



Eesti Energia AS Green Financing Report

1 July 2021 – 31 December 2024

Table of Contents

General Information	3
Allocation Reporting	4
Basis of Preparation	6
Impact Reporting	9
Post Issuance External Verification on Reporting	9



General Information

This report complies with Eesti Energia AS's Green Finance Framework (hereinafter the Framework), which outlines Eesti Energia (hereinafter named together with its subsidiaries Elektrilevi OÜ and Enefit AS with its subsidiaries '**the Group**'), the Group's commitment to sustainability and climate change mitigation. The Framework (June 2024 version) is published on [Eesti Energia's website](#). The Framework and the current Green Financing Report relate to Eesti Energia AS outstanding Green Hybrid Bond, issued in July 2024.

The report covers the period from 1 July 2021 to 31 December 2024 (the Reporting Period). Entities belonging to the Group have been investing into following Eesti Energia AS's specific assets:

- Electric Transport Services (Enefit AS and its subsidiaries Enefit SIA, Enefit UAB, Enefit Sp. z o.o., Enefit OY), and
- the Grid Distribution Network (Elektrilevi OÜ).

Allocation Reporting

Allocation of Proceeds		2021*	2022	2023	2024	2021-2024
Grid Distribution Network Investments	mln €					227.2
Total Investments	mln €	58.9	123.0	167.4	132.0	
Gross Eligible Green Investments	mln €	49.3	106.1	143.8	108.0	
Deduction (not allocated investments due to grants and connection fees)	mln €	-20.5	-50.8	-64.8	-77.4	
Total Net Eligible Green Investments	mln €	28.8	55.3	79.0	30.5	193.6
Total Other Investments	mln €	9.5	16.8	23.6	24.1	
Weighting	%	45%	45%	45%	45%	
Total Net Other Eligible Investments	mln €	4.3	7.7	10.7	11.0	33.7
Electric Transport Services Investments	mln €					16.2
Total Investments	mln €	9.7	25.1	35.9	20.8	
Gross Eligible Green Investments	mln €	0.3	0.5	3.4	12.3	
Deduction (not allocated investments due to grants)	mln €	0.0	0.0	0.0	-0.4	
Total Net Eligible Green Investments	mln €	0.3	0.5	3.4	11.9	16.2
Total Allocation of Proceeds	mln €	33.4	63.5	93.1	53.4	243.4

2021* includes the period from 1 July 2021 to 31 December 2021

Balance amount of unallocated net proceeds	mln €	156.6
Total net proceeds	mln €	400.0
Total allocation of Proceeds	mln €	243.4

Financing vs Refinancing

Refinancing refers to all allocated capital within the three-year look-back period, i.e. from 1 July 2021 to 30 June 2024. From 1 July 2024, all allocated capital is considered as financing, as specified in Green Finance Framework.

Portion of financing and refinancing	mln €	%
Financing (from 1 July 2024 to 31 December 2024)	31.3	13%
Refinancing (from 1 July 2021 to 30 June 2024)	212.1	87%

Examples of Eligible Green Projects

Under the Framework, the Group discloses selected eligible green projects attributable to the funding.

Project – Grid Investments, "2022. aasta lisaeelarvest antava toetuse kasutamise leping"

The goal of the project is to enhance the ability of micro-producers (with nominal capacity of up to 15 kW) to integrate renewable energy production into the electricity distribution network by carrying out medium- and low-voltage network reinforcement works.

As a result of the project, the potential connection capacity of renewable electricity production equipment in the distribution network has increased by 126 MW.

The total investment in the project from Elektrilevi OÜ's own funds amounted to €9.2 million by 31 December 2024.

Project – Public charging network expansion with ultra-fast charging capabilities in Estonia, with the support of EU funds (CEF)

With the support of EU funds, Enefit AS is expanding its public charging infrastructure in Estonia with ultra-fast chargers. The company will install chargers with at least 150 kW capacity per connector (640 kW per location) at 13 locations across Estonia by spring 2027, supported by the CEF (Connecting Europe Facility).

