

Interim report

1 April – 30 June 2024



Eesti Energia

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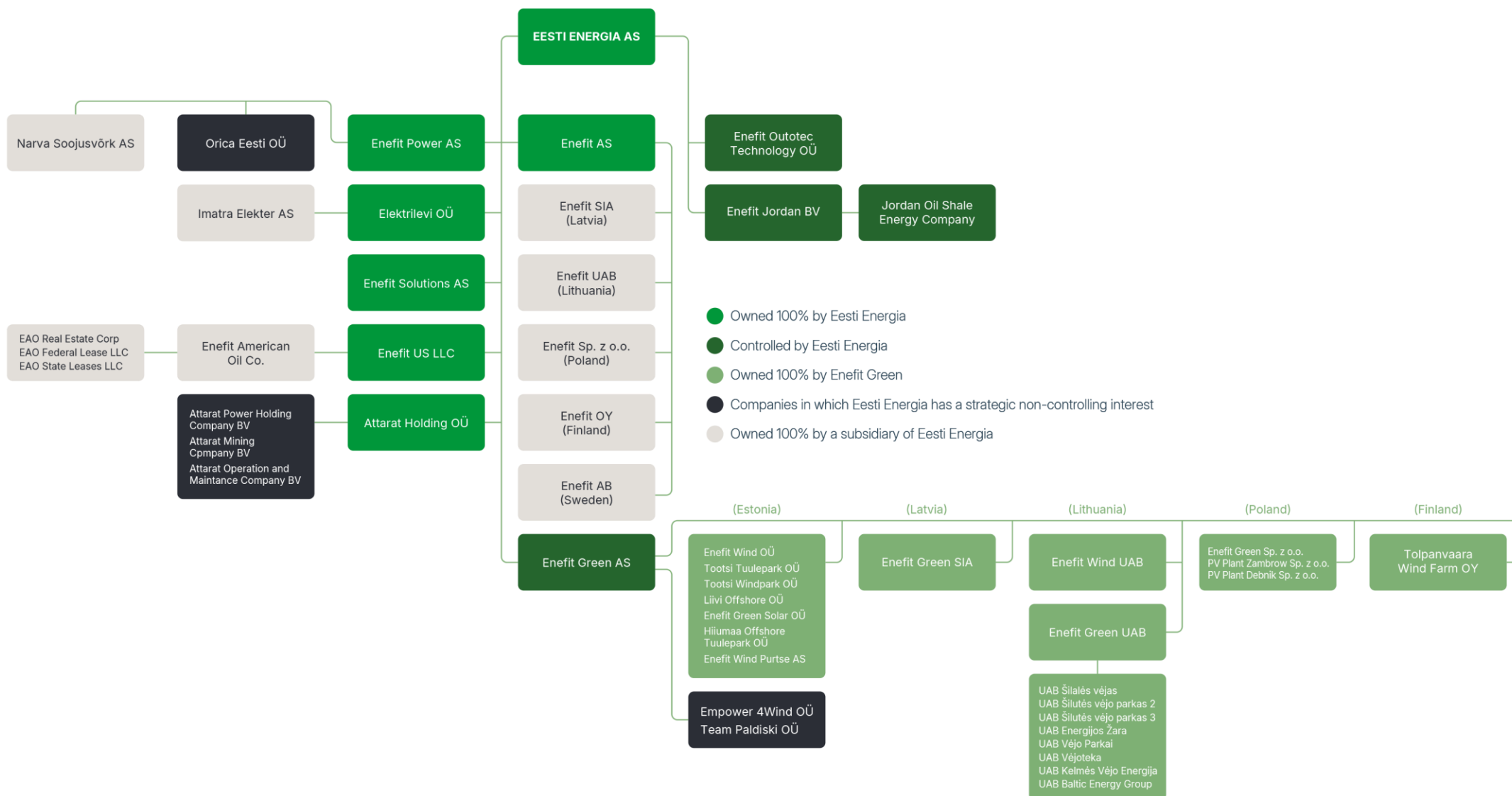
This is Eesti Energia

- Established in 1939
- 4,978 employees
- 100% owner: Republic of Estonia
- 5 home markets: Estonia, Latvia, Lithuania, Poland, Finland
- 4 business lines:
 - **Customer services** business line consist of our subsidiary Enefit, which provides customers with useful energy solutions and exceptional customer experience. We sell electricity, heat, gas and energy solutions to both household and corporate customers.
 - **Renewable energy** business line consist of our subsidiary Enefit Green. Our renewable energy production sources are the most diverse in the Baltic Sea region. We produce energy from wind, sun, biomass, municipal waste and water.
 - **Large-scale energy production** business line incorporates our oil shale mining, electricity and oil production and asset management business units.
 - **Network services:** Our subsidiary Elektrilevi delivers electricity to almost all the households and companies in Estonia



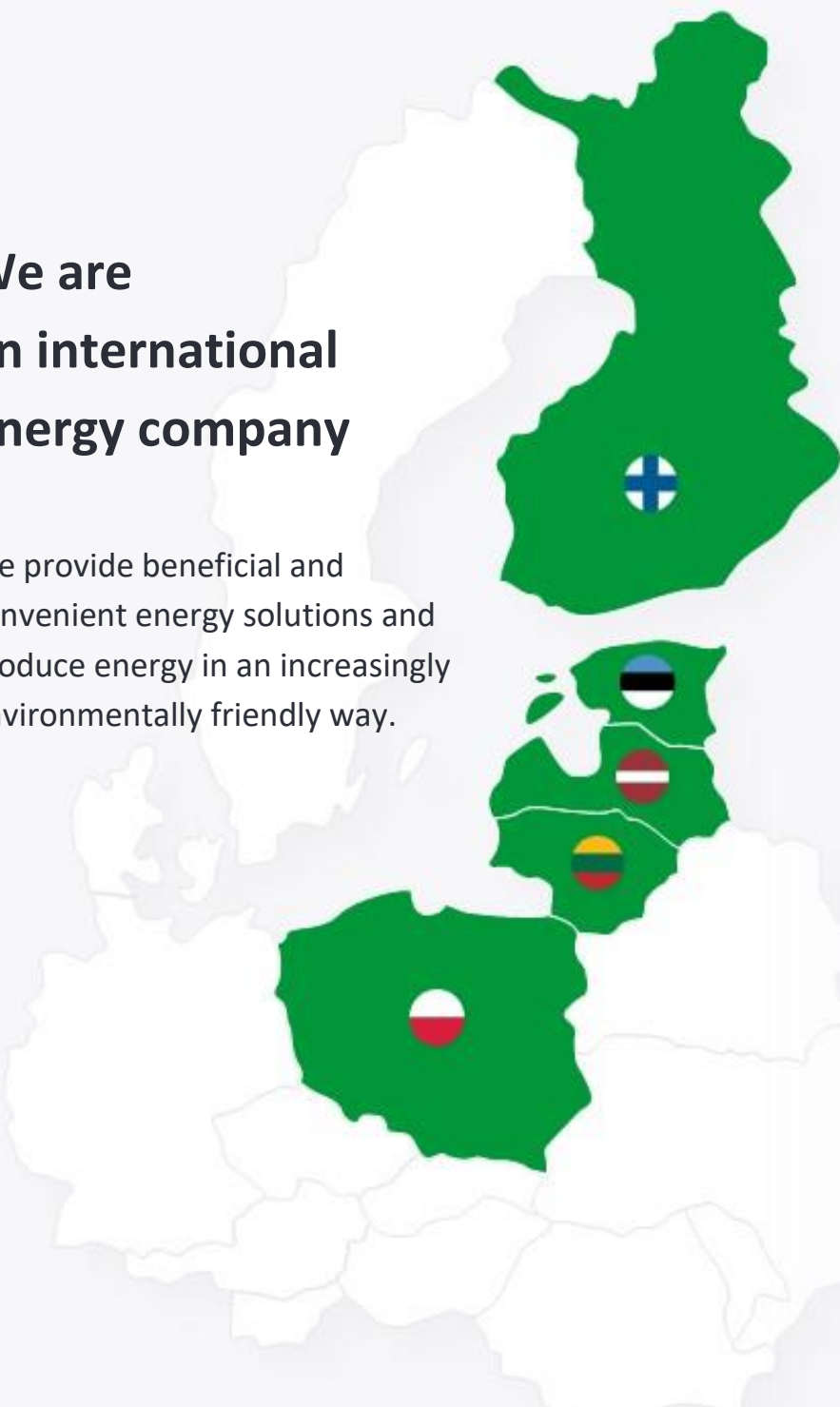
The structure of Eesti Energia Group

as at 30 June 2024



We are an international energy company

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



Production

-  **Estonia**
 -  Wind farms
 -  Solar farms
 -  Hydroelectric power plant
 -  Thermal power plant
 -  Liquid fuel power plant
 -  Cogeneration plants

