firstly, the administrative proceedings initiated against Enefit Industry in 2024 for missing the deadline for submitting the Enefit140 QAL2 report were closed. QAL2 is a procedure used to calibrate and validate automated measurement systems before implementation, or following significant changes, to ensure they produce reliable and accurate results. These proceedings were closed because the QAL2 calibration requirement for the Enefit140 continuous monitoring system was met. Secondly, the administrative proceedings initiated against Enefit Green AS in 2025 in relation to its Iru power plant for failing to calibrate the waste-to-energy unit of the Iru power plant for the pollutant CO and for failing to calibrate the monitoring equipment for the water heating boilers were also closed. The proceedings were closed because the calibration requirements were met.

Table 12. Quantities of emissions to air

Emissions to air (in tonnes)	2025
Ammonia (NH ₃)	89
Arsenic and compounds (as As)	0.30
Benzene	459
Cadmium and compounds (as Cd)	0.05
Carbon monoxide (CO)	16,364
Chlorine and inorganic compounds (as HCl)	118
Chromium and compounds (as Cr)	0.44
Copper and compounds (as Cu)	0.76
Ethyl benzene	0.02
Fluorine and inorganic compounds (as HF)	0.17
Hexachlorobenzene (HCB)	5 × 10 ⁻⁵
Lead and compounds (as Pb)	0.36
Mercury and compounds (as Hg)	0.11
Nickel and compounds (as Ni)	0.44
Nitrogen oxides (NO _x /NO ₂)	1,747
Non-methane volatile organic compounds (NMVOC)	1,284
Particulate matter (PM10)	1,078
PCDD + PCDF (dioxins + furans) (as Teq)	1 × 10 ⁻⁸
Phenols (as total C)	21
Polycyclic aromatic hydrocarbons (PAHs)	2.6 × 10 ⁻³
Sulphur oxides (SO _x /SO ₂)	1,119
Toluene	0.07
Xylenes	0.24
Zinc and compounds (as Zn)	3.23

E2-4. POLLUTION OF AIR, WATER AND SOIL

Pollution of air

Air emissions mainly occur in the industry segment and constitute a material environmental impact. The main sources of emissions are power plant chimneys, tanks, fuel stations, warehouses, boiler plants, blasting operations, and the waste-to-energy unit and water heating boilers at the Iru power plant.

The amount of pollutants released into the ambient air is determined either by calculation, by individual or reference measurements, or by measuring concentrations using continuous monitoring devices. The assessment by calculation is based on a methodology developed by the authors of the permitted emission allowances project and approved by the issuer of the environmental permit during the application process. If necessary, individual measurements or periodic reference measurements are carried out to obtain a more accurate estimate of the actual emissions. Continuous monitoring makes it possible to observe in real time the compliance of pollutant concentrations with the emission limit values set out in environmental permits and legislation, and to detect deviations in production processes and the operation of purification equipment in a timely manner.

All production units involved in emitting pollutants have environmental permits, which set out the emission limit values and the permitted annual quantities for pollutants in emissions as well as the related monitoring obligations. Relevant installations are located only in Estonia. Quarterly and annual emissions are reported to the Environmental Board and pollution charges are paid in accordance with applicable requirements.

During the reporting period, several environmental permits held by subsidiaries involved in production operations were amended (with regard to ambient air) and some applications are pending.

Pollution of water

In the worst case, emissions to water can affect the quality of water bodies in public use. The quantity of pollutants reaching water bodies is determined by direct measurement. The main source of water pollution is the water pumped out of mines and quarries and discharged into sedimentation basins to remove suspended matter. Although pollution of water is not a material sustainability matter at Group level, the measurement and control of water discharges has long been a focus area for the Group. It is

Table 13. Quantities of emissions to water

Water pollutants (in tonnes)	2025
Chlorine and inorganic compounds (as HCl)	884
Sulphate (SO ₄₂₋)	81,978
Suspended matter	454
Total nitrogen	275
Total phosphorus	2

also a regulated topic that is subject to environmental permit requirements. The permits set out limit values for water discharges and monitoring obligations. Quarterly and annual discharges are reported to the Environmental Board and pollution charges are paid in accordance with applicable requirements.

During the reporting period, several environmental permits held by subsidiaries involved in production operations were amended (with regard to water) and some applications are pending. In the reporting period, the water discharge limit values were exceeded once due to an accidental overflow in the ash field of the Eesti power plant. The ash field flooded due to extreme precipitation, resulting in alkaline water entering the environment from the drainage ditch.

Pollution of soil

Due to the nature of its operations, impacts related to soil pollution are not a material sustainability matter for the Group. Therefore continuous monitoring is not carried out. Soil samples are taken only in the event of an accident. An overview of accidents that occurred during the reporting period can be found in the E2-3 ‘Targets related to pollution and their achievement’ chapter of the sustainability statement.

Microplastics

Due to the nature of its operations, impacts related to microplastics are not a material sustainability matter for the Group The Group’s operations do not generate emissions (to air, water or soil) that contain microplastics or could lead to their direct release into the environment. Plastic waste generated by the Group’s activities is collected and handed over to licensed waste handlers.

E2-5. SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

The Group’s production units use a wide range of materials, including chemicals. The most commonly used materials are various gases, acids, lime and paints. Flocculants are used in water preparation and wastewater treatment, and explosives are used in blasting operations in mines and quarries. Slaked and unslaked lime, hydrochloric acid, and activated carbon are used to clean flue gases. The Group does not use any substances classified as being of very high concern under Article 57 of Regulation (EC) No 1907/2006 (REACH), or identified under Article 59(1) of the same Regulation.

Employees who need to handle chemicals are provided with safety data sheets and instructions to control any potential harmful effects. Chemicals are stored in accordance with applicable requirements, taking into account the specific nature of each product.



E3. Water and Marine Resources

E3 IRO-1. MATERIAL WATER-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Table 14. Material water and marine resources-related impacts, risks and opportunities

Time horizon	Type of impact	Topic	Description	Business segment	Value chain
Long-term	Actual negative impact	Water use	Mining water and quarry water pumping affects the local water regime	Industry	Entire value chain

The double materiality assessment identified water use as the only material water-related impact at Group level. The extensive and constant pumping of water required for the operation of the oil shale mine and quarry in Ida-Viru County, Estonia, affects the local groundwater regime by lowering the groundwater level in the region. This decline may affect nearby bodies of water, as they are fed by groundwater. The impact is therefore actual and negative, because the groundwater level has been continuously changed compared to its natural state.

The impact is also evident in the Group’s upstream and downstream value chains. It is a long-term impact, expected to last for more than ten years. However, the affected area is not highly sensitive to water risk. The Group’s operations have no material impact on oceans and seas because the Group does not conduct any operations related to them.

The assessment of the materiality of water-related sustainability matters is based on regular risk assessments conducted by the Group’s environmental experts. The risk assessments take into account legal and regulatory compliance, mitigation measures and adherence to environmental management

standards. In addition to the input from environmental experts and the leadership of subsidiaries collected during the materiality assessment, the Group regularly receives information on these matters through its engagement with the Environmental Board and local authorities.

The permitted volume of water use regulated by environmental permits was not exceeded during the reporting period.

E3-1. POLICIES RELATED TO WATER

The policies related to water and marine resources are based on the Group-wide environmental policies and standards described in the chapter ESRS 2 MDR-P ‘Policies adopted to manage material sustainability matters’. The Group’s production activities require environmental permits, which impose requirements for special use of water, monitoring obligations and other requirements relating to water consumption. The production units also apply certified environmental management systems that meet the requirements of ISO 14001 and Regulation (EC) No 1221/2009 of the European Parliament and of the Council (the EMAS Regulation) in order to manage and improve their environmental performance. The Group’s production units are not located in areas exposed to water risk.

The Group is committed to minimising the environmental impact of its activities and taking local communities into account in its operations. The use of cooling water in power plants affects the environment by increasing the temperature of surface water due to the reinjection of cooling water. The permitted temperature range for cooling water discharged into bodies of water is set out in the environmental permit. Pumping mining and quarry water affects groundwater levels in the region, which can affect the level and quality of water in household wells. Therefore, it is necessary for stakeholders to monitor and understand the impact of this activity. Local residents and authorities are interested in preserving the quality and availability of water resources, while regulators monitor compliance with the environmental permit requirements.

The Group uses the best available techniques to ensure efficient use of resources and reduce emissions. It also organises environmental monitoring and prepares environmental reports to track changes in the environment. The Group has no significant impact on the oceans and seas. Therefore, there are no plans to establish policies and targets in this area.



E3-2. ACTIONS AND RESOURCES RELATED TO WATER

The Group carries out environmental monitoring in accordance with the requirements set out in the environmental permits and the expert advice provided in the environmental assessment reports. Environmental monitoring is carried out by competent, accredited employees. Where necessary, monitoring services are outsourced to qualified service providers.

The Group’s activities have the greatest impact on water resources through the process of dewatering mines and quarries in Ida-Viru County. Depending on the geological conditions and the volume of water pumped out, the drop in groundwater levels can affect areas extending from a few hundred metres to several kilometres from the mine or quarry. Enefit Industry is responsible for compensating for any damage caused by lowering the groundwater level. The region’s geological conditions and groundwater monitoring data are considered when planning and constructing water supply systems. The most recent major project was carried out in 2021, when a water supply system was designed and built for the village of Kurtna, which is located in an area affected by the Estonia mine.

The production of electricity, liquid fuels and heat, and the extraction of mineral resources, inevitably cause changes in the natural environment. The environmental protection provisions set up by Enefit Power and Enefit Industry ensure mitigation and remediation of environmental damage. Expert opinions and experience from environmental protection and remediation work have been used to determine the size of the provisions. The provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. At the beginning of 2025, short-term environmental protection provisions totalled €1.25 million at the present value. They were used, for example, for the aftercare of the closed ash field of the Balti power plant, the technical recultivation of the Narva quarry, as well as for surveys, assessments and monitoring.

All production units engaged in the special use of water have environmental permits, which set out the permitted abstraction of water, the requirements for related accounting, sampling and analysis, and for monitoring the levels of ground- and surface water. These units are located only in Estonia. Information on the quarterly and annual quantities of water resources used is submitted to the Environmental Board and the environmental and water pollution charges are paid in accordance with applicable requirements.

The Group carries out monitoring of groundwater and surface water, including water quality and levels. Automated measuring systems have been installed in boreholes to continuously monitor groundwater

levels. Analysing the results of this monitoring informs corrective actions aimed at reducing environmental impacts and the implementation of new technologies. In Estonia, water monitoring data are submitted to the Environmental Board via the Environmental Decisions Information System (KOTKAS), alongside other environmental monitoring data.

Production units continuously monitor their water use to ensure compliance with the requirements and volumes set out in their environmental permits. Both the permitted flow and abstraction volumes are regularly checked. Constant monitoring of water use is necessary to ensure sustainable use of water resources and to reduce the impact of the Group’s operations on groundwater and nearby surface water bodies.

Although water consumption at the Group’s offices is low compared to industrial facilities, signs promoting a green working culture and sustainable water use are displayed as a reminder.

During the reporting period, the ditches in the Narva quarry were cleaned to ensure proper discharge of mining and quarry water into natural water bodies. Cleaning the ditches facilitates unobstructed water run-off, reduces the risk of flooding and erosion damage, and helps control water quality and flows. Regular cleaning supports environmental compliance by helping to prevent sediment and other pollutants from entering receiving bodies of water. The cleaning of ditches at the Narva quarry will continue and the maintenance of the mining water ditches of the Estonia mine will start in 2026.

In connection with a groundwater survey conducted within the scope of the environmental impact assessment of the expansion of the ash field of the Eesti power plant, a thorough inspection of monitoring wells was carried out in 2024, which revealed some deficiencies. The objective was to assess the condition of monitoring wells to ensure proper monitoring of groundwater quality and levels. In 2025, the existing monitoring system was updated based on the results of the 2024 inspection, the monitoring plan was amended and regular sampling of groundwater was replaced by an automated monitoring by installing permanent water level and conductivity sensors in the monitoring wells. The deficiencies identified during the inspection were also remedied. A new inspection of the wells was carried out in 2025 and the removal of the old wells is scheduled for 2026. The need for upgrading the monitoring system will become clear during the environmental impact assessment of the expansion of the ash field of the Eesti power plant.



E3-3. TARGETS RELATED TO WATER

The Group has not set separate targets for reducing water consumption. The targets related to water use arise from the environmental permits held by its production units and the requirements of national and international legislation. This means that the Group must comply with all applicable environmental requirements. Environmental permits set out specific conditions for use of water, such as the volume of water that can be used per year, as well as relevant accounting and monitoring requirements. In addition, the Group’s green offices collect and analyse data on the performance of office activities, including water consumption indicators, and use them to plan and implement improvements. For example, mixer tap aerators are regularly inspected and replaced where necessary. Aerators help reduce water consumption by mixing the water stream with air, ensuring more efficient and economical use. The purpose of such efforts is to reduce the environmental impact of offices, raise environmental awareness among staff and promote sustainable use of resources.

At subsidiary level, environmental targets have been set based on the Group’s environmental policy and the entities’ guiding principles. Progress towards these targets is monitored continuously using established metrics. The 2025 targets of Enefit Industry, Enefit Power and the Iru power plant of Enefit Green were to meet all environmental requirements, including those for use of water, and to comply with environmental standards. The conditions of the permits include, for example, arranging the monitoring of surface and groundwater at Selisoo, the Muraka bog and Kurtna lakes (the Estonia mine), monitoring groundwater and surface water (the Narva quarry), complying with water abstraction limits and keeping relevant records (the power plants and liquid fuel plants in Ida-Viru County) and complying with groundwater level measurement requirements (the Iru power plant).

E3-4. WATER CONSUMPTION

The Group’s subsidiaries use both groundwater and surface water in their operations. Water intended for human consumption is either purchased from contract partners or obtained from boreholes owned by the Group. Treated surface water is also used. Surface water is mainly used for cooling and technological purposes. The Group’s wastewater is either discharged into systems operated by local contractors who provide public water supply and sewerage services, or treated in its own wastewater treatment plants.

The Group’s largest water consumer is large-scale industry (operations in Ida-Viru County and Iru), which uses water in mining operations (dewatering) and for cooling purposes at power and liquid fuel plants.

In order to maintain dry mining conditions, the groundwater levels at the Narva quarry and the Estonia underground mine must be lowered. The water pumped out of these areas is returned to the environment via ditches and rivers. The quantity of water to be pumped out depends primarily on precipitation levels, but geological and hydrogeological conditions, as well as the method of mineral extraction, also play a role. During the reporting period, 141 million m³ of water was pumped out, a significant increase compared to the previous year due to heavy rainfall.

Power plants use large quantities of water for cooling and technological purposes. The amount of water used is directly related to the amount of electricity generated. The water required to operate the Eesti, Auvere and Balti oil shale power plants and the liquid fuel plants in Ida-Viru County is sourced from the Narva river, the Narva reservoir and the Mustajõgi river. The Iru power plant, which is located on the outskirts of Tallinn, takes its water from the Pirita river. At the Iru power plant, cooling water is circulated through a cooling tower to reduce consumption. The plant also has water storage pools which are filled to avoid the need to draw water from the river during drier periods.

During the reporting period, the amount of cooling water used was 373 million m³, reflecting a downward trend compared to previous years. Total water consumption shows the water pumped out of the mine/quarry, cooling water and other water withdrawal.

Table 15. Water consumption

Indicator (m³ or as indicated)	2025
Total water consumption	516,041,043
Total water consumption in areas at water risk, including areas of high-water stress	0
Total water consumption result obtained by direct measurement (%)	40%
Total water consumption result obtained by calculation (%)	60%
Total water recycled and reused	2,481,870
Total water stored	29,000
Changes in storage	0
Water intensity (m³ per million euros of net revenue)	313,339

Water consumption is recorded either on the basis of the hourly output and operating time of the pumps (a calculation-based methodology) or using calibrated measuring and metering devices. The devices used are calibrated in accordance with the Metrology Act.



E5. Resource Use and Circular Economy

E5 IRO-1. MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Table 16. Material resource use and circular economy-related impacts, risks and opportunities

Time horizon	Type of impact	Topic	Description	Business segment	Value chain
Long-term	Actual positive impact	Resource outflows	Adding value to ash and waste rock reduces waste and the environmental impacts of secondary products in the downstream value chain	Industry	Entire value chain
Long-term	Opportunity	Resource outflows	Adding value to ash and waste rock opens up new markets	Industry	Own operations

One material impact and one material opportunity relating to resource use and the circular economy were identified. Both relate to the industry segment.

Reducing waste by recycling ash and waste rock from the oil shale industry has an actual positive impact. Processing reduces the amount of waste generated by the Group’s own operations and its value chain by diverting materials back into circulation instead of sending them to landfill. Reusing material as a new raw material reduces the consumption of primary resources in the production of other materials in the value chain. The circular economy also presents business opportunities for the Group, such as the processing, upcycling and sale of previously deposited ash and waste rock.

The assessment of the materiality of sustainability matters related to resource use and the circular economy is based on regular risk assessments conducted by the Group’s environmental experts. The risk assessments take into account legal and regulatory compliance, mitigation measures and adherence

to environmental management standards. In addition to the input from environmental experts and the leadership of subsidiaries collected during the materiality assessment, the Group regularly receives information on these matters through its engagement with the Environmental Board and local authorities.

The permitted annual volume of waste management operations regulated by environmental permits was not exceeded during the reporting period.

E5-1. POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The policies related to resource use and the circular economy are based on the environmental policies, standards and responsibilities described in chapter ESRS 2 MDR-P ‘Policies adopted to manage material sustainability matters’. To minimise emissions and waste, and to ensure resource efficiency, the Group’s subsidiaries apply the best available techniques, meaning more efficient practical working methods are employed when setting emission limits for operations. The Group’ environmental policy encourages the implementation of the circular economy principles and the reduction of waste through reuse. The environmental policy also includes a guideline to prioritise green public procurement of services, products, and raw materials. The implementation of the guideline is described in more detail in the G1-2 ‘Management of relationships with suppliers’ chapter of the sustainability statement. The Group-wide environmental policy sets out the general principles of the circular economy and resource use, which are implemented by each unit according to the relevance of the matter.

Production activities require an environmental permit, which sets out requirements relating to waste management, mineral extraction, resource use and monitoring, among other things. The Group’s production units that recover and dispose of waste, and those that operate waste dumps and waste storage facilities, hold the necessary permits and comply with their conditions. These units are located only in Estonia. In addition, the power plants in Ida-Viru County implement the SURE-EU scheme, which certifies that the biofuel used for electricity and heat generation meets sustainability and environmental requirements.



Currently, the Group's environmental policy does not include a detailed action plan or quantitative targets for resource use and the circular economy.

E5-2. ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group systematically monitors its use of resources and the volumes of waste it generates. Most of the Group's resource use and waste generation comes from the industry segment, specifically from the production of electricity, heat, and liquid fuels, as well as from the extraction of mineral resources. In comparison, the electricity segment (wind and solar farms) and the distribution network segment (construction and maintenance of distribution networks) consume far fewer resources and generate far less waste. An increase in business-related investments is planned for 2026.

At the Iru power plant, metals that are separated from the ash resulting from the incineration of mixed municipal waste during electricity and heat generation are recycled. Only waste for which there is no nationally guaranteed or economically viable recycling option is incinerated. A study has been commissioned to assess the potential for recovering incineration ash, which will continue in 2026.

Waste is collected and handled in accordance with the legal requirements and the partners' specifications for waste collection. Data on generated waste, its handling and transfer are collected annually and a related report is submitted to the Environmental Board. Environmental charges are paid for waste disposal. Revenues from these charges are divided between the state and local authorities in areas where the environment is used, and are used to maintain the environment, replenish natural resources, and repair environmental damage. In addition, declarations relating to charges paid for the right to extract mineral resources are submitted to the Environmental Board.

The Group's production units and green offices have implemented waste handling guidelines to encourage employees to sort waste. Priorities in everyday activities include reducing paper consumption, separating waste, using water, electricity and heat sustainably, and favouring clean vehicles. Additionally, the Group's green offices collect and analyse data on office performance, including the use of resources and waste collection. Improvement actions are planned and implemented based on this information. Employees who have significant contact with waste handling receive regular training on these topics.

Activities required for compliance with environmental permits and applicable laws include applying permitted waste handling practices, meeting annual handling volume requirements, complying with depositing conditions, meeting licence requirements for radiation practices and staying within permitted usage limits for resources (e.g. annual fuel consumption).

Resource and waste monitoring and related accounting are continuously improved. The environmental impact assessment of the expansion of an ash field, which began a year earlier, continued in 2025. The aim is to increase the volume of ash deposited and the height of the deposit. In 2025, research was carried out to study the properties of power plant ash in test fields and the ash deposit site, with the aim of finding a solution to ensure the safe and reliable operation and environmental safety of the ash field of the Eesti power plant.

In 2024, the base structure of a solar farm was completed on the premises of the Estonia mine, using 6.36 million tonnes of waste rock. The base structure is currently in the stabilisation phase, after which the solar farm will be erected as scheduled. In 2025, waste rock was reused to build an excavator assembly site and roads on the Group's industrial premises.

In 2025, Enefit Industry's railway unit delivered the removed concrete sleepers to the Estonian Defence Forces, who used them for blasting exercises during national defence exercises. This is an example of a partnership offering opportunities to reuse waste in projects with a societal impact.

E5-3. TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

No quantitative targets have been set at Group level for resource use, waste reduction or the circular economy. Instead, targets are set at subsidiary level based on their areas of activity. These targets may relate to increasing production or resource efficiency, improving operational reliability, or reducing waste. They may also derive from environmental permits, best available techniques, or other legal requirements.

Enefit Industry's targets for 2025 included recycling 100% of waste rock, using at least 30% of waste rock and crushed stone in the construction sector, recycling ashes (including ≥45,000 tonnes of fly ash and ≤5,000 tonnes of mixed ash), and obtaining three declarations of performance for crushed stone and three CE markings for the circular economy.

Enefit Power and Enefit Green’s targets for 2025 included complying with resource use and waste management requirements, as well as carrying out feasibility studies on ash recycling. In the distribution network business line, Elektrilevi’s grid losses are close to the technical limit, so the target is to maintain the current level.

All of the targets set for 2025 were met, except for Enefit Industry’s target for the use of waste rock and crushed stone in the construction sector, which was 27.2% – slightly below the target of at least 30%.

E5-4. RESOURCE INFLOWS

The majority of the Group’s input resources are used for energy production. Oil shale power plants use oil shale, natural gas and biomass to generate electricity and heat, while the Iru power plant on the outskirts of Tallinn uses mixed municipal waste. Oil shale is the raw material for liquid fuels. All the oil shale used in energy production is extracted by the Group itself. Explosives are used for blasting in the mine and quarry. Information on the use of resources for energy production can be found in the E1-5 ‘Energy consumption’ chapter of the sustainability statement.

The Group does not purchase significant quantities of materials for the production of non-energy products. The only products of this kind sold by the Group are crushed stone, waste rock and oil shale ash. However, as these materials are by-products of energy production, they do not need to be purchased separately in significant quantities. Rare earth metals are not used in the production process, although they may be present in limited quantities in certain developments (e.g. in the permanent magnet generators in wind turbines or solar panels). Underground and overhead cables used in electricity transmission and distribution infrastructure do not contain significant amounts of rare earth metals. Some critical elements (e.g. indium and germanium) may be present in small amounts in components associated with cables. The share of these materials in the technology used by the Group has not been identified. Based on a comparison of the volume of planned developments and the volume of technology markets, the Group is not significantly dependent on the availability of critical raw materials for these developments.

Table 17. Resource inflows

Resource inflows	Unit	2025
The overall total weight of products and technical and biological materials used	tonnes	1,779,790
Explosives used	tonnes	8,810
Shale oil used	tonnes	1,380,353
Clean biomass used	tonnes	390,627

E5-5. RESOURCE OUTFLOWS

Products and materials

The Group’s main products are energy products (electricity, heat and liquid fuels). Production data for the reporting period can be found in the ‘Key Figures and Ratios’ chapter of the Group’s management report. The Group is also involved in upcycling and selling by-products from energy generation. Ashes produced by thermal power plants are used in the construction sector (e.g. in cement and concrete production) and in agriculture (e.g. as fertiliser and in the composition of the soil improver Enefix). Waste rock from mining is used in the production of crushed stone and as a building material. For example, it was used in the construction of the Narva magnet factory in 2023, Rail Baltica in 2024, and the ‘Construction of the Eastern Border Patrol Road’ project of the Police and Border Guard Board in 2025. New technologies for waste reduction and recycling are being developed, including the use of tyre chips in liquid fuel production.

Waste

The Group deposits ash and waste rock, as well as construction and demolition waste generated by its activities, at its own waste storage sites. Technologies for recycling and adding value to production waste are being developed. The by-products resulting from the process of adding value to oil shale can be used as valuable raw materials in other sectors, in line with the principles of the circular economy. Any other waste generated, including hazardous waste, is transferred to waste handling companies.

The main waste product resulting from electricity generation and liquid fuel production is ash, which can be either non-hazardous or hazardous depending on the type. The mining process mainly produces waste from the extraction of non-ore mineral resources, known as waste rock. At wind and solar farms, waste mainly arises from panels and inverters. Decommissioned wind turbine blades are disposed of by the manufacturer, while solar panel handling has been outsourced to a contract partner. Bottom ash, produced by incinerating mixed municipal waste, is transferred to a waste handling company which uses it as an alternative to mineral material when closing landfill sites.

The Group has outsourced its obligations as a packaging company under the Packaging Act and the Packaging Excise Duty Act to contract partners. A total of 217 tonnes of packaging was generated during the reporting period.

Data on the waste transferred to waste handling companies are taken from waste handlers’ invoices and waste reports. Radiation practices have been inspected and comply with the conditions of the relevant licences. During the reporting period, measuring devices containing the radioactive substance caesium-137 were transferred to a contractor for final disposal. The devices were used to measure the oil level in tanks.

Table 18. Resource outflows

Resource outflows: waste	Unit	2025
Total amount of waste generated	<i>tonnes</i>	3,627,698
incl. total amount of non-hazardous waste generated	<i>tonnes</i>	3,617,620
incl. total amount of hazardous waste generated	<i>tonnes</i>	10,078
Waste diverted from disposal	<i>tonnes</i>	1,578,945
incl. non-hazardous waste		
Preparation for reuse	<i>tonnes</i>	-
Recycling	<i>tonnes</i>	1,578,422
Other recovery operations	<i>tonnes</i>	-
incl. hazardous waste		
Preparation for reuse	<i>tonnes</i>	523
Recycling	<i>tonnes</i>	-
Other recovery operations	<i>tonnes</i>	-
Waste diverted to disposal	<i>tonnes</i>	2,125,529
incl. non-hazardous waste		
Incineration	<i>tonnes</i>	-
Landfilling	<i>tonnes</i>	2,115,974
Other disposal operations	<i>tonnes</i>	-
incl. hazardous waste		
Incineration	<i>tonnes</i>	-
Landfilling	<i>tonnes</i>	9,555
Other disposal operations	<i>tonnes</i>	-
Total amount of radioactive waste	<i>tonnes</i>	0.09
Total amount of waste not recycled	<i>tonnes</i>	2,125,529
Percentage of waste not recycled	%	59

S1. Own Workforce

The most significant events, activities and achievements related to own employees and the promotion of organisational culture are described in the 'Value-based Organisational Culture and Dedicated Employees' chapter of the Group's management report.

S1 SBM-3. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

Table 19. Material impacts, risks and opportunities related to own workforce

Time horizon	Type of impact	Topic	Description	Business segment	Value chain
Short-term	Potential positive impact	Working conditions: adequate wages	Competitive and motivating wages foster the well-being of employees and communities	Group	Own operations
Medium-term	Actual negative impact	Working conditions: health and safety	Due to their nature, the Group's activities involve a higher risk of accidents at work and occupational diseases	Group	Own operations

Material impacts, risks and opportunities related to the Group's workforce were identified during the double materiality assessment carried out in 2025. This included assessing all matters related to employees that could be affected by the Group's activities, as well as the risks and opportunities that could affect employees through the value chain. Due to the nature of the Group's business activities, working conditions and safety have always been a priority. Material impacts associated with employees primarily relate to health and safety matters, whereas the potential positive impact relates to fair and motivational remuneration. Maintaining a clear focus on occupational safety and employee well-being helps create a safe working environment and supports continuous workforce development.

Health and safety

Due to their nature, some of the Group's activities are associated with significant health and safety risks. In particular, this applies to mining and quarrying, maintenance and repair of the distribution network, and maintenance of industrial equipment, where the risk of occupational diseases and accidents is high. The main risk factors are working at height, working in confined spaces and working with machinery, and the manual handling of heavy loads and electrical work. The risks of harm or danger are higher for skilled workers whose tasks involve physical work and the management of technological processes. Work-related accidents and illnesses can cause business interruptions, additional costs and reputational damage. However, fostering a robust occupational safety culture can mitigate these issues and enhance productivity.

Remuneration

The Group guarantees its employees a competitive and motivating remuneration to maintain high engagement and promote productivity. In the energy and industrial sectors, where finding employees with the right skillset can be difficult, a competitive value proposition is key to recruiting strong specialists. Fair and stable remuneration helps reduce staff turnover, supports knowledge retention and strengthens the Group's reputation as a responsible and attractive employer.

Workforce-related risks and dependencies

Although the materiality assessment did not identify any material workforce-related opportunities at Group level, the Group recognises the importance of ensuring occupational safety and supporting employee development as a means of increasing operating efficiency and organisational resilience. The Group depends on having a skilled and competent workforce. Therefore, ensuring the health, well-being and safety of employees is of strategic importance. The energy transition may create new expectations of employees and change job requirements across business lines. These risks can be mitigated by offering



gradual retraining and consistent staff development to support adaptation and create opportunities for growth.

The Group operates in EU countries that are considered to be at low risk of forced or child labour. Nevertheless, the Group implements due diligence measures in its operations and in selecting suppliers in order to mitigate these risks.

S1-1. POLICIES RELATED TO OWN WORKFORCE

The general framework of policies related to the Group’s own workforce can be found in the ESRS 2 MDR-P ‘Policies adopted to manage material sustainability matters’ chapter of the sustainability statement. Policies for managing important sub-topics related to the Group’s own workforce are described in more detail below. The policies and work arrangements are based on applicable labour laws, international labour standards and the Group’s values.

Health and safety

Health and safety are at the heart of the Group’s responsible and successful business operations. The principles of a safety culture and the ISO 45001 standard are applied throughout the Group, informing risk assessments and accident investigations. The safety culture focuses on creating a safe environment, preventing risks and engaging with employees. Ultimate responsibility for ensuring occupational safety lies with the management boards of the Group and its subsidiaries.

Remuneration, working conditions and social dialogue

The principles for ensuring the well-being of employees and providing competitive and fair remuneration are set out in the Group’s human resources policy and, in part, in collective bargaining agreements. Remuneration is based on regular performance reviews and salary surveys, which assess pay equity and competitiveness. The aim is to ensure that pay levels are at least at the market median for each job family. All employees’ remuneration exceeds the legal minimum. The Group complies with Directive (EU) 2022/2041 on adequate minimum wages and the principles of European labour law. The remuneration

and working conditions framework covers working hours, leave and the bonus and benefits system, which are set out in human resources policies and collective bargaining agreements signed by subsidiaries. Working and rest time arrangements comply with national labour law. The remuneration system has been harmonised across the Group. Responsibility for the implementation and updating of policies lies with the organisation and culture unit, where human resources partners support the subsidiaries. All human resources policies are approved by the management board and reviewed at least once a year.

The Group recognises its employees' right to organise and bargain collectively with their employer in accordance with international labour standards (ILO principles). Collective bargaining agreements have been concluded with employees of the subsidiaries Enefit Industry, Enefit Solutions, Enefit Power and Narva Soojusvõrk, primarily covering trade union members from the energy and mining industries. These agreements cover remuneration, working conditions, working hours, leave, safety, and other matters that regulate the relationship between employer and employee. Agreed remuneration ranges are applied to jobs covered by collective bargaining agreements. The obligations and benefits set out in the collective bargaining agreements apply to all employees, regardless of their trade union membership status. For data protection reasons, the Group does not collect personal data on the trade union membership of its employees, and the previous practice of withholding trade union dues from wages has been partially discontinued. Enefit Industry and Enefit Power transfer the membership fees at the request of the Independent Trade Union of Mineworkers and Energy Employees only. Therefore, there is no information on the trade union membership of employees.

In accordance with applicable labour laws and policies, the Group does not permit human trafficking, forced or compulsory labour, or the use of child labour. Employment relationships are entered into only on a voluntary basis with individuals of an age permitted by law. The Group's Code of Ethics states that discrimination, harassment and degrading treatment are not tolerated, and that all employees have equal opportunities regardless of gender, age, nationality, religion, disability, sexual orientation or other personal characteristics. These principles apply to recruitment, remuneration, training, promotion and termination of employment. Further details on the Code of Ethics can be found in the G1 ‘Business Conduct’ chapter of the sustainability statement.



S1-2, S1-3. PROCESSES FOR ENGAGING WITH STAFF AND REPORTING CHANNELS

Engaging with staff

The Group regularly consults with its employees and their representatives on matters relating to working conditions, health and safety, remuneration and organisational culture. These consultations take place regularly at all subsidiaries. The feedback received through engagement with employees informs the Group's risk assessments and human resources strategy.

Employee engagement is supported by regular surveys, unit-level meetings and information days. Working environment councils and feedback channels facilitate effective information exchange between employees and the employer. Employees can raise issues relating to working conditions, remuneration, safety and representation through the organisation and culture unit, their line manager, the trade union or the confidential whistleblowing system. The whistleblowing system ensures anonymity and protection against possible retaliation. These channels are accessible to employees via the Group's intranet and the company's website.

The main forms of engagement include the annual employee engagement survey, unit-level meetings, information days and thematic focus groups, as well as regular meetings with trade unions and employee representatives. The results of the engagement survey are presented to the Group's management board and all teams. They are then used to draw up annual, unit-based action plans designed to retain existing strengths and unlock development opportunities. Opinions are also collected through separate surveys and safety committee discussions in order to understand employee expectations and improve work arrangements. The organisation and culture unit, in cooperation with the risk management unit, is responsible for coordinating engagement activities. Additional attention is paid to employees at higher risk of harm due to the nature of their work (e.g. those working in mining, distribution network maintenance and production).

Grievance/complaints reporting and handling mechanisms

The Group has a multi-layer system that enables employees and third parties to submit reports and raise concerns about ethics, safety, equal treatment, corruption and other issues relating to employee rights. These channels are accessible via both Eesti Energia's intranet and the Group's website, offering internal

and external confidential reporting options. Employee awareness of, and trust in, the whistleblowing channels is primarily assessed through the employee engagement survey and thematic surveys on organisational culture, security, and willingness to raise concerns. The protection of whistleblowers and employee representatives against possible retaliation is detailed in chapter G1-3 'Prevention and detection of corruption and bribery'. Where the Group's activities have had a significant negative impact on employees, redress principles are applied in accordance with labour legislation, relevant agreements and internal procedures. The effectiveness of redress and remedies is assessed on a case-by-case basis during the handling of reports and investigations. This assessment takes into account the timeliness of case resolutions, the appropriateness of corrective actions and the recurrence of breaches. The internal audit and ethics unit, the ethics committee and risk management address the functioning of the system and the conclusions reached.

S1-4. TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

Throughout the energy transition, the Group will ensure that job restructuring and the implementation of new processes are carried out in a fair, safe and inclusive manner. Employees will be offered retraining and training programmes, which will be equally accessible to all, to support them in acquiring new skills and pursuing new career opportunities. Social dialogue plays a key role in planning job transformation and risk prevention, ensuring that changes are implemented in cooperation with employees and their representatives. At the same time, the ability to ensure health and safety in new work processes will be systematically assessed, and additional training and health checks will be implemented where necessary. These measures aim to minimise the impact of the reorganisation on employee well-being and support job continuity and the Group's responsible development.

Health and safety

Health and safety is considered a strategically important topic. The management boards of business units, supported by their units' safety specialists, are responsible for ensuring the effectiveness of actions taken.

The safety committee is responsible for developing the safety culture across the Group. It includes representatives from all subsidiaries (the chairmen of the management boards), as well as from the risk management, compliance and strategy units, and the head of the organisation and culture unit. The safety committee's objective is to develop the safety culture and support the implementation of relevant principles by organising and/or coordinating Group-wide activities. The committee engages with health and safety, working environment and quality managers to ensure cooperation between operational and strategic levels. The committee is chaired by a member of the management board of Eesti Energia and the chairman of the management board of Enefit Industry. A long-term action plan for improving safety is prepared for each subsidiary. In 2026, the role of coordinating the activities of the safety committee and this area in general will transfer from the risk management unit to the organisation and culture unit. Safety performance and incident trends are regularly discussed at meetings of the safety committee. Causes of accidents and preventive measures are regularly reported to the management board. The safety committee's activities in 2025 are also described in the 'Value-based Organisational Culture and Dedicated Employees' chapter of the Group's management report.