These chargers will allow drivers to charge their vehicles for a range of up to 100 km in just a few minutes, depending on the vehicle model. The project is being implemented in three phases: preparations started in 2023; the first phase (5 locations) was rolled out in 2024 with final commissioning in June 2025; the second and third phases are planned to be commissioned in 2026 and 2027, respectively.

The chargers will be located along TEN-T (Trans-European Transport Network) routes and in major cities such as Tallinn, Pärnu and Tartu. This project is co-funded by the European Union's CEF Transport Alternative Fuels Infrastructure Facility.

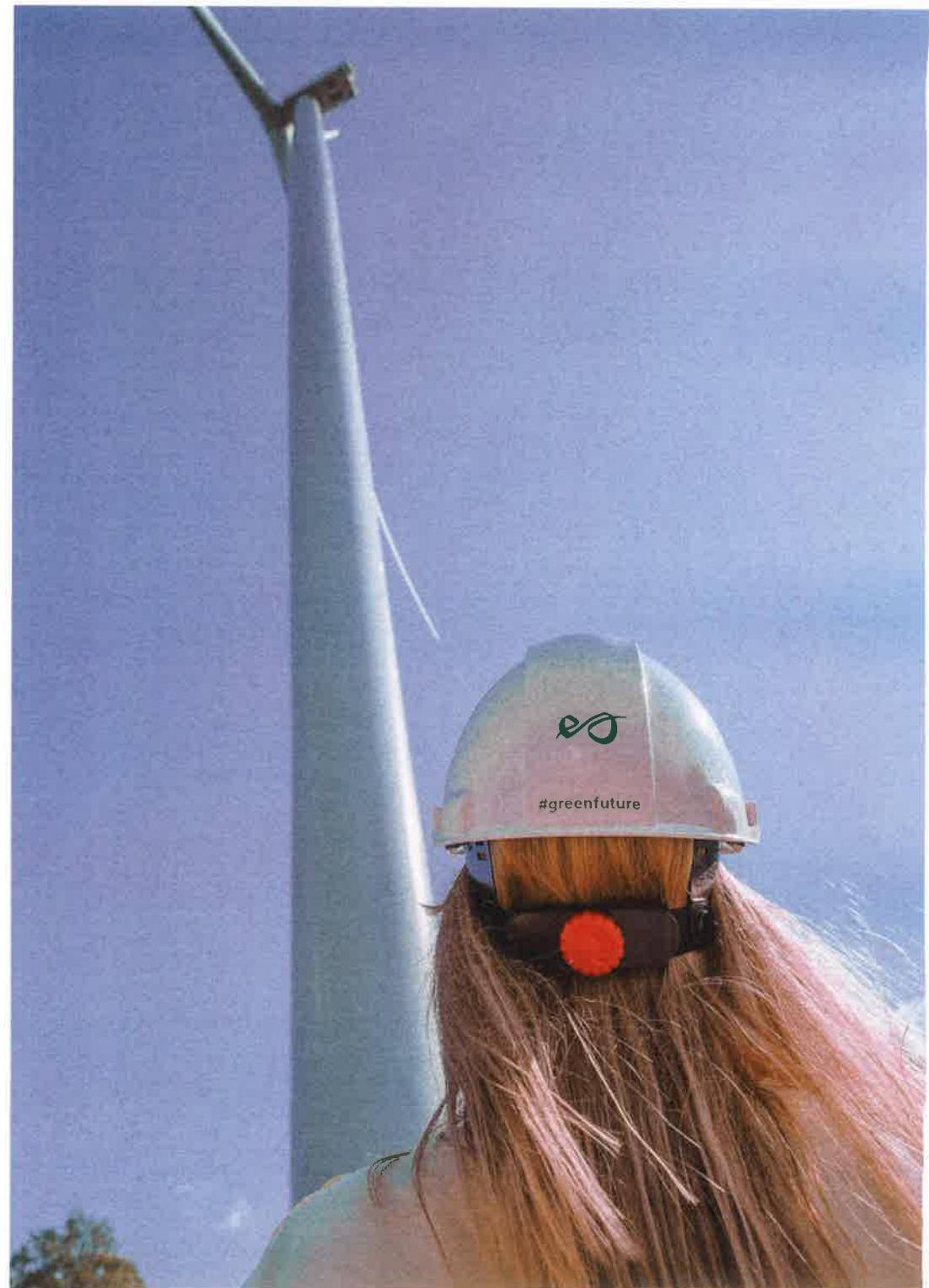
Basis of Preparation

The report has been prepared by applying the accrual basis of accounting by applying cost method, except if stated otherwise.