-  **Finland**
 -  Wind farm

-  **Latvia**
 -  Pellet plant
 -  Cogeneration plants

-  **Lithuania**
 -  Wind farms

-  **Poland**
 -  Solar farms

Services

-  Solar solutions with storage
-  High-speed internet
-  Electricity packages
-  Electric car charging solutions
-  Heating and cooling solutions
-  Electrical works
-  Lighting solutions
-  Smart energy demand management

Key figures and ratios

		Q2 2024	Q2 2023
Total electricity sales	GWh	2,778	2,362
Electricity distributed	GWh	1,448	1,416
Shale oil sales	th t	124	125
Average number of employees	No.	4,894	5,291
Electricity production	GWh	756	707
Shale oil production	th t	111	125
Heat production	GWh	210	210
Sales revenues	m€	415.1	416.1
EBITDA	m€	153.5	107.7
Adjusted* EBITDA	m€	158.9	115.7
Net profit	m€	103.1	42.7
Adjusted* net profit	m€	108.5	50.6
Investments	m€	212.2	181.2
Cash flow from operating activities	m€	269.2	61.9
Non-current assets	m€	4,041	4,103
Equity	m€	2,181	2,834
Net debt	m€	1,384	1,278
Net debt / EBITDA	times	3.2	3.1
EBITDA margin	%	37.0	25.9

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



Operating environment

As an international energy company, our business is affected by electricity, emission allowance and liquid fuel prices, competition in the energy and customer markets, regulations governing the energy sector and the development of new technologies.

Our performance in Q2 2024 was strongly influenced by the following movements in market prices (compared to the same period in 2023):

- electricity prices decreased by 6% in Latvia, 7% in Lithuania, 22% in Poland and 8% in Finland, but increased by 2% in Estonia;
- the average emission allowance price decreased by 22%;
- crude oil and fuel oil prices increased by 9% and 10%, respectively;
- natural gas prices decreased by 11% due to growth in LNG supplies and high levels of natural gas inventories.

Average electricity prices in our core markets mostly declined in Q2

Estonia participates in the Nord Pool power exchange where power producers that sell electricity on the exchange trade with power suppliers that buy electricity from the exchange in order to resell it to end consumers. Our performance indicators are the most sensitive to electricity prices in Estonia, Latvia, Lithuania, Poland and Finland as we both produce and sell electricity in those countries.

The electricity markets of Estonia and neighbouring countries are interconnected. As a result, our electricity production and prices are also affected by various factors outside our main markets, such as the water levels in the Norwegian hydropower reservoirs, the wind conditions in the region and the market price of natural gas.

Average electricity price (€/MWh)	Q2 2024	Q2 2023	Change
Estonia	76.0	74.4	2.1%
Latvia	75.9	80.8	-6.1%
Lithuania	75.9	81.3	-6.6%
Poland	88.6	112.9	-21.5%
Finland	40.0	43.3	-7.7%
Norway	36.4	54.9	-33.6%
Denmark	61.1	83.8	-27.1%
Sweden	33.7	51.0	-33.9%

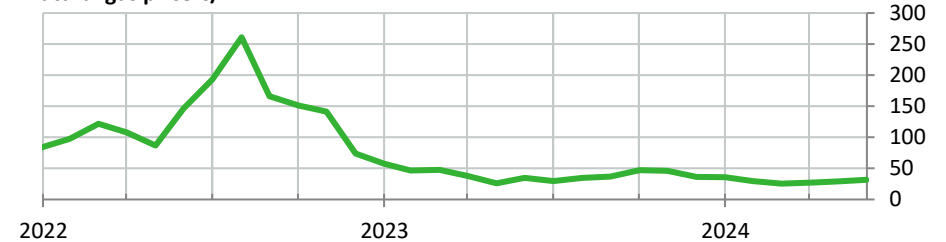
The Nord Pool intraday electricity prices have been highly volatile in recent years. During peak hours, the electricity price is usually determined by the more expensive carbon-intensive power, while during off-peak hours it is usually determined by renewable power, which has virtually no variable costs.

In Q2 2024, the electricity price in Estonia was strongly influenced by the weather, maintenance work at nuclear power plants in the Nord Pool area and the outage of the EstLink2 interconnector.

The failure of the EstLink2 interconnector, which is under repair until the end of August, has had the biggest impact on electricity prices in Estonia this year. At the beginning of the quarter, solar power production was affected by Saharan dust, which reduced the efficiency of solar panels. Electricity prices were also driven up by heat waves and low wind speeds, which lowered wind power production and increased demand for electricity. Since May, a number of nuclear power plants in the Nord Pool region have been under maintenance. Electricity prices in Estonia have mainly been affected by the maintenance of Finnish nuclear power plants.

During peak hours, the electricity price in the area is typically determined by gas-fired power plants. While natural gas prices have decreased significantly, peak electricity prices in Q2 2024 were higher than a year earlier due to weather conditions. The average daily electricity price in Q2 was the highest on 30 May, when it was €161.2/MWh (+€30.6/MWh compared to Q2 2023) and the lowest on 7 April, when it was €4.6/MWh (-€18.2/MWh compared to Q2 2023).

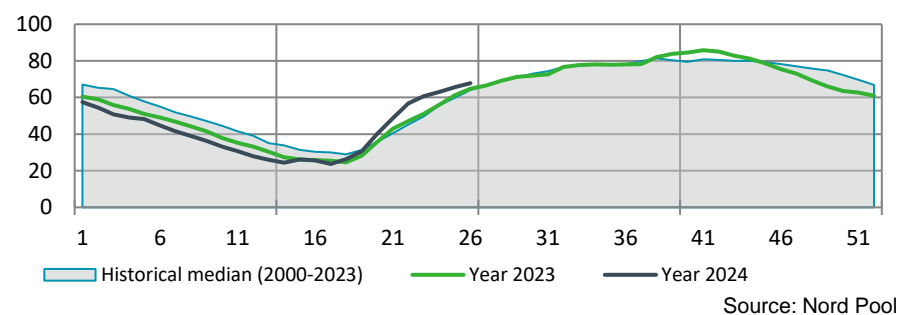
Natural gas price €/MWh



Source: Intercontinental Exchange

In Q2 2024, the average price of natural gas was €29.2/MWh (-€3.7/MWh, -11.3% compared to Q2 2023). The price of natural gas decreased compared to Q2 2023, mainly due to high LNG production and the absence of major supply issues. Compared to 2021, demand for natural gas in the EU member states has declined by 20%. This, combined with increased LNG supply, has kept natural gas prices low over the past year. According to the latest measurements, the European gas storage facilities were almost 80% full. Natural gas prices rose compared to Q1 due to higher demand for LNG in the Asian market.

Natural gas is mostly procured and injected into storage facilities during the summer and withdrawn from storage and consumed during the winter. As a result, the price of natural gas is exposed to cyclicity and spring is typically the period when the price reaches a cyclical low.

Weekly levels of Nordic water reservoirs, % of maximum

Interconnectors supply the Baltic countries with Nordic hydropower, which is cheaper than other types of electricity. The average level of hydro resources in the Nordic hydropower reservoirs in Q2 2024 was 43.1% of the maximum, which is 3.3 percentage points higher than in Q2 2023.

As the volume of snow and surface water accumulated in the reservoirs this year is 3.9 TWh higher than a year earlier, hydropower production in 2024 is expected to increase year on year. Higher hydropower production will lower electricity prices in the region because a smaller share of the required electricity has to be produced by facilities with higher variable costs.

CO₂ emission allowance prices decreased compared to Q2 2023

The purpose of the EU Emissions Trading System is to reduce greenhouse gas emissions in Europe by incentivising energy producers to use less polluting raw materials and invest in more efficient production technologies.

The price of CO₂ emission allowances has a strong impact on the cost of electricity produced by direct combustion of oil shale, particularly at our older production facilities whose carbon intensity is higher.