At an operational level, health and safety is the responsibility of all managers through the organisation of work and of all employees through the performance of their duties. The Group's subsidiaries have working environment and occupational safety specialists. In addition, regular training is provided and practices are improved based on feedback obtained from employees at safety culture workshops and team days. Topics covered include avoiding unsafe working methods, correctly using tools and protective equipment, and promoting safe behaviour. All new employees undergo safety training as part of their induction and receive further training according to the risk level of their role. Safety training events are regularly organised across the distribution network and industry segments, including at the purpose-built Kiili training centre. Risk assessments and training are adapted to the type of work and level of risk involved.

The Group has implemented an occupational health and safety management system, which all subsidiaries must follow. The system covers risk assessment, incident investigation and corrective action. The risks of the working environment are regularly analysed at all units. The results are entered in the safety information system and linked to action plans. This is required for certification under the ISO 45001 standard. To minimise risk, occupational safety units within business units collaborate with the health promotion unit to identify workload- and health-related risks, and to implement targeted health and prevention programmes,

such as the 2025 Health Forum. Feedback is gathered regularly through safety surveys and meetings with key stakeholders, including work environment representatives and trade unions.

The Group has established principles for investigating incidents (including workplace accidents), which outline the main steps in root cause analysis and the roles involved. The objective of an investigation is to prevent similar incidents from occurring again and to minimise their potential impact in future. Incident and near-miss analysis focuses on solutions and preventive measures, rather than assigning blame. In cases of human error, no blame is assigned, but individuals who knowingly violate safety regulations are held accountable. The aim is to encourage open dialogue, enabling employees and managers to discuss work-related risks and evaluate the effectiveness of safety measures. Employees are supported in their justified refusal to carry out a task if they do not feel safe or confident in their abilities. Honest communication and a climate of trust are essential to creating an organisation where everyone feels secure and eager to learn.

The effectiveness of safety measures is regularly evaluated through audits and metrics. In 2025, internal and external audits were conducted at subsidiaries depending on their risk profiles. These included ISO 45001 audits, which all subsidiaries successfully passed. Internal audits included a scheduled occupational safety audit of repair and maintenance operations at the Estonia mine, as well as internal safety audits at eight Elektrilevi sites. The development of forward-looking safety metrics, such as near miss reporting and the number of safety training events, began in 2025. These are planned to be included

Table 20. Indicators and targets related to own workforce

Indicators and targets	Target year	Target value	2025 result
Health and safety			
Lost time injury frequency rate (LTIFR)	2025	0.8	0.9
Wages, working conditions and social dialogue			
Management quality index	2025	81	81
NPS	2025	34	53



in reporting from 2026 onwards. The main safety metrics are reported to the management board monthly and presented in the Group's quarterly risk report.

The management boards of the Group's subsidiaries are responsible for health and safety management, with support from the entities' occupational safety units. The safety committee is responsible for developing the Group's safety culture. Resources are planned through business plans and safety budgets, which cover training, risk analysis and personal protective equipment.

Remuneration, working conditions and social dialogue

Remuneration is regularly reviewed to ensure competitiveness in the labour market. The competitiveness of salaries is assessed based on the results of the annual salary survey, and the remuneration and benefits structure is adjusted if necessary. The work arrangements and remuneration of industrial business units and subsidiaries with trade unions, such as Enefit Power, Enefit Industry and Enefit Solutions, are regulated by collective bargaining agreements, which are typically renewed annually. Negotiations also cover working hours, leave and bonuses. Alongside contractual mechanisms and internal procedures, the Group uses regular employee engagement to continuously improve its management systems and value proposition.

In the event of breaches relating to working conditions, remuneration or rights, the relevant labour laws and collective bargaining agreements are adhered to. Complaints are handled in cooperation with the organisation and culture unit, the legal services unit and, where appropriate, trade union representatives. All incidents are logged in the human resources systems to ensure transparency and prevent recurrence.

Working environment risk analyses and improvement projects are carried out in collaboration with occupational safety specialists in order to enhance employee well-being and working conditions. Cooperation between trade unions and management builds trust and helps prevent labour disputes. The employee value proposition, which includes health insurance, sports benefits and transport allowances, is regularly reviewed to ensure that it remains up to date and in line with labour market standards.

The effectiveness of measures implemented is assessed based on the results of the engagement survey, labour dispute statistics, and staff turnover rates. The organisation and culture department analyses the results in collaboration with management and, if necessary, proposes improvements to the remuneration

and benefits system. The outcomes of the collaboration between the trade unions and management are presented in the Group's workforce and human resources reports, as well as in the overview provided to the audit committee.

The organisation and culture unit, in cooperation with the subsidiaries' managements and trade union representatives, is responsible for the operational management of the area. The unit's budget covers resources for salary surveys, collective bargaining and training for employee representatives. In accordance with the Employment Contracts Act and collective bargaining agreements, employee representatives are guaranteed the right to participate in negotiations and meetings during working hours. The internal audit and ethics unit regularly assesses compliance with labour law and collective bargaining agreements.

S1-5. TARGETS RELATED TO EMPLOYEES

The effectiveness of policies and actions is assessed based on the achievement of targets for key performance indicators. Interim targets are generally set each year and longer-term targets are set for the end of the strategy period. Targets are set annually at the level of the management board and the units responsible. The achievement of targets is monitored using the Group's performance management system.

The Group's objective is to promote the best possible safety culture by minimising accidents at work involving its own employees and those of its partners, and by preventing all kinds of work-related risks. The effectiveness of the safety culture is monitored using the lost time injury frequency rate (LTIFR). The targets are approved by the Group's management board.

Key targets related to the employee value proposition include fair and competitive remuneration, employee well-being, and constructive social dialogue. They support the principles of the human resources policy, which aim to ensure gender pay equity and high levels of employee engagement while supporting work-life balance and flexible working arrangements. Employees and their representatives contribute to the design of targets through engagement surveys, needs-based surveys and various meetings. Trade unions provide feedback at the annual collective bargaining meeting. Changes to the targets and methodological specifications are approved by resolutions of the management board.

The management quality index is an annual survey that uses employee feedback to identify the different roles of managers, such as team leader, change manager and strategic manager. The survey is used to identify management strengths and areas for development. The index links management quality directly to employee engagement (TRI*M), supporting the enhancement of management practices and targeted development actions, as well as improvements in organisational performance. Feedback is provided to managers who were assessed by at least five team members. Management quality is also assessed on a unit-by-unit basis.

The Net Promoter Score (NPS) is a metric used to measure customer loyalty, satisfaction, and willingness to recommend. It is also used to monitor trends in customer experience across markets and over time. The NPS supports the development of B2B and B2C customer relationships and services. It is calculated by subtracting the percentage of detractors from the percentage of promoters. The result is a value between -100 and +100. A positive NPS (above zero) indicates a good level, while an index value of 50 or above is considered excellent.





Accounting policies

All figures are based on year-end data. Own workforce includes employees with permanent or fixed-term contracts, part-time employees, interns and trainees, and individuals working under service contracts. Members of the supervisory board are excluded from the workforce indicators, except for S1–S9 diversity metrics. Where complete data were unavailable and estimates were used, these are described below.

S1-6. CHARACTERISTICS OF THE UNDERTAKING’S EMPLOYEES

Table 21. Number of employees by gender

Number of employees by gender*	
Male	3,447
Female	1,126
Total	4,573

* Employee numbers as at the end of the year.

Table 22. Number of employees by country

Number of employees by country	
Estonia	4,311
Lithuania	96
Latvia	81
Poland	82
Finland	1
United States	1
Germany	1
Total	4,573

Table 23. Number of employees by contract type, broken down by gender

Number of employees by contract type, broken down by gender*	Female	Male	Total
Number of employees	1,126	3,447	4,573
Number of permanent employees	1,096	3,390	4,486
Number of temporary employees	30	57	87

* Gender as specified by the employees themselves.

Table 24. Total number of employees who have left the undertaking and the rate of employee turnover

The total number of employees who have left the undertaking and the rate of employee turnover	
The total number of employees who have left the undertaking	840
Voluntary turnover of employees (%)	5.8

Characteristics of employees

Employees are distributed between countries based on their contractual employer's country of residence. Gender data is based on employees' self-definition within the gender binary. Contract types are based on those in force at the end of the reporting period. The total number of employees who have left includes those who left the Group during the reporting period. Voluntary turnover is calculated by dividing the number of employees who left of their own accord during the reporting period by the average number of employees during the same period. The number of employees disclosed in this section is presented as at the end of the financial year, and is comparable to the number disclosed in Note 29 ('Payroll expenses') to the consolidated financial statements. The Group has no employees with variable working hours.

S1-8. COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Table 25. Collective bargaining coverage and social dialogue

Country	Percentage of employees covered by collective bargaining agreements (%)	Percentage of employees represented by employee representatives (%)
Estonia	55	100
Latvia	0	0
Lithuania	0	0
Poland	0	0
Finland	0	0
United States	0	0
Germany	0	0
On average in the undertaking	52	92

Collective bargaining coverage and social dialogue

Collective bargaining coverage is based on the number of employees covered by collective bargaining agreements in force at the end of the year. Collective bargaining agreements have been established only in Estonia. There are no employees covered by collective bargaining agreements outside the European Economic Area. Reliable data on the trade union membership of individuals during the reporting period are unavailable due to data protection restrictions. The Group companies have not entered into any agreements with their employees regarding representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

S1-9. DIVERSITY METRICS

Table 26. Gender distribution at top management level

Members of top management	Male	Female	Total
Supervisory board	2	3	5*
Management board	3	2	5
Strategic managers	18	3	21

* A member of the supervisory board resigned in December 2025, and no replacement had been found by the end of the year.

Table 27. Distribution of employees by age group

Age group of employees	Number of employees
Under 30 years old	493
30–50 years old	2,317
Over 50 years old	1,763
Total	4,573

Diversity metrics

Diversity metrics include the gender distribution of the Group’s management team and the age distribution of its workforce. Management categories are determined based on the Group’s management structure. Employees are divided into age groups as at the end of the reporting period.

S1-13. TRAINING AND SKILLS DEVELOPMENT METRICS

Table 28. Training and skills development metrics

Training and skills development metric	Male	Female	Total
Number of employees	3,447	1,126	4,573
Number of employees that participated in regular performance and career development reviews	1,570	844	2,414
Percentage of participants (%)	46%	75%	53%
Average number of training hours	-	-	25.3

* The number of training hours for men and women separately is not known.

Training and skills development metrics

The indicated average number of training hours per employee covers all training sessions in the reporting period. The average number of hours per employee is calculated by dividing the total duration of registered training sessions by the average number of employees during the reporting period. Training data are collected on the basis of a central training register. The number of training sessions includes digitally registered training sessions.



S1-14. HEALTH AND SAFETY METRICS

Table 29. Health and safety metrics

Health and safety metrics	
Percentage of employees in workforce who are covered by the occupational health and safety management system (%)	83%
Number of fatalities from work-related injuries and ill health	0
Number of fatalities from work-related injuries and ill health with employees of partners	0
Number of registered work-related accidents	12
Number of registered occupational diseases	0
Number of working days lost in number of working days scheduled	155
Lost time injury frequency rate (LTIFR) (%)	0.9
Number work-related accidents with partners	16

Health and safety metrics

The lost time injury frequency rate (LTIFR) is calculated as the number of lost time injuries per million hours worked.

Remuneration metrics

The gender pay gap is calculated on the basis of the monthly basic remuneration set out in the contract. Variable remuneration, non-monetary benefits, and the employer’s social security contributions are excluded. The annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is calculated on the basis of total employee remuneration, including payments made during the year based on workload. Remuneration paid in currencies other than the euro has been converted into euros at the average annual exchange rate.

S1-16. REMUNERATION METRICS

Table 30. Remuneration metrics

Remuneration metric	
Gender pay gap	-3.2%
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)	10.1

S1-17. INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

Table 31. Incidents of discrimination and complaints filed

Incidents of discrimination and complaints filed	
Number of incidents of discrimination officially registered or initiated by the relevant authority	0
Number of complaints filed through the channels for employees to raise concerns	8
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of fines, penalties and compensation for damages as a result of incidents of discrimination and complaints filed	0
Number of severe human rights issues and incidents	0
Number of severe human rights issues and incidents that are cases of non-respect of UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties and compensation for severe human rights issues incidents	0

Incidents, complaints and severe human rights impacts

The indicators for complaints and human rights incidents have been collected from the entire value chain and cover complaints received via all reporting channels. The indicators presented reflect the number of complaints based on the date they were received. No serious human rights violations involving the Group’s own workforce were identified.

G1. Business Conduct

G1 GOV-1. THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The role of the administrative, management and supervisory bodies in managing the Group’s business conduct, as well as their competence and knowledge of matters related to good business practices, are presented in the ‘Transparent management decisions’ and ‘Risk Management’ chapters of the Group’s management report.

Table 32. Material impacts, risks and opportunities related to business conduct

Time horizon	Type of impact	Topic	Description	Business segment	Value chain
Medium-term	Potential negative impact	Prevention of corruption	Corruption incidents in the value chain can negatively affect the Group's performance	Group	Entire value chain
Medium-term	Potential positive impact	Relationships with suppliers	Cooperation with local small and medium-sized enterprises supports the local economy and reduces supply risks	Group	Entire value chain
Long-term	Potential negative impact	Whistleblowing culture	The effectiveness of the whistleblowing system or the associated cultural stigmas may affect the Group's sustainability	Group	Own operations

G1 IRO-1. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT

The double materiality assessment identified three material impacts relating to business conduct. These reflect material ways in which ethical behaviour, relationships with partners and organisational culture

influence the Group's sustainability. The process used for the double materiality assessment is described in detail in the ESRS 2 ‘General Disclosures’ chapter of the sustainability statement.

Prevention of corruption – Corruption incidents may undermine trust and restrict access to financing. Resulting violations may jeopardise operational continuity or the validity of operating licences. This risk affects all business units and value chain partners, particularly those involved in procurement and energy markets.

Relationships with suppliers – Cooperation with local suppliers supports supply chain resilience and the development of local communities. The impact is reflected in procurement, community relations and partnerships.

Whistleblowing culture – Inadequate use of whistleblowing channels may hinder the timely detection of incidents. This primarily concerns the Group’s own operations but it may also have a broader impact on business relationships.

Detailed policies and actions relating to business conduct, along with the associated targets, are presented in the subsequent chapters of the sustainability statement. The general policy on business conduct is described in the ESRS 2 MDR-P ‘Policies adopted to manage material sustainability matters’ chapter of the sustainability statement.

G1-1. BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The Group’s Code of Ethics establishes the principles of conduct for all employees and members of the management and supervisory bodies. These principles are based on integrity, transparency, impartiality and responsible behaviour. The Code of Ethics adopts a zero-tolerance approach to discrimination, harassment, corruption and conflicts of interest, and requires all entities within the Group to adhere to the same values and standards. The Code applies to all Group employees, governing body members and cooperation partners, and serves as a basis for more detailed rules of conduct and procedures at subsidiaries.



The Group's value-based management culture is based on compliance with international standards and principles, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Conventions and the principles of the UN Global Compact. Policies are developed in consultation with employees and trade unions and updated regularly.

The Code of Ethics and other documents governing responsible business conduct are available to all employees on the Group's intranet. The Code of Ethics is available to all external parties upon request. The framework also incorporates principles relating to fraud risk management, conflict of interest management, and incident investigation.

The internal audit and ethics unit is responsible for implementing the Code of Ethics, anti-corruption actions and related policies. It conducts risk analyses, organises audits and investigations of incidents, and ensures the effective operation of reporting and whistleblowing systems. The unit's services cover the entire Group. It also coordinates and oversees subsidiaries with their own internal audit functions, ensuring a uniform, risk-based approach across the Group. The unit reports to the supervisory board and the audit committee. Policies are updated taking into account employee and trade union feedback, and internal audit recommendations. Relevant measures are described in the G1-3 'Prevention and detection of corruption and bribery' chapter of the sustainability statement.

The Group has an ethics committee, which supports the value-based management culture, reviews and updates ethics policies and advises employees on resolving ethical dilemmas. Topics considered by the committee include internal rules and regulations, applicable legislation, area-specific overviews, labour disputes, contracts, employee inquiries and reported concerns, complaints and grievances. The committee comprises representatives from business lines and support functions and is chaired by the head of the organisation and culture unit. The committee's activities are overseen by the Group's management board. The chair of the committee provides the Group's management board with a summary of the committee's activities at least once a year.

The Code of Ethics for Partners sets out the standards of responsible business conduct expected of all contractual partners in the supply chain. It requires fair business practices and respect for labour laws and human rights, and prohibits human trafficking and forced labour. This is described in more detail in the following chapter.

G1-2. MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

For the Group, active management of relationships with suppliers is a strategic activity that is guided by the Group's procurement policy and applicable legislation. As a provider of essential services, the Group needs a stable and responsible supply chain. It procures a wide range of products, services and construction work in Estonia, Latvia, Lithuania and Poland. The Group is one of the largest contracting entities operating in the network sector in Estonia. In Estonia, the Group adheres to local legislation and its own procurement policy. In its other core markets, transparency and equal treatment are ensured through the procurement principles established in those markets. Procurement is planned centrally at Group level and managed by the procurement services unit. Procurement plans are prepared on a consolidated basis and published on the Group's website, which is accessible to all suppliers. To mitigate risks, the unit supports the carrying out of procurements from a certain contract value threshold onwards. Market research is regularly conducted to ensure the best outcomes and supplier selection.

Suppliers are selected using a transparent evaluation system that takes into account quality, costs, and environmental impact. Under the Estonian Public Procurement Act, Group companies are required to conduct procurements via the public procurement register to ensure equal treatment of suppliers, clear selection criteria and transparency. In addition, intragroup IT systems are used to make the process transparent. Open and documented communication with suppliers reduces potential misunderstandings and creates a fair and transparent competitive environment.

In line with the state's strategic guidelines, the Group strives to make participation in procurement as simple as possible for small and medium-sized enterprises. The Group ensures that invoices to these companies are paid promptly and that the payment and procurement processes are transparent to all parties involved. Around 80% of procurement contracts are awarded to local suppliers. Following Estonia, the countries with the largest number of suppliers are Latvia, Lithuania, Finland, Germany and Poland.

The Group considers its suppliers to be part of its value chain, with each partner influencing safety, working conditions, the environment, and service continuity. If the Group's assessment indicates that a company or individual may be cooperating with a sanctioned country, they are excluded using the EU Sanctions Map website. The Group regularly engages with suppliers to prevent supply disruptions, ensure compliance with requirements, and minimise environmental impacts. Increasing the proportion of environmentally sustainable procurement is one of the Group's key procurement-related targets.



The Group maintains a diverse and stable supply chain, and monitors and mitigates its dependence on individual partners. The procurement team continuously develops its skills through training courses focusing on sustainability, efficient organisation of public procurements, management and technology. This helps ensure that quality, environmental protection and cost-effectiveness targets are met. Suppliers are primarily evaluated via the public procurement register.

Certified suppliers are appreciated; however, to maintain flexibility for small and medium-sized enterprises, partners with equivalent environmental and safety standards are also considered. Suppliers with weaker financial positions, limited capacity to meet unexpected demands or higher environmental risks are classified as vulnerable. Drawing on its prior experience, the Group also supports new suppliers and manages potential risks in cooperation with them.

The main objectives of supplier relationship management are to increase the share of environmentally sustainable procurements and to reduce the proportion of single-bid procurements and those where price is the primary award criterion. The Group is developing the use of the quality, cost and life-cycle assessment when awarding procurement contracts. An important aspect of organising procurements is gathering feedback from suppliers; therefore, NPS surveys are conducted among bidders by random selection at the end of the procurement process. The management of supply contracts is the responsibility of the business units.

The Group is further strengthening its risk assessment of suppliers and the entire supply chain by collecting and analysing data from suppliers regarding their sustainability practices. Key suppliers are surveyed annually on matters of compliance and sustainability. This allows the Group to monitor compliance levels, set targets, assess potential risks and collaborate with partners to mitigate them.

All contractual partners are required to comply with the Group's Code of Ethics for Partners. The principles for reporting close calls and near misses, as well as the occupational health and safety requirements, are incorporated into all contracts with suppliers and service providers. These documents are publicly available on the Group's website.

G1-3. PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

The framework for preventing corruption and bribery is based on, and forms part of, the core principles of the Code of Ethics. This chapter outlines the systems and responsibilities involved in implementing these principles. The Group's anti-corruption system covers risk-based oversight, whistleblowing hotlines, incident registration and investigation, and continuous employee training.

Incidents are investigated independently of the business area in which the violation occurred. The internal audit and ethics unit conducts investigations, supported by the organisation and culture unit and the legal services unit. This means that the investigation and oversight functions are separate from the units responsible for risk prevention and business management. The statutes of the internal audit and ethics unit stipulate its independence and its right to address the management board, supervisory board, and audit committee directly. The audit committee and the management board are presented with an overview of the effectiveness of the ethics programme and the incidents handled at least once a year. However, the head of the internal audit and ethics unit immediately notifies the management board, the audit committee and/or the supervisory board if a risk or deficiency identified may significantly impact the Group's operations.

All violations of the Code of Ethics and anti-corruption principles are investigated in accordance with established internal procedures. Potential violations can be reported via a dedicated whistleblowing channel, which is accessible to both employees and external partners and enables anonymous reporting. All notifications received are treated confidentially and the anonymity of whistleblowers is ensured. They are also granted protection under applicable law. Notifications are recorded digitally and include a description of the case, the approach taken, the status and outcome, or a reference to the internal investigation report. All incidents are investigated within a reasonable timeframe in an independent and objective manner, in line with the internal investigation process and fraud risk management principles. The aim is to identify the root causes of incidents and implement preventive measures to ensure that similar incidents do not occur again.

During investigations, evidence is collected, links between events are analysed and experts with relevant expertise are consulted where necessary. The findings are used to improve processes and support the organisation's development in this area. In substantiated cases, labour law and other corrective measures are applied, depending on the nature of the violation. If there are indications of a criminal offence, the matter is reported to the law enforcement authorities.



The policies are communicated to employees when they join the Group and via internal communication channels. Corruption prevention training is provided to managers, and fraud risk management training is provided to managers and senior specialists. All employees who use computers, as well as management board members, are required to complete ethics training annually.

Participation in training is tracked, and the content and target groups of training courses are determined primarily based on position and/or job responsibilities, depending on employees' need for regular training (e.g. for those with authority to dispose of assets). The relevant criteria have been agreed within the organisation, and the same approach is applied when determining the obligation to submit a declaration of economic interests. In 2025, 87% of Group employees using computers completed the e-learning course on the Code of Ethics. For employees without computer access, the Code of Ethics is made available in paper form.

To promote an ethical culture and evaluate the effectiveness of preventive measures, the Group regularly holds training sessions and conducts surveys on values and management culture. The internal audit and ethics unit assesses the effectiveness of the whistleblowing hotlines annually by reviewing response times, incident handling quality and recurring issue trends, among other aspects. The results are reported to the management board and the audit committee annually. Employee surveys indicate that the majority of employees consider the Group's reporting systems to be reliable and know where to seek guidance on ethics-related matters.

The Group has a comprehensive anti-corruption and anti-bribery framework in place, which is continuously updated and enhanced. The Group's risk profile outlines the risks with the greatest potential impact on its business operations. One of the risks is fraud risk, which comprises the misuse of assets, corruption and misrepresentations in reporting. Key fraud risk trends are communicated to the management boards of the Group and Group companies through regular reporting, such as quarterly risk reports. The Group's audit committee is provided with an overview of fraud risk management at least once a year. Members of the audit committee are also kept informed on an ongoing basis through internal audit reports and regular meetings. The functions responsible for the content and implementation of the policies are described in the chapter G1-1 'Business conduct policies and corporate culture', and the measures for the protection of human rights and employees are detailed in the S1-3 'Grievance/complaints reporting and handling mechanisms' chapter of the sustainability statement.

G1-4. INCIDENTS OF CORRUPTION OR BRIBERY

During the reporting period, no convictions or violations that should be recorded in the criminal records database were identified in relation to corruption or bribery offences committed by the Group's employees or members of the Group's governing bodies.

During the reporting period, no fines were imposed on the Group for breaching anti-corruption or anti-bribery legislation.

The Group provides all employees with mandatory ethics and anti-corruption training. This ensures that the principles for preventing corruption and bribery are understood and implemented consistently across the Group. The effectiveness of the training process is evaluated based on participation rates and risk-based oversight measures. The Group has not identified any unfulfilled training obligations or deficiencies that would suggest unmanaged systemic risk.

G1-6. PAYMENT PRACTICES

The Group's payment practices are set out in its policy on payment terms for procurement contracts. The payment term depends on the contract amount and whether the bidder chooses the standard payment term or factoring. For contracts worth up to €59,999, the payment term is 14 days from receipt of the goods or services. For contracts worth up to €249,999, the payment term is 35 days. For contracts worth over €250,000, the payment term is 45 days. Where factoring is used, the payment term is 95 days. Exceptions may be made if compliance with the rule would significantly impair the expected outcome of the procurement process (for example, if foreign companies cannot use factoring or if there is limited competition or a price advantage). The decision to grant an exception is made by the Group's CFO. In 2025, the Group's average time from receipt of an invoice to payment was 30 days. The calculation covers all payments; no representative sample was used. While there is no precise data on the proportion of payments made on standard terms, the procedure for processing purchase invoices and other expense documents ensures that payments are made on time. In the next reporting period, options for determining the exact proportion of payments made on standard terms will be considered.

Annexes

ANNEX 1. ESRS 2. LIST OF THE COVERED DISCLOSURE REQUIREMENTS OF ESRS

Table 33. List of the covered Disclosure Requirements of ESRS

Material Disclosure Requirement	Page number
ESRS 2. General disclosures	
BP-1, BP-2. Basis for preparation of sustainability statements	79
GOV-1. The role of the administrative, management and supervisory bodies	80
GOV-2. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	81
GOV-3. Integration of sustainability-related performance in incentive schemes	81
GOV-4. Statement on due diligence	81
GOV-5. Risk management and internal controls over Sustainability Statementing	81
SBM-1. Strategy, business model and value chain	82
SBM-2. Stakeholder engagement	84
SBM-3. Material impacts, risks and opportunities and their interaction with strategy and business model	85
IRO-1. Identification and assessment of material impacts, risks and opportunities	87
IRO-2. Disclosure Requirements in ESRS covered by the sustainability statement	88
MDR-P. Policies adopted to manage material sustainability matters	88
MDR-A. Actions in relation to material sustainability matters	90

Material Disclosure Requirement	Page number
E1. Climate change	
ESRS 2 IRO-1, SBM-3. Material impacts, risks and opportunities and their interaction with strategy and business model	91
ESRS 2 GOV-3. Integration of climate indicators in remuneration	93
E1-1. Transition plan for climate change mitigation	93
E1-2. Climate-related policies	95
E1-3. Climate-related actions and resources	95
E1-4. Climate-related targets	96
E1-5. Energy consumption	97
E1-6. GHG emissions	97
E1-7. GHG removals and GHG mitigation projects financed through carbon credits	99
E1-8. Internal carbon pricing	99
E2. Pollution	
E2 IRO-1. Material pollution-related impacts, risks and opportunities	107
E2-1. Policies related to pollution	107
E2-2. Actions and resources related to pollution	108
E2-3. Targets related to pollution	110
E2-4. Pollution of air, water and soil	111
E2-5. Substances of concern and substances of very high concern	113
E3. Water and marine resources	
E3 IRO-1. Material water-related impacts, risks and opportunities	114
E3-1. Policies related to water	114
E3-2. Actions and resources related to water	115
E3-3. Targets related to water	116
E3-4. Water consumption	116

Material Disclosure Requirement	Page number
E5. Resource use and circular economy	
E5 IRO-1. Material resource use and circular economy-related impacts, risks and opportunities	118
E5-1. Policies related to resource use and circular economy	118
E5-2. Actions and resources related to resource use and circular economy	119
E5-3. Targets related to resource use and circular economy	120
E5-4. Resource inflows	120
E5-5. Resource outflows	120
S1. Own workforce	
S1 SBM-3. Material impacts, risks and opportunities related to own workforce	122
S1-1. Policies related to own workforce	123
S1-2, S1-3. Processes for engaging with staff and reporting channels	124
S1-4. Taking action on material impacts, risks and opportunities related to own workforce	124
S1-5. Targets related to employees	126
S1-6. Characteristics of the undertaking's employees	128
S1-8. Collective bargaining coverage and social dialogue	129
S1-9. Diversity metrics	129
S1-13. Training and skills development metrics	130
S1-14. Health and safety metrics	131
S1-16. Remuneration metrics	131
S1-17. Incidents, complaints and severe human rights impacts	131

Material Disclosure Requirement	Page number
G1. Business conduct	
G1 GOV-1. The role of the administrative, management and supervisory bodies	132
G1 IRO-1. Material impacts, risks and opportunities related to business conduct	132
G1-1. Business conduct policies and corporate culture	132
G1-2. Management of relationships with suppliers	133
G1-3. Prevention and detection of corruption and bribery	134
G1-4. Incidents of corruption or bribery	135
G1-6. Payment practices	135

ANNEX 2. ESRS 2 IRO-2. LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Table 34. List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page in the statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	x			x	80
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	x			x	80
ESRS 2 GOV-4 Statement on due diligence paragraph 30				x	81
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x		x		82
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	x				82
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	x				Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	x				Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				x	93
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)			x		94
ESRS E1-4 GHG emission reduction targets paragraph 34	x		x		96
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38			x		97
ESRS E1-5 Energy consumption and mix paragraph 37			x		97
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x		x		97
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x		x		98
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x		x		98
ESRS E1-7 GHG removals and carbon credits paragraph 56				x	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		Transitional provisions were applied
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) / ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)			x		Transitional provisions were applied
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)			x		Transitional provisions were applied



Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page in the statement
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)			x		Transitional provisions were applied
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			x		Transitional provisions were applied
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28					111-112
ESRS E3-1 Water and marine resources paragraph 9				x	114
ESRS E3-1 Dedicated policy paragraph 13	x				Not applicable
ESRS E3-1 Sustainable oceans and seas paragraph 14	x				Not applicable
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	x				116
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	x				116
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	x				Transitional provisions were applied
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	x				Transitional provisions were applied
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	x				Transitional provisions were applied
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	x				Transitional provisions were applied
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	x				Transitional provisions were applied
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	x				Transitional provisions were applied
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x				121
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x				121
ESRS 2 - SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	x				123
ESRS 2 - SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	x				123
ESRS S1-1 Human rights policy commitments paragraph 20	x				123
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			x	x	123
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	x				123
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	x				123



Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page in the statement
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	x		x		124
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	x				131
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				Not disclosed
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x				131
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				131
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x				131
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	x				131
ESRS 2 – SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	x				Transitional provisions were applied
ESRS S2-1 Policies related to value chain workers paragraph 18	x				Transitional provisions were applied
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x				Transitional provisions were applied
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			x		Transitional provisions were applied
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				Transitional provisions were applied
ESRS S3-1 Human rights policy commitments paragraph 16	x				Transitional provisions were applied
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	x				Transitional provisions were applied
ESRS S3-4 Human rights issues and incidents paragraph 36	x				Transitional provisions were applied
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x				Transitional provisions were applied
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x				Transitional provisions were applied
ESRS S4-4 Human rights issues and incidents paragraph 35	x				Transitional provisions were applied
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x				Not applicable
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	x				Not applicable
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x				135
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	x				135

ANNEX 3. ESRS 2 GOV-4. DUE DILIGENCE

Table 35. Due diligence

Core elements of due diligence	Chapters in the sustainability statement	Page number
a) Embedding due diligence in governance, strategy and business model	ESRS 2. General disclosures	79
	ESRS 2. General disclosures	79
b) Engaging with affected stakeholders in all key steps of the due diligence	S1. Own workforce	122
	G1. Business conduct	132
c) Identifying and assessing adverse impacts	ESRS 2. General disclosures	79
	ESRS 2. General disclosures	79
d) Taking actions to address those adverse impacts	S1. Own workforce	122
	G1. Business conduct	132
	ESRS 2. General disclosures	79
e) Tracking the effectiveness of these efforts and communicating	S1. Own workforce	122
	G1. Business conduct	132



Abbreviations

CCA	Climate Change Adaptation	ILO	International Labour Organisation
CCM	Climate Change Mitigation	ISO	International Standardisation Organisation
CSRD	Corporate Sustainability Statementing Directive (EU) 2022/2464	GHG	Greenhouse Gases
DEFRA	UK Department for Environment, Food & Rural Affairs	KPI	Key Performance Indicator
DNSH	Do No Significant Harm	LTIFR	Lost Time Injury Frequency Rate
ESG	Environmental, Social and Governance	NMVOC	Non-Methane Volatile Organic Compounds
ESRS	European Sustainability Statementing Standards	NPS	Net Promoter Score
EU	European Union	OECD	Organisation for Economic Co-operation and Development
EU ETS	European Union Emissions Trading System	UK	United Kingdom
IFRS	International Financial Reporting Standards	UN	United Nations

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Consolidated Financial Statements

Consolidated income statement

<i>in million EUR</i>	1 January - 31 December	2025	2024	Note
Revenue		1,646.9	1,785.2	25
Other operating income		192.4	107.5	26
Change in inventories of finished goods and work in progress		6.4	14.5	11
Raw materials and consumables used		(1,110.3)	(1,180.8)	27
Payroll expenses		(190.6)	(197.1)	28
Depreciation, amortization and impairment		(363.8)	(328.5)	6, 7, 8
Other operating expenses		(227.6)	(131.1)	29
Operating profit/(loss)		(46.6)	69.7	
Finance income		8.4	15.4	30
Finance costs		(60.8)	(48.4)	30
Net finance costs		(52.4)	(33.0)	30
Profit from associates under the equity method		0.9	1.9	9
Profit/(loss) before tax		(98.1)	38.6	
Corporate income tax (expense) / benefit		15.5	(25.7)	31
Profit/(loss) for the year		(82.6)	12.9	
Profit/(loss) for the year attributable to:				
Equity holder of the parent		(89.2)	(4.3)	
Non-controlling interest		6.6	17.2	10

The notes on pages 150-244 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

<i>in million EUR</i>	1 January - 31 December	2025	2024	Note
Profit/(loss) for the year		(82.6)	12.9	
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Revaluation of hedging instruments net of reclassifications to profit or loss		(63.0)	4.0	20
of which share of non-controlling interest		(0.1)	-	10, 20
Impact of comprehensive income/(loss) of associates		(1.1)	(0.9)	9, 20
Currency translation differences on the translation of foreign operations		(1.7)	2.0	20
of which share of non-controlling interest		(0.1)	(0.1)	
Other comprehensive income/(-loss) for the year		(65.8)	5.1	
Total Comprehensive Income/(Loss) For The Year Profit Attributable To:		(148.4)	18.0	
Equity holder of the Parent Company		(154.8)	0.9	
Non-controlling interest		6.4	17.1	

The notes on pages 150-244 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

<i>in million EUR</i>	31 December 2025	31 December 2024	Note
ASSETS			
Non-current assets			
Property, plant and equipment	3,585.9	3,563.8	6
Right-of-use assets	24.0	27.9	8
Intangible assets	95.0	93.5	7
Prepayments for non-current assets	35.3	61.1	6
Deferred tax assets	18.6	4.2	31
Derivative financial instruments	113.6	213.3	12, 14, 15
Investments in associates	65.9	74.9	9
Other shares and holdings	0.3	0.3	
Non-current receivables	1.1	3.3	13
Total non-current assets	3,939.7	4,042.3	
Current assets			
Inventories	150.8	172.0	11
Greenhouse gas allowances and certificates of origin	37.2	74.5	16
Trade and other receivables	251.7	282.2	13
Derivative financial instruments	43.9	90.0	12, 14, 17
Cash and cash equivalents	358.2	468.9	12, 15, 17
Total current assets	841.8	1,087.6	
Total assets	4,781.5	5,129.9	

The notes on pages 150-244 are an integral part of these consolidated financial statements.