Total investments

Total investments consist of Gross Eligible Green Investments and Total Other Investments. These are tangible and intangible items, including work in progress, that are used in the Group's operating activities and have an expected useful life of over one year. Total Investments are presented in Green Financing Report at acquisition cost. Acquisition cost includes expenditure that is directly attributable to the acquisition of an item (CAPEX). For the purpose of Green Financing Report – amortization, depreciation, impairments and write-offs are not deducted. The cost of a purchased investments comprises the purchase price, transportation and installation costs, and other costs directly attributable to the acquisition or implementation of the asset. The cost of a self-constructed item includes the cost of materials, services and labour incurred in its construction and implementation.

Although the Framework provides that both CAPEX and OPEX are eligible to be classified as Eligible Green Investments, relevant decision making body (the Green Finance Working Group) for the Group has decided to exclude OPEX in order to ensure conservative approach. The Green Finance Working Group consists of internal strategic leaders and experts in environmental, sustainability and finance areas.



Gross Eligible Green Investments

Gross Eligible Green Investments, (hereinafter “GEGI”) as defined in the Green Hybrid Bond Prospectus, consists of Total investments and are investments in the eligible green categories of renewable energy which consist of investments specifically related to the:

- a) Grid Distribution Network, and
- b) Electric Transport Services.

Deductions

Deductions include received connection and service fees received from customers during the relevant period to finance corresponding GEGI's. Deductions also include grants related to the corresponding assets and are accounted for on an accrual basis based on the Group Management's best estimate as corresponding cash outflows are, in part, subject to future approval by corresponding third parties at the date of current report.

Total Net Eligible Green Investments

Net EGIs consist of Gross EGIs – by definition, investments to the above-mentioned green categories – less deductions.

Total Other Investments and weighting (for Grid Distribution Network Investments)

Total other investments consist of total investments less gross eligible green investments. Weighing is defined in section “Investments not 100% meeting the Eligible Green Project definition (Total Other Investments)” below.

Total Net Other Eligible Investments (for Grid Distribution Network Investments)

Total Net Other Eligible Investments are calculated by multiplying Total Other investments with weighting.

As set out in the Framework, an amount equivalent to the net proceeds of the Green Financing Instruments (e.g. Green Hybrid Bond) will be used to finance or refinance, in whole or in part, new or existing eligible green investments or assets defined in the table as total net “Eligible Green Investments”.

In overall, Eesti Energia AS ensures that total net EGIs in both categories – Electric Transport Services and Grid Distribution Network – are identified and verified in line with the Framework, actively monitored, and adjusted where necessary to maintain compliance. The Eligible Green asset portfolio is kept current by excluding non-qualifying items (grant- and fee-related deductions via net investments). In parallel, the Framework is updated to remain aligned with evolving strategy, taxonomies, and regulation, while environmental and social risks are managed and transparent allocation and impact reporting is produced on an ongoing basis.

Eligibility Criteria for Green Investments

Investments into Electric Transport Services

As stated in the Framework, all investments in Electric Transport Services are considered as EGIs and will take place in Enefit AS and its subsidiaries. The investments mainly include the acquisition and installation of charging stations for electric vehicles throughout Baltics and Poland.

Investments into Grid Distribution Network

Grid Distribution Network investments represent all EGIs of Elektrilevi OÜ. These are split into two categories:

- a) Total Net Eligible Green Investments, which are Gross Eligible Green Investments, where associated non-allocable investments related to grants and connection fees are deducted from;
- b) Net Other Eligible Green Investments, which are calculated by subtracting Gross Eligible Green Investments from Total Investments, and applying the applicable ratio to the remainder. The ratio reflects the share of electricity from renewable sources transmitted through the Estonian grid.