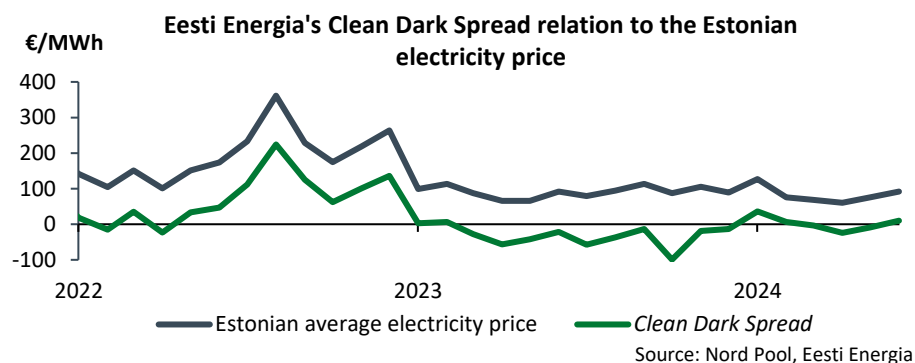
At the same time, a higher CO₂ emission allowance price increases the competitiveness of our renewable energy production units.

Prices of CO₂ emission allowances, €/t

The average CO₂ emission allowance price in Q2 2024 was €69.5/t, which is 21.5% (-€19.0/t) lower than a year earlier. The emission allowance price increased compared to Q1 2024, mainly due to an increase in the natural gas price. Analysts expect the average CO₂ emission allowance price to be around €64.0/t in 2024 and €74.0/t in 2025, 13.7% and 11.2% lower respectively than forecast in January.

A key indicator for power producers is the Clean Dark Spread (CDS), which reflects the profit margin of an electricity producer after the deduction of fuel and CO₂ emission allowance costs from the average market price of electricity.

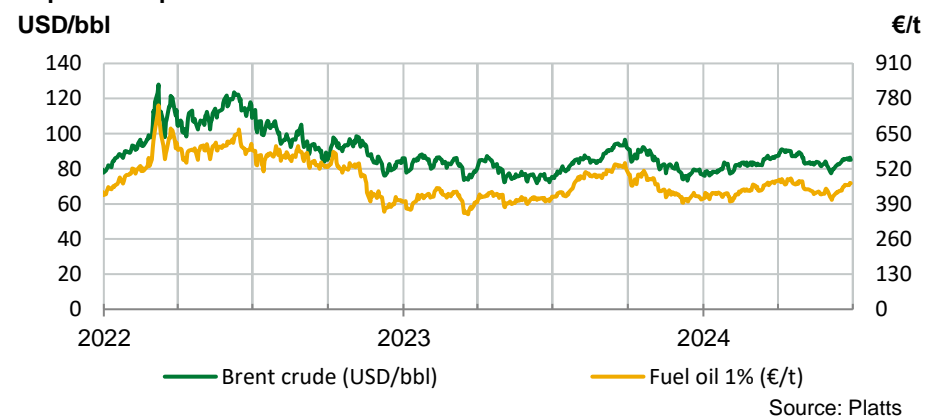
Eesti Energia's CDS in Q2 2024 was -€7.7/MWh (+€32.3/MWh compared to Q2 2023). When the CDS is negative, electricity production from oil shale is uncompetitive because the production costs exceed the average market price of electricity. The oil shale cost component in the CDS increased by €2.9/MWh and the CO₂ and oil shale cost component decreased by €33.6/MWh year on year.



Fuel oil prices increased compared to Q2 2023

A widely-traded oil product that is closest in nature to our shale oil is fuel oil with 1% sulphur content whose price depends mainly on that of Brent crude oil. A rise in the prices of crude oil and fuel oil is positive for Eesti Energia because it raises the price of our shale oil, which increases our revenue.

Liquid fuels prices



The average price of Brent crude oil in Q2 2024 was USD 85.0/bbl, which is 9% (+USD 7.3/bbl) higher than in Q2 2023. In Q2 2024, oil product prices were mainly influenced by geopolitical conflicts, OPEC+ production cuts and higher demand. In June, demand for oil products reached its highest level since the end of the pandemic. As a result of this and the decision of OPEC+ to continue production cuts until the end of 2025, liquid fuel prices increased by 4% compared to Q1 2024.

In Q2 2024, the average price of fuel oil with 1% sulphur content was €450.0/t, which is 10% (+€41.3/t) higher than in Q2 2023.

Key events and highlights of Q2

Customer services

Enefit opens EV charging network in Poland and Latvia, installs its most powerful charger to date in Lithuania and extends network to various locations in Estonia

Enefit has opened 22 public charging stations for electric vehicles (EVs) in and around Bielsko-Biala in Poland. The chargers, located at 19 sites, use 100% green energy and are designed to charge both electric and hybrid vehicles.

At the Verde office complex in Riga, Enefit, in partnership with the developer, has opened 11 new EV charging points, which can charge up to 16 EVs at a time. The project helps save more than 30 tonnes of CO₂ emissions per year and the charging points are accessible to all visitors and employees of the Verde complex via a public charging network.

In the Klaipėda port area in Lithuania, Enefit has opened its two most powerful charging stations, each with a capacity of 320 kW, which can simultaneously charge four EVs at ultra-high speed. A charging station with the same charging and storage capacity also became operational at the Outlet Park shopping centre in Vilnius. Lithuania's new ultra-fast chargers can charge a car for an additional 100 km of driving in less than 5 minutes.

In Estonia, the Enefit Volt public charging network also underwent a significant upgrade. In addition to the chargers opened in Muhu, Tartu, Häädemeeste and elsewhere, the Ülemiste Centre has become Enefit Volt's largest charging point in Estonia. The centre's indoor car park has one 22 kW and seven 50 kW chargers, while the outdoor car park has one 22 kW and one 50 kW charger, which will be upgraded to 120 kW in the future. The Ülemiste centre can now provide charging for 20 EVs at a time.

Enefit to broker energy from the largest solar power plant in the Baltics

Enefit and the Danish solar power plant developer Nordic Solar have signed an agreement to market the output of the 100 MW Moletai solar power plant. The solar farm in Lithuania, which started full-scale electricity production at the end of April, is the largest in the Baltic countries.

Enefit sells Finnish customer portfolio to Oomi

Enefit has sold its Finnish customer portfolio to Oomi, one of the largest energy companies in Finland, in order to focus on the Baltic countries and Poland, where it currently sees more growth potential. In addition to Estonia, Enefit will continue to sell energy and provide energy services in its other core markets: Latvia, Lithuania and Poland.

Renewable energy

Purtse hybrid farm passes Elering compliance tests

The first hybrid wind and solar farm in the Baltic countries has successfully passed Elering's (the Estonian transmission system operator) grid compliance tests. The certification of Enefit Green's Purtse hybrid plant is significant as it is the first hybrid farm to be certified

In the first hybrid wind and solar farm in the Baltics, built by Enefit Green in Purtse, both energy sources are connected to the same connection point. The unique connection solution is important for both cost optimisation and efficient use of grid resources. Enefit Green uses the same equipment, grid connection and substation to feed electricity into the grid, which makes the farm both economically and environmentally viable.

Rescue exercise organised at Paldiski wind farm

Enefit Green, together with the Estonian Wind Power Association, the Estonian Rescue Board and other partners, organised an exercise to practise how to deal with a wind turbine accident. This is the second time that such a large-scale exercise has taken place in Estonia.

Accidents involving wind turbines are rare, but their resolution requires effective preparation and cooperation.

The aim of the exercise was to train rescuers to enter a wind turbine, ascend to the gondola at the top of the tower and bring down a disabled technician from a height of 85 metres.

Juhan Agurauja appointed Chairman of Management Board of Enefit Green

The supervisory board of Enefit Green has appointed Juhan Agurauja, who has been leading Adven's Baltic operations, as the new chairman of the management board with effect from 14 October. Andres Maasing, member of the management board and head of development, will be acting chairman of the management board from 1 July until Juhan Agurauja takes office.

Large-scale energy production

Enefit 280-2 oil plant granted 10-year integrated environmental permit

In May, the Environmental Board granted the Enefit 280-2 oil plant a 10-year integrated environmental permit on condition that the company progressively reduces its environmental impact. In preparing the decision, the Environmental Board carried out a thorough assessment of the impact on the achievement of climate targets, Natura 2000 sites, protected areas and air quality, as well as the risks associated with phenolic water, waste water treatment and emergencies, and compliance with best available techniques. The assessment of the potential environmental impact of the plant was based on an analogy with another plant already in operation at Auvere.