<i>in million EUR</i>	31 December 2025	31 December 2024	Note
EQUITY			
Total equity and reserves attributable to equity holder of the parent			
Share capital	846.6	746.6	18
Share premium	259.8	259.8	
Statutory reserve capital	75.0	75.0	18
Hybrid bonds	398.5	398.5	18
Other reserves	97.4	160.2	20
Retained earnings	313.1	565.5	18
Total equity and reserves attributable to equity holder of the parent	1,990.4	2,205.6	
Non-controlling interest	2.2	177.8	10, 20
Total equity	1,992.6	2,383.4	
LIABILITIES			
Non-current liabilities			
Borrowings and lease liabilities	1,404.7	1,498.7	12, 21
Deferred tax liabilities	18.5	28.0	31
Other payables	6.1	8.0	22
Derivative financial instruments	4.9	4.4	12, 14
Contract liabilities and government grants	534.7	467.9	23
Provisions	38.4	39.0	24
Total non-current liabilities	2,007.3	2,046.0	
Current liabilities			
Borrowings and lease liabilities	226.6	197.0	12, 21
Payables for EUA transactions	131.2	79.8	22
Trade and other payables	292.3	267.5	22
Derivative financial instruments	11.4	22.6	12
Contract liabilities and government grants	3.5	2.0	23
Provisions	116.6	131.6	24
Total current liabilities	781.6	700.5	
Total liabilities	2,788.9	2,746.5	
Total liabilities and equity	4,781.5	5,129.9	

Consolidated statement of cash flows

<i>in million EUR</i>	1 January - 31 December	2025	2024	Note
Cash flows from operating activities				
Cash generated from operations		446.7	703.7	33
Interest and loan fees paid		(92.4)	(102.3)	30
Interest received		10.6	9.1	30
Corporate income tax paid		(2.1)	(8.0)	31
Net cash generated from operating activities		362.8	602.5	
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets		(365.9)	(661.6)	6, 7
Proceeds from grants related to property, plant and equipment		25.2	38.6	
Proceeds from sale of property, plant and equipment		1.9	1.3	6, 26
Dividends received from associates		8.9	4.5	9, 32
Loans granted		-	(0.1)	32
Repayment of loans granted		0.1	0.3	
Proceeds from sale of shares of subsidiary, net of cash disposed		83.1	17.4	35
Acquisition of financial investments		-	(0.3)	
Net cash used in investing activities		(246.7)	(599.9)	

The notes on pages 150-244 are an integral part of these consolidated financial statements.

<i>in million EUR</i>	1 January - 31 December	2025	2024	Note
Cash flows from financing activities				
Issued bonds (net of bond issuance costs)		49.3	391.7	21
Loans received		126.2	385.0	21
Repayments of bank loans		(230.2)	(400.5)	21
Principal elements of lease liabilities		(2.5)	(2.1)	21
Contribution to the share capital		100.0	-	18
Payment for acquisition of non-controlling interest in a subsidiary		(205.6)	-	10
Dividends paid		(35.0)	(78.7)	19, 31
Coupons on hybrid bonds paid		(31.5)	(7.9)	18
Proceeds from realisation of interest rate swaps		2.5	4.3	
Net cash generated from/ (used in) financing activities		(226.8)	291.8	
Net cash flows		(110.7)	294.4	
Cash and cash equivalents at the beginning of the period		468.9	174.5	12, 15, 17
Cash and cash equivalents at the end of the period		358.2	468.9	12, 15, 17
Net change in cash and cash equivalents		(110.7)	294.4	

Consolidated statement of changes in equity

Attributable to equity holder of the company

<i>in million EUR</i>	Share capital	Share premium	Statutory reserve capital	Hybrid bonds	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity	Note
Equity as at 31 December 2023	746.6	259.8	75.0	-	155.0	656.5	1,892.9	167.2	2,060.1	
(Loss)/profit for the year	-	-	-	-		(4.3)	(4.3)	17.2	12.9	
Other comprehensive income/(loss) for the year	-	-	-	-	5.2	-	5.2	(0.1)	5.1	10, 20
Total comprehensive income/(loss) for the year	-	-	-	-	5.2	(4.3)	0.9	17.1	18.0	
Hybrid bonds	-	-	-	391.7	-	-	391.7	-	391.7	18
Coupons on bonds	-	-	-	6.8	-	(14.7)	(7.9)	-	(7.9)	18
Dividends paid	-	-	-	-	-	(72.0)	(72.0)	(6.5)	(78.5)	18, 31
Total distributions to owners of the company, recognised directly in equity	-	-	-	398.5	-	(86.7)	311.8	(6.5)	305.3	
Equity as at 31 December 2024	746.6	259.8	75.0	398.5	160.2	565.5	2,205.6	177.8	2,383.4	
Adoption of new pronouncements	-	-	-	-	-	(70.3)	(70.3)	-	(70.3)	14
Equity as at 1 January 2025	746.6	259.8	75.0	398.5	160.2	495.2	2,135.3	177.8	2,313.1	
(Loss)/profit for the year	-	-	-	-	-	(89.2)	(89.2)	6.6	(82.6)	
Other comprehensive loss for the year	-	-	-	-	(65.6)	-	(65.6)	(0.2)	(65.8)	10, 20
Total comprehensive income/(loss) for the year	-	-	-	-	(65.6)	(89.2)	(154.8)	6.4	(148.4)	
Increase of share capital	100.0	-	-	-	-	-	100.0	-	100.0	18
Acquisition of non-controlling interest of subsidiary	-	-	-	-	2.8	(27.4)	(24.6)	(181.0)	(205.6)	10
Coupons on hybrid bonds paid	-	-	-	-	-	(31.5)	(31.5)	-	(31.5)	18
Dividends paid	-	-	-	-	-	(34.0)	(34.0)	(1.0)	(35.0)	19, 31
Total distributions to owners of the company, recognised directly in equity	100.0	-	-	-	2.8	(92.9)	9.9	(182.0)	172.1	
Equity as at 31 December 2025	846.6	259.8	75.0	398.5	97.4	313.1	1,990.4	2.2	1,992.6	

The notes on pages 150-244 are an integral part of these consolidated financial statements.



Notes to the consolidated financial statements

1. General information

The consolidated financial statements of Eesti Energia Group for the year ended 31 December 2025 include the financial information of Eesti Energia AS (parent company, legal form: limited company) and its subsidiaries (the Group) and the Group's interests in associates.

Eesti Energia is an international energy company that operates in the electricity and gas markets of the Baltic countries, Finland and Poland and in the international liquid fuels market. The Group is engaged in mining oil shale, producing power, heat and oil, developing oil shale refining know-how and technologies as well as providing services and products to customers. The company's objective is to add value to Estonia's primary natural resource in the most efficient manner possible and to reduce the ecological footprint of the oil shale energy sector. Besides oil shale, electricity is also generated from sun, wind, water, mixed municipal waste and biomass. The Group operates under the Enefit trademark. The Group has investments in associates which operate in Jordan.

The registered address of the parent company is Lelle 22, Tallinn 11318, Republic of Estonia.

The sole shareholder of Eesti Energia AS is the Republic of Estonia.

These consolidated financial statements of the Group were authorised for issue by the Management Board on 31 March 2026. Under the Commercial Code of the Republic of Estonia, the annual report must additionally be approved by the Supervisory Board of the parent company and approved by the General Meeting of Shareholders.

1.1 KEY EVENTS IN 2025

Main changes in market inputs. The Group's results are strongly influenced by the prices of electricity, natural gas, oil products and emission allowances, as well as by the level of environmental charges. Market prices affect both the Group's revenue and energy purchase costs, which are recognised in profit or loss, and trade receivables, which are recognised in the statement of financial position. The following trends in market prices (compared to 2024) had a significant impact on our business in 2025: electricity prices in the Baltic countries decreased due to high levels of renewable energy production. However, they remained volatile due to interconnection constraints and weather-related fluctuations; natural gas prices increased at the beginning of the year, but remained stable for the rest of the year thanks to favourable weather and supply conditions; emission allowance prices rose moderately; world market prices for oil products fell due to the impact of OPEC+ production policy, geopolitical tensions and weakening demand.

More detailed explanations of market price changes are provided in the operating environment section of the management report

Market prices of electricity affect the Group's electricity sales revenue and electricity purchase costs. The average market price in 2025 in Estonia was 80.4 €/MWh (-6.9€/MWh, -7.9% lower than in 2024).

In 2025, electricity prices in the Baltic countries continued to converge, with price levels in Estonia, Latvia, and Lithuania remaining very similar for most of the year.

See Notes 25 and 27 for further details on the Group's electricity revenue and purchase costs and Notes 3.1.1.2.1, 14 and 20 for details on the electricity related derivative transactions of the Group.



Market prices of natural gas affect the Group's natural gas sales revenue and natural gas purchase costs. The price of natural gas started 2025 on an upward trend, but later stabilized. The average price of natural gas was 36.4 €/MWh (+€2.6/MWh; +7.7% compared to 2024)

The moderate price increase compared to the prior year was primarily driven by strong price pressures caused by cold weather and supply disruptions at the start of the year, as well as Europe's growing reliance on LNG following the end of Russian gas transit through Ukraine.

The impact of negative market price movements is offset by derivative contracts related to natural gas purchases.

See Notes 25 and 27 for information on the Group's natural gas revenue and purchase costs and Notes 3.1.1.2.1, 14 and 20 for details on the gas related derivative transactions of the Group.

The price of CO₂ emission allowances has a significant impact on the cost of electricity produced by direct burning of oil shale, particularly at the Group's older production facilities, which have a higher carbon intensity. A decrease in the production of electricity by direct burning of oil shale affects the balances of emission allowances (Note 16) and the provision for emission allowances in the statement of financial position (Note 24). The average price of CO₂ emission allowances in 2025 was 74.3 €/t. (+7.8 €/t, +11.7% compared to 2024).

Global oil product prices affect the sales revenues of the liquid fuels segment. In 2025, the price of Brent crude oil was relatively volatile, ranging from USD 59 to USD 82 per barrel.

A widely traded oil product that is closest in nature to our shale oil is 1% sulphur fuel oil, whose price depends mainly on the price of Brent crude oil. The average price of Brent crude oil in 2025 was USD 68.2/bbl, 14.6% (-USD 11.7/bbl) lower than in 2024. The average price of 1% sulphur fuel oil was €369.9/t in 2025, 15.3% (-€66.7/t) lower than in 2024.

The impact of market prices on shale oil revenue was partially offset by financial trades conducted on exchanges and with OTC counterparties.

Information on shale oil sales revenue is provided in Note 25 and information on shale oil related derivatives can be found from Notes 3.1.1.2.1, 14 and 20.

Electricity distribution is a regulated service and therefore the price of the service has to be approved by the Estonian Competition Authority. The average price of the distribution service was 48.7 €/MWh in 2025 (46.6 €/MWh in 2024). The average price of the distribution service increased in 2025 +2.1 €/MWh (+1.6 €/MWh in 2024) due to changes in network service tariffs.

Electricity distribution revenue is disclosed in Note 25.

REGULATORY CHANGES

Several electricity market, network service and environmental regulations affecting the operations of Eesti Energia entered into force in 2025.

In February, the Baltic electricity systems were synchronised with the Continental European frequency area. This resulted in changes to the principles of frequency control and reserve procurement, as well as to the functioning of the balancing market. The change increased the requirements and costs related to system services and affected the utilisation of controllable generation assets.

Amendments to the Electricity Market Act introduced a regulatory framework for an island operation capability service, under which the transmission system operator is required to procure the controllable generation capacity necessary to ensure the autonomous operation of the electricity system. In September, Elering AS announced a procurement for the island operation reserve to ensure system reliability, and Enefit Power OÜ was selected as the service provider. The introduction of the island operation capability service established readiness requirements for generation assets and made the provision of the service a separately remunerated system service.

In October, the electricity market switched to a 15 minute trading period in accordance with European balancing rules. As a result, the processes for submitting bids and managing balancing became more detailed, and the accuracy requirements for forecasting increased.

Elering AS procured longterm balancing capacity through a public tender in accordance with European electricity system balancing regulations. As a result of the tender process concluded in October, contracts were signed for securing reserve capacity until 2033. Enefit Industry OÜ was selected as a successful bidder with its approximately 100 MW gasfired power plant project planned in Narva.



In 2025, the underutilisation fee for generationside network connections entered into force. The aim of the regulation is to incentivise more efficient use of grid connections. The regulation increased the cost risk associated with the use of generationoriented connections and has an impact on investment decisions regarding new generation assets.

During the year, the regulation governing connection to the electricity grid was amended and fixed connection fees were introduced. The change made connection costs more predictable but affects the cost of connecting new production and consumption capacities.

Amendments to the Electricity Market Act changed the network service billing principles for electricity storage facilities so that network charges are calculated based on the net electricity consumed during a calendar month. This removed the double charging of network fees for storage facilities and reduced the cost of using storage. However, the double taxation of excise duty for storage facilities was retained.

In 2025, the compensation scheme for landowners related to the development of renewable energy production facilities was amended. The easement fee paid during the construction period was increased from the previous approximately 10% to 70% of the final easement compensation. The amendment increased development costs for renewable energy projects and particularly affected the economic viability of wind farm construction.

The support conditions for the Iru waste to energy unit were amended so that the payment of renewable energy and high efficiency cogeneration support was linked to achieving municipal waste recycling targets. As a result, support payments were temporarily at risk. The Chancellor of Justice found that such an amendment violated the legitimate expectations of the support recipient, and the regulation was subsequently amended to allow the support to continue until the original end date of the support scheme. The support scheme ended in 2025 in accordance with its initial conditions.

At the end of the year, amendments to the Waste Act were adopted, introducing a pollution charge for the incineration of municipal waste and increasing landfill fees. The incineration fee rate was differentiated depending on the level of pretreatment of waste: higher for unsorted mixed municipal waste and lower for pretreated waste. The amendment affects the operation of the Iru waste to energy plant primarily through wastefuel intake fees, as the additional incineration charge increases the cost of directing waste for

incineration and impacts waste fuel pricing. Under the law, the incineration fee may not be passed on to district heating prices.

KEY DEVELOPMENTS REGARDING INVESTMENTS

We invested EUR 459.2 million in 2025 (2024: -37.0%, EUR -264.4 million).

Renewable energy

To increase our renewable energy production capacity, we invested in the development of wind farms in 2025: EUR 85.8 million in Lithuania, EUR 12.6 million in Estonia, EUR 2.9 million in Poland and EUR 2.5 million in Finland. The largest investments were made in the Kelmė II wind farm in Lithuania, which is expected to be fully operational in the first quarter of 2026, and the Sopi-Tootsi wind farm in Estonia, which is already operating at full capacity.

The largest investment in solar energy development was EUR 18.0 million for the Strzałkowo project in Poland, which is expected to be completed in summer 2026.

Network services

Investments made to maintain and continuously improve the quality of the electricity distribution service totalled EUR 167.8 million (2024: EUR 102.6 million), including investments of EUR 65.2 million (2024: EUR 73.7 million) in network connections.

In 2025, the group (subsidiaries Elektrilevi OÜ and Imatra Elekter AS) built 395 new substations and 1,299 km of power lines (in 2024, 363 new substations and 1,237 km of power lines were built). Overall, the weatherproof network increased by 279 km during the year (2024: 923 km), while the overhead bare conductor network decreased by 371 km (2024: 662 km). As of the end of 2025, 97.5% of the Group low-voltage network was weatherproof (2024: 96.4%), and 77.1% of entire low- and medium-voltage network was weatherproof (2024: 75.7%).



Shale oil

We invested EUR 47.5 million in building a new shale oil plant in 2025 (2024: EUR 78.4 million). Construction is nearing completion – the equipment has been installed and the plant has reached mechanical readiness.

Further information about the investments is disclosed in Note 6.

OTHER CHANGES

Impairment loss recognised

The impairment tests performed in 2025 indicated the need to recognise an impairment loss for three cash-generating units of Enefit Industry:

- the new Enefit 280-2 oil plant under construction;
- the Enefit 280-1 oil plant;
- the Enefit-140 oil plant.

The impairment loss recognised in 2025 amounted to EUR 197.6 million (in 2024: 163.5 million). See Note 6 for further details

Acquisition of Additional Share Capital of Subsidiary

In April 2025, Eesti Energia made a voluntary takeover bid to the minority shareholders of Enefit Green in order to regain full ownership of the subsidiary. Priced at EUR 3.4 per share, the bid which closed on 12 May increased the parent company’s stake in Enefit Green to 97.2%, thereby creating a basis for building an integrated electricity business.

This was followed by the acquisition of the remaining shares for cash compensation and full reintegration of Enefit Green into the Group.

The total cost of the voluntary takeover was EUR 205.2 million. The takeover bid was one of the largest in the history of the Baltic capital market, particularly given Enefit Green’s extensive retail investor base.

Issued bonds

During the reporting period, Eesti Energia AS issued bonds with a nominal value of EUR 50.0 million, maturing in 2028. The bonds bear a fixed interest rate of 5.0%. The transaction costs related to the bond issuance amounted to EUR 0.7 million.

Sales of subsidiary

On 1 December 2025 Enefit Green signed an agreement to sell its subsidiary Tolpanvaara Wind Farm Oy in Finland to TD Greystone Infrastructure Fund, marking a strategic step in focusing on the Baltics and Poland markets. Contractual transaction price was EUR 83.1 million.

Mergers of subsidiaries

In august 2025 Enefit Wind Purtse AS and Tootsi Windpark OÜ merged with Enefit Wind OÜ. The merger balance sheet date was 1 January 2025 and the merger entries were registered in the Commercial Register on 27 August 2025.

At the end of 2025 Eesti Energia AS decided to merge Enefit AS with Enefit Green AS. The merger balance sheet date was 1 October 2025, and the merger entries were registered in the Commercial Register on 2 January 2026. Enefit AS (formerly Enefit Green AS) was reorganised into a private limited company on 12 January 2026.

At the end of 2025 Eesti Energia AS decided at the end of 2025 to merge Enefit Solutions AS with Enefit Industry AS. The merger balance sheet date was 1 October 2025, and the merger entries were registered in the Commercial Register on 2 January 2026. Enefit Industry AS was reorganised into a private limited company on 8 January 2026.

Demerger of a subsidiary

By April 2025, Enefit Power AS (new business name Enefit Industry AS) had been split into two companies (division by separation) so that the business consisting of the Eesti power plant, the Balti power plant and the Auvere power plant was transferred to a new company, Enefit Power OÜ, which became a subsidiary of Eesti Energia AS. On 30 December 2025, Enefit Industry AS acquired a 100% stake in Enefit Power OÜ from Eesti Energia AS.



2. Material accounting policies

The material accounting policies used in the preparation of these consolidated financial statements are set out below. Accounting policies describe mainly company-specific and material accounting principles.

2.1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU).

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and liabilities (including derivative financial instruments) that are measured at fair value through profit or loss.

The preparation of consolidated financial statements in accordance with IFRS EU requires the use of certain accounting estimates. It also requires management to exercise judgement in applying accounting policies. The areas involving a higher degree of judgement and where accounting assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(a) Adoption of New or Revised Standards and Interpretations

The following new or revised standards and interpretations became applicable to for the Group from 1 January 2025:

“Amendments to IAS 21 Lack of Exchangeability”

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences

“Contracts Referencing Nature-dependent Electricity”- Amendments to IFRS 9 and IFRS 7

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting



requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

The amendments include:

- (a) clarifying the application of the 'own-use' requirements;
- (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and
- (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.

The Group has early adopted the amendments starting from 1 January 2025, which had material impact on the consolidated financial statements. For further information refer to Note 2.9 Derivative financial instruments and hedging activities and Note 14 Derivative financial instruments.

(b) New standards and interpretations not yet adopted

Certain new or revised standards and interpretations have been issued that are mandatory for the Group in annual periods beginning on or after 1 January 2026, and which the Group has not early adopted.

"Amendments to the Classification and Measurement of Financial Instruments"- Amendments to IFRS 9 and IFRS 7

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) targets); and

- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group expects that the amendments, when initially applied, will not have a material impact on the consolidated financial statements.

"IFRS 18 Presentation and Disclosure in Financial Statements"

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.



The Group expects that the new standard, when initially applied, may have a material impact on the presentation and disclosures of the consolidated financial statements. The Group is in the process of assessing the potential impact on its financial statements resulting from the application of IFRS 18.

“Subsidiaries without Public Accountability: Disclosures”- IFRS 19

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries’ financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Group expects that the new standard, when initially applied, will not have a material impact on the consolidated financial statements.

“Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures”

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS

7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable.

The Group expects that the new standard, when initially applied, will not have a material impact on the consolidated financial statements.

“Annual Improvements to IFRS Accounting Standards”

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the ‘qualifying criteria’, rather than ‘conditions’ for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included ‘significant unobservable inputs’. This new phrase replaced reference to ‘significant inputs that were not based on observable market data’. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7.

IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at ‘the amount determined by applying IFRS 15’ instead of at ‘their transaction price (as defined in IFRS 15)’.



IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from

IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

The group expects that the improvements, when initially applied, will not have a material impact on its financial statements.

The Group expects that the improvements, when initially applied, will not have a material impact on the consolidated financial statements.

2.3 EMISSION ALLOWANCES AND GREEN CERTIFICATES

Emission allowances

The European Union Emissions Trading System (EU ETS) was created in 2005 as a tool for reducing greenhouse gas emissions, particularly carbon dioxide, in a cost-effective way. Based on Directive 2003/87/EC and its amending directives, emission allowances are bought and sold on designated exchanges. Since its inception, the EU ETS has had four phases: 2005-2007, 2008-2012, 2013-2020 and 2021-2025.

In the first phase (2005-2007), only European Union Allowances (EUAs) were traded. In the second phase (2008-2012), the EU ETS was opened to international trading in Certified Emission Reduction Units (CERs) and Emission Reduction Units (ERUs).

From the third phase (2013-2020) onwards, there is no free or subsidised allocation of emission allowances for the power generation sector. For other sectors, there is a transition period during which free allowances can be allocated to producers, but the amount of free allowances is gradually decreasing. Among other sectors, free allowances are allocated to the refining sector (including shale oil production), the production of measurable heat (including district heating) and the combustion of waste gases for

electricity generation. Among the activities carried out by the Group, free allowances are allocated to the production of shale oil (as part of the refinery sector) to avoid carbon leakage and to the production of measurable heat (including district heating for the city of Narva). The Iru power plant operated by the Group has been allocated free allowances for 307 tonnes (in 2024: 316 tonnes) of CO₂ emissions for heat production in 2024.

In the fourth trading period (2021-2025), the free allocation system will focus on sectors at the highest risk of relocating their production outside of the EU. These sectors will receive 100% of their allocation free of charge. For less exposed sectors, free allocation will be phased out after 2026, from a maximum of 30% to zero at the end of the trading period (2030).

Greenhouse gas emission allowances controlled by the Group are accounted for as current intangible assets. Greenhouse gas emission allowances received from the state free of charge are measured at zero cost. If the Group has acquired more greenhouse gas emission allowances than it is expected to need and has a plan to sell the allowances, purchase allowances are measured at cost. The Group has two separate portfolios for emission allowances – trading and own use portfolios. Same principles apply to these two separate portfolios as for guarantees of origin portfolios. See further details from the paragraph ("Green certificates – guarantees of origin") below.

As carbon dioxide is emitted, an obligation arises to deliver the corresponding quantity of emission allowances (EUAs, CERs, ERUs) to the authorities (the state). If the freely allocated emission allowances do not cover the obligation to the authorities, an expense and the corresponding provision are recognized, taking into account the freely allocated emission allowances. The liability is measured in the amount that is expected to be required to settle the obligation. See Note 34 for the estimated amount of free allowances allocated to the Group in 2026 and Note 16 for the amount of free allowances allocated to the Group in 2024 and 2025.

The provision for greenhouse gas emission allowances is set up at the average price of the greenhouse gas emission allowances (including allowances that has been allocated to the Group free of charge) that are owned by the Group. If, at the end of the reporting period, the Group does not hold enough emission allowances to cover its actual emissions, the remaining shortage is measured at the current market price of the allowances. When the Group surrenders the greenhouse gas emission allowances to the state for the greenhouse gases emitted, both the provision and the intangible assets are reduced by equal quantities and amounts.



Green certificates – guarantees of origin

A guarantee of origin (GoO) is an electronic document acquired by the consumer, which certifies that the electricity has been produced from renewable sources (green energy) or in an efficient cogeneration process. One GoO (green certificate) is issued for every 1 MWh of electricity produced. A GoO is valid for 12 months after the issue of the document.

The purchase and sale of GoOs is the responsibility of the energy trading unit of the Eesti Energia Group. Customer service units order GoOs to be able to prove the origin of green energy to customers.

The Group produces green energy, acquires GoOs from the market and also sells GoOs to third parties.

Every country has its own registry for GoOs where the GoO needs to be cancelled (used). Estonia, Latvia, Lithuania, Finland and Sweden are members of the Association of Issuing Bodies (AIB), which is an organisation for countries whose purpose is to develop and use the European Energy Certificate System. Poland has its own national registry. GoOs can be transferred between the registries of the countries that are members of the AIB.

GoOs are cancelled using the FIFO (first-in, first-out) formula, which means that the GoOs that have been purchased earlier are cancelled earlier in order to prevent their expiry.

The Group uses derivative instruments to mitigate the price risk of future transactions involving GoOs.

Transactions with certificates are divided into two separate portfolios:

- a) trading portfolio: derivatives to purchase and sell the certificates are concluded for trading purposes, fair value changes of derivatives held for trading purposes are recognised in profit or loss within other operating income or other operating expenses on a monthly basis (see also Note 2.9) and
- b) 'own use' portfolio: contractual obligations to deliver "green" energy that meet the own use criterion, since they were entered into and continue to be held for the purpose of the receipt of a non-financial item (green certificates etc.) in accordance with the Group's expected purchase requirements. At the settlement date, the entity Group physically settles the contracts by taking delivery of the certificates.

2.4 CONSOLIDATION

(a) Subsidiaries

A subsidiary is any entity of which the Group has control. Subsidiaries are fully consolidated from the date the Group gains control to the date the Group loses control over them.

Business combinations are accounted for using the acquisition method. The non-controlling interest in an acquiree is measured, at the acquisition date, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The financial statements of subsidiaries are prepared for the same reporting period as those of the parent company, using consistent accounting policies. In the parent company's separate financial statements, investments in subsidiaries are accounted for at cost.

(b) Associates

An associate is an entity over which the Group has significant influence. Investments in associates are accounted for using the equity method. When the Group loses significant influence over an associate, the Group remeasures any retained interest at its fair value. Any difference between the fair value of the retained interest and the carrying amount of the investment in the associate, together with any consideration received, is recognised in profit or loss.

2.5 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each Group's entity are recorded in the currency of the primary economic environment in which the entity operates (the functional currency). The Group has subsidiaries in Poland whose functional currency is the Polish zloty (PLN) and in the United States of America whose functional current is the US dollar (USD). The consolidated financial statements are presented in euros (EUR), which is the functional currency of the parent company and presentation currency of the Group. The figures in the consolidated financial statements have been rounded to the nearest million, unless stated otherwise.



(b) Group companies

The results and financial position of the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency of the Group.

The closing exchange rates used for translating assets and liabilities were as follows: as of 31 December 2025: EUR/PLN 4.2210 and EUR/USD 1.1750 (31 December 2024: EUR/PLN 4.2750 and EUR/USD 1.0389). The exchange rates for translating income and expenses in 2025 were EUR/PLN 4.2397 and EUR/USD 1.1300 (2024: EUR/PLN 4.3058 and EUR/USD 1.0824).

2.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) are tangible items that are used in the Group’s operating activities and have an expected useful life of over one year. Items of property, plant and equipment are presented in the consolidated statement of financial position at historical cost less any accumulated depreciation and any impairment losses.

Items of property, plant and equipment have been assigned the following useful lives:

Items of property, plant and equipment		
Buildings		30–50 years
Facilities, including		
electricity lines		12.5–50 years
other facilities		10–60 years
Machinery and equipment, including		
transmission equipment		5–45 years
power plant equipment		7–32 years
other machinery and equipment		3–30 years
Other items of property, plant and equipment		3–10 years

Information about average remaining useful lives assigned to items of property, plant and equipment is disclosed in Note 4.

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Land is not depreciated. Construction in progress and prepayments for PPE are not depreciated until the assets are completed and ready for their intended use.

2.7 INTANGIBLE ASSETS

Intangible assets (except for goodwill) are amortised over their estimated useful lives using the straight-line method.

(a) Goodwill

Goodwill acquired in a business combination is not subject to amortisation. Instead, for the purpose of impairment testing, goodwill is allocated to cash-generating units, and an impairment test is performed at the end of each reporting period (or more frequently if an event or change in circumstances indicates it is necessary).

(b) Contractual rights

Contractual rights acquired in a business combination are recognised at fair value on acquisition and are subsequently carried at cost less any accumulated amortisation. Contractual rights include also mining rights.

Contractual rights are amortised over the expected duration of the contractual right using the straight-line method. Further details on contractual rights are disclosed in Note 7.

2.8 FINANCIAL ASSETS

2.8.1 CLASSIFICATION



The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

2.8.2 RECOGNITION AND DERECOGNITION

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.8.3 MEASUREMENT

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the income statement.

2.8.4 DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

All of the Group's debt instruments have been classified into the amortised cost measurement category.

2.8.5 AMORTISED COST

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other income/(expenses). Foreign exchange gains and losses and impairment losses are presented as separate line items in the income statement.

2.8.6 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments that are not used in hedge accounting are included in the profit or loss for the year. The Group also applies hedge accounting. Accounting principles for hedge accounting are disclosed in Note 2.9.

2.8.7 IMPAIRMENT

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions, and forecasts of future conditions.

For trade receivables without a significant financing component the Group applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses



from initial recognition of the receivables. The Group uses a provision matrix in which allowance for impairment losses is calculated for trade receivables falling into different ageing or overdue periods.

2.9 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method for recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if it is, the nature of the item being hedged. The Group uses cash flow hedging instruments in order to hedge the risk of changes of the prices of natural gas, shale oil, electricity and interest rate cash flows.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, and also its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents whether there is economic relationship between the derivatives that are used in hedging transactions and the changes in the cash flows of the hedged items. At inception of the hedge, the Group documents sources of hedge ineffectiveness. Hedge ineffectiveness is quantified in each reporting period and recognised in the income statement.

The fair values of derivative financial instruments used for hedging purposes are disclosed in Note 14. Movements on the hedge reserve in other comprehensive income are disclosed in Note 20. The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(a) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement as a net amount within other operating income or other operating expenses.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is reclassified to the income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is reclassified in profit and loss as other operating income or operating expenses.

(b) Interest rate swaps

The interest rate swaps are common financial instrument used to exposure to fluctuation in interest rates. An economic relationship exists between the hedging instruments (interest rate swaps) and the hedged items (loan agreements). 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 is 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. Interest rate swaps could affect profit or loss or other comprehensive income in financial statements.



(c) Derivatives measured at fair value through profit or loss

Derivatives which are not designated as hedging instruments, including the universal service, are carried at fair value through profit or loss. The gains and losses arising from changes in the fair value of such derivatives are included within other operating income or other operating expenses in the income statement.

(d) Power purchase agreements

The Group has entered into long-term physical electricity purchase agreement (full offtake) with energy producer to secure the necessary volumes, manage risk, and sell the purchased electricity either on the market or to its own retail customers. In certain periods, the volumes under this purchase agreement exceed the flexibility of retail sales and operational capacity. Until 31 December 2024, the Group accounted for this agreement as derivative instrument, measured at fair value through profit or loss (other operating income/expenses) in accordance with IFRS 9.

Effective 1 January 2025, the Group applied retrospectively amendments issued by the IASB to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted) relating to nature-dependent electricity contracts. Following this, the Group reassessed the accounting treatment of the full offtake long-term physical electricity purchase agreement under the amended guidance in IFRS 9 and concluded that the contract meets the criteria for contracts referencing nature-dependent electricity that are entered into for the normal purchase or sale of goods (own-use contracts).

Although the structure of the electricity market may result in limited instances of electricity being sold, management considers such sales consistent with own-use accounting assessment, as the Group has historically been, and is expected to remain, a net purchaser of electricity. Accordingly, from 1 January 2025, the Group accounts for this agreement contract as an executory contract in the same way as normal commodity physical purchase contracts. On the settlement date, the Group physically settles this agreement by receiving the electricity and selling it to its retail customers.

For further details, refer to Note 14 Derivative financial instruments.

In addition the Group has signed long-term financially settled power purchase agreements (baseload) with energy producers. At the settlement date the derivative is settled based on the difference between a fixed price and the agreed upon underlying market rate. The Group accounts for the contracts as derivatives measured at fair value through profit or loss (recognised under Other operating income or Other operating expenses) in accordance with IFRS 9. If particular agreements have been designated and qualify as cash flow hedges, they are accounted for under Raw materials and consumables used. Additional information is disclosed in Note 3.

(e) Contracts for purchase of goods for own use

Contracts that are entered into and continue to be held for the purpose of the receipt of the underlying commodity in accordance with the Group's expected purchase requirements are accounted for as regular purchases of underlying commodities. For example, any futures contracts for buying greenhouse gas emissions allowances that are necessary for the Group's electricity production purposes are not recognised as derivatives in the statement of financial position; the emissions allowances purchased are recognised as intangible assets when settlement of future contract occurs, and emissions allowances are transferred to the Group. Any payments made to the counterparty before the settlement date are recognised as prepayments for intangible assets. Also see Note 2.9, point d) which describes the accounting for long-term physical electricity purchase agreements.

If the terms of the contracts permit either party to settle it net in cash or another financial instrument or the commodity (mainly CO₂ transactions and guarantee of origin certificates), that is the subject of the contracts is readily convertible to cash, the contracts are evaluated to determine if they qualify for own use treatment. Contracts that do not qualify for own use treatment, are accounted for as derivatives as described above.

2.10 INVENTORIES

Inventories are stated in the statement of financial position at the lower of cost or net realisable value. The cost of inventories is assigned using the weighted average cost method.



2.11 SHARE CAPITAL AND STATUTORY RESERVE CAPITAL

The parent has recognised a statutory capital reserve (a legal reserve) in accordance with the requirements of the Estonian Commercial Code. Every financial year at least 5% of net profit has to be transferred to the capital reserve until the reserve amounts to at least 10% of share capital. The capital reserve may be used to cover losses and to increase share capital. The capital reserve may not be used to make distributions to shareholders.

2.12 HYBRID BOND

The hybrid bonds are perpetual (with no redemption date), classified as equity instruments and their interest payments (coupon) can be deferred in whole or in part at the discretion of the issuer. The hybrid bonds are recognised in equity at the amount of the proceeds received, net of directly attributable transaction costs. They are not subsequently remeasured through profit or loss or other comprehensive income. Interest paid on the hybrid bonds is recognised as a distribution from equity. Interest paid is included within cash flows from financing activities in the statement of cash flows.

2.13 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred and treated as a transaction cost when the draw-down occurs.

Borrowings are recognised as current liabilities unless the Group has a right to defer the settlement of the liability for at least 12 months after the end of reporting period.

2.14 PAYABLES FOR EUA TRANSACTIONS

(a) Liquidity swap

Liquidity swap arrangements related to EUA transactions are accounted for as financing arrangements, as the contractual cash flows are fixed and are not linked to changes in the market value of CO₂ emission allowances. Proceeds received under the arrangements are recognised as a financial liability at fair value within Payables for EUA transactions. The liability is subsequently measured at amortised cost using the effective interest method.

Finance costs reflect the difference between the initial proceeds and the total contractual repayments. At the reporting date, the carrying amount represents the present value of the remaining fixed payments.

(b) Purchase and resale of emission allowances

CO₂ emission allowances purchased with the intention of immediate resale are recognised at cost and remain on the balance sheet until the corresponding sale transaction is completed. The revenue from the sale is recognised within Other operating income, and the purchase cost is recognised within Other operating expenses.

Deferred settlement terms give rise to a liability recognised under Payables for EUA transactions, which is measured at amortised cost.

2.15 TAXATION

(a) Corporate income tax on dividends in Estonia

Under the Income Tax Act, the annual profit earned by entities is not taxed in Estonia. Corporate income tax is paid on dividends, fringe benefits, gifts, donations, costs of entertaining guests, non-business-related disbursements and transfer price adjustments.



The tax rate for profit distributions is 22% (calculated as 22/78 of the net distribution). Under certain circumstances, dividends received can be redistributed without additional income tax expense. The tax exemption applies if the company redistributing the dividends received had at the time of receipt at least a 10% interest in the company from which the dividend was received. The lower income tax rate of 14% for regular dividend distributions (14/86 of the net distribution) has been abolished from 1 January 2025. Dividends taxed at a lower rate received before the above date can be redistributed in accordance with a transitional provision. Current corporate income tax payable on a dividend's distribution is recognised as an expense and a liability in the amount of the tax effect of the dividends declared. Deferred tax is provided on the post-acquisition retained earnings and other post-acquisition movements in the reserves of subsidiaries, except to the extent that the Group controls the subsidiary's dividend policy, and it is probable that the temporary difference will not reverse through dividends or otherwise in the foreseeable future. As the Group controls the dividend policy of its subsidiaries, it is able to control the timing of the reversal of the temporary differences associated with its investments in subsidiaries. The maximum income tax liability which would accompany the distribution of Company's retained earnings is disclosed in the notes to the financial statement (see Note 19).