With regard to investments into the grid, there are two primary allocation methodologies:

1. **Investments recognised as 100% Eligible Green Projects (Total Net Eligible Green Investments), that fall into following categories:**

- a) Overall investments

Elektrilevi OÜ considers as green all investments where activities are

carried out to increase and strengthen overall network capacity. In general, such activities include installing more powerful or additional transformers, constructing lines with a larger cross-section (thicker conductors) or entirely new lines, increasing voltage levels, etc. This capacity can be used by both green producers and consumers in the network, as well as by new capacities of this type connecting to the network.

b) Connection investments

In principle, connection investments mean enabling the access points for additional energy producers and consumers. All connections create additional power flow in the network. Therefore we consider almost all connection investments as green, except relocations of existing network or replacements (i.e overhead line with underground cable) as such actions do not increase network capacity.

2. **Investments not 100% meeting the Eligible Green Project definition (Total Other Investments)**

The remaining net investments made by Elektrilevi OÜ (Total Other Investments) are recognised by applying the applicable ratio of renewable energy transmitted through the grid. This is because all investments made by Elektrilevi OÜ are directly or indirectly related to grid investments. The renewable electricity production ratio is defined as the share of renewable electricity produced in Estonia.

The applicable ratio is 45%, which represents the average percentage of renewable energy in the electricity transmitted through the grid during the Reporting Period. This period corresponds to the period of reported investments and, in line with the Framework, this ratio must be used. The ratio is sourced from the Estonian TSO (Transmission System Operator), [Elering's website](#). For reporting purposes, the data has been updated for this period and applied for allocation.

Impact Reporting

As set out in the Framework, the Group provides impact reporting at the level of Grid Distribution Network and Electric Transport Services categories. This will include the following estimated impact reporting metrics:

- Capacity of renewable energy production connected to the grid (MW), based on connection agreements
- Reduction of grid losses through energy efficiency improvements and maintenance (MWh)
- Number of EV charging stations connected to the grid, based on the charging station management information system in which all chargers operating in the network are registered.

Impact Reporting	Unit	2024
Capacity of renewable energy production connected in the grid	MW	947
Maintenance and reduction of grid losses through energy efficiency gains and maintenance	MWh	4 600
Number of EV charging stations connected to the grid	No.	575

Post Issuance External Verification on Reporting

As set out in the Framework, the allocation of the Green Financing Instruments will be subject to annual external verification by an independent auditor, until the full allocation of proceeds has been completed

Signed:



Marlen Tamm, CFO
Member of the Management Board
of Eesti Energia AS



Andrus Durejko, CEO
Member of the Management Board
of Eesti Energia AS

Eesti Energia 



Independent Limited Assurance Report

To the Management Board of Eesti Energia AS

Introduction

We were engaged by the management of Eesti Energia AS (the “Company”) on the basis of an agreement to perform limited assurance engagement on the Selected Information of the Company and its selected subsidiaries (the “Group”) as described below and included in the Eesti Energia AS Green Financing Report for the period of 1 July 2021 to 31 December 2024 (the “Green Financing Report”).

Description of the underlying subject matter and reporting criteria

The subject matter of this engagement is the allocation of the Green Hybrid Bond net proceeds to Eligible Green Investments as defined in Company's Green Finance Framework issued by Eesti Energia AS on June 2024 prepared by the Management Board of the Company and disclosed in Appendix 1 to this report (the "Selected Information").

The scope of our limited assurance procedures was limited to the Selected Information as described above. We did not perform any procedures with respect to any other items included in the Green Financing Report, except for the Selected Information, and therefore, we do not express any conclusion thereon.

The criteria used by the Company to prepare the Selected Information are defined in the Eesti Energia Green Finance Framework's section “2.2 Use of Proceeds” and further specified in the section “Basis of preparation” of the Green Financing Report (the “Reporting Criteria”). We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the management of the Company

The management of the Company is responsible for:

- designing, implementing, and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;

- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparing and reporting the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness, and overall presentation of the Selected Information.

Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Selected Information based on the procedures we have performed and the evidence we have obtained. We performed a 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)). This standard requires that we comply with the ethical requirements, and that we plan and perform the procedures to obtain limited assurance on whether the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed 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.