Enefit Power contributes to Spring Storm 2024

In May, Enefit Power was a partner in the Estonian Defence Forces' largest military exercise of the year, Spring Storm (Kevadtorm). During the exercise, the participants and military equipment could be seen on the premises of Enefit Power's Balti power plant. Enefit Power continues to contribute to Estonia's security, including energy security.

Network services

Elektrilevi opens new training centre in unique building

In May, Elektrilevi opened a new training centre in the first building in the world to be designed using the 369 Pattern Buildings design system developed at the Timber Architecture Research Centre of the Estonian Academy of Arts. The new centre is a modular, factory-fabricated, low-carbon timber building that follows the principles of circularity.

Elektrilevi's training centre is intended for all network electricians and offers exciting opportunities for cooperation between Elektrilevi, transmission system operator Elering and distribution system operator Viru Elektrivõrgud. The aim of the new training centre is to maintain the safety and quality of work on electricity networks, improve electrical safety and ensure a high level of professionalism in the electrical trade. The total area of the training centre is 24,000 square metres, including Elering's high-voltage training area of 700

square metres. The building has three classrooms, a workshop and a laboratory for electrical work.

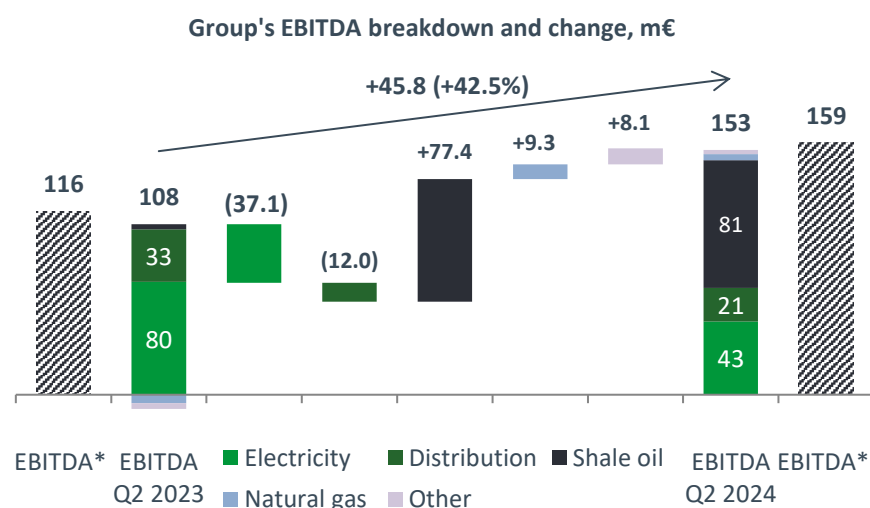
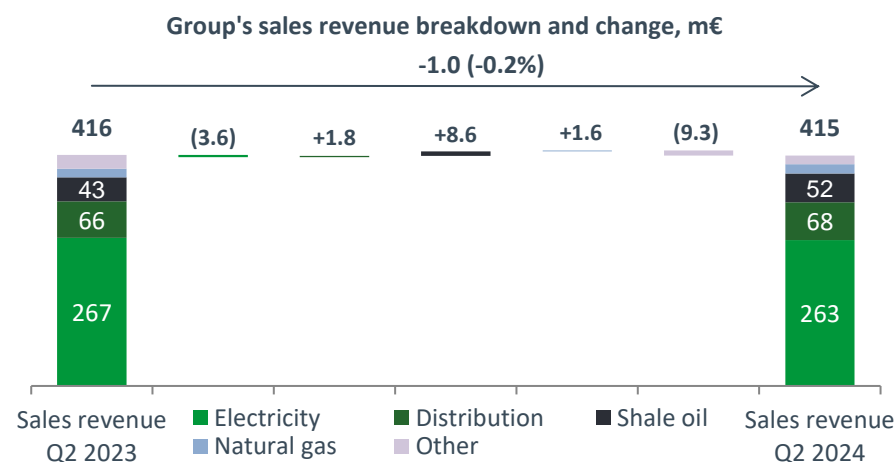
Elektrilevi opens new substation museum

In May, the Weizenberg Substation Museum in Kadriorg was officially opened as part of the 100th anniversary of Estonia's national electricity network. The Weizenberg substation was built in 1938, when the electrification of Tallinn was in full swing and there were about 150 substations in total. The museum displays a collection of medium and low voltage switchgear and transformers from the period, as well as stands that reflect the history of the introduction of electricity in Estonia and Tallinn until the Second World War. The exhibits include fascinating electrical equipment, measuring instruments and other items from the period.

Financial results

Revenue and EBITDA

Eesti Energia's revenue for Q2 2024 amounted to €415.1 million. Revenue remained stable compared to at the same period last year (-€1.0 million, -0.2%).

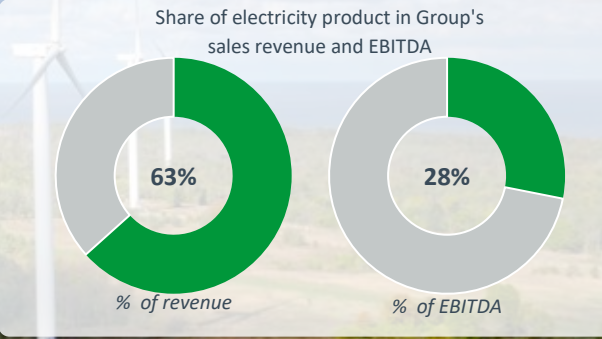


EBITDA for the period increased by 42% (€45.8 million) year on year to €153.5 million. Q2 EBITDA includes the impact of changes in the value of long-term power purchase agreements (PPAs) of -€5.5 million (Q2 2023: -€8.0 million). Adjusted EBITDA (excl. the effect of PPAs) for Q2 2024 was €158.9 million (+€43.3 million, +37%). The Group's Q2 net profit amounted to €103.1 million (+€60.4 million, +142%) and adjusted net profit to €108.5 million (+€57.9 million, +114%).

While electricity and distribution revenues remained relatively stable compared to the same period last year (-1% and +3%, respectively), shale oil and natural gas revenues improved, rising by 20% and 10%, respectively. The increase in shale oil revenue was driven by a higher average price (sales volume remained comparable to the previous year) and the growth in natural gas revenue resulted from a larger sales volume (the average price decreased). Revenue from other products and services declined by 38%, mainly due to lower revenue from solar services and pellets.

Electricity EBITDA decreased due to a lower realised gain on derivative financial instruments. Distribution EBITDA decreased due to higher fixed and variable costs. Shale oil EBITDA increased, strongly supported by a one-off gain on the use of an additional amount of CO₂ emission allowances received free of charge. Natural gas EBITDA also improved: from a negative result for Q2 2023 to a positive result for Q2 2024. EBITDA on other products and services increased year on year, supported by the one-off positive impact of insurance compensation.

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



Electricity

Electricity revenue

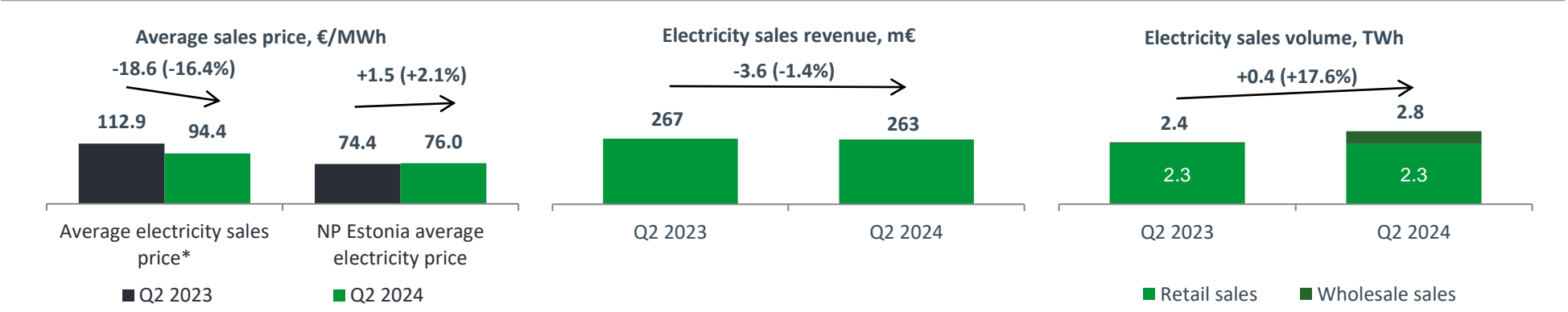
The sales price of electricity decreased, but the volume of electricity sold increased compared to Q2 2023. Electricity revenue for Q2 2024 declined by 1.4% (€3.6 million) to €263.0 million.