(b) Deferred income tax

Deferred income tax is recognised in foreign subsidiaries, except for Latvia, for temporary differences arising between the tax bases and carrying amounts of assets and liabilities. Deferred income tax assets and liabilities are recognised under the liability method. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset and liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Pursuant to the laws of the Republic of Estonia and Latvia, an entity's profit of the accounting year is not taxable in Estonia and Latvia. The obligation to pay company income tax arises upon distribution of profit

and it is recognised as an expense (in profit or loss for the period) when dividends are declared. Due to the nature of the taxation system, no deferred income tax assets or liabilities arise in entities registered in Estonia nor Latvia, except for possible deferred income tax liabilities related to the Group's investments in subsidiaries.

Deferred income tax liability arises for the Group in countries where the entity's reporting year profit is taxable. For the Group, deferred income tax liability also arises in respect to investments in an Estonian and Latvian subsidiary and associate undertaking, except for if the Group is able to control the timing of the reversal of the taxable temporary differences and it is probable that the reversal will not occur in the foreseeable future. Examples of taxable temporary reversal are the payment of dividends, the sale or liquidation of an investment, and other transactions.

The Group has control over the dividend policy of subsidiaries and is able to control the timing of the reversal of the temporary differences in respect to the relevant investment. If the parent company has decided not to distribute the subsidiary's profit in the foreseeable future, it does not recognise the deferred income tax liability. If the parent company assesses that the dividend will be paid in the foreseeable future, the deferred income tax liability is measured to the extent that the planned dividend payments exceed the amount of tax-exempt dividends received from subsidiaries that has not yet been used to distribute tax-exempt dividends.

The Group measures deferred income tax liability and assets using the tax rates valid at the reporting date that are expected to apply to the taxable temporary differences of the period in which the temporary differences are expected to reverse.

2.16 PROVISIONS

(a) Environmental protection provisions

Environmental protection provisions are recognised to cover environmental damages that have occurred before the end of the reporting period when required by law or when the Group's past environmental policies have demonstrated that the Group has a constructive present obligation to liquidate the



environmental damage. Experts' opinions and prior experience in performing environmental work are used to estimate the provisions.

(b) Provision for the dismantling cost of assets

The provisions for the dismantling of assets are recognised to cover the estimated costs relating to the future dismantling of assets if the dismantling of assets is required by law or if the Group's past practice has demonstrated that the Group has a present constructive obligation to incur these costs. The present value of the dismantling costs of assets is included within the cost of property, plant and equipment.

(c) Provisions for greenhouse gas emissions

The accounting policy for the provision is disclosed in Note 2.3.

2.17 REVENUE RECOGNITION

The Group recognises revenue when it transfers control of a good or service to a customer. Revenue is shown net of value-added tax and different types of excise duty applicable to the Group.

a) Sale of goods - wholesale

The Group manufactures and sells shale oil and shale in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

A receivable is recognised when the goods have been delivered as this is the point in time where the right to consideration becomes unconditional because only the passage of time is required before the payment is due.

If the Group provides any additional services to a customer after control of the goods has transferred to the customer, rendering of the service is treated as a separate performance obligation and relevant revenue is recognised over the period in which the service is provided.

(b) Sale of services – electricity, gas, heat and waste reception services

The Group provides electricity, gas and heat sale and waste reception services in accordance with the relevant contracts. Selling prices, possible price regulation and contractual volumes of services are fixed in contracts. Revenue from the sale of electricity, gas and heat energy is based on units delivered because the customer receives and consumes the benefits simultaneously. Revenue from the reception of waste is recognised based on units received. Relevant invoices are issued monthly. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

If the contract includes variable consideration, it is recognised as revenue only to the extent that it is highly probable that there will be no significant reversal of such consideration.

(c) Connection fees

When connecting to the electricity network, the customers must pay a connection fee based on the actual costs of infrastructure to be built in order to connect them to the network. The Management Board has concluded that the connection fees do not constitute a separate performance obligation from the ongoing provision of network transmission services, and therefore the revenue from connection fees is deferred and recognised as revenue over the estimated average useful lives of the assets providing the service,



being 35 years. Connection fees received from customers are carried in the statement of financial position as contract liabilities within non-current liabilities.

(d) Financing component

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

2.18 GOVERNMENT GRANTS

Grants related to income are recognised as income over the periods necessary to match them with the costs which they are intended to compensate.

Grants related to assets are accounted for using the gross method whereby the asset acquired with a grant is recognised at cost. The amount received as a government grant is recognised as deferred income related to the government grant. Related assets are depreciated, and the grant liability is recognised as income over the estimated useful life of the asset.

Support for electricity produced from renewable sources

In line with section 59 of the Estonian Electricity Market Act, the Group receives support (government grant related to income) of 5.37 cents per kilowatt hour of electricity produced from a renewable energy source with a generating installation whose net capacity does not exceed 125 MW.

The Group receives the grant monthly in accordance with the volume of electricity produced from a renewable energy source. The grant is not intended to compensate any specific costs but is a government measure to support and increase the transition to renewable energy in Estonia. The grant is accounted for using the gross method and reported within other operating income as a renewable energy grant.

2.19 LEASES

(a) The Group as the lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. The Group's leases are mostly contracts including the rights to use land which do not contain non-lease components.

2.19.1 INITIAL MEASUREMENT

At the commencement date, the Group recognises a right-of-use asset and a lease liability. Right-of-use assets are presented on a separate line in the statement of financial position.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses an alternative borrowing rate, which is the interest rate that the Group would have to pay in a similar economic environment to obtain a loan for a similar period and with similar collateral to acquire an asset similar to the right-of-use asset.

2.19.2 SUBSEQUENT MEASUREMENT

The Group has elected not to apply the requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.



2.20 RELATED PARTY TRANSACTIONS

Related parties include associates, members of the Management Board and Supervisory Board of the parent company, and other entities over which these persons exercise significant influence. Related parties also include all entities over which the state has control or dominant influence. As the sale of electricity, network services and heat to entities controlled by, or significantly influenced by, the state has been conducted in the ordinary course of business, the Group has applied the exemption set out in paragraph 25 of IAS 24 with respect to the disclosure of individually insignificant transactions and balances with the government and other related parties over which the state has control, joint control or significant influence.



3. Financial Risk Management

3.1 FINANCIAL RISKS

The Group's activities are exposed to various financial risks: market risk (including currency risk, cash flow and fair value 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.

Given the impact of financial risks on the Group's overall operations, a Treasury and Financial Risk Management Department and a Financial Risk Committee, headed by the Treasury and Financial Risk Manager, have been established to manage the financial risk management process on a day-to-day basis.

3.1.1 MARKET RISKS

3.1.1.1 CURRENCY RISK

Currency risk is the risk that the fair value of financial instruments or cash flows will fluctuate in the future due to exchange rate changes. The financial assets and liabilities denominated in euros are

considered to be free of currency risk when the entity has euro as the functional currency. All non-current borrowings and electricity export contracts are also concluded in euros to avoid currency risk.

The Group has a bank loan in PLN with a balance of EUR 4.8 million (in PLN 20.4 million) (31 December 2024 EUR 5.6 million (in PLN 23.9 million)). The identified currency risk was immaterial as at 31 December 2025 and 31 December 2024.

The Group has no other material financial assets or liabilities open to currency risk.

3.1.1.2 PRICE RISK

Price risk is the risk that the fair value and cash flows of financial instruments will fluctuate in the future for reasons other than changes in the market prices resulting from interest rate risk or foreign exchange risk. The sale of goods produced, and services provided by the Group under free market conditions, the purchase of resources used in production, and financial assets and liabilities measured at fair value through profit or loss are impacted by price risk.

3.1.1.2.1 THE PRICE RISK OF COMMODITIES

The primary commodity price risks are the price risks associated with the sale of shale oil, the purchase and sale of electricity and natural gas, and the purchase of greenhouse gas emission allowances. The Group uses various derivative instruments to mitigate those price risks.



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 15 minute period 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.

Summary of hedging instruments used

	31 December 2025		31 December 2024	
	Maturity within 12 months	Maturity longer than 12 months	Maturity within 12 months	Maturity longer than 12 months
Hedged volume. Nord Pool system price component (TWh)	0.9	0.6	1.2	0.9
Hedged volume, Finnish area price component (TWh)	0.5	0.2	1.1	0.9
Hedged volume, TGE Polish baseload price risk component (TWh)	0.6	0.2	0.9	0.2
Hedged volume, Lithuanian area price risk components (long-term PPAs) (TWh)	0.6	3.6	0.7	3.7
Weighted average underlying price, Nord Pool system price component (EUR/MWh)	44.6	44.1	40.7	51.2
Weighted average underlying price, Finnish area price component (EUR/MWh)	1.0	3.3	1.7	3.0
Weighted average underlying price, TGE Polish baseload price risk component (EUR/MWh)	102.5	101.6	115.9	105.9

Long-term power purchase agreements (PPAs) are not traded in an active market, for details on the determination of their fair value refer below to subsection 3.3 of the financial risk management note. The Group does not disclose the price for long-term power purchase agreements as it may damage its competitive position in the market.

If the underlying market prices of electricity had been 10% higher/lower, it would have had the following impact on the Group’s comprehensive income: 2025: EUR 53.3 million and EUR (53.3) million (2024: EUR 70.4 million and EUR (70.4) million).

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.

Summary of hedging instruments used

	31 December 2025	31 December 2024
Maturity date	2026-2027	2025–2027
Hedged volume, TGE Polish gas price risk component (TWh)	1.0	0.6
Weighted average underlying price (EUR/MWh)	38.6	43.9



If the underlying market prices of natural gas had been 10% higher/lower, it would have had the following impact on the Group’s comprehensive income: 2025: EUR 3.2 million and EUR (3.2) million (2024: EUR 3.1 million and EUR (3.1) million).

Derivatives used to hedge the risks associated with the sale of shale oil

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. 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 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. The volume of derivative transactions entered into to hedge the price risk of the sale of shale oil 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.

Summary of hedging instruments used

Shale oil:	31 December 2025	31 December 2024
Maturity date	-	2025–2026
Hedged volume, Brent Crude (thousand Mt)	-	170
Weighted average price (EUR/mMt)	-	430

Effective and ineffective portions of hedges

The effective portion of the change in the fair value of the hedging instruments is recognised in other comprehensive income and reclassified to profit or loss. In case of sales transactions, this impact is presented as revenue or a reduction of revenue. In case of purchase transactions, this impact is presented as expenses, or a reduction of expenses when the forecast purchase transaction occurs. When it becomes clear that the occurrence of the forecast sales or purchase transaction in a given period is unlikely to occur, this impact is presented as other operating income or expense. At the end of the year, the ineffectiveness of hedging was identified in relation to the derivative instruments acquired for hedging the Polish natural gas and electricity purchase contracts. The impact of hedge ineffectiveness to the 2025 income statement was: increase of the loss for gas 0.6 million (the impact of hedge ineffectiveness to the 2024 income statement was: increase of the gain 1.7 million) and for electricity: increase of the gain 0.9 million (2024: 0).

Potential sources of hedge ineffectiveness are the following:

- Compared with previous periods, foreign exchange rates became more volatile in the reporting period. Movements in foreign exchange rates may cause an imbalance in the economic relationship between the hedged item and the hedging instrument and a situation may arise where the values of the hedged item and the hedging instrument no longer move in the opposite direction. According to the assessment of the Group’s management, it is highly unlikely that movements in foreign exchange rates would cause significant hedge ineffectiveness.

The above risks did not materialise in 2025 or 2024.

Changes in the fair values of hedging instruments, which are recognised in the hedge reserve, are disclosed in Note 20. Further information on derivatives is provided in Notes 12, 14 and 15.

Derivatives held for trading

Derivatives held for trading are mainly derivatives for the purchase and sale of natural gas when the Group does not apply the principles of hedge accounting to these products and markets except for natural gas in Poland (purchases) and variable price natural gas transactions in the Baltics (purchases) (see the section Derivatives used to hedge the risks associated with the sale of natural gas) and long term PPAs which the Group has not designated as hedging instruments in cash flow hedges. In addition, natural gas, electricity, and oil derivatives offered to Group customers through intermediation transactions are classified as derivatives held for trading.



The Group has material open derivative net positions at the reporting date that are not designated as hedging instruments. The fair value of the given instruments is calculated based on the market prices of electricity, oil and gas products. The impact of reasonable changes in underlying commodity prices on the Group's financial results would be as follows (plus is an increase of a profit or a decrease of a loss and minus is a decrease of a profit and an increase of a loss):

- If the underlying market prices of electricity had been 10% higher/lower, it would have had the following impact on the Group's post-tax financial result: 2025: EUR 1.0 million and EUR (1.0) million (2024: EUR 14.8 million and EUR (14.8) million).
- If the underlying market prices of oil products had been 10% higher/lower, it would have had the following impact on the Group's post-tax financial result: 2025: EUR (0.3) million and EUR 0.3 million (2024: EUR (1.6) million and EUR 1.6 million).
- If the underlying market prices of natural gas had been 10% higher/lower, it would have had the following impact on the Group's post-tax financial result 2025: EUR 0.4 million and EUR (0.4) million (2024: EUR 1.2 million and EUR (1.2) million).

3.1.1.3 CASH FLOW AND FAIR VALUE INTEREST RATE RISK

Interest rate risk is the probability of a change in the value of an asset resulting from unexpected fluctuations in market interest rates. Cash flow interest rate risk arises from borrowings with floating interest rates resulting that finance costs will increase when interest rates increase. Interest rate risk is mitigated partly by raising borrowings with fixed interest rates and partly by fixing the interest expense of floating rate loans with interest rate swaps.

Compared with the end of the previous financial year, there was no change in the Group's management of interest rate risk in connection with entering into interest rate swaps (IRSs). As at 31 December 2025, the Group had three interest rate swaps with a total notional amount of EUR 68.9 million (31 December 2024: EUR 142.6 million). As at 31 December 2025, 8.3% of the Group's borrowings (excluding lease liabilities) had a fixed interest rate (31 December 2024: 10.2%) and the weighted average effective interest rate of bank

loans, including the effect of interest rate swaps, was 4.1% (31 December 2024: 5.3%). The interest rate of the Group's bank loans depends on the base interest rate (for loan liabilities denominated in euros, the 3-month or 6-month Euribor; for loan liabilities denominated in Polish zloty, the 6-month WIBOR). If the floating base interest rate as at 31 December 2025 had been 100 basis points higher, the Group's annual net loss would have been EUR 16.1 million (2024: EUR 15.0 million) higher.

Due to the aforementioned changes the market interest rates may have a material effect on the Group's borrowings, and they may affect the fair value of the borrowings (Note 21). The group closely follows the interest rates market and interest rate hedges could be done on suitable rate levels as the risk policy is to hedge the interest rate of up to 50% of the loan portfolio. The Group can make strategical decisions to change the hedge ratio according to the market situation and company situation. This ratio is not met as during 2023 the loans were taken out during very high interest rates and hedge levels were very unfavorable and the Group decided not to hedge those loans.

3.1.1.4 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 December 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 December 2025, the Group had three interest rate swaps to hedge the interest rate risk of three loans:

- An interest rate swap with a notional amount of EUR 100.0 million (31 December 2024: EUR 0 million), whereby the Group receives interest at a rate equal to 3-month EURIBOR and pays a fixed rate of interest of 2.36%. The swap is designated to hedge the exposure to the interest rate risk of a floating-rate loan for which the agreement was signed on 4 November 2025. As at 31 December 2025, the loan had not been drawn down.
- An interest rate swap with a notional amount of EUR 40.6 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 28.3 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.

Bank loans (hedged by IRS) at nominal value by due date

In million EUR	31 December 2025	31 December 2024
<1 year	43.9	14.5
1-2 years	3.3	50.9
3-5 years	21.7	45.9
> 5 years	-	31.3
Total	68.9	142.6



3.1.2 CREDIT RISK

Credit risk is the risk that the Group will incur a monetary loss caused by the other party to a financial instrument because of that party’s inability to meet its obligations. Cash in bank deposits, derivatives with a positive value and trade and other receivables are exposed to credit risk.

According to the principles of depositing of available monetary funds of the Group, the following principles are followed:

- preserving capital;
- ensuring liquidity at the right moment for the needs of business;
- optimal return considering the previous two goals.

Available monetary funds can be deposited in the following domestic and foreign financial instruments:

- money market funds and interest rate funds in which holdings or shares can be redeemed or sold on a regular basis (not used during 2025 and 2024);
- deposits of credit institutions;
- freely negotiable bonds and other freely negotiable debt instruments.

Requirements for the level of credit risk of issuers and partners of financial instruments (including hedge transactions) and maximum positions of each partner are approved by the Group's committee of the financial risks.

The available monetary funds can be deposited only in financial instruments nominated in euros. In addition, there are certain requirements for the maturities of the financial instruments and diversification.

The unpaid invoices of customers are handled on a daily basis in the departments specifically set up for this purpose. The automated reminder and warning system sends messages to customers about overdue invoices with the warning that if they are not paid, the customers will be cut off from the electricity network. After that, a collection petition is filed at the court or a collection agency. Special agreements are in the jurisdiction of special credit committees.

The maximum amount exposed to credit risk was as follows as at the end of the reporting period

In million EUR	31 December 2025	31 December 2024
Trade and other receivables (Notes 13 and 14)	231.2	246.6
Cash and cash equivalents (Notes 12, 15 and 17)	358.2	468.9
Derivatives with positive values (Notes 3.3, 12, 14 and 15)	157.5	303.3
Total amount exposed to credit risk	746.9	1,036.8

Trade receivables are presented net of expected credit losses. Although the collection of receivables can be impacted by economic factors, management believes that there is no significant risk of loss beyond the loss allowances already recognised. Other receivables do not contain any impaired assets.

More detailed information on credit risk is disclosed in Notes 13 and 15.



3.1.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group is unable to meet its financial obligations due to insufficient cash inflows. Liquidity risk is managed through the use of various financial instruments such as loans, bonds and commercial papers.

The Group's liquidity risk has two dimensions. Short-term liquidity risk is the risk that the Group's bank accounts do not include sufficient cash to meet the Group's financial commitments. Long-term liquidity risk is the risk that the Group does not have sufficient amount of unrestricted cash or other sources of liquidity to meet its future liquidity needs in order to carry out its business plan and meet its commitments, or that for the above reason the Group needs to raise additional cash in a hurry and on terms, which are less than optimal.

Short-term liquidity risk is mitigated so that the Group keeps a certain amount of cash buffer in its bank accounts in order to have sufficient amount of cash available also in case there are deviations from the cash flow forecast.

Long-term liquidity risk is mitigated by regular forecasts of liquidity needs for the next 12 months (including cash requirement for investments, loan repayments and dividends, and positive cash flow from operations) and by keeping sufficient liquidity buffer in the form of unrestricted cash, undrawn investment loans, and limits of liquidity loans. The Group's liquidity risk is managed at the Group level by the parent company's Financial Department.

As at 31 December 2025 the Group had available cash and cash equivalents of EUR 358.2 million (31 December 2024: EUR 468.9 million). Additionally, as at the end of the financial year, the Group had undrawn loan facilities of EUR 520.0 million (31 December 2024: EUR 485.0 million) (Note 21). The Group is looking for different solutions to decrease liquidity risk through liquidity risk management.

The following liquidity analysis includes the division between the Group’s current and non-current liabilities (including derivatives with net payments) by the maturity date of liabilities. All amounts shown in the table are contractual undiscounted cash flows. The payables due within 12 months after the end of the reporting period, except for borrowings, are shown at their contractual amount.

Liabilities by maturity date as at 31 December 2025

<i>In million EUR</i>	< 1 year	1–2 years	3 - 5 years	> 5 years	Total undiscounted cash flow	Carrying amount
Borrowings excl. lease liabilities (Notes 3.2, 12 and 21)*	276.0	381.7	826.9	350.8	1,835.4	1,605.3
Lease liabilities (Note 21)	3.7	3.4	9.4	22.4	38.9	26.0
Derivatives (Notes 3.3, 12 and 14)	11.4	3.5	1.4	-	16.3	16.3
Trade and other payables (Notes 12 and 22)	212.0	5.4	-	-	217.4	211.6
Payables for EUA transactions (Note 22)	135.8	-	-	-	135.8	131.2
Total	638.9	394.0	837.7	373.2	2,243.8	1,990.4

* Interest expenses have been estimated on the basis of the interest rates prevailing as at 31 December 2025.

Liabilities by maturity date as at 31 December 2024

<i>In million EUR</i>	< 1 year	1–2 years	3 - 5 years	> 5 years	Total undiscounted cash flow	Carrying amount
Borrowings, excl. lease liabilities (Notes 3.2, 12 and 21) *	247.3	272.6	1,025.5	521.4	2,066.8	1,666.0
Lease liabilities (Note 21)	5.9	3.8	10.3	24.7	44.7	29.7
Derivatives (Notes 3.3, 12 and 14)	22.6	3.1	0.2	1.1	27.0	27.0
Trade and other payables (Notes 12 and 22)	184.0	3.1	5.4	-	192.5	191.8
Payables for EUA transactions (Note 22)	79.8	-	-	-	79.8	79.8
Total	539.6	282.6	1 041.4	547.2	2,410.8	1,994.3

* Interest expenses have been estimated on the basis of the interest rates prevailing as at 31 December 2024.

In addition, the Group has financial guarantees issued by banks to third parties on behalf of the Group, with maximum exposure amounts of EUR 118.4 million as at 31 December 2025 (31 December 2024: EUR 184.0 million). The Group pays guarantee fees to the banks and may be required to reimburse the banks should the guarantees be called.



3.2 CAPITAL MANAGEMENT

All shares of Eesti Energia AS belong to the state. Decisions concerning dividend distribution and increases or decreases of share capital are made by the Republic of Estonia through the Ministry of Finance. Each financial year, the dividends payable by Eesti Energia AS to the state budget are defined by the order of the Government of the Republic of Estonia based on the dividend policy in place (see details from Notes 18 and 19).

The Group follows a strategy according to which in the long-term net debt should not exceed EBITDA more than 3.5 times (2024: 3.5 times) (the ceiling may be exceeded in the short term in the event of major investments or acquisitions).

As at 31 December 2025 and 31 December 2024, the net debt to EBITDA ratio and the equity to assets ratio were as follows

In million EUR	31 December 2025	31 December 2024
Borrowings' (Notes 3.1, 12 and 21)	1,631.3	1,695.7
Less: accrued interests	(18.8)	(25.5)
Less: cash and cash equivalents (Notes 3.1, 12 and 17)	(358.2)	(468.9)
Net debt	1,254.3	1,201.3
Total equity	1,992.6	2,383.4
EBITDA*	317.2	398.2
Assets	4,781.5	5,129.9
Net debt/EBITDA	3.95	3.02
Equity/assets	42%	46%
Total capital (net debt + equity)	3,246.9	3,584.7
Debt to equity ratio	39%	34%

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

As at 31 December 2025 the net debt to EBITDA ratio was 3.95 (31 December 2024: 3.02), exceeding the target level set out in the financial policy. The long-term goal is to maintain the ratio below 3.5, as required by the Group’s financing principles.

Both EBITDA and net debt are alternative performance measures (APMs). These measures are not defined under the requirements of IFRS EU and may not be comparable with the APMs of other companies. The Group believes these APMs provide the readers of the consolidated financial statement with additional useful information in regard to the performance of the business and how it is managed, and they are used by the management for performance analysis and reporting. These APMs should be viewed as supplemental to and not as a substitute for the measures presented in the consolidated financial statements which are prepared in accordance with IFRS EU.

3.3 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 at 31 December 2025 and 31 December 2024 do not materially differ from the carrying amounts reported in the consolidated financial statements. The carrying amount of current accounts receivable and payables and loan receivables less impairments is estimated to be approximately 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.

For further information refer to Note 21.

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 December 2025 and 31 December 2024

In million EUR	Assets 31 December 2025				Liabilities 31 December 2025			
	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	2.5	6.0	96.4	104.9	-	1.9	2.3	4.1
Future and forward contracts to purchase natural gas	-	-	-	-	6.1	-	-	6.1
Interest rate swap	-	1.5	-	1.5	-	0.2	-	0.2
Total cash flow hedges	2.5	7.5	96.4	106.4	6.1	2.1	2.3	10.4
Trading derivatives								
Future, forward and long-term PPA contracts to purchase electricity	0.9	1.7	38.7	41.3	-	1.1	0.5	1.5
Future and forward contracts to purchase natural gas	-	-	-	-	0.7	-	-	0.7
Swap and forward contracts for sale of shale oil	5.4	-	-	5.4	-	-	-	-
Swap and forward contracts for sale of shale oil gasoline	0.3	-	-	0.3	-	-	-	-
Guarantee of origin	-	-	4.2	4.2	-	-	3.6	3.6
Total trading derivatives	6.6	1.7	42.9	51.2	0.7	1.1	4.1	5.9
Total derivative financial instruments (Notes 3.1, 3.3, 12, 14, 20)	9.1	9.1	139.3	157.5	6.8	3.1	6.4	16.3

In million EUR	Assets 31 December 2024				Liabilities 31 December 2024			
	Level 1	Level 2	Tase3	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	-	5.8	-	5.8	-	-	-	-
Total cash flow hedges	3.6	38.4	132.8	174.8	15.3	0.8	-	16.1
Trading derivatives								
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 3.1, 3.3, 12, 14, 20)	5.6	48.4	249.3	303.3	16.4	5.0	5.6	27.0



For certain instruments, cash flow hedge balances (assets/liabilities) may vary from those presented in other reserves (Note 20) for the following reasons:

- Future, forward and long-term PPA contracts to purchase electricity - agreements between the Group and the counterparties allow offsetting amounts related to specific individual transactions, therefore as at 31 December 2025 the amount of offset transactions was EUR (10.6) million (31 December 2024: EUR (10.8) million);
- Swap and forward contracts for the sale of shale oil – the contracts between the Group and the counterparties allow for the offsetting of amounts related to specific individual transactions and the offset amount at 31 December 2025 was EUR 0.0 million (31 December 2024: (0.4) million);
- TGE Polish baseload and TGE Polish gas price risk component - derivatives are denominated in Polish zlotys, consequently affecting other reserves due to monthly revaluation to euros as at 31 December 2025 the amount of currency effect on hedge reserve was EUR 0.1 million (31 December 2024 EUR: (0.5) million);

a) 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, TGE, Argus and EEX exchanges, are classified as Level 1 instruments.

b) 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.

c) 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 December 2025	31 December 2024
Derivatives for electricity purchases	132.3	246.4
Concluded derivatives for Guarantees of Origin	0.6	(2.7)
Total	132.9	243.7



The fair value of PPAs is determined using a valuation technique that incorporates both observable and unobservable inputs. Observable inputs include market-quoted forward prices such as the Nord Pool system price and the Helsinki EPAD as published on Nasdaq OMX at the balance sheet date. Unobservable inputs include, among others, long-term price forecasts from third-party expert reports, expected production and consumption data of market participants, market prices of fuel inputs (CO₂, gas, coal), information on plant or cable outages, and knowledge of expected future developments. The fair value calculations are performed on a monthly basis.

<i>In million EUR</i>	Cash flow hedges	Derivatives held for trading
Opening balance 1 January 2024	149.9	133.5
Gains recognised in other comprehensive income	(32.6)	-
Settled in cash	13.8	(8.8)
Reclassification of ineffective portion.	1.7	-
Gains recognised in other operating income	-	11.3
Loss recognised in other operating expense	-	(25.1)
Closing balance 31 December 2024	132.8	110.9
Adoption of new pronouncements*	-	(70.5)
Opening balance 1 January 2025	132.8	40.4
Gains recognised in other comprehensive income	(57.0)	-
Settled in cash	17.9	(4.3)
Reclassification of ineffective portion	(0.3)	-
Gains recognised in other operating income	-	3.8
Loss recognised in other operating expense	-	1.2
Closing balance 31 December 2025	94.1	38.8

**For further information, refer to Note 14 – Derivative financial instruments.*

If the forecast prices changed by +/- 10%, the impact on Group's profit for the year would be +/- EUR 0.14 million (2024: the impact on the net profit would be +/- EUR 14.8 million) and the impact on the Group's other comprehensive loss would be +/- EUR 34.4 million (2024: the impact on the other comprehensive income would be +/- EUR 36.0 million).

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.

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of the total unrealised gain for 2025 was EUR 2.8 million (loss in 2024: EUR 0.3 million). This amount is included in other operating income.



3.4 GROSS SET OFF IN THE STATEMENT OF FINANCIAL POSITION

The following financial assets and liabilities are subject to offsetting

In million EUR	31 December 2025				
	Gross amounts	Gross set off in the statement of financial position	Net amounts presented in the statement of financial position (Notes 3.1, 3.3, 13, 15 and 16)	Amounts subject to master netting and similar arrangements not set off	Net amount
Restricted cash	30.1	(9.3)	20.8	-	20.8
Derivative financial instruments- assets	157.9	(0.4)	157.5	-	157.5
Derivative financial instruments- liabilities	26.0	(9.7)	16.3	-	16.3

In million EUR	31 December 2024				
	Gross amounts	Gross amounts set off in the statement of financial position	Net presented in the statement of financial position (Notes 3.1, 3.3, 13, 15 and 16)	Amounts subject to master netting and similar arrangements not set off	Net amount
Restricted cash	48.6	(18.6)	30.0	-	30.0
Derivative financial instruments- assets	305.6	(2.3)	303.3	(0.1)	303.2
Derivative financial instruments- liabilities	47.9	(20.9)	27.0	(0.1)	26.9

Agreements between the Group and the counterparties allow offsetting amounts related to specific individual transactions when mutual receivables are denominated in the same currency. Under some agreements, offsetting between two or more transactions is allowed.

4. Critical Accounting Estimates and Assumptions

ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the use of estimates and assumptions that impact the reported amounts of assets and liabilities, and the disclosure of assets accounted for off the statement of financial position and contingent liabilities in the notes to the financial statements. Although these estimates are based on management’s best knowledge, actual results may ultimately differ from these estimates. Changes in management’s estimates are recognised in the income statement of the period of the change.

The estimates presented below have the most significant impact on the financial information presented in the financial statements.

a) Determination of the useful lives of items of property, plant and equipment

The estimated useful lives of items of property, plant and equipment are based on management’s estimate of the period during which the asset will be used. Previous experience has shown that the actual useful lives have sometimes been longer than the estimates. As at 31 December 2025, the carrying amount of the Group’s property, plant and equipment was EUR 3,585.9 million (31 December 2024: EUR 3,563.8 million) including the balance of depreciable tangible fixed assets as of 31 December 2025 in amount EUR 2,679.5 million (31 December 2024: EUR 2,353.8 million). The depreciation charge for the reporting period was EUR 153.6 million (2024: EUR 146.0 million) (Note 6).

The average remaining useful life assigned to categories of property, plant and equipment and the impact from any possible changes in the useful lives of the assets can be seen from the table below

	Average remaining useful life as at		The effect on depreciation expense if average useful live			
	31 December		Increases by 1 year		Decreases by 1 year	
	2025	2024	2025	2024	2025	2024
	<i>in years</i>		<i>in million EUR</i>		<i>in million EUR</i>	
Buildings	10.6	11.3	(0.5)	(0.5)	0.5	0.6
Facilities, including						
electricity lines	26.1	26.4	(1.1)	(1.0)	1.2	1.1
other facilities	7.8	8.6	(2.3)	(1.4)	2.7	1.7
Machinery and equipment, including						
transmission equipment	19.5	16.6	(1.2)	(1.2)	1.3	1.3
power plant equipment	5.2	5.0	(17.3)	(15.5)	21.2	19.8
other machinery and equipment	4.0	5.3	(6.6)	(3.9)	8.6	4.9
Other property, plant and equipment	5.0	4.4	(0.1)	(0.1)	0.1	0.2
Total	15.0	14.0	(9.1)	(8.8)	10.0	9.7



b) Estimation of the recoverable amounts of property, plant and equipment and intangible assets

The Group performs impairment tests to determine the recoverable amounts of items of property, plant and equipment and intangible assets as and when needed. When carrying out impairment tests, management uses various estimates for the cash flows arising from the use, sales, maintenance and repairs of the assets, as well as estimates for inflation and growth rates and the likelihood of getting grants. The estimates are based on forecasts of the general economic environment, consumption and the sales price of electricity. Where necessary, the assistance of relevant experts is used. If the situation changes in the future, either additional impairment may have to be recognised, or previously recognised impairment may have to be partially or wholly reversed. The recoverable amounts of fixed assets used for electricity distribution service are influenced by the Competition Authority which determines the reasonable rate of return for the assets. If the revenue, expenses and investments related to the provision of distribution service remain within the expected limits, the revenue derived from the sale of the services guarantees a reasonable rate of return for the assets. Information about impairment losses incurred in the reporting and comparative period is disclosed in Notes 6 and 7.

c) Recognition and measurement of provisions

As at 31 December 2025, the Group had set up provisions related to environmental protection, termination of mining operations, dismantling of assets, employees and contracts totalling EUR 47.9 million (31 December 2024: EUR 45.4 million) (Note 24). The amount and/or timing of the settlement of these obligations is uncertain. A number of assumptions and estimates have been used to determine the present value of provisions, including the amount of future expenditure, inflation rates, and the timing of settlement of the expenditure. The actual expenditure may also differ from the provisions recognised as a result of possible changes in legislative requirements, technology available in the future to restore environmental damages, and expenditure covered by third parties.

The primary factor considered in establishing environmental provisions is the extent of land requiring restoration. Mining areas, strip mines, and ash fields are fixed territories, thus unlikely to undergo significant changes. The closure timeline for ash fields is contingent upon future developments in the energy market. If closure must occur 5 years ahead of schedule, the provision amount increases by

EUR 3.6 million (+7.5%) (in 2024: EUR 2.8 million (+6%)). Projections of discount rates are utilized to determine the present value of provisions. A 1 percentage point increase in the discount rate reduces the provision amount by EUR 2.2 million (-4.6%) (in 2024: EUR 2.5 million (-6%)). Likewise, projected inflation rates are used for a fair assessment of costs. A 1 percentage point rise in the inflation rate increases the provision amount by EUR 2.9 million (+6.1%) (in 2024: EUR 3.2 million (+7%)).

If the dismantling of the assets must occur 5 years ahead of schedule, the provision amount increases by EUR 0.2 million (+0.1%) (in 2024: EUR 1.9 million (+4%)). A 1 percentage point increase in the discount rate reduces the provision amount by EUR 0.9 million (-6%) (in 2024: EUR 1.7 million (-4%)) and a 1 percentage point rise in the inflation rate increases the provision amount by EUR 1.1 million (+7%) (in 2024: EUR 0.8 million (+2%)).

d) Contingent assets and liabilities

When estimating contingent assets and liabilities, management considers historical experience, general information about the economic and social environment and the assumptions and conditions of possible events in the future based on the best knowledge of the situation. Further information is disclosed in Note 34.

e) Recognition of deferred tax on the undistributed earnings of the Group's Estonian and Latvian subsidiaries

As at 31 December 2025 and 31 December 2024 the Group has not recognised deferred tax liabilities associated with temporary taxable differences related to the undistributed retained earnings of the Estonian and Latvian subsidiaries in the amount of EUR 764.9 million (31 December 2024: EUR 753.3 million). The Group has a written dividend policy that is based on the formal dividend expectations of its sole shareholder. The Group is able to control the timing and amount of the dividend distributions of its subsidiaries. Based on the implemented dividend policy, the Group assesses which subsidiaries intend to distribute dividends and corporate income tax is recognised only for those Estonian and Latvian subsidiaries for which a dividend distribution is planned.



f) Recognition of connection fees

The Group's management has assessed that connecting a customer to the distribution grid as a separate performance obligation is not distinct as connection fees to distribution system are not distinct within the context of the contract due to being highly interrelated to sales of distribution services. Connection fees to distribution system are non-refundable upfront fees paid by customers to secure connection to the distribution network. Connection fees partly reimburse for the cost of infrastructure to be built needed to connect the respective customer to the network. Connection fees to distribution system are calculated in accordance with the Estonian regulatory authority stated methodology. Revenue from connection fees to distribution system are initially recognised as contract liabilities and recognised over the estimated customer relationship period of 35 years. Sales of distribution services are provided after customers have paid for the network connection; therefore, network connection fees and sales of distribution services are highly interdependent and interrelated. Income from connection and other service fees is deferred as an ongoing service is identified as part of agreement to provide distribution system services with customers and accounted as deferred income from contracts with customers under IFRS 15. Connection and other service fees are recognised as income over the estimated customer relationship period. Based on Management estimate, 35 years is the estimated customer relationship period, which is estimated as period after which requested power output for connection object could significantly change due to technological reasons. Thus, period over which revenue is recognised is based on Management estimate, as it is reasonably certain that assets, whose costs are partly reimbursed by connection service fees will be used by distribution system customers for a longer period than original system services agreement term.

g) Inputs used to calculate the fair value of level 3 instruments

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 guarantees of origin is calculated using a valuation technique, which is based on the bid and ask quotations of traders in guarantees of origin. See further details from Note 3.3.