Professional ethics and quality management

We are independent of the Company 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).

We apply 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.

Summary of work performed

Our planned and performed procedures were aimed at obtaining limited assurance that the Selected Information for the period of 1 July 2021 to 31 December 2024 has been prepared, in all material respects, in accordance with the Reporting Criteria.

Our limited assurance engagement procedures included:

- inquiries and interviews with the Company's representatives responsible for collecting, managing, reviewing, and disclosing the data included in the Green Financing Report related to the Selected Information;
- analysing the Group's processes and controls relevant for the preparation of the Selected Information;
- gaining understanding of the calculation methodology and data collection process of the Selected information;
- recalculating formulas used in the preparation of the Selected Information;
- reconciling total investments with the Group's accounting records;
- reconciling gross eligible investments with the Group's internal allocation;
- testing gross eligible investments on a sample basis by underlying source documents to verify application of the Reporting Criteria, correct period and amount;
- reconciling connection fees received with the Group's accounting records and on a sample basis testing allocation to gross eligible green investments;
- reconciling accrued grants with underlying source documents and on a sample basis testing allocation of grants to gross eligible green investments;
- reconciling the total net proceeds disclosed in the Green Financing Report with the Prospectus of Company's Green Hybrid Bond issued on 15 July 2024;
- recalculating weighting percentage based on its source data;
- recalculating total other investments, total net other eligible investments and total net eligible green investments;

- recalculating portion of financing and refinancing based on underlying source documentation;
- checking the mathematical correctness of the calculation of Selected information;
- assessing overall presentation of the Selected information and compliance with principles set out in Basis of Preparation section in the Green Financing Report to the extent relevant for our work.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent limitations

Under the Green Finance Framework to which the prospectus dated 15 July 2024 refers to, there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Green Finance Framework and further described in the section Basis of preparation of the Green Financing Report.

Our conclusion

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 Selected Information for the period of 1 July



2021 to 31 December 2024 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restrictions on use and distribution

Our report has been prepared solely for the Management Board of the Company to assist the Management Board of the Company in reporting on the Group's allocation of net proceeds of Green Hybrid Bond dated 15 July in compliance with Green Finance Framework and in responding to their responsibilities by obtaining an independent limited assurance report in connection with the Selected information. The Selected information therefore may not be suitable, and is not to be used, for any other purpose. We permit this report to be disclosed in the Green Financing Report, which will be published on the Company's website¹. In connection with this report, PricewaterhouseCoopers AS does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) with entities other than the Company in the context of this report. The above does not relieve us of liability where such release is excluded by law.

On behalf of AS PricewaterhouseCoopers

Janno Hermanson
Certified auditor in charge
Auditor's Certificate No.570

Tallinn, Estonia
19 December 2025

¹ The maintenance and integrity of the Company's website is the responsibility of the Management Board of the Company; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any

changes that may have occurred to the reported Selected information when presented on the Company's website

Appendix 1: Selected Information subject to limited assurance procedures.

The Selected Information subject to limited assurance procedures is set out below. The Selected information has been extracted from the page 4 and 5 of the Green Financing Report.

Allocation of Proceeds		2021-2024
Grid Distribution Network Investments	mln €	227.2
Total Investments	mln €	
Gross Eligible Green Investments	mln €	
Deduction (not allocated investments due to grants and connection fees)	mln €	
Total Net Eligible Green Investments	mln €	193.6
Total Other Investments	mln €	
Weighting	%	
Total Net Other Eligible Investments	mln €	33.7
Electric Transport Services Investments	mln €	16.2
Total Investments	mln €	
Gross Eligible Green Investments	mln €	
Deduction (not allocated investments due to grants)	mln €	
Total Net Eligible Green Investments	mln €	16.2
Total Allocation of Proceeds	mln €	243.4

Balance amount of unallocated net proceeds	mln €	156.6
Total net proceeds	mln €	400.0
Total allocation of Proceeds	mln €	243.4

Portion of financing and refinancing	mln €	%
Financing (from 1 July 2024 to 31 December 2024)	31.3	13%
Refinancing (from 1 July 2021 to 30 June 2024)	212.1	87%