Average sales price of electricity

The Group's average sales price of electricity in Q2 2024 was €94.4/MWh, which is 16% (€18.6/MWh) lower than in Q2 2023.

The decline in the sales price reflects the stabilisation of the energy markets compared to the same period in 2023.

The average sales price excludes the impact of derivative transactions. The period's average sales price including the impact of derivatives was €94.4/MWh, 16% (€18.1/MWh) lower than in the same period last year.



* Total average sales price of electricity product (including retail sales and wholesale). Average sales price excludes gain on derivatives and municipal waste gate fees

Electricity sales volume and Eesti Energia's market share

We sold 2,778 GWh of electricity in Q2 2024, which is 416 GWh (18%) more than in the same period last year.

Retail sales decreased by 19 GWh (1%) year on year to 2,291 GWh. Retail sales broke down between markets as follows: Estonia 786 GWh (-50 GWh), Latvia 382 GWh (-1 GWh), Lithuania 625 GWh (+81 GWh), Poland 489 GWh (-46 GWh) and Finland 9 GWh (-3 GWh). Wholesale sales increased by 435 GWh (+835%) compared to Q2 2023, rising to 487 GWh.

In terms of customers' electricity consumption volumes in Q2 2024, Eesti Energia's market share in Estonia was 46%, 5.0 percentage points lower than a year earlier (51%). Eesti Energia's market shares in Latvia and Lithuania in Q2 2024 were 24% and 23%, respectively.

Electricity production volume

We produced 756 GWh of electricity in Q2 2024, 6.9% (49 GWh) more than in Q2 2023.

Our renewable energy production in Q2 2024 amounted to 447 GWh (+37.7%, +122 GWh), of which 338 GWh was generated at Enefit Green (+39%, +95 GWh). The largest share of the renewable energy came from wind farms, which generated 296 GWh of electricity (+54%, +104 GWh). The main growth drivers were newly completed wind farms and wind farms under construction, which generated around 121 GWh of wind power.

Key figures of the electricity product

		Q2 2024	Q2 2023
Return on fixed assets	%	-40.4	17.7
Adjusted return on fixed assets	%	-37.7	21.4
Electricity EBITDA	€/MWh	15.5	34.0
Adjusted electricity EBITDA	€/MWh	17.5	37.3

Electricity EBITDA

Electricity EBITDA for Q2 2024 was €43.1 million (-46%, -€37.1 million). The figure includes the effect of changes in the value of long-term PPAs of -€5.5 million (Q2 2023: -€8.0 million). Adjusted electricity EBITDA (excl. the effect of PPAs) for Q2 2024 was €48.6 million (-€39.6 million, -45%).

The impact of the change in the average electricity sales margin on EBITDA was -€9.9 million (-€3.6/MWh). Average electricity revenue decreased by €18/MWh while average variable costs for electricity decreased by €15/MWh year on year. The decline in variable costs was mainly due to lower CO₂ emission costs.

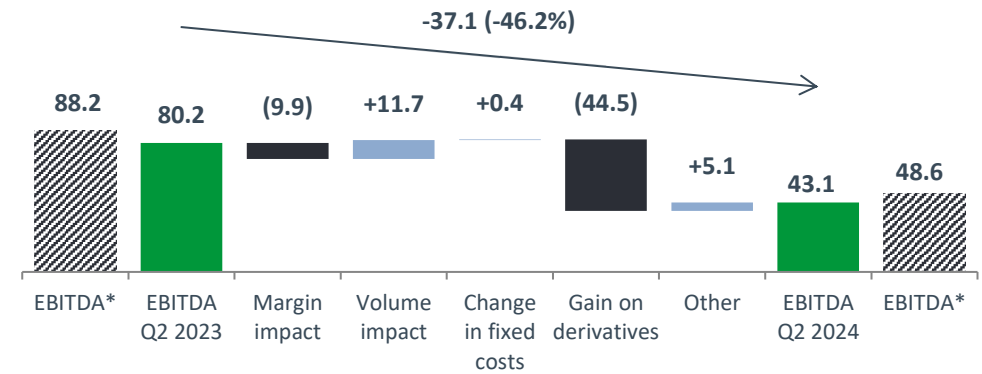
The average margin does not include the impact of realised derivative transactions, which is shown separately in the chart (the bar 'Gain on derivatives'). Lower gain on realised derivative transactions reduced EBITDA by €44.5 million compared to the same period last year (realised gain was €47.6 million in Q2 2023 and €3.1 million in Q2 2024).

Electricity sales volume, which increased by 416 GWh (18%), improved EBITDA by €11.7 million.

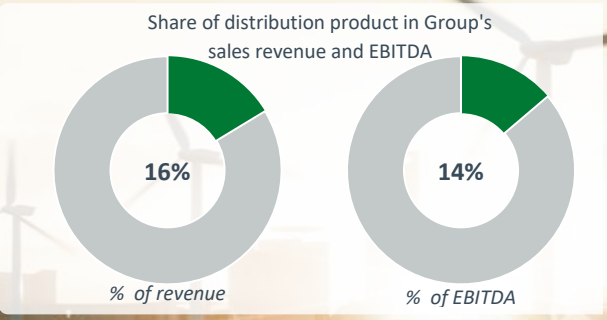
The impact of lower fixed costs on EBITDA development was +€0.4 million.

Other impacts of +€5.1 million mostly reflect changes in the value of derivative transactions, including changes in the value of long-term PPAs of +€2.5 million.

Electricity EBITDA development, m€



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



Distribution

Distribution revenue, sales volume and price

In Q2 2024, electricity distribution revenue grew by 2.8% year on year, rising to €67.8 million (+€1.8 million), and sales volume increased by 2.2%, rising to 1,448 GWh (+31.1 GWh).

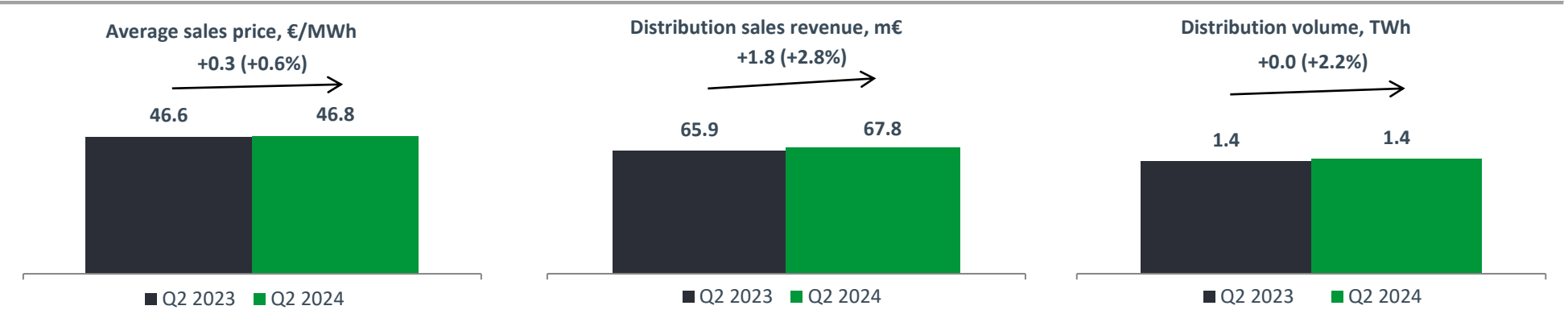
The average price of the distribution service was €46.8/MWh, which is €0.3/MWh higher than in Q2 2023.

Distribution losses

The period's electricity distribution losses amounted to 70.9 GWh, accounting for 4.2% of electricity entering the network (Q2 2023: 71.5 GWh and 4.4%).

Supply interruptions

The average duration of unplanned supply interruptions in Q2 2024 was 20.7 minutes (Q2 2023: 17.9 minutes), which was in line with expectations as weather conditions were typical for the period.



The average duration of planned supply interruptions was 24.4 minutes (Q2 2023: 19.2 minutes). The duration of planned supply interruptions depends on the volume of planned network maintenance and renewal.