5. 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 the 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 products and services:

- 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.

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 EU. 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

<i>in million EUR</i>	31 December 2025	31 December 2024
Revenue from external customers		
Renewable energy and electricity sales	751.5	901.3
Non-renewable electricity production	174.8	205.2
Distribution	321.5	305.7
Shale oil	150.0	178.6
Total reportable segments	1,397.8	1,590.8
Other products and services	249.1	194.4
Total (Note 25)	1,646.9	1,785.2

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.

A more detailed revenue breakdown between goods and services is provided in Note 25. In segment reporting, revenue from all goods and services is allocated to four main products and services and the segment of other products and services based on both the direct revenue from the product or service as well as the revenue from its associated sub-products and -services. Therefore, electricity and distribution revenues in Notes 5 and 25 are not directly comparable.

EBITDA

<i>in million EUR</i>	1 January - 31 December	2025	2024
Renewable energy and electricity sales		87.2	160.3
Non-Renewable electricity production		(13.3)	18.0
Distribution		132.3	107.9
Shale oil		47.3	115.6
Total reportable segments		253.5	401.8
Other products and services		63.7	(3.6)
Total		317.2	398.2
Depreciation, amortisation and impairment (Notes 6, 7 and 8)		(363.8)	(328.5)
Net finance costs (Note 30)		(52.4)	(33.0)
Profit from associates using equity method (Note 9)		0.9	1.9
Profit before tax		(98.1)	38.6

** EBITDA: profit before finance income and costs, profit (loss) from associates under the equity method, tax, depreciation, amortization and impairment losses*

Other profit and loss disclosures

Interest income and expenses, corporate income tax expense and profit (loss) from associates under equity method are not divided between segments and the information is not provided to the Management Board of the parent company.



in million EUR		1 January - 31 December 2025				
	Other operating income (Note 26)	Change in inventories of finished goods and work-in-progress (Note 11)	Raw materials and consumables used (Note 27)	Payroll expenses (Note 28)	Other operating expenses (Note 29)	Depreciation and amortisation (Note 6, 7 and 8)
Renewable energy and electricity sales	57.3	0.2	(622.7)	(35.9)	(63.1)	(44.3)
Non-renewable electricity production	7.3	4.3	(148.1)	(38.5)	(13.1)	(11.3)
Distribution	-	-	(133.8)	(43.2)	(12.2)	(62.3)
Shale oil	7.8	1.9	(66.8)	(37.2)	(8.4)	(215.3)
Total reportable segments	72.4	6.4	(971.4)	(154.8)	(96.8)	(333.2)
Other products and services	120.0	-	(138.9)	(35.8)	(130.8)	(30.6)
Total	192.4	6.4	(1,110.3)	(190.6)	(227.6)	(363.8)

in million EUR		1 January - 31 December 2024				
	Other operating income (Note 26)	Change in inventories of finished goods and work-in-progress (Note 11)	Raw materials and consumables used (Note 27)	Payroll expenses (Note 28)	Other operating expnses (Note 29)	Depreciation and amortisation (Note 6, 7 and 8)
Renewable energy and electricity sales	32.9	-	(688.6)	(32.8)	(52.1)	(37.7)
Non-renewable electricity production	23.5	2.2	(168.4)	(34.5)	(10.0)	(26.8)
Distribution	-	-	(144.9)	(40.6)	(12.3)	(59.9)
Shale oil	9.5	12.4	(13.8)	(51.9)	(19.2)	(171.9)
Total reportable segments	65.9	14.5	(1,015.7)	(159.8)	(93.6)	(296.3)
Other products and services	41.6	-	(165.1)	(37.3)	(37.5)	(32.2)
Total	107.5	14.5	(1,180.8)	(197.1)	(131.1)	(328.5)

Assets

The amounts reported to the Management Board of the parent company with respect to total assets are measured in a manner consistent with that of the consolidated financial statements.

<i>in million EUR</i>	31 December 2025	1 January – 31 December 2025		31 December 2024	1 January – 31 December 2024	
	Total assets	Investments in associates (Note 10)	Capital expenditure (Notes 6 and 7)	Total assets	Investments in associates (Note 10)	Capital expenditure (Notes 6 and 7)
Renewable energy and electricity sales	1,972.6	0.7	159.5	2,147.0	0.5	396.8
Non-renewable electricity production	199.5	0.6	24.0	213.8	0.6	12.9
Distribution	1,775.4	-	182.1	1,672.3	-	156.0
Shale oil	471.7	1.2	60.7	656.1	1.2	104.0
Total reportable segments	4,419.2	2.4	426.3	4,689.2	2.3	669.7
Other products and services	362.3	63.5	32.9	440.7	72.6	53.9
Total	4,781.5	65.9	459.2	5,129.9	74.9	723.6

The asset impairments recognized in 2025 and 2024 were distributed across segments as follows

<i>in million EUR</i>	1 January – 31 December	2025	2024
Renewable energy and electricity sales		1.0	0.4
Non-renewable electricity production		1.1	16.8
Distribution		1.2	-
Shale oil		193.7	145.8
Total reportable segments		197.0	163.0
Other products and services		0.6	8.1
Total (Note 6)		197.6	171.1

GROUP-WIDE INFORMATION

External revenue by location of customers

<i>in million EUR</i>	1 January – 31 December	2025	2024
Estonia		921.6	810.0
Poland		283.5	334.2
Lithuania		249.8	295.9
Latvia		168.6	171.7
France		7.6	2.9
Switzerland		6.8	12.1
Great Britain		2.9	0.1
United Arab Emirates		1.7	-
Netherlands		1.3	1.1
Singapur		0.7	154.0
Nordic countries		0.1	1.4
Denmark		0.1	0.4
Other countries		2.2	1.4
Total external revenue (Note 25)		1,646.9	1,785.2

* Nordic countries - Finland and Sweden

During the reporting year, the Group did not have any single customer that accounted for more than 10% of its total revenue (in 2024 the Group did not have any single customer that accounted for more than 10% of its total revenue).

Allocation of non-current assets by location*

<i>in million EUR</i>	31 December 2025	31 December 2024
Estonia	2,949.7	2,965.9
Lithuania	697.6	615.0
Poland	51.9	30.7
USA	23.5	26.6
Latvia	17.5	14.7
Finland	-	93.4
Total (Notes 6,8 and 9)	3,740.2	3,746.3

* Assets other than financial instruments, deferred tax assets and investments in associates



6. Property,
plant and
equipment

<i>in million EUR</i>	Land	Buildings	Facilities	Machinery and equipment	Other	Construction in progress	Prepayments	Total
Property, plant and equipment as at 31 December 2023								
Cost	94.6	329.4	1,529.2	3,482.6	6.4	798.5	84.5	6,325.2
Accumulated depreciation	-	(218.6)	(690.2)	(2,175.1)	(4.8)	-	-	(3,088.7)
Carrying amount at 31 December 2023 (Note 4)	94.6	110.8	839.0	1,307.5	1.6	798.5	84.5	3,236.5
Changes in 2024								
Additions	0.4	3.1	7.2	11.0	1.4	675.6	6.6	705.3
Refund of overpaid connection fees	-	-	-	-	-	(2.2)	-	(2.2)
Depreciation charge (Notes 4 and 33)	-	(4.9)	(37.5)	(102.9)	(0.7)	-	-	(146.0)
Impairment loss (Notes 4 and 33)	(2.0)	(3.2)	(11.5)	(39.7)	(0.1)	(114.2)	-	(170.7)
Disposals (at carrying amount)	(0.2)	-	-	(1.5)	-	-	-	(1.7)
Recognition of provision (Note 24)	-	-	-	2.1	-	-	-	2.1
Effects on movements in foreign exchange rates	0.2	-	-	0.3	-	0.1	-	0.6
Transfers	0.1	10.4	108.2	152.6	0.6	(240.9)	(30.0)	1.0
Total changes in 2024	(1.5)	5.4	66.4	21.9	1.2	318.4	(23.4)	388.4
Property, plant and equipment as at 31 December 2024								
Cost	93.1	342.9	1,639.1	3,638.5	8.2	1,116.9	61.1	6,899.8
Accumulated depreciation	-	(226.7)	(733.7)	(2,309.1)	(5.4)	-	-	(3,274.9)
Carrying amount at 31 December 2024 (Note 4)	93.1	116.2	905.4	1,329.4	2.8	1,116.9	61.1	3,624.9
Changes occurred in 2025								
Additions	0.3	-	4.5	12.2	0.5	417.8	8.5	443.8
Refund of overpaid connection fees	-	-	-	-	-	(4.3)	(3.5)	(7.8)
Depreciation charge (Notes 4 and 33)	-	(5.5)	(41.5)	(105.7)	(0.9)	-	-	(153.6)
Impairment loss (Notes 4 and 33)	-	(27.5)	(7.4)	(40.9)	-	(121.4)	-	(197.2)
Disposals (at carrying amount)	-	-	(0.2)	(0.4)	-	-	-	(0.6)
Disposal of subsidiary (Note 35)	-	-	(12.5)	(74.8)	-	(0.3)	-	(87.6)
Effects on movements in foreign exchange rates	(0.3)	-	-	0.2	-	0.1	-	-
Other changes	-	-	(0.2)	-	-	-	-	(0.2)
Transfers	-	1.6	163.9	460.2	0.1	(595.5)	(30.8)	(0.5)
Total changes occurred in 2025	-	(31.4)	106.6	250.8	(0.3)	(303.6)	(25.8)	(3.7)
Property, plant and equipment as at 31 December 2025								
Cost	93.1	344.3	1,786.2	3,978.3	8.3	813.3	35.3	7,058.8
Accumulated depreciation	-	(259.5)	(774.2)	(2,398.1)	(5.8)	-	-	(3,437.6)
Carrying amount at 31 December 2025 (Note 4)	93.1	84.8	1,012.0	1,580.2	2.5	813.3	35.3	3,621.2

For information about major capital investments, see Note 1.1.



The sale price of the sold property in the land group was EUR 0.1 million (in 2024: EUR 0.3 million), with a profit of EUR 0.1 million (in 2024: EUR 0.1 million), the sale price in the facilities group was EUR 0.3 million (in 2024: EUR 0 million) with a profit of EUR 0.1 million (in 2024: EUR 0 million) and the sale price in the machinery and equipment group was EUR 1.2 million (in 2024: EUR 1.8 million), with a profit of EUR 0.8 million (in 2024: EUR 0.3 million).

An impairment test is performed when there is an indication that an asset may be impaired or when a significant amount of goodwill has been allocated to a cashgenerating unit. According to the estimates of the management board of the Group's parent company, the assets requiring impairment testing in 2025 were the hybrid power generating units of Enefit Power, the new Enefit 280-2 oil plant under construction, the Enefit 280-1 oil plant, the Enefit 140 oil plant, mining assets, the wind farms and the assets of Enefit American Oil (2024: Enefit 280-2 oil plant, Enefit 280-1 oil plant, mining assets, wind farms and the assets of Enefit American Oil).

The main indicators of potential impairment of the hybrid power generating units are the decreasing access to the market for fossilfuelled power plants and their decreasing competitiveness due to the decline in electricity prices and high environmental charges.

The indicators of potential impairment of the oil plants' assets are the volatility of market prices for liquid fuels and, in the case of an oil plant under construction, also the postponement of the commissioning and a shorter useful life due to the fact that the plant's integrated environmental permit is expected to be issued for a fixed term.

The indicator of potential impairment of the mining assets is the decline in oil shale consumption due to reduced electricity production from oil shale.

The Group performed impairment tests on the wind farms based on the goodwill allocated to the cash generating units¹ and on a potential value decline due to changes in the market prices of electricity². The indicator of potential impairment of the assets of Enefit American Oil is the fluctuation of land prices in the state of Utah, USA.

¹ Virtsu I, Virtsu II, Virtsu III, Esivere, Tooma I, Tooma II, Pakri, Ojaküla, Sudenai, Mockiai, Šilale, Ciuteliai, Šilute wind farms

²Virtsu, Aulepa, Viru-Nigula, Aseriaru wind farms

The impairment tests performed in 2025 indicated an impairment loss in three cash generating units:

- Enefit 280 2 oil plant under construction: EUR 119.6 million
- Enefit 280 1 oil plant: EUR 58.5 million
- Enefit 140 oil plant: EUR 16.2 million

The remaining impairment losses of EUR 2.9 million recognised during the year relate to management's assessment of changes in asset-specific conditions.

Impairment tests performed on the assets of Eesti Energia's power plants

The power plants are treated as three separate cash generating units:

- the Auvere power plant
- the power generating units that use only oil shale as fuel (oil shale fired power generating units)
- the power generating units that use oil shale and other fuels (hybrid generating units).

The power plants have been divided into cash generating units primarily based on the efficiency of the power generating units, their capacity to use different fuels and their replaceability in the Group's sales strategy, as well as the independence of management decisions concerning the power generating units. The hybrid power generating units and the Auvere power plant produce electricity from both oil shale and renewable and alternative fuels (biomass and retort gas). When electricity is produced from biomass, no CO₂ emission allowances are required. When electricity is produced from retort gas, the need for CO₂ emission allowances is lower than when electricity is produced from oil shale. Due to differences in the efficiency and the fuels used of each power generating unit, the production cost of electricity is different for each cash generating unit, while similar within a cash generating unit. Therefore the power generating units that are part of the same cash generating unit can access the market at a similar electricity price. The efficiency of the power generating unit of the Auvere power plant is significantly higher than that of the other power generating units.

To ensure sufficient controllable capacity for the stable functioning of the electricity system, starting from 2026 all Enefit Power power plants are covered by the island operation measure. The purpose of



the island operation capability service is to ensure the stable operation of the Estonian electricity system and the availability of generation capacity during peak load hours in an island operation situation. The service provider must have ensured the necessary technical readiness and must ensure that the service is provided efficiently, safely and reliably. For this purpose, the producer's variable and operating costs (including fixed costs) that cannot be covered on a market basis are compensated and a reasonable return on the invested capital is ensured.

The market price for electricity was forecast based on relevant forward prices and the estimates of thirdparty experts. Electricity prices for the period 2026–2035 were forecast to range between 70 and 90 €/MWh (2024: for the period 2025–2035, electricity prices were forecast to range between 77 and 93 €/MWh). Due to the Group's commercial logic according to which the Group strives to sell more electricity during peak hours, the average quarterly sales price achieved by the Enefit Power power plants in 2025 was 31–141% (2024: 24–66%) higher than the Nord Pool price in the Estonian price area. The Group intends to pursue the same logic in the following years. The test was performed taking into account the expected impact of hedging transactions in the following years.

The market price for emission allowances was forecast based on relevant forward prices, which were adjusted with inflation starting from 2027. Emission allowance prices for the period 2026–2035 were forecast to range between 84 and 105 €/t (2024: for the period 2025–2035, emission allowance prices were forecast to range between 69 and 83 €/t).

It was assumed that if the combustion of retort gas from the oil plants results in a loss in the power plants, such loss will be compensated by the oil plants.

a) Auvere power plant

The assets of the Auvere power plant have been written down in 2023 by an amount of EUR 502.5 million and as at 31 December 2025, the carrying amount of the cashgenerating unit was EUR 44.0 million (31 December 2024: EUR 48.2 million). The recoverable amount of the assets was estimated based on a value in use. The results of the impairment test did not indicate the need to recognise an additional impairment loss, nor is there justification for reversing previously recognised impairment losses.

The expected future cash flows were discounted using a discount rate of 12.2% (2024: 11.2%). If the discount rate applied were 1 percentage point higher, the recoverable amount of the assets would decrease by EUR 1.4 million and the impairment loss would amount to EUR 1.3 million. It was assumed that the useful life of the Auvere power plant will end in 2035, which is in line with the Group's strategy.

The recoverable amount of the assets of the Auvere power plant is sensitive to changes in electricity and emission allowance prices:

- If the forecast electricity prices were 20% lower than the level applied in the impairment test, the assets of the Auvere power plant would have to be written down by EUR 44.0 million (this would mean that the carrying amount of the entire cash generating unit would have to be written down). The sensitivity of the electricity price was analysed based on an electricity price forecast in the range of 56–72 €/MWh.
- If the forecast emission allowance prices were 20% higher than the level applied in the impairment test, the assets would have to be written down by EUR 44.0 million. The sensitivity of the emission allowance price was analysed based on an emission allowance price forecast in the range of 95–126 €/t.

The recoverable amount was estimated using market based inputs such as the discount rate, the market price of electricity, the market price of emission allowances, and other significant inputs based on management's best knowledge. The key assumptions used in the impairment test were as follows:

- It was assumed that starting from 2026 the power plant will be covered by the island operation measure. In the period 2026–2030, when market prices permit, the plant will operate against the market, and in 2030–2035 it will remain in reserve and be compensated only under the island operation measure. If the island operation remuneration mechanism is not implemented, the assets would have to be written down by an additional EUR 44.0 million.
- The product cost of oil shale was estimated taking into account the expected oil shale mining costs and volumes as described in the impairment test on the assets of the mines. If the forecast oil shale price were 20% higher, the assets would have to be written down by an additional EUR 17.2 million.
- It was assumed that the proportions of fuels used by the power plant would be at least 42% oil shale, up to 33% retort gas and up to 25% biomass. The proportions were determined by reference to the



technological capacity of the power plant to use different fuels. If the proportion of oil shale were 20% higher, the assets would have to be written down by an additional EUR 43.4 million.

- It was assumed that the power plant would receive free CO₂ emission allowances for the utilisation of retort gas in the amount of 110 thousand tonnes per year until 2030. If the power plant did not receive the free allowances, the carrying amount of the assets would have to be written down by an additional EUR 34.9 million.

b) Hybrid generating units

The assets of the hybrid generating units were written down by EUR 125.9 million in 2023 and their carrying amount at 31 December 2025 was EUR 29.9 million (31 December 2023: EUR 0 after write down; 31 December 2024: EUR 23.0 million). The recoverable amount of the assets was estimated based on value in use. The results of the impairment test did not indicate the need to recognise an impairment loss. There is also no indication for reversing previously recognised impairment losses.

The expected future cash flows were discounted using a discount rate of 12.2% (2024: 11.2%). A 1 percentage point increase in the discount rate would result in the need to write the carrying amount of the assets down by EUR 1.0 million.

The recoverable amount of the assets of the hybrid power generating units is sensitive to changes in electricity and emission allowance prices (2024: changes in electricity and emission allowance prices):

- If the forecast electricity prices were 20% lower than the level applied in the impairment test, the assets of the hybrid generating units would have to be written down by EUR 15.5 million. The sensitivity of the electricity price has been measured using an electricity price forecast in the range of 56–72 €/MWh.
- If the forecast emission allowance prices were 20% higher than the level applied in the impairment test, the assets would have to be written down by EUR 12.6 million. The sensitivity of the emission allowance price has been measured using an emission allowance price forecast in the range of 95–126 €/t.

The assumptions applied for island operation and for the product cost of oil shale were the same as those used in the impairment test of the Auvere power plant, as described in the respective section of the test.

If the island operation remuneration mechanism were not implemented, the assets would have to be written down by EUR 29.9 million and their carrying amount would be EUR 0. If the forecast oil shale price were 20% higher, the carrying amount of the assets would have to be written down by EUR 7.4 million.

c) Oil shale fired generating units

In 2020, an impairment loss of EUR 23.0 million was recognised on the assets of the oil shale fired power generating units, due to which the carrying amount of this cash generating unit was reduced to zero. In 2025, there were no changes in the results of the impairment test performed on those assets and therefore no reasons to reverse the impairment loss recognised. These are blocks in reserve, which do not generate a stable cash flow.

Impairment tests performed on the assets of Eesti Energia's oil plants

The oil plants are treated as three separate cash generating units:

- the Enefit 280-2 oil plant under construction
- the Enefit 280-1 oil plant
- the Enefit 140 oil plant

The market price forecast for liquid fuels was based on relevant forward prices and the estimates of third party experts. It was forecast that starting from 2026 the price of fuel oil (1% FO) would be in the range of 290–537 €/t (2024: forecast from 2025 onwards 375–531 €/t).

Based on the Group's hedging principles, whereby liquid fuel production is sold in advance through financial instruments when market price levels are favourable—allowing the achievement of sales prices above the average market price—the same assumption was applied in forecasting future sales prices. Considering the historical volatility of liquid fuel market prices, the actual sales price premiums achieved in 2025 compared with market prices, and the principle of prudence, it was assumed that the use of financial instruments will enable the Group to achieve, on average, prices 6.6% higher than the forecast average market price in the coming years.



a) Enefit 280-2 oil plant under construction

As at 31 December 2025, the carrying amount of the assets of the Enefit 280 2 oil plant that is under construction was EUR 219.9 million (31 December 2024: EUR 320.2 million), which includes an impairment of EUR 39.0 million, determined as at 30 September 2025 based on the impairment test performed. The recoverable amount of the assets was estimated based on a value in use. The impairment test performed as at 31 December 2025 indicated an additional impairment loss of EUR 80.5 million. In total, the impairment loss recognised in 2025 amounted to EUR 119.6 million (2024: EUR 107.3 million).

The expected future cash flows were discounted using a discount rate of 10.0% (2024: 10.9%). If the discount rate were 1 percentage point higher, the carrying amount of the assets would have to be written down by an additional EUR 10.6 million.

It was assumed in the impairment test that the useful life of the Enefit 280-2 oil plant would last until 2034, based on the duration of the fixed-term integrated environmental permit issued for the plant. As a result of this circumstance, key nodes and structures will retain a useful life of at least 20 years, and the projected cash flow for 2035 amounts to EUR 107.9 million.

The disposal value of the plant nodes has been determined based on the assessment of which assets are capable of being dismantled and realised on the secondary market. For nodes with disposal potential, their possible secondary market utilisation has been evaluated by reference to an estimated useful life of at least 20 years, and an adjustment has been applied to reflect prevailing market conditions.

The recoverable amount of the assets of the oil plant is sensitive to changes in the prices of liquid fuels and emission allowances:

- If the forecast price of middle oil (1% FO) were 20% lower than the level applied in the impairment test, the recoverable amount of the assets of the Enefit 280-2 oil plant would need to be further written down by EUR 93.7 million.
- The market price of emission allowances was forecast based on relevant forward prices, which were adjusted for inflation from 2026 onwards. If the forecast emission allowance prices were 20% higher than the level applied in the impairment test, the recoverable amount of the assets would need to be further written down by EUR 4.4 million.

The recoverable amount was estimated using market based inputs such as the discount rate, the market price of liquid fuels and the market price of emission allowances, and other significant inputs based on management's best knowledge. The key assumptions used in the impairment test were as follows:

- It was assumed that free CO₂ emission allowances would be allocated covering 97% of the total amount required in 2026–2027, 91% of the total amount required in 2028–2030 and 70% of the total amount required in 2031–2034. The volumes of emission allowances allocated free of charge until 2030 were calculated on the basis of the draft legislation of the European Commission, which determines the allocation until that date. The volumes for the period after 2030 were estimated. If the proportion of the allocated free emission allowances were 20% lower than forecast for the period after 2030, the recoverable amount of the assets would be EUR 11.7 million lower.
- The additional investment required to complete the plant was assumed to be EUR 21.8 million (total investment EUR 381.4 million). If the amount of the additional investment increased by 20%, the recoverable amount of the assets would be EUR 3.5 million lower.
- The repair and maintenance costs of the plant were forecast based on the cost base of the existing and analogous Enefit 280-1 oil plant, which was adjusted to reflect the technological improvements of the new plant. It was assumed that the annual repair and maintenance costs would be EUR 3.0–7.2 million. If the costs were 20% higher, the recoverable amount of the assets would be EUR 6.0 million lower.
- The product cost of oil shale was estimated taking into account the expected oil shale mining costs and volumes as described in the impairment test on the assets of the mines. If the forecast oil shale price were 20% higher, the recoverable amount of the assets would be EUR 43.0 million lower.

b) Enefit 280-1 oil plant

As at 31 December 2025, the carrying amount of the assets of the Enefit 280-1 oil plant was EUR 147.8 million (31 December 2024: EUR 150.0 million). The recoverable amount of the assets was estimated based on a value in use. The impairment test indicated the need to recognise an impairment loss of EUR 58.5 million.

The expected future cash flows were discounted using a discount rate of 10.0% (2024: 10.9%). If the discount rate were 1 percentage point higher, the carrying amount of the assets would have to be written down by an additional EUR 5.6 million.



In the impairment test, the useful life of the Enefit 280-1 oil plant has been projected through 2040, based on the estimated technical life of the facility and forecasts of market conditions, including expected liquid fuel price levels and the potential increase in CO₂-related costs.

The recoverable amount of the assets of the oil plant is sensitive to changes in the prices of liquid fuels and emission allowances (the same assumptions were applied as in the impairment test of the Enefit 280-2 oil plant):

- If the forecast price of middle oil (1% FO) were 20% lower than the level applied in the impairment test, the carrying amount of the assets of the Enefit 280-1 oil plant would need to be further written down by EUR 136.2 million.
- If the forecast emission allowance prices were 20% higher than the level applied in the impairment test, the carrying amount of the assets would need to be further written down by EUR 25.3 million.

The recoverable amount was estimated using market based inputs such as the discount rate, the market price of liquid fuels and the market price of emission allowances, and other significant inputs based on management's best knowledge. The key assumptions used in the impairment test were as follows:

- It was assumed that free CO₂ emission allowances would be allocated covering 97% of the total amount required in 2026–2027, 91% of the total amount required in 2028–2030 and 70% of the total amount required in 2031–2035. The volumes of emission allowances allocated free of charge until 2030 were calculated on the basis of the draft legislation of the European Commission, which determines the allocation until that date. The volumes for the period after 2030 were estimated. If the proportion of the allocated free emission allowances were 20% lower than forecast for the period after 2030, the recoverable amount of the assets would be EUR 16.0 million lower.
- The repair and maintenance costs of the plant were forecast based on the cost base of the Enefit 280-1 plant itself. It was assumed that the annual repair and maintenance costs would be EUR 4.8–7.9 million. If the costs were 20% higher, the recoverable amount of the assets would be EUR 9.4 million lower.
- The product cost of oil shale was estimated taking into account the expected oil shale mining costs and volumes as described in the impairment test on the assets of the mines. If the forecast oil shale price were 20% higher, the recoverable amount of the assets would be EUR 60.6 million lower.

c) Enefit 140 oil plant

As at 31 December 2025, the carrying amount of the assets of the Enefit 140 oil plant was EUR 21.5 million (31 December 2024: EUR 20.0 million). The recoverable amount of the assets was estimated based on a value in use. As a result, an impairment loss of EUR 16.3 million was recognised, whereby all plant equipment and structures were written down to zero, leaving only the value of the land owned by the plant as recoverable.

Impairment tests performed on the assets of Eesti Energia's wind farms

In 2018, Enefit Green acquired 100% of the shares in Nelja Energia, an independent renewable energy producer and wind farm developer operating in the Baltics. At the date of acquisition of the shares in Nelja Energia, the Group recognised goodwill related to the acquired wind farms³. To assess the goodwill arising from the business combinations, the Group performed impairment tests to determine whether there was any indication of impairment of the goodwill. In addition, the Group tested the recoverable amount of all other wind farms⁴ that are in operation or in the final stages of construction, based on a potential value decline resulting from changes in market electricity prices. As part of the Group's impairment tests on the assets of the wind farms, the recoverable amounts of their assets were estimated based on the discounted future cash flows of each cash generating unit. The cash flows of each cash generating unit were projected until the end of the useful life of the respective wind farm. Every wind farm was treated as a separate cash generating unit.

The impairment tests carried out in 2025 and 2024 did not indicate the need to recognise an impairment loss for wind farms.

The recoverable amounts of the wind farm assets were estimated based on their value in use. The carrying amounts together with the goodwill allocated to the cashgenerating units were compared with the recoverable amounts. In forecasting the market price of electricity, wind discounts (indicating what percentage of the forecast average market price is captured by a typical wind production profile) and discount rates, the Group took into account forward market prices, the estimates of thirdparty experts, longterm power purchase agreements already concluded and electricity sold to the fixedprice customer portfolio. It was forecast that from 2026 to 2060 (2024: 2025 to 2054) the electricity price would be in the range of 70–100 €/MWh in Estonia (2024: from 2025 in the range of 77–93 €/MWh) and in the range

³ Virtsu I, Virtsu II, Virtsu III, Esivere, Tooma I, Tooma II, Pakri, Ojaküla, Sudenai, Mockiai, Šilale, Ciuteliai, Šilute wind farms

⁴ Virtsu, Aulepa, Viru-Nigula, Aseriaru wind farms



of 73–92 €/MWh in Lithuania (2024: 77–97 €/MWh). The end period of the price forecast depends on the useful life of each wind farm, but the longest lifespan is until 2054 for the Šilale II, Akmenė and SopiTootsi wind farms, and until 2060 for the Kelme II wind farm.

The price ranges applied for fixed-price customer portfolio contracts in the test are not disclosed, as providing such detailed information could adversely affect the entity’s commercial interests and reveal commercially sensitive pricing information.

It was forecast that from 2026 to 2060 (2024: 2025 to 2054) the wind discounts would be in the range of –31% to –18% in Estonia (2024: –28% to –15%) and –39% to –24% in Lithuania (2024: –29% to –16%).

The expected future cash flows were discounted by applying a discount rate of 6.8% for wind farms located in Lithuania and Estonia (2024: 6.9% for wind farms located in Lithuania and 7.0% for wind farms located in Estonia).

The future expected cash flows of the wind farms are most sensitive to possible changes in the electricity price, wind discounts and the assumed discount rate. For our production volumes, we use long term expectations of average wind yields; therefore, we do not consider weather dependent production volume fluctuations as inputs to impairment tests, as these only impact individual years but do not change the long term average.

If the expected market prices of electricity were 20% lower than the electricity prices used in the impairment tests, the recoverable amounts would decrease by EUR 122.1 million for the Estonian wind farms and by EUR 151.0 million for the Lithuanian wind farms. This would result in an impairment loss of EUR 0.9 million for the Estonian wind farms and EUR 1.1 million for the Lithuanian wind farms.

If the expected wind discounts were 10 percentage points higher than the wind discount rates used in the impairment tests, the recoverable amounts would decrease by EUR 95.5 million for the Estonian wind farms and by EUR 125.3 million for the Lithuanian wind farms. This would result in an impairment loss of EUR 0.5 million for the Estonian wind farms.

Minimum changes in key inputs that would result in an impairment as at 31 December 2025

	Change in discount rate	Change to wind discount percentage	Change to electricity prices
Estonia	+1.01 pp	+5.75 pp	-8.98%
Lithuania	+3.18 pp	+10.86 pp	-17.66%

Minimum changes in key inputs that would result in an impairment as at 31 December 2024

	Change in discount rate	Change to wind discount percentage	Change to lectricity prices
Estonia	+ 0.02 pp	+0.1 pp	-0.2%
Lithuania	+2.02 pp	+6.3 pp	-9.1%

If the expected discount rate were 1 percentage point higher than the assumption used in the impairment tests, the recoverable amounts would decrease by EUR 61.3 million for the Estonian wind farms and by EUR 74.9 million for the Lithuanian wind farms. An increase in the discount rate would not result in a need for impairment for the wind farms located in Estonia or Lithuania.

Impairment test performed on the assets of Eesti Energia’s mines

As at 31 December 2025, the carrying amount of the assets of the mines was EUR 70.9 million (31 December 2024: EUR 73.9 million). The recoverable amount of the assets was estimated based on a value in use. The impairment test performed in 2025 did not indicate the need to recognise an impairment loss or to reverse previously recognised impairment losses (31 December 2024: an impairment loss of EUR 56.2 million was recognised on the assets of the mines).



The expected future cash flows were discounted using a discount rate of 8.6% (2024: 11.2%). If the discount rate were 1 percentage point higher, the assets would have to be written down by EUR 3.5 million. In performing the test, it was assumed that the useful life of the assets of the mines would be on average 15 year, depending on the specific asset group. It was assumed that the last year of operation of the Estonia mine would be 2032, and the last year of operation of the Narva opencast mine would be 2040.

The recoverable amount was estimated using market based inputs such as the discount rate and other significant inputs, which were based on the best knowledge of the Group's management. The key assumptions used in the impairment test were as follows:

- Intragroup revenue from the sale of oil shale accounts for nearly 90% of the total revenue. If the forecast intragroup oil shale sales volumes and the corresponding oil shale production volumes were 20% lower, the recoverable amount of the assets would have to be written down by an additional EUR 132.4 million.
- In addition to intragroup sales of oil shale, the impairment test assumed external sales in volumes averaging approximately 6% of the total oil shale production volume. If the external sales volumes of oil shale were 20% lower than forecast, the recoverable amount of the assets would have to be written down by EUR 8.9 million.
- The impairment test took into account revenue from the sale of ancillary products (crushed stone and waste rock) resulting from oil shale mining. If the sales volumes of crushed stone and waste rock were 20% lower than assumed in the test, the recoverable amount of the assets would have to be written down by EUR 1.5 million.

Impairment test performed on the assets of Enefit American Oil

As at 31 December 2025, the carrying amount of Enefit American Oil's assets was EUR 25.5 million (31 December 2024: EUR 28.6 million). A significant part, EUR 20.0 million, of Enefit American Oil's carrying amount relates to contractual rights, comprising the value of mining rights acquired in the State of Utah. The change in the carrying amount during the year was attributable to exchange rate movements. The impairment test did not indicate the need to recognise an impairment loss or to reverse previously recognised impairment losses. The carrying amount corresponds to the selling price at which the Group expects to sell the asset.

7. Intangible assets

<i>in million EUR</i>	Goodwill	Computer software	Unfinished acquisition of software	Contractual rights	Other	Total
Intangible assets as at 31. December 2023						
Cost	24.6	65.1	12.1	22.1	5.1	129.0
Accumulated depreciation	-	(44.9)	-	-	(1.3)	(46.2)
Carrying amount at 31 December 2023	24.6	20.2	12.1	22.1	3.8	82.8
Changes occurred in 2024						
Additions	-	5.0	0.6	-	6.1	11.7
Internally developed intangible assets	-	-	6.6	-	-	6.6
Amortisation charge and write-downs (Note 33)	-	(8.6)	-	(0.3)	(0.1)	(9.0)
Effects on movements in foreign exchange rates	-	-	-	1.4	-	1.4
Transfers	-	6.5	(6.5)	-	-	-
Total changes occurred in 2024	-	2.9	0.7	1.1	6.0	10.7
Intangible assets as at 31. December 2024						
Cost	24.6	75.5	12.8	23.2	11.2	147.3
Accumulated depreciation	-	(52.4)	-	-	(1.4)	(53.8)
Carrying amount at 31. December 2024	24.6	23.1	12.8	23.2	9.8	93.5
Changes occurred in 2025						
Additions	-	1.4	1.1	-	2.9	5.4
Internally developed intangible assets	-	-	10.0	-	-	10.0
Amortisation charge and write-downs (Note 33)	-	(9.6)	(0.3)	(0.2)	(0.1)	(10.2)
Disposal of subsidiary (Note 35)	-	-	-	(1.5)	-	(1.5)
Effects on movements in foreign exchange rates	-	-	-	(2.6)	(0.1)	(2.7)
Transfers	-	6.2	(6.3)	1.6	(1.0)	0.5
Total changes occurred in 2025	-	(2.0)	4.5	(2.7)	1.7	1.5
Intangible assets as at 31. December 2025						
Cost	24.6	82.5	17.3	20.5	13.0	157.9
Accumulated depreciation	-	(61.4)	-	-	(1.5)	(62.9)
Carrying amount at 31. December 2025	24.6	21.1	17.3	20.5	11.5	95.0

GOODWILL

Allocation of goodwill to cash generating units

<i>in million EUR</i>	31 December 2025	31 December 2024
Goodwill acquired on acquisition of Nelja Energia	19.9	19.9
Goodwill acquired on acquisition of solar farms in Poland	2.2	2.2
Other	2.5	2.5
Total goodwill	24.6	24.6

Goodwill was tested for impairment as at the reporting date by estimating the recoverable amounts of goodwill acquired through business combinations based on the discounted future cash flows of each cash generating unit to which goodwill has been allocated. Based on the impairment tests performed, no impairment was identified in 2025 nor 2024 for any of the cash generating units. The recoverable amounts of the cash generating units were measured based on their value in use.

The expected future cash flows of the cash generating unit to which the goodwill acquired on acquisition of Nelja Energia AS (acquisition in November 2018, company was merged to Enefit Green AS in April 2019) was allocated to the wind farms acquired as part of the transaction. The expected future cash flows of the cash generating unit were discounted using a discount rate of 6.8% for Estonian wind farms and Lithuanian wind farms (2024: 7.0% for Estonian wind farms and 6.9% for Lithuanian wind farms). Other cash generating units to which goodwill was allocated were discounted using discount rates of 8.6% to 9.3% (2024: 6.9% to 9.7%).

The expected future cash flows of the cash-generating units are sensitive to changes in the forecasts of the market price of electricity, wind discounts and the discount rate. The impairment test on the goodwill arising from the Nelja Energia acquisition was carried out together with the impairment test on the property, plant and equipment of the underlying cash generating unit (see the section Impairment tests performed on the assets of Eesti Energia’s wind farms in Note 6).

Contractual rights

Contractual rights comprise the value of mining rights acquired in the State of Utah, the estimated useful life of which is 20 years.



8. Right-of-use assets

<i>in million EUR</i>	Land	Office premises	Total
Cost at 31 December 2023	10.2	10.7	20.9
Accumulated depreciation	(1.2)	(2.7)	(3.9)
Carrying amount at 31 December 2023	9.0	8.0	17.0
Changes occurred in 2024			
Additions	11.2	2.5	13.7
Depreciation charge	(1.2)	(1.6)	(2.8)
Total changes occurred in 2024	10.0	0.9	10.9
Cost at 31 December 2024	21.4	13.3	34.7
Accumulated depreciation	(2.4)	(4.4)	(6.8)
Carrying amount at 31 December 2024	19.0	8.9	27.9
Changes occurred in 2025			
Addtions	3.0	0.1	3.1
Depreciation charge	(1.1)	(1.7)	(2.8)
Disposal of subsidiary (Note 35)	(3.9)	-	(3.9)
Terminated lease liabilities	(0.3)	-	(0.3)
Total changes occurred in 2025	(2.3)	(1.6)	(3.9)
Cost at 31 December 2025	19.8	13.4	33.2
Accumulated depreciation	(3.1)	(6.1)	(9.2)
Carrying amount at 31 December 2025	16.7	7.3	24.0

The Group has taken into account the following contracts: long-term office lease agreements, parking spot leases, building right contracts, personal right of use agreements. The Group leases office premises in Estonia, Latvia, Lithuania and Poland. The biggest impact on the statement of financial position as at 31 December 2025 arises from two offices in Estonia: the Veskiposti office in Tallinn and the Tartu office. The biggest impact in land arises from public charging points in Lithuania. The remaining balance of this asset group consists mostly of land use rights and personal right of use agreements with landowners who own the land on which the Group's wind and solar farms are constructed.

The consolidated income statement includes the following amounts relating to lease contracts

<i>in million EUR</i>	2025	2024
Interest expense	1.5	1.5
Lease expenses (Note 29)	5.7	5.6

Information regarding expense relating to short-term leases, leases of low-value assets and variable lease payments can be found from Note 29. Total cash outflow for leases can be found from Note 21.

9. Investments in associates

Set out below are the associates of the Group as at 31 December 2025 and 31 December 2024 which, in the opinion of management, are material to the Group

		% of ownership interest 31 December				Carrying amount 31 December	
Name of the company	Place of business	2025	2024	Nature of the relationship	Measurement method	2025	2024
Orica Eesti OÜ*	Estonia	35%	35%	Note 1	Equity	1.8	1.9
Enefit Jordan B.V. Group	Jordan, Estonia	65%	65%	Note 2	Equity	-	-
Attarat Mining Co BV**	Netherlands, Jordan	10%	10%	Note 3	Equity	4.9	7.5
Attarat Power Holding Co BV Group**	Netherlands, Jordan	10%	10%	Note 3	Equity	56.5	62.9
Attarat Operation & Maintenance Co BV**	Netherlands, Jordan	10%	10%	Note 3	Equity	2.0	2.1
* The financial year of the associate is from 1 October to 30 September.							
**The financial year of the associates is from 1 July to 30 June.							
Other investments in associates						0.7	0.5
Total investments in associates						65.9	74.9

Note 1: Orica Eesti OÜ manufactures and sells explosives and is a strategic partner for Enefit Industry OÜ.

Note 2: Enefit Jordan B.V. Group is engaged in an oil shale development project in Jordan. Enefit Jordan B.V. Group is recognised as an associate as according to the Shareholders' Agreement, the Group does not have the right to make any relevant decisions regarding Enefit Jordan B.V. Group without the consent of one or, in certain cases, both of other shareholders who hold the remainder of the shares (35%). Based on voting quorum requirements for different decisions, joint control is not established. Enefit Jordan B.V. Group had negative net assets as at 31 December 2025 and 31 December 2024. Loans to Enefit Jordan B.V have been written down (Note 13).

Note 3: Attarat Mining Co. BV was established to provide mining services in Jordan. Attarat Operation & Maintenance Co. BV is engaged in the mine management activities and Attarat Power Holding Co. BV Group is engaged in the development of an oil shale power plant in Jordan. On 16 March 2017, Attarat Power Holding Co. BV (APCO) signed an investment agreement for its oil shale fired power plant in Jordan. In connection with the investment agreement, a share sale agreement took effect by which Eesti Energia reduced its previous 65% interest in APCO to 10%. Although Eesti Energia AS sold 55% of the shares, it retained significant influence over the associate and access to the returns associated with an ownership interest, which means that the remaining 10% interest continues to be recognised as an investment in an associate.

Summarised financial information of associates

Summarised financial information of associates		Enefit Jordan B.V. Group		Orica Eesti OÜ		Attarat Mining Co BV		Attarat Power Holding Co BV Group		Attarat Operation & Maintenance Co BV	
<i>in million EUR</i>	31 December	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Cash		0.1	0.2	5.3	5.3	34.2	0.6	201.3	109.6	10.0	0.3
Other current assets		0.1	0.1	3.1	3.8	38.0	110.8	310.9	276.0	15.7	26.6
Fixed assets		-	-	0.2	0.3	3.1	2.3	1,920.9	2,264.7	0.4	0.6
Short-term liabilities		3.5	3.4	3.4	4.1	25.9	38.4	966.8	295.0	5.7	6.6
Londg-term liabilities		84.2	82.2	-	-	-	-	925.4	1,672.8	-	-
Net assets/(net deficit)		(87.5)	(85.3)	5.2	5.3	49.4	75.3	540.9	682.5	20.4	20.9
Summarised statement of comprehensive income:											
Revenue		-	-	21.1	22.4	173.4	112.7	551.9	535.0	41.5	36.9
Profit(loss) from continuing operations		(12.5)	(11.4)	4.1	3.0	48.6	38.6	(54.8)	(41.5)	10.8	5.4
Other comprehensive income		-	-	-	-	-	-	(10.4)	(7.8)	-	-
Movements in equity:											
Summarised net assets of associates at the beginning of the period		(85.3)	(69.0)	5.3	11.0	75.3	42.0	682.5	690.1	20.9	19.0
The profit and loss of the subsidiary during the period		(12.5)	(11.4)	4.1	3.0	48.6	38.6	(54.8)	(41.5)	10.8	5.4
Other comprehensive income		-	-	-	-	-	-	(10.4)	(7.8)	-	-
Dividends declared		-	-	(4.2)	(8.7)	(64.8)	(9.6)	-	-	(8.8)	(4.8)
Exchange rate impact		10.3	(4.9)	-	-	(9.7)	4.3	(76.4)	41.7	(2.5)	1.3
Summarised net assets of associates at the end of the period		(87.5)	(85.3)	5.2	5.3	49.4	75.3	540.9	682.5	20.4	20.9
Reconciliation to carrying amounts:											
Interest in associates (calculated based on Group's share in respective associates)		(56.9)	(55.4)	1.8	1.9	4.9	7.5	54.1	68.3	2.0	2.1
Other adjustments		-	-	-	-	-	-	2.4	(5.4)	-	-
Notional goodwill		12.3	12.3	-	-	-	-	-	-	-	-
Group's share in negative net assets not recognised by the Group using the equity <i>method</i>		44.6	43.1	-	-	-	-	-	-	-	-
Carrying amount at the end of the period		-	-	1.8	1.9	4.9	7.5	56.5	62.9	2.0	2.1

*Other comprehensive loss of Attarat Power Holding Co BV Group is entirely a cash flow hedge reserve

10. Subsidiaries

The Group had the following subsidiaries as at 31 December 2025 and 31 December 2024

Name	Country of incorporation	Nature of business	Proportion of ordinary shares held by the Group (%)			Proportion of ordinary shares held by non-controlling interests (%)	
			31 December	2025	2024	2025	2024
Elektrilevi OÜ	Estonia	Network operator		100.0	100.0	-	-
Imatra Elekter AS	Estonia	Network operator		100.0	100.0	-	-
Enefit Industry AS (until March 27, 2025, Enefit Power AS)	Estonia	Liquid fuels production and the development of circular economy solutions		100.0	100.0	-	-
Enefit Power OÜ	Estonia	Production of electrical energy, oil shale mining		100.0	-	-	-
Narva Soojusvõrk AS	Estonia	Distribution and sale of heat		100.0	100.0	-	-
Enefit Solutions AS	Estonia	Manufacture and supply of metal structures, energy industry machinery and other industrial equipment		-	100.0	-	-
Enefit AS	Estonia	Network co-management and energy solutions based on new technologies		-	100.0	-	-
Attarat Holding OÜ	Estonia	Holding		100.0	100.0	-	-
Enefit AS (until September 30, 2025, Enefit Green AS)	Estonia	Retail, renewable energy generation, energy trading, and development activities		100.0	77.2	-	22.8
Hiiumaa Offshore Tuulepark OÜ	Estonia	Development of wind farms		100.0	77.2	-	22.8
Tootsi Tuulepark OÜ	Estonia	Development of wind farms		100.0	77.2	-	22.8
Enefit Wind OÜ	Estonia	Production of electrical energy		100.0	77.2	-	22.8
Enefit Wind Purtse AS	Estonia	Development of wind farms		-	77.2		22.8
Tootsi Windpark OÜ	Estonia	Development of wind farms		-	77.2	-	22.8
Liivi Offshore OÜ	Estonia	Development of wind farms		100.0	77.2	-	22.8
Enefit Green Solar OÜ	Estonia	Renewable energy		100.0	77.2	-	22.8
Enefit Outotec Technology OÜ	Estonia and Germany	Developing and licensing the new generation of Enefit shale oil production technology		60.0	60.0	40.0	40.0
Enefit SIA	Latvia	Selling electricity to end consumers		100.0	100.0	-	-
Enercom SIA	Latvia	Development of wind farms		100.0	77.2	-	22.8
Enefit UAB	Lithuania	Selling electricity to end consumers		100.0	100.0	-	-
Enefit Wind UAB	Lithuania	Production of electrical energy		100.0	77.2	-	22.8
Enefit Green UAB	Lithuania	Establishment and operation of wind farms		100.0	77.2	-	22.8

The Group had the following subsidiaries as at 31 December 2025 and 31 December 2024

Name	Country of incorporation	Nature of business	Proportion of ordinary shares held by the Group (%)			Proportion of ordinary shares held by non-controlling interests (%)	
			31 December	2025	2024	2025	2024
Šilalės vėjas UAB	Lithuania	Development of wind farms		100.0	77.2	-	22.8
Šilutės vėjo parkas 2 UAB	Lithuania	Development of wind farms		100.0	77.2	-	22.8
Šilutės vėjo parkas 3 UAB	Lithuania	Development of wind farms		100.0	77.2	-	22.8
Energijos Žara	Lithuania	Development of wind farms		100.0	77.2	-	22.8
Vėjo Parkai UAB	Lithuania	Development of wind farms		100.0	77.2	-	22.8
Vejoteka UAB	Lithuania	Development of wind farms		100.0	77.2	-	22.8
Kelmes vejo energija UAB	Lithuania	Development of wind farms		100.0	77.2	-	22.8
Baltic Energy Group UAB	Lithuania	Research related to the development of the offshore wind farm		100.0	77.2	-	22.8
Enefit Sp. z o.o.	Poland	Selling electricity to end consumers		100.0	100.0	-	-
Enefit Green sp z.o.o	Poland	Production of electrical energy from sun		100.0	77.2	-	22.8
PV Plant Zambrow Sp. z o.o.	Poland	Development of solar parks		100.0	77.2	-	22.8
PV Plant Debnik Sp. z o.o.	Poland	Development of solar parks		100.0	77.2	-	22.8
Enefit AB	Sweden	Management services		100.0	100.0	-	-
Enefit OY	Finland	Selling electricity to end consumers		100.0	100.0	-	-
Tolpanvaara Wind Farm Oy	Finland	Development of wind farms		-	77.2	-	22.8
Enefit U.S., LLC	USA	Holding		100.0	100.0	-	-
Enefit American Oil Co.	USA	Developing of liquid fuels production		100.0	100.0	-	-



All subsidiaries are consolidated. The share of voting power held by the parent in the subsidiaries directly does not differ from the share of ordinary shares held by it. The parent does not hold any preference shares in any of the subsidiaries.

By April 2025, Enefit Power AS (new business name Enefit Industry AS) split into two companies (division by separation) so that the business consisting of the Eesti power plant, the Balti power plant and the Auvere power plant was transferred to a new company, Enefit Power OÜ, which became a subsidiary of Eesti Energia AS. On 30 December 2025, Enefit Industry AS acquired a 100% stake in Enefit Power OÜ from Eesti Energia AS.

In April 2025, Eesti Energia made a voluntary takeover bid to the minority shareholders of Enefit Green in order to regain full ownership of the subsidiary. Priced at EUR 3.4 per share, the bid which closed on 12 May 2025 increased the parent company's stake in Enefit Green to 97.2%, with a total value of EUR 180.0 million. At the Annual General Meeting held in June 2025, the shareholders approved the compulsory acquisition of the remaining shares in accordance with Sections 363¹ and 363⁷ of the Estonian Commercial Code. Following this decision, on 31 July 2025 Eesti Energia AS completed the acquisition and obtained 100% ownership of Enefit Green AS for a total consideration of EUR 205.2 million. As control over Enefit Green AS had already been established prior to the transaction, the acquisition was accounted for as an equity transaction in accordance with IFRS 10 Consolidated Financial Statements. The difference between the consideration paid and the carrying amount of the non-controlling interest, amounting to EUR 27.0 million, was recognized directly in equity under retained earnings attributable to the owners of the parent. The transaction had no impact on profit or loss for the period. The transaction costs of the acquisition amounted to EUR 0.4 million.

On 27 August 2025, Enefit Wind Purtse AS and Tootsi Windpark OÜ merged with Enefit Wind OÜ.

On 1 December 2025 Enefit Green signed an agreement to sell its subsidiary Tolpanvaara Wind FarmOy in Finland to TD Greystone Infrastructure Fund. Contractual transaction price was EUR 83.1 million. See Note 35 for further information on this transaction.

As the sole shareholder, Eesti Energia AS decided at the end of 2025 to merge Enefit AS with Enefit Green AS. The merger balance sheet date was 1 October 2025, and the merger entries were registered in the Commercial Register on 2 January 2026. Enefit AS (formerly Enefit Green AS) was reorganised into a private limited company on 12 January 2026.

As the sole shareholder, Eesti Energia AS decided at the end of 2025 to merge Enefit Solutions AS with Enefit Industry AS. The merger balance sheet date was 1 October 2025, and the merger entries were registered in the Commercial Register on 2 January 2026. Enefit Industry AS was reorganised into a private limited company on 8 January 2026.

Significant restrictions

The Electricity Market Act of Estonia currently in force provides that until the investments to the grid infrastructure of the network operator (Elektrilevi OÜ) do not exceed the limits of the approved financing plan, the parent company may not intervene in the everyday economic activities of the network operator or in the decisions concerning the construction or upgrades of the network. Management board of the Elektrilevi OÜ has the decision-making power in terms of preparation and approval of financial plans of the company.



FINANCIAL INFORMATION REGARDING A SUBSIDIARY WITH SIGNIFICANT
NON-CONTROLLING INTEREST

Set out below is the financial information for Enefit Green group that has non-controlling interests (NCI) that is material to the Group. The amounts disclosed are before inter-company eliminations of Eesti Energia AS Group.

Enefit Green Group

<i>in million EUR</i>	1 January - 31 May 2025	1 January - 31 December 2024
Summarised statement of comprehensive income		
Revenue	102.1	185.5
Net profit for the period	31.3	70.3
Revaluation of hedging instruments net of reclassifications to profit or loss	-	0.2
Exchange differences on the translation of foreign operations	0.1	0.4
Comprehensive profit for the period	0.1	0.6
Summarised cash flow statement		
Total cash flow from operating activities	40.4	84.6
Total cash flow from investing activities	(48.8)	(329.1)
Total cash flows from financing activities	(0.9)	222.8
Change in cash and cash equivalents	(9.3)	(21.7)

Profit and other comprehensive loss for the period attributable to the non-controlling interests of the subsidiary were EUR 6.4 million and EUR 0.2 million, respectively (2024: profit for the period EUR 16.0 million and EUR 0.1 million). The accumulated non-controlling interests of the subsidiary as at 31 December 2025 were EUR 0 million. (31 December 2024: EUR 174.5 million).

<i>in million EUR</i>	31 December 2025	31 December 2024
Summarised statement of financial position		
Cash	-	44.0
Trade and other receivables	-	31.3
Derivative financial instruments	-	3.3
Inventories	-	2.0
Assets classified as held for sale	-	-
Total short-term assets	-	80.6
Property, plant and equipment	-	1,394.3
Intangible assets	-	59.7
Right-of-use assets	-	8.5
Prepayments for non-current assets	-	37.6
Deferred tax assets	-	1.2
Investments in associates	-	0.5
Derivative financial instruments	-	3.4
Non-current receivables	-	1.4
Total non-current assets	-	1,506.6
Total assets	-	1,587.2
Total current liabilities	-	127.7
Total non-current liabilities	-	699.2
Total liabilities	-	826.9
Equity	-	760.3
Non-controlling interest %	0.0	22.83
Non-controlling interest	-	173.6

11. Inventories

<i>in million EUR</i>	31 December 2025	31 December 2024
Raw materials and materials at warehouses	56.8	47.4
Work-in-progress		
Stored oil shale	82.5	84.0
Total work-in-progress	82.5	84.0
Finished goods		
Shale oil	5.0	10.2
Other finished goods	0.3	0.4
Total finished goods	5.3	10.6
Goods purchased for sale		
Gas (note 1.1)	0.1	23.7
Other goods purchased for sale	6.1	6.2
Total goods purchased for sale	6.2	29.9
Prepayments to suppliers	-	0.1
Total inventories (Note 33)	150.8	172.0

In 2025, inventories were written down by EUR 0.2 million (2024: write-downs EUR 1.4 million). These were mostly materials in warehouse including spare parts for production units whose projected future cash flows are negative and thus these spare parts no longer have a positive net realisable value.

Inventories recognised as an expense (mostly spare parts for production units) during the year ended 31 December 2025 amounted to EUR 65.5 million (2024: EUR 73.1 million).

12. Financial instruments by category

<i>in million EUR</i>	Assets recognised at amortised cost	Financial assets at fair value through profit or loss	Derivatives for which hedge accounting is applied	Total
As at 31 December 2025				
Financial asset items in the statement of financial position				
Trade and other receivables excluding prepayments (Notes 3.1 and 13 and 15)	231.2	-	-	231.2
Derivative financial instruments (Notes 3.1, 3.3, 14 and 15)	-	51.2	106.4	157.6
Cash and cash equivalents (Notes 3.1, 3.2, 15 and 17)	358.2	-	-	358.2
Total financial asset items in the statement of financial position	589.4	51.2	106.4	747.0
As at 31 December 2024				
Financial asset items in the statement of financial position				
Trade and other receivables excluding prepayments (Notes 3.1 and 13 and 15)	264.6	-	-	264.6
Derivative financial instruments (Notes 3.1, 3.3, 14 and 15)	-	128.5	174.8	303.3
Cash and cash equivalents (Notes 3.1, 3.2, 15 and 17)	468.9	-	-	468.9
Total financial asset items in the statement of financial position	733.5	128.5	174.8	1,036.8

<i>in million EUR</i>	Liabilities recognised at amortised cost	Liabilities at fair value through profit or loss	Derivatives for which hedge accounting is applied	Total
As at 31 December 2025				
Financial liability items in the statement of financial position				
Borrowings (Notes 3.1, 3.2 and 21)	1,631.3	-	-	1,631.3
Trade and other payables (Notes 3.1 and 22)	211.6	-	-	211.6
Payables for EUA transactions (Note 22)	131.2	-	-	131.2
Derivative financial instruments (Notes 3.1, 3.3 and 14)	-	5.9	10.4	16.3
Total financial liability items in the statement of financial position	1,974.1	5.9	10.4	1,990.4
As at 31 December 2024				
Financial liability items in the statement of financial position				
Borrowings (Notes 3.1, 3.2 and 21)	1,695.7	-	-	1,695.7
Trade and other payables (Notes 3.1 and 22)	191.8	-	-	191.8
Payables for EUA transactions (Note 22)	79.8	-	-	79.8
Derivative financial instruments (Notes 3.1, 3.3 and 14)	-	10.9	16.1	27.0
Total financial liability items in the statement of financial position	1,967.3	10.9	16.1	1,994.3

13. Trade and other receivables

<i>in million EUR</i>	31 December 2025	31 December 2024
Current trade and other receivables		
Trade receivables		
Accounts receivable	213.1	231.8
Allowance for expected credit loss	(5.9)	(5.1)
Total trade receivables	207.2	226.7
Accrued income		
Other accrued income	0.7	4.3
Total accrued income	0.7	4.3
Prepayments	21.6	20.9
Restricted cash	20.8	30.0
Other receivables	1.4	0.3
Total current trade and other receivables	251.7	282.2
Non-current receivables		
Loan receivables from associates (Note 32)	11.6	13.1
Allowance for expected credit loss on loan receivables (Note 32)	(11.6)	(13.1)
Other non-current receivables	1.1	3.3
Total non-current receivables	1.1	3.3
Total trade and other receivables (Notes 3.1)	252.8	285.5

The loan provided to the associate of Enefit Jordan B.V. Group is based on an agreement signed in 2011. The loan is denominated in US dollars, bears interest at the rate of 15% a year and has an indefinite repayment date. No interest income has been recognised by the Group, as its collection is not probable. See also Note 9.

Prepayments as at 31 December 2025 and 31 December 2024 comprise prepaid taxes and prepaid expenses. Prepayments do not qualify as financial assets.

Restricted cash comprises cash, which is held in the bank accounts of different financial partners as security for derivative transactions.

The fair values of receivables do not significantly differ from their carrying amounts. Collection of receivables is not covered by securities. Most of the Group's receivables and prepayments are denominated in euros. Information about the credit quality of the receivables is disclosed in Note 15.

Analysis of trade receivable

<i>in million EUR</i>	31 December 2025	Total	Current	1-30 days past due	31-60 days past due	more than 60 days past due
Accounts receivable		213.1	190.9	11.9	0.9	9.4
Expected credit loss rate		-	0.2%	2.4%	15.2%	48.9%
Expected credit loss		5.9	0.3	0.3	0.1	5.2

<i>in million EUR</i>	31 December 2024	Total	Current	1-30 days past due	31-60 days past due	more than 60 days past due
Accounts receivable		231.8	196.9	20.1	4.8	10.0
Expected credit loss rate		-	0.1%	1.3%	12.1%	40.2%
Expected credit loss		5.1	0.2	0.3	0.6	4.0



Allowances for receivables are calculated based on IFRS 9. The calculations made in 2025 were based on an analysis of the collection of items recognised as receivables at the end of 2024 and the calculations made in 2024 were based on an analysis of the collection of items recognised as receivables at the end of 2023. To measure expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 month before 31 December 2025 or 31 December 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

For other receivables (including other receivables and receivables from related parties), the group recognises the loss allowance at an amount equal to 12-month expected credit losses if the Credit risk on them has not increased significantly since initial recognition. If the credit risk has increased significantly, the group recognises the loss allowance at an amount equal to lifetime expected Credit losses. According to the group’s assessment, other receivables and receivables from related parties as at 31 December 2025 and 31 December 2024 are not exposed to significant credit risk as there is no indication of potential credit-impairment or default by the counterparty. The expected credit loss is therefore zero or negligible.

According to management’s assessment, the credit quality of receivables is high and in line with historical trends. The historical amounts of receivables written off as uncollectible have been as follows: EUR 6.8 million in 2025 EUR (in 2024: 2.1 million).

Receivables from associates and restricted cash balances are assessed and analysed separately from other receivables using the full expected credit losses model.

Changes in allowance for expected credit losses on trade receivables

<i>in million EUR</i>	31 December 2025	31 December 2024
Allowance for expected credit losses at the beginning of the period	(5.1)	(3.9)
Items considered doubtful and doubtful items collected during the period	(7.6)	(3.3)
Items written off as uncollectible	6.8	2.1
Allowance for expected credit losses at the end of the period	(5.9)	(5.1)

Other classes of receivables do not include any impaired assets.

14. Derivative financial instruments

As from 1 January 2025, the Group early adopted amendments issued by the IASB to IFRS 9 and IFRS 7 relating to contracts referencing nature-dependent electricity and reassessed the accounting treatment of certain electricity purchase agreements. The amendments are effective for reporting periods beginning on or after 1 January 2026; however, early application is permitted. The amendments clarify the application of the own-use exemption for physically settled electricity contracts and simplify certain hedge accounting and related disclosure requirements.

The contracts assessed by the Group are long-term, physically settled power purchase agreements (PPAs) entered into for the purpose of meeting the Group’s expected operational requirements and supplying electricity to customers. The PPAs reference nature-dependent electricity, as the electricity generation depends on uncontrollable natural conditions (wind), which exposes the Group to variability in the underlying amount of electricity delivered.

Contracts referencing nature-dependent electricity may require the buyer to take delivery of electricity when it is generated, potentially exposing the Group to the risk of purchasing electricity that cannot be used and, in certain circumstances, to the need to sell surplus electricity in the market. Management considers that such potential sales do not preclude own-use accounting, as the Group has historically been, and expects to continue to be, a net purchaser of electricity in the relevant Baltic markets.

During the reporting period, the electricity purchased under the PPAs was utilised to supply retail customers, as retail sales volumes significantly exceeded contracted purchase volumes. Accordingly, no unused electricity arose and no sales of surplus electricity outside the retail customer portfolio occurred.

Over each 12-month assessment period, the Group purchases, under the PPAs and in the same relevant market, a cumulative volume of electricity that exceeds any volume that would need to be sold back to the market as potential excess. Based on historical experience and current forecasts, management does not expect surplus sales to occur over the remaining contract term.

in million EUR	31 December 2025		31 December 2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges				
Future, forward and long-term PPA contracts to purchase electricity	104.9	4.1	165.4	14.2
Future and forward contracts to purchase natural gas	-	6.1	3.6	-
Swap and forward contracts for sale of shale oil	-	-	-	1.9
Interest rate swap	1.5	0.2	5.8	-
Total cash flow hedges	106.4	10.4	174.8	16.1
Trading derivatives				
Future, forward and long-term PPA contracts to purchase electricity	41.3	1.5	123.6	4.2
Future and forward contracts to purchase natural gas	-	0.7	1.8	-
Swap and forward contracts for sale of shale oil	5.4	-	0.1	0.2
Swap and forward contracts for sale of shale oil gasoline	0.3	-	0.1	0.8
Guarantees of origin	4.2	3.6	2.9	5.6
Other derivatives	-	-	-	0.1
Total trading derivatives	51.2	5.9	128.5	10.9
Total derivative financial instruments (Notes 3.1, 3.3, 12, 14 and 20)	157.5	16.3	303.3	27.0
Including non-current portion:				
Cash flow hedges	75.3	2.3	114.6	1.3
Trading derivatives	38.3	2.6	98.7	3.1
Total non-current portion	113.6	4.9	213.3	4.4
Cash flow hedges	31.0	8.1	60.2	14.8
Trading derivatives	12.9	3.3	29.8	7.8
Total current portion	43.9	11.4	90.0	22.6



The Group expects to continue concluding customer supply contracts covering the full remaining contract horizon, and management expects that the PPA volumes will continue to be utilised to supply customers over the remaining contract term.

The estimated cash flows arising from the purchase of electricity under these contracts amount to approximately EUR 7.5 million per year. The contracts are valid until 2031, and the electricity purchase cost recognised for the year 2025 amounted to approximately EUR 6.5 million. Management also assesses that the contracted electricity purchase prices are lower than forecast future market prices, based on internally approved long-term price forecasts.

As a result of the reassessment, management concluded that the PPA contract meets the criteria for the own-use exemption under the amended standards. Accordingly, from 1 January 2025 the Group no longer accounts for theis PPA contract as derivatives measured at fair value through profit or loss, but instead accounts it as executory contract in a manner consistent with ordinary purchase contracts for commodities. As a consequence of the early adoption of the amended standards, derivative receivables amounting to EUR 70.5 million were derecognised as at 1 January 2025, with the effect recognised in retained earnings as of 1 January 2025. Comparative information has not been restated.



15. Credit quality of financial assets

The basis for estimating the credit quality of financial assets not due yet and not written down is the credit ratings assigned by rating agencies or, in their absence, the earlier credit behavior of customers and counterparties.

The Group’s cash and cash equivalent balances as at 31 December 2025 were deposited with SEB bank, Swedbank, Danske Bank, Luminor Bank, LHV Bank, Coop Bank, OP Corporate Bank, Citadele Bank, Citibank N.A. New York branch and Santander Bank Polska S.A. As at 31 December 2025, the account balances with SEB bank in Estonia, with LHV Bank in Estonia, with OP Corporate Bank plc Estonia Branch and with Citadele Bank in Estonia each exceeded 10% of the Group’s total cash and cash equivalents (31 December 2024: the account balances with Swedbank in Estonia, SEB bank in Estonia, LHV Bank in Estonia and Luminor Bank in Estonia each exceeded 10% of the Group’s cash and cash equivalents).

As at 31 December 2025, financial assets with counterparties European Energy Trading A/S accounted for more than 10% of total financial assets (31 December 2024: financial assets with counterparties European Energy Trading A/S and UAB L-Vejas all accounted for more than 10% of total financial assets). They are classified as derivatives with positive value without a credit rating from an independent party.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial and not recognised.

Based on management estimates in accordance with IFRS 9, other receivables without a credit rating from an independent party do not involve material credit risk. In 2025, the Group had restricted cash of EUR 12.5 million (2024: EUR 15.8 million) with counterparties with no credit rating.

<i>in million EUR</i>	31 December 2025	31 December 2024
Bank accounts		
At banks with Moody's credit rating of Aa3	149.4	233.4
At banks with Moody's credit rating of Aa2	34.1	-
At banks with Moody's credit rating of A2	23.7	98.7
At banks with Moody's credit rating of A3	100.3	100.7
At banks with Moody's credit rating of Baa1	50.2	26.1
At banks with Moody's credit rating of Baa2	0.5	10.0
Total bank accounts (Notes 3.1, 3.2, 12 and 17)	358.2	468.9
Other receivables and restricted cash		
Other receivables with Moody's credit rating of Aa3	2.7	2.5
Other receivables through Nasdaq OMX clearing house - Baa1	5.6	-
Other receivables through Nasdaq OMX clearing house - Baa2	-	11.7
Receivables without credit rating from an independent party	13.9	16.1
Total other receivables and restricted cash (Note 13)	22.2	30.3
Derivative financial instruments		
Derivatives with positive value with Moody's credit rating of Aa3	1.1	5.8
Derivatives with positive value with Moody's credit rating of Aa2	1.9	0.3
Derivatives with positive value with Moody's credit rating of A1	2.2	0.2
Derivatives with positive value with Moody's credit rating of A3	1.9	0.3
Derivatives with positive value with Moody's credit rating of Baa3	0.5	-
Derivatives with positive value with Moody's credit rating of Baa2	0.1	3.7
Derivatives with positive value with Moody's credit rating of Baa1	2.7	0.7
Derivatives with positive value without credit rating from an independent party	147.1	292.3
Derivatives with positive value (Notes 3.1, 3.3, 12 and 14)	157.5	303.3



Other receivables include the following claims:

- Parent entity receivables against Joint Allocation Office (JAO) in the amount of EUR 7.4 million (31 December 2024: EUR 8.7 million). JAO is the leading service provider for Transmission System Operators (TSOs) in the European electricity sector. According to the Moody's risk application, there hasn't been a significant increase in the probability of default for this counterparty since initial recognition.
- Receivables against the Polish broker who is the Group's intermediary in trading on Polish Electricity Exchange (TGE) in the amount of EUR 5.2 million (31 December 2024: EUR 7.1 million). According to the Moody's risk application, there hasn't been a significant increase in the probability of default for this counterparty since initial recognition.

Derivatives with a positive value without a credit rating from an independent party total EUR 147.1 million (31 December 2024: EUR 292.3 million). 88% (2024:93%) of the amount consists of two large PPAs (EUR 129.9 million ((31 December 2024: 271.6 million)). The Group's internal procedures always include assessing the creditworthiness of potential counterparty before entering into a contract. Even though these counterparties have no external credit ratings, they are considered equivalent to counterparties with high credit rating, based on the Group's internal assessment. Large PPA-s are secured by securities (~14.2 million EUR). Therefore, no material credit risk has been identified in connection with the said counterparties.

16. Greenhouse gas allowances and guarantees of origin

<i>in million EUR</i>	31 December 2025	31 December 2024
Greenhouse gas allowances	22.7	62.9
Guarantees of origin	14.5	11.6
Total greenhouse gas allowances and guarantees of origin	37.2	74.5

Movements in greenhouse gas emission allowances

<i>in thousand tonnes, in million EUR</i>	Quantities 2025	Quantities 2024	31 December 2025	31 December 2024
Greenhouse gas emission allowances at the beginning of the period	8.1	3,435.0	62.9	203.1
Allocated free of charge	1,046.6	1,060.3	-	-
Acquired	3,330.0	-	184.9	-
Sold	(1,167.0)	-	(99.9)	-
Swapped (Note 22)	(440.0)	(1,061.0)	-	-
Used (Note 24)	(2,766.1)	(3,426.2)	(125.2)	(140.2)
Greenhouse gas allowances at the end of the period	11.6	8.1	22.7	62.9

Greenhouse gas emission allowances are sold when there is a significant surplus caused by a decrease in production volumes as a result of changes in the market prices of electricity and shale oil.

Fair value of the greenhouse gas emission allowances allocated free of charge in 2025 was EUR 73.7 million (in 2024: EUR 70.6 million). Fair value is based on the market price of the EU emission allowances as at the dates of receipt of the free allowances.

The Group has entered into a transaction where 440 tonnes of greenhouse gas units have been swapped to 2026 (in 2024: 1 061 tonnes were swapped to 2025). These units are not included in the balance of quantities but are included in the balance of EUR 22.2 million (in 2024: EUR 62.9 million) at the end of the reporting period.

Movements in guarantees of origin

<i>in million EUR</i>	31 December 2025	31 December 2024
Certificates of origin at the beginning of the period	11.6	13.4
Acquired	2.8	3.6
Surrendered	-	(5.5)
Effects on movements in foreign exchange rates	0.1	0.1
Certificates of origin at the end of the period	14.5	11.6

Exchange rate differences for guarantees of origin arise from the Group's Polish subsidiary.

17. Cash and cash equivalents

<i>in million EUR</i>	31 December 2025	31 December 2024
Bank accounts	358.2	468.9
Total cash and cash equivalents (Notes 3.1, 3.2, 12 and 15)	358.2	468.9

Cash and cash equivalents by currency

<i>in million EUR</i>	31 December 2025	31 December 2024
Euro	323.8	435.8
Polish zloty	23.7	21.2
US dollar	9.6	10.6
Swedish krona	1.1	1.3
Total cash and cash equivalents (Notes 3.1, 3.2, 12 and 15)	358.2	468.9



18. Share capital, statutory reserve capital, hybrid bonds and retained earnings

As at 31 December 2025, Eesti Energia AS had 846,645,750 registered shares (31 December 2024: 746,645,750 registered shares). The nominal value of each share is 1 euro. The sole shareholder is the Republic of Estonia. In accordance with the decision of the Government of the Republic dated 3 June 2025, the share capital of Eesti Energia AS was increased by a monetary contribution of EUR 100.0 million. The share capital was increased through the issuance of 100 million new shares with a nominal value of EUR 1 each. The share capital increase was registered with the Commercial Register on 9 July 2025.

The administrator of the shares and the exerciser of shareholder rights is the Estonian Ministry of Finance, represented by the Minister of Finance at the General Meeting of Shareholders. According to the articles of association of Eesti Energia AS, the minimum share capital is EUR 250.0 million and the maximum share capital is EUR 1,000.0 million.

As at 31 December 2025, the Group's statutory reserve capital totaled EUR 75.0 million (31 December 2024: EUR 75.0 million).

In July 2024, the Group raised EUR 400.0 million in additional capital through a green hybrid bond offering on the London Stock Exchange. Transaction costs were EUR 8.3 million. The Group may only invest the capital raised through the bonds in green projects. The interest rate on the bonds is 7.875%, from 2034 5.165% and from 2049 5.415%. Interest is paid annually at a pre-determined interest rate per annum, but the Group has the option to defer the payment of interest in full or in part at its discretion. In 2025, interest paid on the bond was in the amount of EUR 31.5 million (in 2024 EUR 7.9 million). As of 31.12.2025, the balance of future discretionary interest payments is EUR 6.8 million (in 2024 EUR 6.8 million), which is recognised as an interest liability in equity under the line hybrid bonds.