Key figures of the distribution product

		Q2 2024	Q2 2023
Return on fixed assets	%	3.0	2.2
Distribution losses	GWh	70.9	71.5
SAIFI	index	0.46	0.38
SAIDI (unplanned)	index	20.7	17.9
SAIDI (planned)	index	24.4	19.2
RAB	€m	946	900

Power outages can be reduced by replacing bare conductors with weatherproof cables. At the end of Q2 2024, 96.1% of our low voltage distribution network and 45.0% of our medium voltage distribution network was weatherproof.

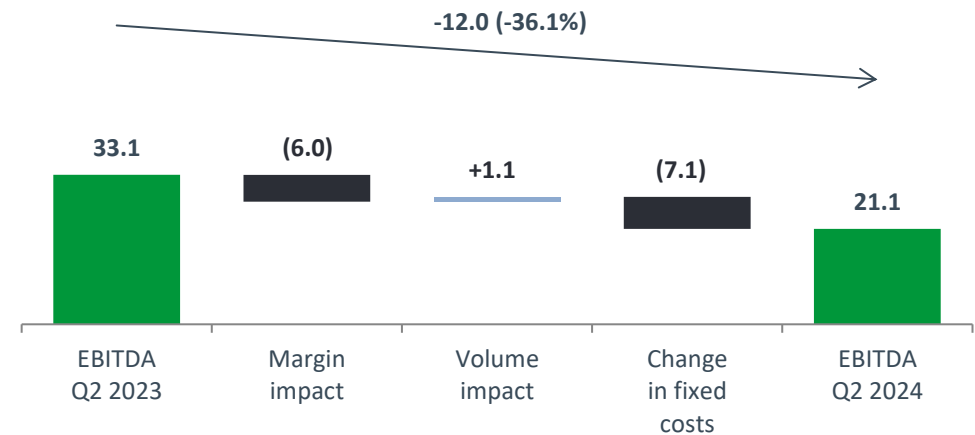
Distribution EBITDA

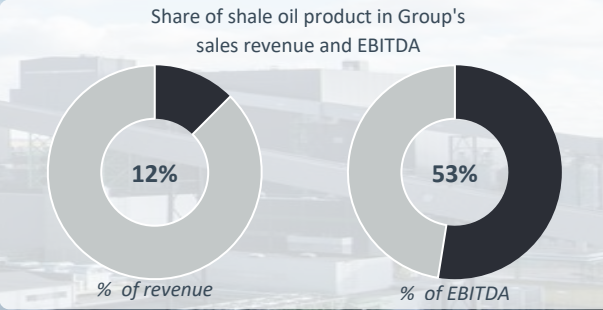
Distribution EBITDA for Q2 2024 amounted to €21.1 million (-36%, -€12.0 million). The impact of a lower average sales margin was -€6.0 million. Average revenue grew by €0.3/MWh while average variable costs increased by €4.4/MWh year on year. The cost increase was mainly due to higher transmission network charges.

The sales volume of the distribution service grew by 31 GWh (2%) compared to the same period last year, improving distribution EBITDA by €1.1 million.

Growth in fixed costs reduced EBITDA by €7.1 million year on year, mainly due to a significant increase in maintenance and repairs.

Distribution EBITDA development, m€





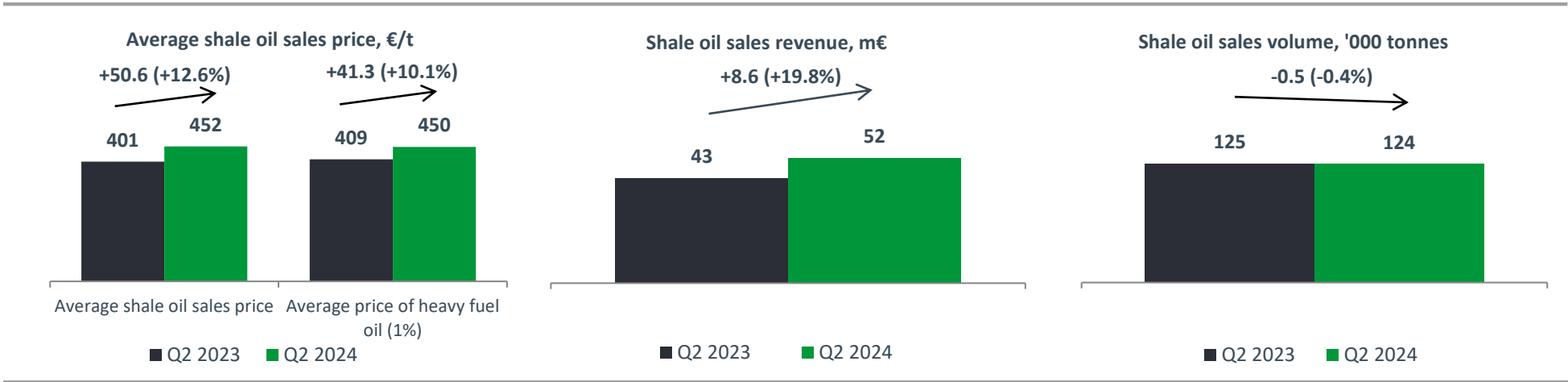
Shale oil

Shale oil revenue and sales volume

We sold 124.2 thousand tonnes of shale oil in Q2 2024, which generated revenue of €51.8 million. Shale oil revenue grew by 20% (€8.6 million) while sales volume remained stable (-0.4%; -0.5 thousand tonnes) compared to Q2 2023.

Shale oil price

The average sales price of shale oil (excl. the impact of derivative transactions) increased by 13% to €451.8/t (+€50.6/t) compared to the same period last year.



Derivative transactions of the period yielded a loss of €34.9/t. In Q2 2024, the average sales price of shale oil including the impact of derivative transactions was €416.9/t (+20%, +€70.3/t compared to Q2 2023).

Shale oil production volume

We produced 110.6 thousand tonnes of shale oil in Q2 2024, which is 11% (14.2 thousand tonnes) less than in the same period last year. The decrease in output is related to the major overhaul of the Enefit-140 plant.

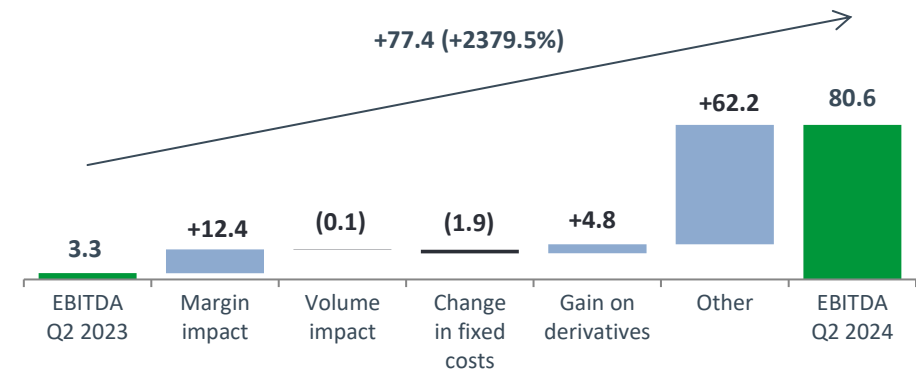
Key figures of the shale oil product

		Q2 2024	Q2 2023
Return on fixed assets	%	29.9	-7.0
Shale oil EBITDA	€/t	649.0	26.1

Shale oil EBITDA

Shale oil EBITDA for Q2 2024 amounted to €80.6 million (+€77.4 million). EBITDA growth was largely due to exceptional items.

Shale Oil EBITDA development, m€



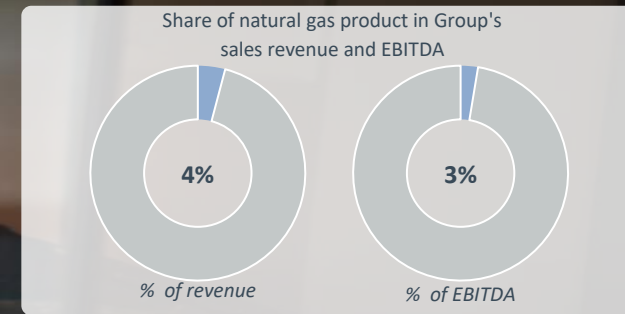
The impact of a higher sales margin on EBITDA for the period was +€12.4 million (+€100/t). Average revenue grew by €51/t and average variable costs decreased by €49/t compared to Q2 2023. The decrease in variable costs is mainly related to lower greenhouse gas emission costs.