As at 31 December 2025 the Group's distributable retained earnings were EUR 313.1 million (31 December 2024: EUR 565.5 million). On distribution of profits to the shareholder, dividends are subject to income tax at the rate of 22/78 of the net distribution.

As at 31 December 2025 the Group has share premium EUR 259.8 million (in 2024: EUR 259.8 million). In accordance with the Estonian Commercial Code, share premium may be used:

- to cover a loss if such loss cannot be covered by retained profit from previous periods or the legal reserve;
- to increase share capital by a bonus issue.

If all retained earnings were distributed as dividends, the corporate income tax would amount to EUR 56.7 million (31 December 2024: EUR 114.0 million). It is possible to pay out EUR 256.4 million (31 December 2024: EUR 451.5 million) as net dividends.

Based on the implemented dividend policy the annual dividend payments to the shareholder are limited to the profit for the financial year. The Group is able to control the timing and the amount of the dividend distributions of its subsidiaries.

The following table presents the basis for calculating the distributable shareholders' equity, potential dividends and the accompanying corporate income tax:

<i>in million EUR</i>	31 December 2025	31 December 2024
Retained earnings	313.1	565.5
<i>of which retained earnings subject to income tax rate of 22%</i>	257.8	518.4
<i>tax-exempt retained earnings</i>	55.3	47.1
Distributable shareholder's equity	313.1	565.5
Corporate income tax on the distribution of the entire distributable equity	(56.7)	(114.0)
Maximum amount of net dividends available for distribution	256.4	451.5



19. Dividends per share

In 2025, Eesti Energia AS paid the Republic of Estonia dividends of EUR 34.0 million, i.e. EUR 0.04 per share (2024: of EUR 72.0 million dividends, i.e EUR 0.1 per share, were paid). The payment was made on 1 December 2025.

The Management Board has proposed to the Annual General Meeting to pay dividends of EUR 0.04 per share and EUR 35.3 million in total for the financial year ended 31 December 2025. The dividend distribution has not been recognised as a liability in these financial statements, because the dividend had not been approved as at 31 December 2025. Corporate income tax expense on the dividends amounts to EUR 10.3 million. The amount has been recognised as a deferred tax liability as at 31 December 2025.

See details from Note 31.



20. Other reserves

<i>in million EUR</i>	31 December 2025	31 December 2024
Other reserves at the beginning of the period (Note 3.1)	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	(11.5)	(31.8)
electricity cash flow hedges	(9.5)	(18.4)
gas cash flow hedges	(8.5)	2.5
shale oil cash flow hedges	9.4	(16.3)
shale oil gasoline cash flow hedges	-	(0.6)
interest rate swap	(2.8)	1.0
Recognised as an (increase)/decrease of revenue (Note 25)	(8.4)	11.1
shale oil cash flow hedges	(0.5)	-
electricity cash flow hedges	(7.9)	11.1

Potential deferred tax impact from the realisation of Polish hedge reserve is EUR 0.6 million (in 2024: EUR 1.8 million).

<i>in million EUR</i>	31 December 2025	31 December 2024
Recognised as an increase/(decrease) of cost of raw materials and consumables (Note 27)	(41.2)	28.9
electricity cash flow hedges	(40.1)	14.3
gas cash flow hedges	(1.1)	14.6
Recognised as an increase/(decrease) of interest expenses (Note 30)	(1.7)	(4.1)
Currency translation differences attributable to foreign subsidiaries	(1.7)	2.0
of which share of non-controlling interest	(0.1)	(0.1)
Change in associates other comprehensive income	(1.1)	(0.9)
Other reserves at the end of the period (Note 3.1)	97.4	160.2
of which hedge reserve at the end of the period	85.4	145.7
electricity cash flow hedges	90.2	140.4
gas cash flow hedges	(6.1)	3.6
shale oil cash flow hedges	-	(1.5)
interest rate swap	1.2	5.8
non-controlling interest of hedging instruments	-	(2.6)
of which currency translation reserve at the end of the period	7.6	9.0
of which reserve related to other comprehensive income of associates at the end of the period	4.4	5.5



Borrowings measured at amortised cost

21. Borrowings

During the reporting period, Eesti Energia AS issued bonds with a nominal value of EUR 50.0 million, maturing in 2028. The bonds bear a fixed interest rate of 5.0%. The transaction costs related to the bond issuance amounted to EUR 0.7 million.

In 2024, Eesti Energia's parent company signed an amendment to the loan agreement with Swedbank to refinance a EUR 150.0 million loan agreement signed in 2021. As a result of the refinancing, the interest rate changed, and the loan matures in 2027. The modification of the loan terms was not considered an extinguishment of the original loan agreement under IFRS 9. IFRS 9 requires the cash flows of a modified loan to be discounted at the original effective interest rate. As a result, interest expense of EUR 4.1 million was recognised in 2024 at the date of the modification.

in million EUR	Short-term borrowings			Long-term borrowings		Total
	Bank loans	Lease liabilities	Bonds issued	Bank loans	Lease liabilities	
Borrowings at amortised cost 31 December 2023 (Notes 3.1, 3.2 and 12)	465.8	2.2	-	1,210.1	16.0	1,694.1
Changes occurred in 2024						
Cash movements						
Borrowings received	97.5	-	-	287.5	-	385.0
Repayments of principal	(380.5)	(2.1)	-	(20.0)	-	(402.6)
Repayments of interests and other fees	(100.8)	(1.5)	-	-	-	(102.3)
Non-Monetary movements						
Initial recognition of lease liabilities	-	0.7	-	-	13.1	13.8
Interest accrued	102.0	1.6	-	4.3	-	107.9
Transfers	10.5	1.6	-	(10.5)	(1.6)	-
Amortization of borrowing costs	-	-	-	0.1	-	0.1
Other Movements	-	-	-	-	(0.3)	(0.3)
Total changes occurred in 2024	(271.3)	0.3	-	261.4	11.2	1.6
Borrowings at amortised cost 31 December 2024 (Notes 3.1, 3.2 and 12)	194.5	2.5	-	1,471.5	27.2	1,695.7
Changes occurred in 2025						
Cash movements						
Borrowings received	61.2	-	49.3	65.0	-	175.5
Repayments of principal	(230.2)	(1.7)	-	-	(0.8)	(232.7)
Repayments of interests and other fees	(83.3)	(1.6)	-	-	-	(84.9)
Non-cash movements						
Initial recognition of lease liabilities	-	-	-	-	3.2	3.2
Interest accrued	75.1	1.6	0.1	2.1	-	78.9
Transfers	207.0	1.5	-	(207.0)	(1.5)	-
Impact of exchange rate changes	-	-	-	-	0.1	0.1
Disposal of subsidiary	-	-	-	-	(4.2)	(4.2)
Terminated lease liabilities	-	-	-	-	(0.3)	(0.3)
Total changes occurred in 2025	29.8	(0.2)	49.4	(139.9)	(3.5)	(64.5)
Borrowings at amortised cost 31 December 2025 (Notes 3.1, 3.2 and 12)	224.3	2.3	49.4	1,331.6	23.7	1,631.3



Fair value of bonds and bank loans

<i>in million EUR</i>	31 December 2025	31 December 2024
Carrying amounts of bonds	49.4	-
Market value of bonds based on quoted sales price	50.9	-
Carrying amounts of bank loans with fixed interest rate (Note 3.1)	12.4	24.7
Fair value of bank loans with fixed interest rate (Note 3.3)	12.3	24.0
Carrying amounts of bank loans with floating interest rate (hedged by IRS) (Note 3.1.1.4)	68.9	142.4
Fair value of bank loans with floating interest rate (hedged by IRS) (Note 3.1.1.4)	68.9	142.4
Carrying amounts of bank loans with floating interest rate (Note 3.1)	1,474.6	1,473.3
Fair value of bank loans with floating interest rate (Note 3.3)	1,474.6	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 3.038% (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). The interest rate swap information is based on EUR Midswap Rates disclosed by Spark.

Bonds and bank loans at nominal value by maturity

<i>in million EUR</i>	31 December 2025	31 December 2024
< 1 year	205.4	168.9
1- 2 years	316.7	205.4
3 - 5 years	759.2	919.9
> 5 years	309.5	350.5
Total	1,590.8	1,644.7

Loans are denominated in euros and Polish zloty (31 December 2024: in euros and Polish zloty). As at 31 December 2025 the interest rates of loans were between 1.1% and 6.8% (31 December 2024: 1.1%-7.9%).

As at 31 December 2025 the Group had undrawn loan facilities of EUR 520.0 million (31 December 2024: EUR 485.0 million).

Weighted average effective interest rates of borrowings including the effects of signed interest rate swap agreements

<i>in %</i>	31 December 2025	31 December 2024
Bonds	5.0	-
Bank loans	4.1	5.3
Lease liabilities	4.9	4.9



22. Trade and other payables and payables for EUA transactions

<i>in million EUR</i>	31 December 2025	31 December 2024
Trade payables	197.9	164.1
Accrued expenses	1.1	3.4
Payables to related party (Note 32)	0.7	1.5
Other payables	11.9	22.8
Total financial payables within trade and other payables (Note 3.1; 13)	211.6	191.8
Payables to employees	27.4	34.2
Tax liabilities	53.0	47.1
Prepayments	6.4	2.4
Trade and other payables	298.4	275.5
of which current trade and other payables	292.3	267.5
of which non-current other payables	6.1	8.0
Payables for EUA transactions	131.2	79.8
Total trade and other payables and payables for EUA transactions	429.6	355.3

Trade payables as at 31 December 2025 include payables for property, plant and equipment of EUR 100.6 million (31 December 2024: EUR 46.0 million).

Other payables as at 31 December 2025 have decreased due to payables related to Kelme II and III projects of EUR 8.1 million (31 December 2024: EUR 14.6 million). Payments made for the construction of these wind farms in 2025 totalled EUR 6.7 million (in 2024 EUR 6.2 million).

Prepayments as at 31 December 2025 consist of prepayments from customers of EUR 3.4 million and EUR 2.7 million forward transactions for the acquisition of greenhouse gas emission allowances used in production activities (31 December 2024: mainly of the prepayments from customers of EUR 2.3 million).

Payables for EUA transactions

In May 2024, the Group entered into a liquidity swap arrangement linked to CO₂ emission allowances. The swap represents a financing arrangement under which the Group is required to make fixed contractual payments over a defined period. Accordingly, the liability arising from the arrangement is presented in the balance sheet under Payables for EUA transactions and measured at amortised cost.

The initial amount, EUR 77.6 million, received under the swap was recognised as a financial liability at its fair value on the transaction date. Contractual cash outflows comprise predetermined fixed payment that the Group is obliged to settle according to the agreed schedule. This fixed payment is not linked to the market value of CO₂ allowances and therefore the total future cash outflows are known at inception and correspond to the contractual payment schedule. Finance costs recognised in profit or loss reflect any difference between the initial proceeds and the total contractual repayment. In 2025, EUR 2.2 million (in 2024: EUR 2.2 million) of finance costs were recognised in respect of this arrangement. The liquidity swap was fully settled during the reporting period.

In June 2025 the Group entered into a new liquidity swap on similar terms. The new arrangement has been accounted for in the same manner as the previous swap: the proceeds, EUR 30.8 million, was initially recognised at fair value as a financial liability, under Payables for EUA transactions in the balance sheet and the subsequent measurement is at amortised cost. In 2025, EUR 0.5 million of finance costs were recognised in respect of this arrangement. The liquidity swap will be realised in August 2026.

As at 31 December 2025, the carrying amount of the liquidity swap liability reflects the present value of the remaining fixed contractual repayment. No exposure to CO₂ price risk arises from these arrangements, as the contractual repayments are not dependent on changes in the market value of CO₂ emission allowances.



The table below presents the cash flows related to the liquidity swap arrangements

<i>in million EUR</i>	Liquidity swap	Total
Liquidity swap 31 December 2023	-	-
Changes occurred in 2024		
Cash movements		
Swap proceed	77.6	77.6
Non-Monetary movements		
Interest accrued	2.2	2.2
Total changes occurred in 2024	79.8	79.8
Liquidity swap 31 December 2024	79.8	79.8
Changes occurred in 2025		
Swap proceed	30.8	30.8
Swap repayment	(82.0)	(82.0)
Non-cash movements		
Interest accrued	2.7	2.7
Total changes occurred in 2025	(48.5)	(48.5)
Liquidity swap 31 December 2025	31.3	31.3

Purchase and Sale of CO₂ Emission Allowances

During the reporting period, the Group entered transactions involving the purchase of CO₂ emission allowances with the intention of reselling them immediately. The purchased allowances were initially recognised as an asset at cost and remained on the balance sheet until the related sale transaction was completed.

Payment for the purchased allowances is subject to a deferred settlement date. Accordingly, the related liability EUR 99.9 million is presented in the balance sheet under Payables for EUA transactions, measured at its present value.

The purchase and subsequent resale of CO₂ emission allowances resulted in a loss of EUR 0.2 million, with the related revenue recognised within Other operating income and the related costs recognised within Other operating expenses.

As the allowances were resold within the same reporting period, no emission allowances or related rights remained with the Group at the reporting date.

23. Contract liabilities and government grants payables

Connection and other service fees

<i>in million EUR</i>	31 December 2025	31 December 2024
Deferred connection and other service fees at the beginning of the period	407.6	364.4
Connection and other service fees received	57.1	54.8
The value of assets transferred for connection fees	4.9	7.0
Connection and other service fees recognised as revenue (Note 33)	(16.9)	(18.6)
Deferred connection and other service fees at the end of the period	452.7	407.6
Government grants	85.5	62.3
Total contract liabilities and government grants	538.2	469.9
of which current	3.5	2.0
of which non-current	534.7	467.9

Government grants

<i>in million EUR</i>	1 January - 31 December	2025	2024
Government grants at the beginning of the period		62.3	34.4
Additional government grants		25.9	29.7
Recognized as other operating income (notes 29 and 33)		2.7	(1.8)
Government grants at the end of the period		85.5	62.3

Government grants include grants for the following projects of the Group:

- Narva wind farm,
- reconstruction of the city of Narva district heating piping system,
- renovation of the city of Narva district heating piping system ,
- outsourcing air quality monitoring service outside the Eesti Energia oil production plant premises,
- Advanced Remote Engineering Platform,
- TSO-DSO-Consumer interface to provide innovative grid services for an efficient power system,
- improvement of the climate resilience of the electricity distribution network,
- user centric urban and long-range charging solutions,
- network investment to increase micro-production capacities,
- construction of broadband infrastructure.

The Republic of Estonia has allocated a grant under the Recovery and Resilience Plan for the project ‘Programme for improving the access of renewable energy production facilities to the electricity distribution network’. The support is provided from the Recovery and Resilience Facility of NextGenerationEU. The aim of the project is to increase the capacity of micro-generators (up to 15 kilowatt nominal capacity) to integrate renewable electricity generation plants into the distribution grid through high, medium and low voltage grid reinforcements and to improve the climate resilience of the distribution grid. The maximum amount of support is EUR 38 million. The project activities have been completed, and the final portion of the grant, EUR 22.8 million, was received in 2025.

There are certain obligations that the Group has to fulfil to make sure that the grants are not recovered: retention of project documents, presentation of project reporting upon demand, and, in the case of some projects, meeting certain technical requirements.



24. Provisions

in million EUR						Closing balance 31 December 2025	
	Opening balance 1 January 2025	Recognition and reversal of provisions	Interest charge (Note 30)	Use		Short-term provision	Long-term provision
Environmental protection provisions (Note 29)	22.3	(1.5)	1.0	(0.5)		1.4	19.9
Provision for dismantling cost of assets	14.5	-	0.8	-		-	15.3
Provision for greenhouse gas emission allowances (Notes 16 and 29)	125.2	107.1	-	(125.2)		107.1	-
Provision for renewable energy certificates	2.4	2.8	-	-		5.2	-
Other provision	6.2	1.0	0.1	(1.2)		2.9	3.2
Total provisions (Note 4)	170.6	109.4	1.9	(126.9)		116.6	38.4

in million EUR						Closing balance 31 December 2024	
	Opening balance 1 January 2024	Recognition and reversal of provisions	Interest charge (Note 30)	Use		Short-term provision	Long-term provision
Environmental protection provisions (Note 29)	17.0	4.9	0.8	(0.4)		1.2	21.1
Provision for dismantling cost of assets	11.8	2.1	0.6	-		-	14.5
Provision for greenhouse gas emission allowances (Notes 16 and 29)	205.1	60.3	-	(140.2)		125.2	-
Provision for renewable energy certificates	1.8	2.4	-	(1.8)		2.4	-
Other provision	6.0	2.0	0.1	(1.9)		2.8	3.4
Total provisions (Note 4)	241.7	71.7	1.5	(144.3)		131.6	39.0



The provision for greenhouse gas emissions has decreased significantly due to the changes in the electricity production market. See details from Note 1.1.

Provisions have been discounted at the rate of 4.14%–5.45% (2024: 4.65%–4.76%). Provisions are discounted using the discount curve that allows more accurate evaluation of the provisions in different time horizons.

Environmental protection provisions

Environmental protection provisions and provisions for the termination of mining operations have been set up for:

- restoring land damaged by mining;
- cleaning contaminated land surfaces;
- restoring water supplies contaminated as a result of the mining activities;
- ascertainment and compensation of damages caused by blasting work;
- closing landfills and neutralising excess water;
- maintenance of closed ash fields;
- closing of industrial waste dump;
- eliminating asbestos in power plants;
- for payment of mining rights fee.

Non-current environmental protection provisions will be settled at the mines of Enefit Power OÜ during the time period of 2025-2042 and at the power plants of Enefit Power OÜ during the time period of 2025-2048.

The costs related to the formation and revaluation of environmental protection provisions in the 2025 financial year amounted to EUR 1.3 million (2024: EUR 1.5 million) due to changes in discount rates, and the impact of changes in inflation rates was EUR 0.1 million (2024: EUR (0.9) million).

In the case of each individual provision, the inputs are highly specific, and no individual input has a significant impact on the total amount of the Group provision.

Provision for dismantling cost of assets

The provision for the dismantling costs of assets has been set up to cover the future dismantling costs of the generating units 8 and 11, the industrial waste dump of the Narva power plants and the Estonian electricity plant chimney. The present value of the dismantling costs of the assets has been included in the cost of property, plant and equipment. The provision for the Estonian electricity plant chimney is expected to be settled in 2026 and for other assets in 2034–2035.

Provision for greenhouse gas emission allowances

Accounting policies for the recognition of provisions for greenhouse gas emission allowances are described in Note 2.3 and additional information regarding greenhouse gas emission allowances can be found in Note 16.

25. Revenue

<i>in million EUR</i>	1 January - 31 December	2025	2024
Revenue from contracts with customers			
By activity			
Sale of goods			
Shale oil		142.1	189.7
Shale rock		0.1	-
Other goods		4.4	4.3
Total sale of goods		146.6	194.0
Sale of services			
Electricity (over time)		938.1	1 113.4
Sales of services related to network (over time)		360.7	304.9
Gas energy (over time)		94.1	110.3
Heat (over time)		38.4	33.8
Waste receptionand resale (in time)		14.0	15.0
Rental and maintenance income (over time)		1.0	0.9
Other services		45.6	24.0
Total sale of services		1,491.9	1,602.3
Total revenue from contracts with customers		1,638.5	1,796.3
Reclassifications from other comprehensive income			
Realisation of shale oil cash flow hedges (Note 20)		7.9	(11.1)
Realisation of electricity cash flow hedges (Note 20)		0.5	-
Total reclassifications from other comprehensive income		8.4	(11.1)
Total revenue (Note 5)		1,646.9	1,785.2

For information about the significant changes in electricity, gas and distribution network services revenues in 2025 compared to 2024, see Note 1.1.

Sales transactions generally do not contain significant financing components. There are no significant discrepancies between the time of revenue recognition and the time of receiving the consideration for the goods sold or services provided (with the exception of connection fees which are described below) as the average payment period is 14–30 days.

Contract liabilities recognised by the Group relate to advance consideration received from customers in relation to constructing the connections for new places of consumption in the power network and production facilities. The Group has concluded that the connection fees do not constitute a separate performance obligation from the sale of electricity or the ongoing provision of distribution service, and therefore the revenue from connection fees is deferred and recognised as revenue over the estimated average useful life of the assets required to provide the service, which is 35 years. Changes in the Group’s contract liability balances are disclosed in Note 24. The Group’s other revenue streams do not give rise to contract liabilities or contract assets.



26. Other operating income

<i>in million EUR</i>	1 January - 31 December	2025	2024
Sale of greenhouse gas emission allowances (Note 22)		99.7	-
Gain from revaluation of derivatives		66.0	56.8
Renewable energy grant		12.1	22.5
Fines, penalties and compensations		10.2	19.1
Government grants (Note 24)		2.7	1.8
Gain from sales of business (Note 35)		-	4.2
Gain on disposal of property, plant and equipment (Note 33)		1.0	0.6
Foreign exchange gain		0.2	-
Other operating income		0.5	2.5
Total other operating income (Note 5)		192.4	107.5

Fines, penalties and compensation for 2025 include penalty of EUR 4.0 million charged to Outotec GmbH for the late delivery of materials and equipment related to the construction of the new oil plant.

Fines, penalties and compensation for 2024 include:

- Compensation of EUR 7.2 million received by Enefit Power for damage to the turbine of generating unit 11.
- Compensation of EUR 8.2 million received under the settlement agreement between Enefit Green and GE Vernova, as a result of which Enefit Green and GE Vernova signed an amendment to the supply contract for the turbines of the Akmene wind farm, of which EUR 3.9 million was paid in cash by GE Vernova and the remaining amount was settled by offsetting mutual receivables and payables. Of the EUR 8.2 million, EUR 5.3 million was recognised as other operating income and EUR 1.6 million as a reduction of previously made investments. In addition, GE Vernova and Enefit Green entered into further agreements for an amount of EUR 1.3 million, which had no impact on the Group's financial results. In addition, GE Vernova and Enefit Green entered into further agreements for an amount of EUR 1.3 million, which had no impact on the Group's financial results.

For other information about derivatives see Notes 3 and 20.

27. Raw materials and consumables used

<i>in million EUR</i>	1 January - 31 December	2025	2024
Electricity		644.1	715.5
Greenhouse gases emissions expense (Note 24)		107.1	60.4
Gas bought for resale		85.0	103.9
Transmission services		68.0	78.6
Maintenance and repairs		56.3	63.9
Technological fuel		49.4	49.3
Materials and spare parts		37.5	34.2
Purchased works and services		24.9	25.0
Resource tax on mineral resources		16.1	22.5
Environmental pollution charges		13.5	11.6
Recognition of environmental and mining termination provisions (Note 24)		(1.5)	5.1
Other raw materials and consumables used		9.9	10.8
Total raw materials and consumables used (Note 5)		1,110.3	1,180.8

In 2025, electricity costs in the table above include the positive impact of realised cash flow hedges in the amount of EUR 40.1 million which decreased the cost of electricity (2024: increase of EUR 14.3 million).

In 2025, gas brought for resale costs in the table above include the negative impact of realised cash flow hedges in the amount of EUR 1.1 million which increased the cost of gas (2024: decrease of EUR 14.6 million).

For further information see Note 20.



28. Payroll expenses

1 January - 31 December	2025	2024
Number of employees		
Number of employees at the beginning of the period	4,927	5,252
Number of employees at the end of the period	4,684	4,927
Average number of employees	4,697	4,908

<i>in million EUR</i>	1 January - 31 December	2025	2024
Payroll expenses			
Wages, salaries, bonuses and vacation pay		162.9	159.8
Average monthly pay (in euros)		2,890.1	2,742.1
Other payments and benefits to employees		6.4	7.2
Payroll taxes		54.3	53.9
Recognition/reversal of employee related provisions		-	1.7
Total calculated payroll expenses		223.6	222.6
Of which remuneration to management and supervisory boards			
Salaries, bonuses, additional remuneration		5.1	4.9
Total paid to management and supervisory boards		5.1	4.9
Capitalised in the cost of self-constructed assets		(33.0)	(25.5)
Total payroll expenses (Note 5)		190.6	197.1

Payroll taxes include social security tax in the amount of EUR 52.3 million (2024: EUR 51.9 million) and employer's unemployment insurance contribution in the amount of EUR 1.2 million (2024: EUR 1.2 million). The Group has no other legal or constructive obligations to make pension or similar payments.

The members of the Management Board are appointed by the Supervisory Board for a term of 3 years.

29. Other operating expenses

<i>in million EUR</i>	1 January - 31 December	2025	2024
Sold greenhouse gas emission allowances (Note 22)		99.9	-
Loss from revaluation of derivatives		44.4	64.8
Miscellaneous office expenses		20.1	18.6
Consultation		9.2	8.4
Insurance		8.9	7.5
Building and structure costs		7.8	6.9
Loss on disposal of subsidiary (Note 35)		6.2	-
Rental expense (Note 8)		5.7	5.6
Taxes		3.6	3.4
Research and development costs		4.8	2.9
Compensations		0.4	1.4
Other operating expenses		16.6	11.6
Total other operating expenses		227.6	131.1

For other information about derivatives see Note 3, 14 and 20.
In 2025, the total cost of services provided by PricewaterhouseCoopers amounted to EUR 0.9 million (in 2024: EUR 0.8 million). These services included audit fees of EUR 0.6 million (in 2024: EUR 0.5 million) and other services of EUR 0.3 million (in 2024: EUR 0.3 million).

Breakdown of lease expenses disclosed in the table above

<i>in million EUR</i>	1 January - 31 December	2025	2024
Variable lease payments not included in the measurement of the lease liabilities		1.3	1.0
Low value leases		3.7	4.0
Short-term leases		0.7	0.6
Total		5.7	5.6

Discounted future payments expected to be made over the terms of leases with variable lease payments are disclosed in Note 34.

30. Net finance income/(costs)

<i>in million EUR</i>	1 January - 31 December	2025	2024
Finance income			
Interest income		8.4	11.7
Foreign exchange gain		-	3.7
Total finance income		8.4	15.4
Finance expenses			
Interest expenses on borrowings			
Interest expenses on bonds and loans		(78.8)	(103.6)
of which realised interest rate swap agreement		1.7	4.3
Amounts capitalised on qualifying assets		25.4	59.6
Total interest expenses on borrowings		(53.4)	(44.0)
Interest expenses on provisions (Note 24)		(1.9)	(1.6)
Other interest expenses		(3.0)	(2.4)
Total interest expenses		(58.3)	(48.0)
Foreign exchange losses		(1.8)	-
Other finance costs		(0.7)	(0.4)
Total finance costs		(60.8)	(48.4)
Net finance costs		(52.4)	(33.0)

The weighted average capitalisation rate of borrowings in 2025 was 5.7% (in 2024: 6.4%)

31. Income tax expense

According to the Income Tax Act, the companies are taxed in Estonia upon the distribution of dividends.

From 2019, dividend distributions were eligible for a 14% tax rate (the amount of tax payable is calculated as 14/86 of the net distribution). Thus, the dividends distributed by a resident company were taxed at a more favorable 14% or the regular 20% rate (with the amount of tax payable calculated as 14/86 or 20/80 of the net distribution, respectively). The more favorable tax rate could be applied to a dividend distribution that amounted to up to three preceding years’ average dividend distribution that had been taxed. From 1 January 2025, the standard income tax rate in Estonia is 22% instead of the previous 20%, and the lower dividend tax rate of 14/86 and the income tax withheld on dividends paid to physical persons of 7% has been cancelled.

Dividends distributed are exempt from income tax, if these are paid out from dividends received from other companies in which the recipient of the dividends had at least a 10% ownership interest at the time the dividend was paid.

Deferred tax liabilities and deferred tax expense

As at 31 December 2025, the Group had a deferred tax liability of EUR 18.5 million (31 December 2024: EUR 28.0 million), which is composed of the following main items:

- EUR 8.5 million (31 December 2024: EUR 9.1 million) relating to temporary differences between the fair values and the carrying amounts of the Lithuanian wind farms identified in the purchase price allocation on the acquisition of Nelja Energia AS in 2018;
- EUR 5.8 million (31 December 2024: EUR 9.9 million) relating to expected dividend distributions from Estonian subsidiaries; and
- the remaining balance, which mainly relates to deferred tax arising from the ordinary business activities and taxable profits of the Lithuanian subsidiaries.

<i>in million EUR</i>	1 January - 31 December	2025	2024
Estonia			
Net dividends		34.0	72.0
of which dividends subject to income tax rate 22/78 (in 2024 20/80)		8.6	-
tax-exempt dividends		25.4	72.0
Theoretical income tax at applicable rates		2.4	-
Effective income tax on dividends		2.4	-
Average effective income tax rate		7.1%	0.0%
Income tax expense arising from the subsidiaries		6.0	6.2
Income tax expense		8.4	6.2
Deferred tax expense (income)		(23.9)	19.5
of which deferred tax income		(36.6)	(7.7)
deferred tax expense		12.7	27.2
Total income tax expense		(15.5)	25.7

The decrease in the deferred tax liability compared with 31 December 2024 is mainly attributable to the reversal of the EUR 9.9 million deferred tax liability previously recognised in respect of expected dividends from Estonian subsidiaries, as these dividends will not be paid following the buy-out of the minority shareholding in Enefit Green, and to the partial unwind of temporary differences related to the Lithuanian wind farms.



Deferred tax assets and deferred tax income

The main drivers of the increase in deferred tax assets and the related deferred tax income in 2025 are:

- the reversal of the EUR 9.9 million deferred tax liability recognised as at 31 December 2024 in respect of expected dividend distributions from Estonian subsidiaries, following the decision not to distribute these dividends after the minority buy-out;
- the recognition in Lithuania of deferred tax assets arising from previously unused investment tax allowances, which are expected to reduce taxable profits in future periods;
- the recognition of deferred tax assets in respect of accumulated non-deductible interest under the 30% EBITDA limitation rule; and
- the upward remeasurement of Lithuanian deferred tax assets and liabilities that are expected to reverse after 2025, following the anticipated increase in the statutory corporate income tax rate from 16% to 17% from 2026 onwards.

32. Related party transactions

The sole shareholder of Eesti Energia AS is the Republic of Estonia.

For the purposes of the Group's financial statements, related parties include associates, members of the management and supervisory boards of the parent company, and other companies over which these persons have control or significant influence. Related parties also include entities under the control or significant influence of the state.

Transactions with associates

<i>in million EUR</i>	1 January - 31 December	2025	2024
Purchase of goods		9.7	10.4
Purchase of services		1.4	1.3
Proceeds from sale of services		2.9	0.3
Purchase of property, plant and equipment		0.4	-
Loans granted (note 14)		-	0.1
Dividends received (note 9)		8.9	4.5

Transactions with entities over which the members of Supervisory and Management Board have significant influence

<i>in million EUR</i>	1 January - 31 December	2025	2024
Receivables		1.4	1.1
Sale of goods and services		16.2	5.9
Purchases of goods and services		4.2	1.8

As 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 applied the exemption, provided in paragraph 25 of IAS 24, from disclosure of individually insignificant transactions and balances with the government and other related parties where the state has control or joint control of, or significant influence over, such parties.

The Group receives free greenhouse gas emission allowances from the Estonian Environmental Board which acts as the national administrator on the basis of a decision of the European Commission. The quantities of allowances allocated free of charge as well as their fair value which takes into account the market price of the EU emissions at the date of receiving them (date when rights are given over in EU emission register) are disclosed in Note 16.

The remuneration paid to the members of the Supervisory and Management Boards is disclosed in Note 29.

Receivables from associates are disclosed in Note 13 and payables to associates in Note 22. The change in receivables from associate in 2025 is attributable to the extent of EUR (1.5) million (in 2024: EUR 0.7 million) to the effect of the exchange rate of the US dollar, because the base currency for the receivables is the US dollar. For further information about the loan, see Note 13.

The service contracts with members of the Management Bord stipulate that upon early termination of the contract, the member of the Management Board is entitled to 3 months' remuneration as a termination benefit.

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

33. Cash generated from operation

<i>in million EUR</i>	1 January - 31 December	2025	2024
Profit/(loss) before tax		(98.1)	38.6
Adjustments			
Depreciation and impairment of property, plant and equipment and right of use assets (Notes 6 and 8)		353.6	319.5
Amortisation and impairment of intangible assets (Note 7)		10.2	9.0
Write-down of inventories (Note 11)		0.2	1.4
Connection and other service fees recognised as revenue (Note 23)		(16.9)	(18.6)
Gain on disposal of property, plant and equipment (Note 27)		(1.0)	(0.4)
Loss/(gain) on disposal of business (Note 35)		6.2	(4.2)
Amortisation of government grants related to assets (Note 23)		(2.0)	(1.8)
Profit from associates using equity method (Note 9)		(0.9)	(1.9)
Unpaid/unsettled loss/(gain) on derivatives		1.7	(39.2)
Compensations received		-	(1.4)
Loss/(gain) from other non-cash transactions		0.8	(0.7)
Interest expense on borrowings (Note 30)		56.2	46.2
Interest and other financial income (Note 30)		(8.4)	(11.7)
Net operating cash flow before changes in current assets and liabilities		301.6	334.8
Net change in current assets relating to operating activities			
Change in receivables related to operating activities (Note 13)		18.7	42.3
Change in inventories (Note 11)		13.7	(24.0)
Net change in other current assets relating to operating activities		48.6	322.2
Total net change in current assets relating to operating activities		81.0	340.5
Net change in current liabilities relating to operating activities			
Change in provisions (Note 24)		(15.6)	(71.1)
Change in trade payables (Note 22)		(21.9)	(22.8)
Net change in liabilities relating to other operating activities		101.6	122.3
Total net change in liabilities relating to operating activities		64.1	28.4
Cash generated from operations		446.7	703.7



34. Off-statement of financial position assets, contingent liabilities and commitments

(a) Assets that do not appear on the statement of financial position

Oil shale resources

The overview of the resources of oil shale in the possession of the Group and its associates is presented in the table below. The resources of oil shale of Estonian Republic represent the resources of oil shale in the official balance of natural resources. The resources of oil shale of international development projects are recognised based on the disclosure requirements of international standards for evaluation of resources and reserves. The classification and determination of the reliability of the resources have been carried out by authorised experts at both the level of exploration and economical perspective. Depending on the development phase the known technical, environmental and socio-economic restrictions have been adjusted and taken into account when recognising the resources.

The difference between ‘indicated’ and ‘inferred’ is the level of research conducted. Indicated is more researched, and in addition to the size of the stock, it is known to be economically viable.

Emission allowances

In 2026 an estimated amount of 967 345 tonnes of free CO₂ emission allowances will be allocated to installations belonging to the Group. The precise amount of free allowances to be allocated for 2026, will be determined by June 2026 at the latest. Free emission allowances are allocated for specific periods (for example, 2021–2025 and 2026–2030) and the quantities allocated depend on the production capacity of the installations. The detailed regulation adopted so far will apply until 2030. See additional information regarding greenhouse gas emission allowances from Note 16.

in million EUR	1 January - 31 December	2025	2024
Estonia			
Measured*		205.1	348.0
Jordan (APCO***)			
Measured*		339.6	351.7
Inferred**		841.0	851.1
Jordan (JOSE)			
Measured*		-	-
Inferred**		-	2,309.0
USA**			
Measured*		1,932.0	3,500.0
Indicated**		1,344.0	2,300.0
Inferred**		223.0	230.0

* Resource is part of an explored geological stock that has been determined taking into account known technical, environmental and socio-economic constraints

** Resource is the amount of oil shale with high economic potential in the earth's crust determined as a result of a geological survey, for which possible restrictions limiting the use have not been taken into account

*** Eesti Energia AS has 10% ownership of the company.



(b) Contingent liabilities

Litigation in progress

Enefit OÜ vs. AS Technomar & Adrem

On 20 August 2022, Eesti Energia AS and Technomar & Adrem AS entered into an electricity sales agreement for the period from 1 September 2022 to 31 December 2030. As a result of a business transfer transaction that took effect on 1 January 2024, all rights and obligations arising from the Agreement transferred to Enefit AS.

Technomar & Adrem terminated the Agreement prematurely on 5 April 2025. Under the general terms applicable at the time of conclusion, the buyer was entitled to ordinarily terminate the Agreement by paying a termination fee calculated in accordance with the methodology set out in Appendix 1. On 9 April 2025, Enefit AS submitted a claim to Technomar & Adrem for the payment of the termination fee in the amount of EUR 8,467,263.04, which the latter disputed, arguing either that the Agreement had been cancelled or that the termination fee clause was invalid.

On 30 May 2025, Enefit AS filed a claim with Harju County Court requesting payment of the termination fee or, alternatively, compensation for damages in the amount of EUR 5,720,613.56, and applied for a judicial mortgage in the amount of EUR 9,500,000; the court granted the security request. On 26 November 2025, Enefit AS submitted an expert opinion addressing the damages caused by the premature termination of the Agreement. The proceedings remain ongoing and no hearing date has been scheduled.

As a result of the merger between Enefit AS and Enefit Green AS, all rights and obligations arising from the Agreement transferred to Enefit OÜ as of 1 January 2026.

Attarat Power Company vs. China Energy Engineering Group Guangdong Power Engineering Co., LTD

On 24 August 2023, GPEC (China Energy Engineering Group Guangdong Power Engineering Co., LTD.) submitted a claim through the ICC arbitration court against APCO, seeking (i) payment of outstanding amounts, (ii) extension of time, and (iii) compensation for damages under the Engineering, Procurement and Construction (EPC) Agreement for the power plant, initially amounting to USD 433.6 million (later reduced to USD 391,489,160). APCO has refused to make the final milestone payments under the EPC Agreement because GPEC failed to meet its contractual obligations in a timely manner, entitling APCO to

liquidated damages. GPEC refused to pay the agreed liquidated damages, arguing that no damages were due as the delays were caused solely by a force majeure event.

On 23 September 2023, APCO filed a counterclaim requesting payment of liquidated damages under the EPC Agreement in the amount of USD 365.5 million (later increased to USD 585,493,685). The ICC arbitration tribunal seated in Hong Kong is reviewing both the claim and the counterclaim under ICC rules and English law.

APCO has appointed Slaughter & May as its legal adviser and representative. According to the current procedural schedule, the ICC oral hearing is set for 7 January 2026, and a decision is expected during the first or second quarter of 2026. At this stage, it is not possible to estimate with reasonable certainty the potential financial impact of the arbitration. If the tribunal rules in favour of GPEC, the potential exposure amounts to USD 391,489,160, although part of this is likely to be offset against liquidated damages payable by GPEC. Accordingly, the claim is disclosed as a contingent liability in the associate's financial statements and in this report.

If the claim is resolved with a negative outcome for the Group, the equity investment (31 December 2025: EUR 56.5 million; 31 December 2024: EUR 62.9 million) recognised in the statement of financial position may have to be written down.

Criminal Court case (in Jordan) initiated by Ministry of Environment against Attarat Power Company for operating the plant without the environmental permit

Jordanian prosecution authorities have initiated a criminal case against Attarat Power Company (APCO) for operating the power plant (and producing power) without an environmental permit. The potential penalties for this criminal offence are a fine and a suspension of the power plant's activities until the violation is corrected (although if APCO is found guilty, both penalties will apply). In fact, APCO applied for the environmental permit prior to commissioning the plant and starting production, but the Ministry of Environment refused to issue the environmental permit to APCO on the grounds that the environmental impact assessment prepared by APCO in 2015 has now expired as it was not properly extended (according to Jordanian environmental regulations, the environmental impact assessment must be extended every 3 years and APCO failed to extend it in 2018).



The case is currently before the Magistrates' Court, where a key witness for the opposing party must appear, but on nine occasions the witness has failed to appear, and the court has adjourned the case. As a result, it is difficult to estimate when a judgement might be expected. In the event of a negative decision, APCO could face a fine of JOD 500–3,000 and a temporary suspension of the operation of the power plant until a new environmental permit is issued.

APCO successfully obtained approval of its updated EIA in autumn 2025. The next step is applying for and obtaining a new environmental permit. Due to the prolonged duration of the legal proceedings, APCO expects to obtain the permit before any potential court decision takes effect.

Jordanian Customs Department vs APCO and GPEC

The Jordanian Customs Department has filed a total of 26 criminal cases against Attarat Power Company (APCO) and China Energy Engineering Group Guangdong Power Engineering Co., LTD. (GPEC, the EPC contractor of the power plant) for violation of customs regulations: (i) difference in value, (ii) unified fee (which is the customs value) and (iii) sales tax, (iv) customs fine and (v) sales tax fine. The value of the claim for all cases cumulatively amounts to EUR 12.2 million (JOD 9,397,200). The potential exposure is therefore EUR 12.2 million (JOD 9,397,200). The potential exposure in the Group's accounts may be 10% (EUR 1.2 million).

Soscor Energy case

In 2021, Soscor Energy PTE Ltd (Soscor), a company registered in Singapore, participated in the call for tenders for the sale of shale oil gasoline organised by Eesti Energia AS on behalf of its subsidiary Enefit Power AS (the seller). Soscor submitted a bid which was initially declared successful. Subsequent due diligence revealed that Soscor did not meet the requirements for transaction partners. Soscor was therefore excluded from the competition, and it was decided not to sign a sales contract with Soscor. Soscor did not accept the exclusion from the competition and claimed that the contract had already been entered into. In 2022, Soscor filed an arbitration claim against Enefit Power AS. The amount of the claim is between USD 5.6 million and USD 11.9 million.

On 22 May 2025, the arbitral tribunal issued its award in favour of Enefit Industry AS, dismissing all claims brought by Soscor. Soscor subsequently applied to annul the arbitral award, but on 27 November 2025 the court dismissed Soscor's application.

Claim against Elering and Fingrid arising from the limitation of FTR compensation

Eesti Energia AS and other market participants acquired, through the Joint Allocation Office (JAO), financial transmission rights (FTRs) on the Estonia–Finland interconnector from Elering AS and Fingrid Oyj during 2024–2025. FTRs entitle the holder to compensation for price differentials between the two bidding zones.

Elering, in coordination with Fingrid, notified market participants through JAO of force majeure events during the periods 28 January 2024 – 29 February 2024 and 27 December 2024 – 31 January 2025 due to damage to the Estlink 2 subsea cable. As a result, Eesti Energia received approximately EUR 1.47 million less in FTR compensation than contractually expected.

Market participants sought an opinion from ACER, via the Estonian Competition Authority, regarding the legality of limiting the compensation. In its opinion coordinated with the European Commission in 2025, ACER concluded that a physical cable failure does not prevent the fulfilment of financial obligations under FTRs and therefore the invocation of force majeure was not justified. Despite this, Elering and Fingrid have not recalculated or settled the outstanding compensation.

As a result, Eesti Energia (together with Alexela) filed a claim with Harju County Court on 4 February 2026 against Elering AS and Fingrid Oyj. The claim is currently pending admission by the court.

Court cases in Lithuania

To date, Lithuanian courts have sided with customers in disputes involving small enterprises, holding that customers are not obliged to pay a fee for the termination of a fixed-term electricity contract. With regard to medium-sized and large companies, the litigation is still ongoing, and no precedent-setting judgements have come into force, so it would be premature to make a final assessment.

If all of Enefit UAB's small and large business customers decided to terminate their fixed-term contracts without paying an early termination fee, Enefit UAB would incur a significant loss. Enefit UAB will appeal the judgements. The claims for early termination fees have not been recognised in financial statements as the probability of collection is below 50%.



Contingent liabilities arising from potential tax audits

Estonia

The tax authorities have not initiated or carried out any tax or individual case audits at any Group company in Estonia. The tax authorities have the right to audit the company's tax records within five years of the reported tax year and, if they find errors, they may impose additional taxes, interest and penalties. According to management's assessment, there are no circumstances that could give rise to a potential material liability in this respect.

Foreign countries

Foreign tax authorities have not performed any tax audits on any of the Group's subsidiaries except Enefit UAB. According to the assessment of the management board of Eesti Energia AS, there are no circumstances which would indicate a potential tax liability.

(c) Financial covenants

The loan agreements concluded by the Group include certain covenants that impose limits on the Group's consolidated financial indicators.

As at 31 December 2025, the Group was in compliance with all covenants under the loan agreements (in 2024 the Group was in compliance with all covenants under the loan agreements) (Note 22).

(d) ESG KPIs

The Group's syndicated loan agreement and the Group's loan agreement with Swedbank include two environmental, social and governance (ESG) key performance indicators (KPIs). Meeting or failing to meet the ESG KPIs has a positive or negative financial impact on the interest payable under the loan agreement (0.05% or up to EUR 0.3 million per year). There is no impact on the loan interest if one KPI is met, and the other is not met. During the reporting period, the Group did not meet the ESG-linked KPIs under either loan agreement. As a result, the non-compliance triggered an increase in the applicable interest margin in

accordance with the terms of the facilities (in 2024, one KPI was met and therefore there was no negative or positive impact on the loan interest).

(e) Commitments

Capital commitments arising from construction contracts

As at 31 December 2025, the Group had contractual obligations relating to the acquisition of non-current assets totaling EUR 156.6 million (31 December 2024: EUR 548.8 million).

Variable lease payments

Where the right to use land (the right of superficies) is based on variable lease payments which do not depend on an index or a rate (e.g. the payments are based on a percentage of the sale of the assets located on the land or the value of the cadastral unit), the lease is not accounted for by recognising a right-of-use asset and a lease liability in accordance with the requirements of IFRS 16 but it is accounted for by recognising the payments as operating expenses. The Group estimates that as at 31 December 2025 discounted future payments over the terms of the lease contracts totalled EUR 8.0 million (31 December 2024: EUR 6.6 million). Changes in underlying cadastral values, electricity prices or production volumes will affect the actual lease payments.

(f) Other

Investigation by the Data Protection Authority

The Latvian Data Protection Authority opened an investigation on 11 October 2024 into the authentication of a caller when concluding a contract over the telephone, following a customer complaint that a third party had concluded a contract on behalf of a person and then failed to pay the bills. An individual contacted Enefit SIA claiming that they had not signed the contract, and an internal investigation concluded that the contract had been signed by a third party. The process in Latvia was changed to authenticate the caller when signing a contract over the telephone, and the Latvian Data Protection Authority closed the case on 5 November 2024 following its own anonymous test of the new authentication process.



35. Sale of a subsidiaries

On 1 December 2025 Enefit Green signed an agreement to sell its subsidiary Tolpanvaara Wind Farm Oy in Finland to TD Greystone Infrastructure Fund, marking a strategic step in focusing on the Baltics and Poland markets. Contractual transaction price was EUR 83.1 million.

Recognised amounts of identifiable assets and liabilities sold

<i>in million EUR</i>	1 December 2025
ASSETS	
Property, plant and equipment	87.6
Right-of-use assets	3.9
Intangible assets	1.5
Trade receivables and other prepayments	1.4
LIABILITIES	
Lease liabilities	(4.2)
Trade other payables	(0.9)
Total net assets of the subsidiary disposed	89.3
Sales price	83.1
Loss from sales	(6.2)
Cash inflows in transaction	
Proceeds from sale	83.1
Cash and cash equivalents of subsidiary	-
Total cash inflows in transaction	83.1

On 29 November 2023, Enefit Green AS signed an agreement to sell its district heating businesses in Paide (Estonia) (a seperate sub-unit of Enefit Green AS) and Valka (Latvia) (the subsidiary named Enefit Power & Heat Valka) to Utilitas Eesti AS. The contractual value of the transaction was EUR 15.9 million. The final sales price was determined after a post-closing adjustment depending on the level of cash working capital in the business and it amounted to EUR 16.4 million.

Transaction required approval from the Estonian and Latvian Competition Authority and the Consumer Protection and Technical Regulatory Authority which was obtained in February 2024, and the transaction was completed in March 2024.

Recognised amounts of identifiable assets and liabilities sold

<i>in million EUR</i>	1 March 2024
ASSETS	
Property, plant and equipment	13.0
Intangible assets	1.0
Inventories	0.7
Trade receivables and other prepayments	1.2
Cash and cash equivalents	0.4
LIABILITIES	
Contract liabilities and government grants	(3.5)
Trade and ohter payables	(0.6)
Total net assets of the subsidiary disposed	12.2
Sales price	15.9
Post closing adjustment	0.5
Gain from sales	4.2
Cash flows in transaction	
Proceeds from sale	16.4
Cash and cash equivalents of subsidiary	(0.4)
Total cash inflows in transaction	16.0



36. Events after the reporting period

MERGERS OF SUBSIDIARIES

As of 1 January 2026, Eesti Energia AS transferred the assets related to the electricity business line to Enefit Green AS. As the sole shareholder, Eesti Energia AS decided at the end of 2025 to merge Enefit AS with Enefit Green AS. The merger balance sheet date was 1 October 2025, and the merger entries were registered in the Commercial Register on 2 January 2026. Enefit AS (formerly Enefit Green AS) was reorganised into a private limited company on 12 January 2026.

As of 1 January 2026, Eesti Energia AS transferred the assets related to the industry business line to Enefit Industry AS. As the sole shareholder, Eesti Energia AS decided at the end of 2025 to merge Enefit Solutions AS with Enefit Industry AS. The merger balance sheet date was 1 October 2025, and the merger entries were registered in the Commercial Register on 2 January 2026. Enefit Industry AS was reorganised into a private limited company on 8 January 2026.

EARLY REPAYMENT OF SYNDICATED LOAN

In February 2026, Eesti Energia AS made an early repayment of a EUR 600.0 million syndicated loan. At the time of repayment, the outstanding loan balance was EUR 471.4 million. The contractual maturity date of the loan was February 2028, but the parent company exercised its contractual option to repay the loan early.

VOLATILITY IN THE OIL MARKET RELATED TO THE IRAN CONFLICT

Subsequent to the reporting date, oil markets have experienced an increase in prices and heightened volatility due to the conflict involving Iran. Given the ongoing instability in the market, it is not possible, as at the date of signing these financial statements (31 March 2026), to reliably estimate the potential impact of this event on the Group's future financial performance.

This event represents a non-adjusting event after the reporting period and does not have an impact on the financial statements for the reporting period.

CESSATION OF MINERAL EXTRACTION AT THE NARVA QUARRY

In March 2026, the Management Board of Enefit Industry OÜ decided to consolidate all oil shale extraction activities into the Estonia mine in order to support the company's long-term competitiveness in the international liquid fuels market. As a result, extraction at the Narva quarry will be discontinued, and preparations will begin for the rehabilitation of the area and its transfer back to the state. The decision to close the Narva quarry was made after the end of the reporting period. The closure is treated as a non-adjusting event after the reporting period, as the related cessation and closure activities will commence in the second quarter of 2026. The event does not have an impact on the financial statements for the reporting period.



37. Financial information on the parent company

Financial information disclosed on the parent company includes the primary separate financial statements of the parent company, the disclosure of which is required by the Accounting Act of Estonia. The primary financial statements of the parent company have been prepared using the same accounting policies that have been used in the preparation of the consolidated financial statements. Investments in subsidiaries and associates are reported at cost in the separate financial statements of the parent company.

Separate income statement

<i>in million EUR</i>	1 January - 31 December	2025	2024
Revenue		342.7	338.2
Other operating income		261.2	186.1
Raw materials and consumables used		(337.6)	(277.2)
Payroll expenses		(42.7)	(45.5)
Depreciation, amortisation and impairment		(7.2)	(5.6)
Other expenses		(340.8)	(231.3)
Loss from impairment of investments in subsidiaries		(87.5)	(137.0)
Operating Loss		(211.9)	(172.3)
Financial income		99.3	112.5
Financial costs		(55.5)	(85.8)
Net financial income		43.8	26.7
Loss Before Tax		(168.1)	(145.6)
Corporate income tax expense		(2.4)	(0.1)
Loss For The Year		(170.5)	(145.7)

Separate statement of comprehensive income

<i>in million EUR</i>	1 January - 31 December	2025	2024
Loss For The Year		(29.3)	(145.7)
Other comprehensive loss			
Revaluation of hedging instruments net of reclassifications to profit or loss		0.2	(30.2)
Other comprehensive loss for the year		0.2	(30.2)
Total Comprehensive Loss For The Year		(29.1)	(175.9)



Separate statement of financial position

<i>in million EUR</i>	31 December 2025	31 December 2024
Assets		
Non-current assets		
Property, plant and equipment	46.0	46.0
Right-of-use assets	5.8	6.7
Intangible assets	13.7	17.9
Derivative financial instruments	154.2	276.6
Investments in subsidiaries	794.9	677.2
Other shares and holdings	0.3	0.3
Receivables from subsidiaries and other receivables	25.5	28.9
Total non-current assets	1,040.4	1,053.6
Current assets		
Inventories	0.1	23.7
Greenhouse gas allowances and certificates of origin	24.3	66.7
Trade and other receivables	1,278.5	1,095.5
Derivative financial instruments	93.2	133.1
Cash and cash equivalents	104.9	391.8
Total current assets	1,501.0	1,710.8
Total assets	2,541.4	2,854.9
Equity		
Share capital	846.6	746.6
Share premium	259.8	259.8
Hybrid bonds	398.5	398.5
Statutory reserve capital	75.0	75.0
Hedge reserve	0.1	(0.1)
Retained earnings	(255.7)	51.0
Total equity	1,324.3	1,530.8

<i>in million EUR</i>	31 December 2025	31 December 2024
Liabilities		
Non-current liabilities		
Borrowings and lease liabilities	756.6	817.6
Derivative financial instruments	44.1	58.6
Provisions	0.5	0.5
Total current liabilities	801.2	876.7
Current liabilities		
Borrowings and lease liabilities	125.3	130.5
Payables for EUA transactions	131.2	79.8
Trade and other payables	121.8	75.2
Derivative financial instruments	36.7	70.3
Contract liabilities and government grants	0.1	0.8
Provisions	0.8	0.3
Total current liabilities	415.9	356.9
Total liabilities	1,217.1	1,488.1
Total liabilities and equity	2,541.4	2,854.9



Separate statement of cash flows

<i>in million EUR</i>	1 January - 31 December	2025	2024
Cash flows from operating activities			
Loss before tax		(168.1)	(145.6)
Adjustments			
Depreciation of property, plant and equipment		5.7	4.2
Amortisation of intangible assets		1.5	1.4
Expected credit loss from loan to subsidiary		136.2	1.4
Loss arising from the impairment and disposal of a subsidiary		87.5	137.0
Unpaid/unsettled on derivatives		44.1	(28.6)
Interest expense on borrowings		54.8	79.9
Interest income		(89.3)	(83.2)
Dividend income		(17.2)	(22.0)
Profit from other non-cash transactions		(5.5)	(3.2)
Adjusted net profit/(loss)		49.7	(58.7)
Net change in current assets relating to operating activities			
Change in receivables relating to operating activities		4.8	98.9
Change in inventories		23.6	0.4
Net change in current assets relating to other operating activities		53.6	267.2
Total net change in current assets relating to operating activities		82.0	366.5
Net change in liabilities relating to operating activities			
Change in provisions		0.6	(0.1)
Change in trade payables		0.2	(1.8)
Net change in liabilities related to other operating activities		26.2	20.3
Total net change in liabilities relating to operating activities		27.0	18.4
Interest paid and borrowing costs		(61.6)	(81.8)
Interest received		81.0	73.9
Corporate income tax paid		-	(0.1)
Net cash flows from operating activities		178.1	318.2

<i>in million EUR</i>	1 January - 31 December	2025	2024
Cash flows from investing activities			
Dividends received from subsidiaries		2.2	22.0
Purchase of property, plant and equipment and intangible assets		(2.9)	(32.6)
Proceeds from sale of property, plant and equipment and intangible assets		-	0.1
Proceeds from grants of property, plant and equipment		0.2	0.7
Loans granted		-	(0.1)
Proceeds from sale of shares of associates		-	(0.3)
Change in overdraft granted to subsidiaries		(231.9)	(52.7)
Net cash used in investing activities		(232.4)	(62.9)
Cash flows from financing activities			
Loans received		1.2	30.0
Issued bonds (net of bond issuance costs)		49.3	391.7
Repayments of bank loans		(111.1)	(292.1)
Principal elements of lease payments		(0.9)	(0.8)
Shareholder contribution		100.0	-
Dividends paid		(34.0)	(72.0)
Coupons on hybrid bonds paid		(31.5)	-
Payment for acquisition of non-controlling interest in a subsidiary		(205.6)	-
Net cash used in/generated from financing activities		(232.6)	56.8
Net cash flows		(286.9)	312.1
Cash and cash equivalents at the beginning of the period		391.8	79.7
Cash and cash equivalents at the end of the period		104.9	391.8
Net increase/(-)decrease in cash and cash equivalents		(286.9)	312.1



Separate statement of changes in equity

<i>in million EUR</i>	Share capital	Share premium	Statutory reserve capital	Hybrid bonds	Hedge reserve	Retained earnings	Total
Equity as at 31 December 2023	746.6	259.8	75.0	-	30.1	255.3	1,366.8
Loss for the year	-	-	-	-	-	(145.7)	(145.7)
Other comprehensiveloss for the year	-	-	-	-	(30.2)	-	(30.2)
Total comprehensive loss for the year	-	-	-	-	(30.2)	(145.7)	(175.9)
Hybrid bond	-	-	-	391.7	-	-	391.7
Interest liabilities on a bond	-	-	-	6.8	-	(14.7)	(7.9)
Non-cash contribution to a subsidiary	-	-	-	-	-	28.1	28.1
Dividends paid	-	-	-	-	-	(72.0)	(72.0)
Total contributions to owners of the company, recognised directly in equity	-	-	-	398.5	-	(58.6)	339.9
Equity as at 31 December 2024	746.6	259.8	75.0	398.5	(0.1)	51.0	1,530.8
Adoption of new pronouncements	-	-	-	-	-	(70.3)	(70.3)
Equity as at 1 January 2025	746.6	259.8	75.0	398.5	(0.1)	(19.3)	1,460.5
Loss for the year	-	-	-	-	-	(170.5)	(170.5)
Other comprehensive income for the year	-	-	-	-	0.2	-	0.2
Total comprehensive income/(loss) for the year	-	-	-	-	0.2	(170.5)	(170.3)
Increase of share capital	100.0	-	-	-	-	-	100.0
Coupons on hybrid bonds paid	-	-	-	-	-	(31.5)	(31.5)
Acquisition of non-controlling interest of subsidiary	-	-	-	-	-	(0.4)	(0.4)
Dividends paid	-	-	-	-	-	(34.0)	(34.0)
Total contributions to owners of the company, recognised directly in equity	100.0	-	-	-	-	(65.9)	34.1
Equity as at 31 December 2025	846.6	259.8	75.0	398.5	0.1	(255.7)	1,324.3

Under the Accounting Act of Estonia, adjusted unconsolidated retained earnings are the amount from which a limited company can make payments to its shareholders. See reconciliation of the parent entity's equity to the adjusted unconsolidated equity from the table below.

Statement of financial position

<i>in million EUR</i>	31 December 2025	31 December 2024
Equity capital of the parent entity	1,324.3	1,530.8
Carrying amount of interests under control and significant influence	(794.9)	(677.2)
Carrying amount of interests under control and significant influence under the equity method	1,691.5	1,478.8
Adjusted unconsolidated equity (Note 19)	2,220.9	2,332.4



Independent Auditor’s Report

To the Shareholder of Eesti Energia AS

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Eesti Energia AS (the “Company”) and its subsidiaries (together – the “Group”) as at 31 December 2025, and the Group’s consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 31 March 2026.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated income statement for the year ended 31 December 2025;
- the consolidated statement of comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Aktsiaselts PricewaterhouseCoopers
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+372 6141 800, ee_info@pwc.com

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Independence

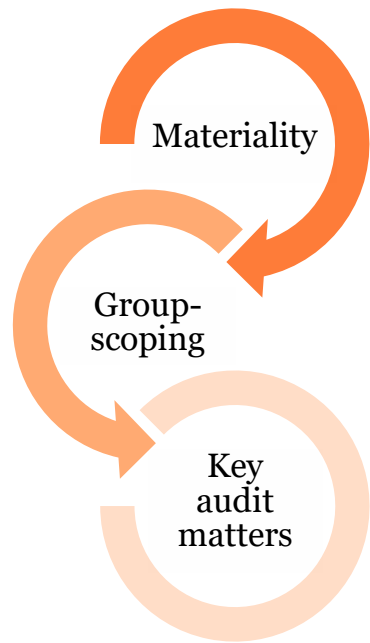
We are independent of the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 that are relevant to audits of financial statements of public interest entities, and Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation (EU) No 537/2014 and the Code of Ethics (Estonia).

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its subsidiaries within the European Union are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59¹ of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we have provided to the Company and its subsidiaries in the period from 1 January 2025 to 31 December 2025 are disclosed in Note 29 to the consolidated financial statements.

Our audit approach

Overview



- Overall Group audit materiality is EUR 7.9 million, which represents approximately 2.5% of underlying profit before finance income and costs, profit (loss) from associates under the equity method, tax, depreciation, amortisation and impairment losses (EBITDA).
- We tailored our audit scope based on the risk and size of entities within the Group and performed either a full scope audit or specific audit procedures over material income statement or statement of financial position line items. At the Group level we tested the consolidation process and performed separate analytical procedures over the components not covered by the above procedures to confirm our conclusion that no material misstatements exist that may affect the consolidated financial statements.
- Assessment of potential impairment of property, plant and equipment related to oil shale mining, shale oil, and power production.

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Management Board made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	EUR 7.9 million
How we determined it	Approximately 2.5% of EBITDA EBITDA is defined by the Group as profit before finance income and costs, profit (loss) from associates under the equity method, tax, depreciation, amortisation and impairment losses. EBITDA is a non-IFRS performance measure as disclosed in Note 5 of the consolidated financial statements. Management is responsible for defining and establishing this measure, and the method of its calculation may vary from other entities' calculation of similar measures or the Group's use of the terms that comprise this measure may vary from similarly titled terms used by others.
Rationale for the materiality benchmark applied	We have applied EBITDA as the benchmark because, as described in Note 5 of the consolidated financial statements, it is one of the key measures the management and stakeholders use to assess the Group's performance. We chose 2.5%, which is consistent with quantitative materiality thresholds used for this benchmark.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of potential impairment of property, plant and equipment related to oil shale mining, shale oil, and power production The significant assumptions used by management and their impact on the recoverable amount of property, plant and equipment are described in Notes 4 and 6 of the consolidated financial statements. As at 31 December 2025 the Group had property, plant and equipment of EUR 3,585.9 million, of which EUR 378.7 million are related to oil shale mining, shale oil and power production, and the total impairment recognised in 2025 in respect of these assets amounted to EUR 194.3 million. Volatile market prices of electricity and CO2 emission quotas and uncertainty regarding their future development were considered as an indication that the recoverable amount of the power-generating units that use shale oil as well as other fuels (Auvere and hybrid generating units) may be lower than their carrying value. The extended construction period of the Enefit 280-2 oil plant, the fixed-term nature of the environmental permit, and the volatility of liquid fuel and emission allowance market prices have a significant impact on the cash flow forecasts of the oil plants (Enefit 280-1, Enefit 280-2 and Enefit 140) and indicate that the recoverable amount of these assets may be lower than their carrying amount. Additionally, the construction delays of the Enefit 280-2 oil plant and the underutilization of power plants lead to a reduced need for oil shale,	We began our procedures by assessing whether impairment indicators exist for assets not identified by management. We used our knowledge of the Group and its business activities as well as our accumulated knowledge related to the industries where the Group operates. In addition, we performed inquiries with management and key employees and inspected internal documents of the Group. We evaluated management's key assumptions and estimates used in the calculation of the recoverable amount of the assets identified as potentially impaired, including the assumptions related to operational performance, such as forecasted electricity production, oil production and mining volumes, operating costs and operational reliability of the production assets. We challenged management's assumptions by corroborating the information with the information received from operational level management and by referencing them to the actual performance of the Group and to internal documents of the Group such as budget and production forecasts and minutes of meetings of Eesti Energia AS, Enefit Industry OÜ and Enefit Power OÜ Management and Supervisory Boards. Where management had used market and market-derived inputs, such as electricity, oil and CO2 emission quota prices, we reconciled them to available third-party information sources. We involved PwC valuation experts to help us with assessing the reasonableness of the discount rates used by management. We benchmarked these to external data and challenged the assumptions

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which in turn suggests that the recoverable amount of the mining assets may be lower than their carrying value.

The recoverable amount of Auvere power plant, hybrid generating units, E140, E280-1 and E280-2 oil plant and oil shale mining is determined as their value in use which is based on discounted future cash flows.

Impairment assessment is subjective and requires significant judgment due to an inherent uncertainty involved in the forecasting and discounting of the estimated future cash flows. The key underlying assumptions, such as forecasted electricity, oil and CO2 emission quota prices, are impacted by the global and country-specific political and economic factors. Consequently, there is a relatively high risk that due to the judgemental factors, potential impairment may be unidentified, or an impairment loss be miscalculated. Due to the above reasons we considered this area to be a key audit matter.

based on our knowledge of the Group and the industries where the Group operates.

We also assessed the adequacy of the disclosures related to the property, plant and equipment impairment testing in the consolidated financial statements.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Accordingly, based on the size and risk characteristics, we performed a full scope audit of the financial information for the following components of the Group:

- Enefit Power OÜ (electricity generation);
- Enefit Industry OÜ (shale oil production and oil shale mining);
- Elektrilevi OÜ (distribution network);
- Enefit SIA (electricity and gas energy sales in Latvia);
- Enefit UAB (electricity and gas energy sales in Lithuania);
- Eesti Energia AS (the Group's parent entity);
- Enefit OÜ (former name: Enefit Green AS) (electricity generation from renewable sources and the sale of electricity and gas in Estonia);
- Enefit Wind OÜ (electricity generation from renewable sources).

In addition, specific audit procedures over significant balances and transactions were performed for: Enefit AS (01.01.25-30.09.25), Enefit Sp.z.o.o., Imatra Elekter AS, Narva Soojusvõrk, Enefit Solutions AS (01.01.25-30.09.25), Enefit Outotec Technology OÜ, Attarat Holding OÜ, Enefit Green Solar OÜ, Liivi Offshore OÜ, Enefit American Oil Co., Enefit Green Sp.z.o.o., Enefit Wind UAB, UAB Energijos žara, UAB Vejo Parkai, UAB Vejoteka, UAB Kelmes Vejo Energija and UAB Šilalės Vėjas.

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At the Group level we tested the consolidation process and performed separate analytical procedures over the components not covered by the above procedures to confirm our conclusion that no material misstatements exist that may affect the consolidated financial statements. Information describing the structure of the Group is included in Note 10 of the consolidated financial statements.

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises the Management report, including Sustainability Statement, the Profit allocation proposal, the Glossary and the Investor Information report to the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information, including the Management report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared (excluding the Sustainability Statement) in accordance with the requirements of the Accounting Act of the Republic of Estonia.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements; and
- the Management report (excluding the Sustainability Statement) has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report or in this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format (“ESEF”)

We have been engaged based on our agreement by the Management Board to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of Eesti Energia AS for the year ended 31 December 2025 (the “Presentation of the Consolidated Financial Statements”).

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

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The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and those charged with governance

The Management Board is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (Estonia) 3000 (revised) “Assurance Engagements other than Audits and Reviews of Historical Financial Information” (ISAE (EE) 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE (EE) 3000 (revised) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)), and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

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Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group’s use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

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Appointment and period of our audit engagement

We were first appointed as auditors of Eesti Energia AS for the financial year ended 31 March 2004. Our appointment has been renewed by tenders and shareholder resolutions in the intermediate years. The Company qualified as an EU public interest entity for financial year ended 31 December 2025, representing the total period of our uninterrupted engagement appointment for Eesti Energia AS of 22 years and, as a public interest entity, of 1 year. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of Eesti Energia AS can be extended for up to the financial year ending 31 December 2044.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Lauri Past
Certified auditor in charge, auditor's certificate no. 567

31 March 2026
Tallinn, Estonia

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Independent practitioner’s limited assurance report on Eesti Energia AS consolidated Sustainability Statement

To the shareholder of Eesti Energia AS

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Eesti Energia AS (the “Company”), included in part Sustainability Statement of the Management Report (the “consolidated Sustainability Statement”), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the consolidated Sustainability Statement (the “Process”) is in accordance with the description set out in note IRO-1. Identification and assessment of material impacts, risks and opportunities; and
- compliance of the disclosures in subsection EU Taxonomy within the Environmental Information section of the consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Aktsiaselts PricewaterhouseCoopers
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Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* (“ISAE (EE) 3000 (Revised)”) as adopted by Auditing Activities Oversight Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner’s responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) (Code of Ethics_(Estonia)) as adopted by Auditing Activities Oversight Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management (Estonia) 1 (revised), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the consolidated Sustainability Statement

Management Board of the Company is responsible for designing and implementing a process to identify the information reported in the consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note IRO-1. Identification and assessment of material impacts, risks and opportunities of the consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

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- making assumptions that are reasonable in the circumstances.

Management Board of the Company is further responsible for the preparation of the consolidated Sustainability Statement, in accordance with Section 31, subsection 4 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection EU Taxonomy within the Environmental Information section of the consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Management Board determines is necessary to enable the preparation of the consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group’s sustainability reporting process.

Inherent limitations in preparing the consolidated Sustainability Statement

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In reporting forward-looking information in accordance with the ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Practitioner’s responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the consolidated Sustainability Statement as a whole.

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As part of a limited assurance engagement in accordance with ISAE (EE) 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company’s description of its Process set out in note IRO-1. Identification and assessment of material impacts, risks and opportunities.

Our other responsibilities in respect of the consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company’s internal documentation of its Process; and

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- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in note IRO-1. Identification and assessment of material impacts, risks and opportunities.

In conducting our limited assurance engagement, with respect to the consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated Sustainability Statement by:
 - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
 - obtaining an understanding of the roles and responsibilities in the preparation of the consolidated Sustainability Statement, including communication within the Group and between the Management Board and those charged with governance.
- evaluated whether the information identified by the Process is included in the consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the consolidated Sustainability Statement;
- where applicable, compared disclosures in the consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and Management Report;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated Sustainability Statement.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language

Janno Hermanson
Certified auditor in charge, auditor's certificate no. 570

31 March 2026
Tallinn, Estonia

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Profit allocation proposal

The retained earnings of the Eesti Energia Group as at 31 December 2025 were EUR 312,968,894.44 of which the loss for the year 2025 amounted to EUR 89,152,604.29.

The Management Board proposes under section 332 of the Commercial Code of Estonia to allocate the retained earnings of the Eesti Energia Group as at 31 December 2025 as follows:

- 1. to pay EUR 35,300,000 as dividends to the shareholder;
- 2. not to distribute the remaining retained earnings of EUR 277,668,894.44 due to the continuing financing needs of the Eesti Energia Group.

Signatures of the Management Board to the annual report for financial year 2025

In the 2025 financial year, the Eesti Energia Management Board complied as required with the duties of members of the Management Board and led the Eesti Energia Group to achieve its targets. The Management Board has regularly reported to the Supervisory Board, has acted within its powers and has submitted all the information necessary for decision-making to the Supervisory Board. The Management Board is aware of and hereby confirms its responsibility for the preparation of the annual report and for the data therein.

31 March 2026

Andrus Durejko
Chairman of the Management Board

Marlen Tamm
Member of the Management Board

Juhan Aguraiuja
Member of the Management Board

Lauri Karp
Member of the Management Board



Glossary

Base investments – investments necessary to maintain existing production capacities

Clean Dark Spread (CDS) – Eesti Energia’s margin between the price of electricity (in NP Estonia) and oil shale costs and CO₂ costs (taking into account the price of CO₂ allowance futures maturing in December and the amount of CO₂ mitted in the generation of a MWh of electricity)

CO₂ emission allowance – According to the European Union Emissions Trading System (ETS), one emission allowance gives the holder the right to emit one tonne of carbon dioxide (CO₂). The limit on the total number of emission allowances available gives them a monetary value

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

EBITDA – Earnings before interest, taxes, depreciation and amortisation

EBITDA margin – Earnings before interest, taxes, depreciation and amortisation divided by revenue

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

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

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

MWh – megawatt hour. 1 MWh is the unit of energy generated (or consumed) in one hour by a device operating at a constant power of 1 MW (megawatt) 1,000,000 MWh = 1,000 GWh = 1 TWh

Net debt – Debt obligations (amortised) less cash and cash equivalents (incl. bank deposits with maturities exceeding 3 months), units in money market funds and investments in fixed income bonds

Network losses – The amount of electricity delivered to customers is somewhat smaller than the amount supplied from power plants to the network because during transfer a part of electricity in the power lines and transformers converts into heat. To a lesser extent, network losses are caused by power theft and incorrect measuring. The network operator has to compensate energy losses and for this a corresponding amount of electricity has to be purchased every hour

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

ISO 14001 – international standards that address risk management in the areas of occupational health and safety, environmental management system and accident prevention

Position hedged with forward transactions – The quantity of electricity and shale oil to be sold and emission allowances to be purchased in future periods whose average price is previously fixed

ROE - operating profit divided by equity

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

Variable profit – Profit after deducting variable costs from sales revenue



Investor information

The Group’s results for the financial year 2026 are released as follows:

- Q1 interim report – 30 April 2026
- Q2 interim report – 31 July 2026
- Q3 interim report – 30 October 2026

Eesti Energia’s financial results and contacts for investor relations are available on the Group’s web page:
<https://www.enefit.com/en/investorile>

Eesti Energia 