Shale oil sales volume decreased by 0.5 thousand tonnes (-0.4%) to 124.2 thousand tonnes, which reduced EBITDA by €0.1 million compared to Q2 2023.

The impact of realised derivative transactions on EBITDA improved by €4.8 million year on year.

The segment's fixed costs increased by €1.9 million, of which €1.5 million is attributable to the fixed cost component of the change in inventories.

Other impacts on shale oil EBITDA of +€62.2 million include the use of an additional amount of CO₂ emission allowances received free of charge, which had a one-off impact of +€64.5 million.



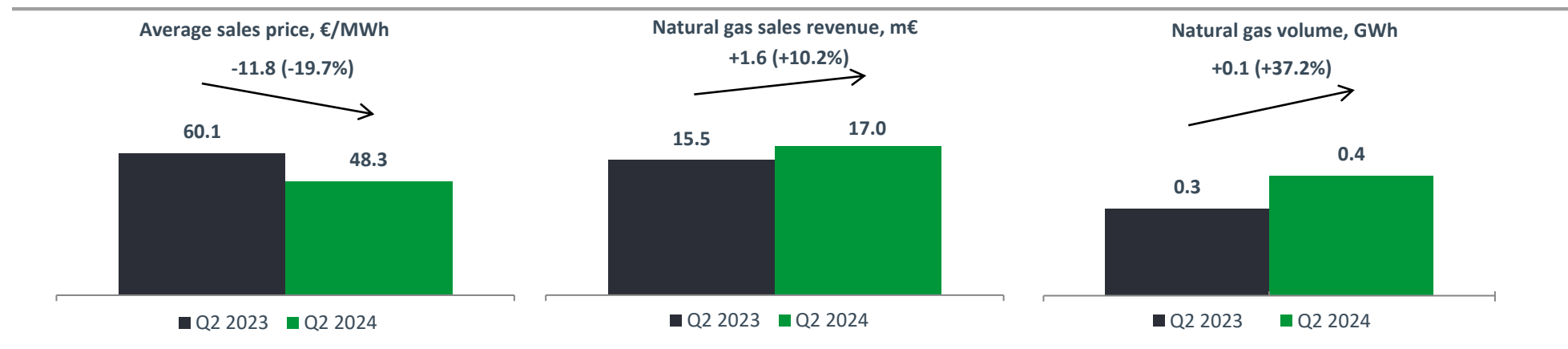
Natural gas

Natural gas revenue and sales volume

In Q2 2024, the Group's natural gas revenue grew by 10% and sales volume increased by 37% year on year. Natural gas revenue amounted to €17.0 million (+€1.6 million) and sales volume was 353 GWh (+96 GWh). Natural gas sales broke down between markets as follows: Estonia 11 GWh (-4 GWh), Latvia 29 GWh (+6 GWh), Lithuania 47 GWh (+36 GWh) and Poland 205 GWh (+38 GWh).

Natural gas price

The average sales price of natural gas in Q2 2024 was €48.3/MWh, which is 20% (€11.8/MWh) lower than in Q2 2023. The decline in the sales price reflects the stabilisation of the energy markets compared to the same period last year.



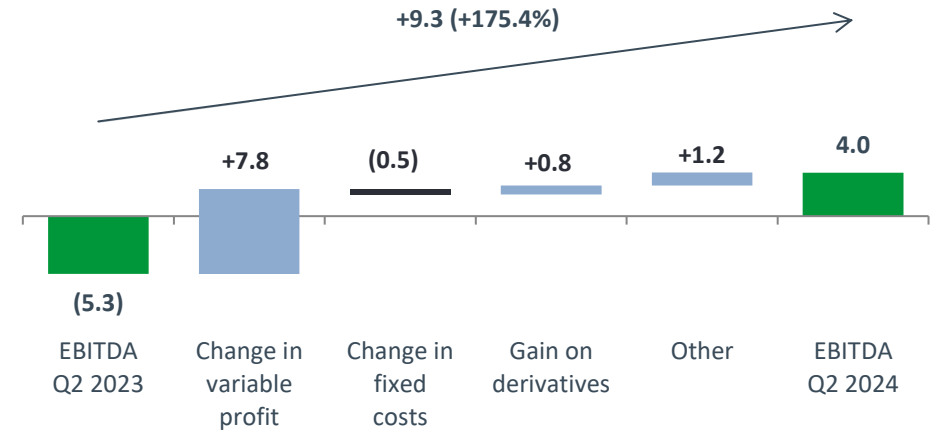
Key figures of the natural gas product

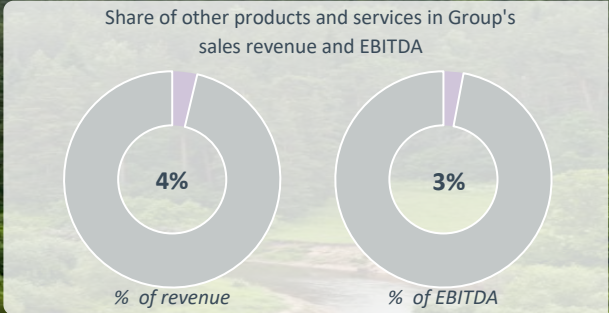
		Q2 2024	Q2 2023
Natural gas EBITDA	€/MWh	11.3	-20.6

Natural gas EBITDA

Natural gas EBITDA for Q2 2024 amounted to €4.0 million (+€9.3 million). EBITDA grew, driven variable profit, which increased by €7.8 million compared to the same period last year. In Q2 2023, we supplied a lot of gas from inventories purchased at high prices and therefore variable profit was negative.

The impact of realised derivative transactions on EBITDA was +€0.8 million and the impact of the change in the value of unrealised derivative transactions was +€1.2 million. The impact of an increase in fixed costs was -€0.5 million.

Natural gas EBITDA development, m€



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

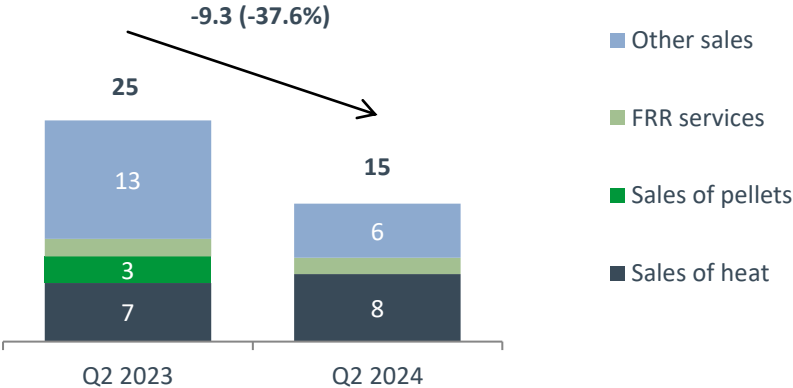
Revenue from the sale of other products and services

Revenue from the sale of other products and services amounted to €15.5 million in Q2 2024. Revenue decreased by 38% (€9.3 million) compared to the same period last year.

The revenue decline is mainly attributable to the sale of turnkey solar solutions, which decreased by €5.8 million year on year, and pellet sales, which amounted to €3.0 million in Q2 2023. The Group has sold its pellet business, so there will be no pellet sales this year.

Revenue from the sale of heat grew by €1.0 million year on year due to an increase in the price cap for heat. Other revenues decreased by €1.5 million in total.

Sales revenue from other products and services, m€



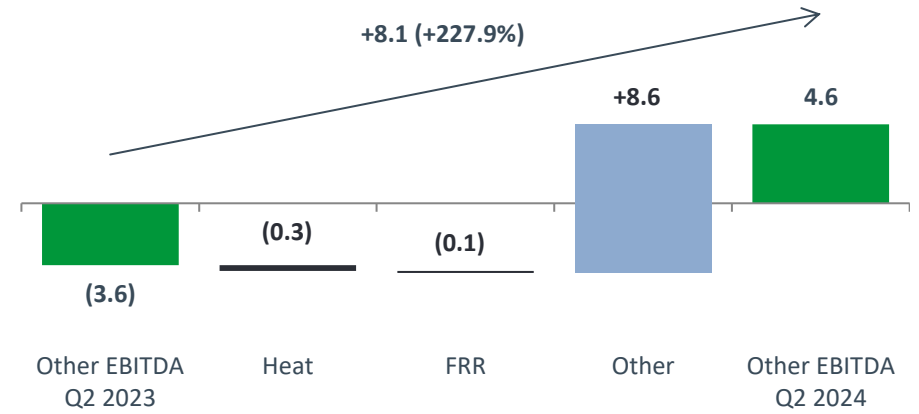
EBITDA on other products and services

In Q2 2024, EBITDA on other products and services increased by €8.1 million year on year to €4.6 million.

Heat EBITDA decreased by €0.3 million and EBITDA on frequency restoration reserve (FRR) services declined by €0.1 million compared to Q2 2023.

The combined effect of other impacts on EBITDA was +€8.6 million. The strongest impact came from one-off insurance compensation of €7.5 million received by Enefit Power in Q2 2024.

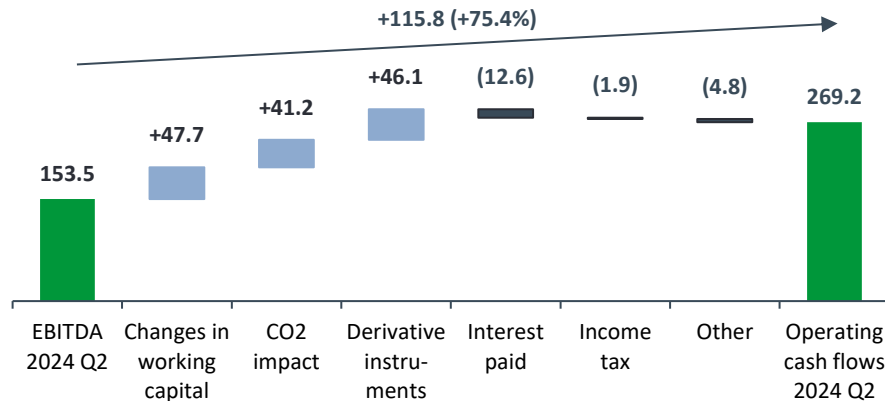
Other EBITDA development, m€



Cash flows

The Group's net operating cash flow for Q2 2024 was €269.2 million, €115.8 million (75.4%) higher than EBITDA, which amounted to €153.5 million.

EBITDA to operating cash flow development, m€



Changes in working capital increased net operating cash flow by €47.7 million relative to EBITDA. The main items that influenced working capital were a decrease in current liabilities (-€9.8 million), a decrease in current receivables (+€56.2 million), an increase in inventories (-€12.4 million) and the effect of other changes in working capital (+€13.7 million).

Settlements related to CO₂ emission allowances increased operating cash flow by €41.2 million compared to EBITDA.

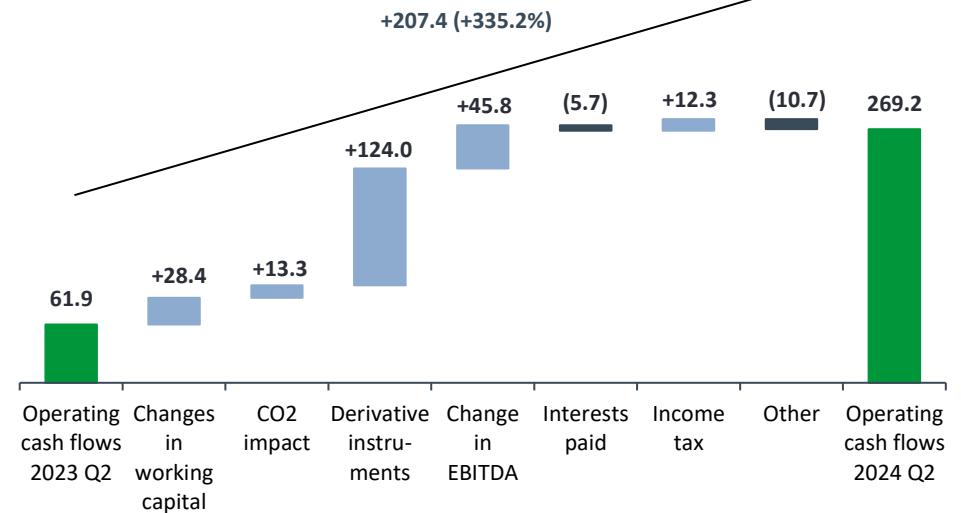
The impact of derivative financial instruments (excl. CO₂ instruments) was +€46.1 million. The figure includes the impacts of electricity derivatives of +€46.5 million, shale oil derivatives of +€1.9 million and other derivatives of -€2.3 million. The

impacts of derivative financial instruments comprise both cash and non-cash impacts on EBITDA and operating cash flow.

Interest paid on borrowings reduced net operating cash flow by €12.6 million. Income tax paid in Q2 2024 amounted to €1.9 million. Other impacts on operating cash flow totalled -€4.8 million.

Q2 operating cash flow increased by €207.4 million (335.2%) year on year.

Operating cash flow changes, m€



Changes in working capital increased net operating cash flow by €28.4 million compared to Q2 2023. The figure includes the effects of changes in current

receivables of -€6.1 million, in inventories of +€11.6 million, in current liabilities of -€3.8 million and in other current assets of +€26.6 million.

Settlements related to CO₂ emission allowances had an impact of +€13.3 million.

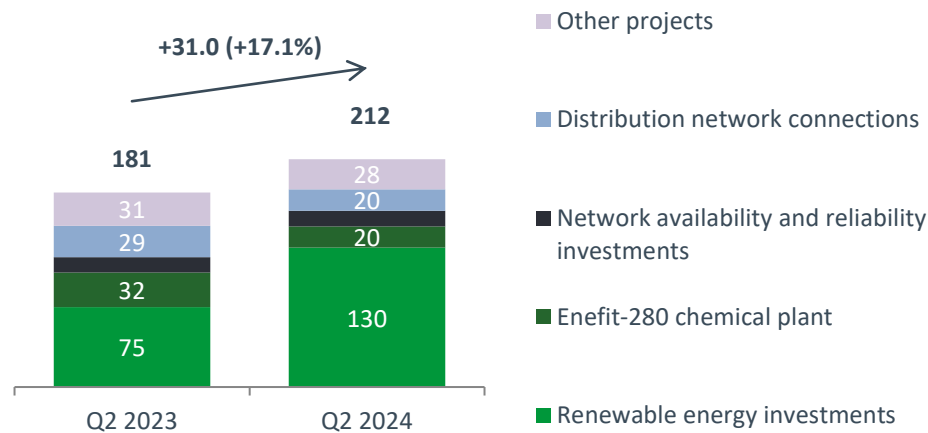
The impact of derivative financial instruments (excl. CO₂ instruments) was +€124.0 million. The figure includes the impacts of electricity derivatives of +€119.2 million, shale oil derivatives of +€7.0 million and other derivatives of -€2.2 million.

Income tax paid in Q2 2024 was €12.3 million lower than in the same period last year. Interest paid on borrowings increased by €5.7 million compared to Q2 2023. Other impacts on operating cash flow totalled -€10.7 million.

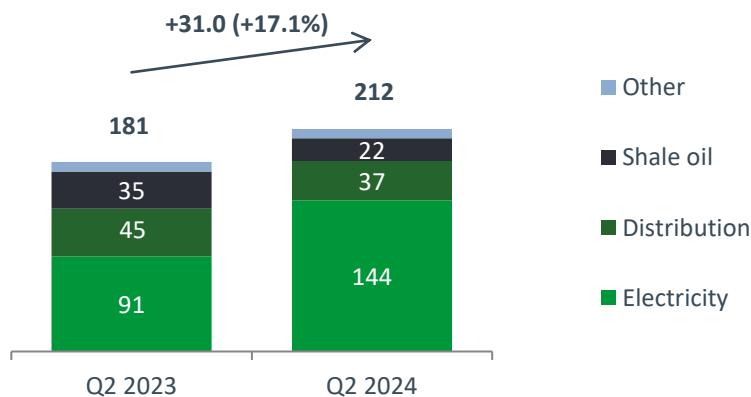
Investment

We invested €212.2 million in Q2 2024, 17.1% (+€31.0 million) more than in the same period last year. Investments in the development of renewable energy amounted to €129.8 million (+€55.3 million, +74%).

Capex breakdown by projects, m€



Investment breakdown by products, m€



Increasing renewable energy production

To increase our renewable energy production capacity, we invested in wind farm developments in Estonia (€87.6 million), Lithuania (€23.2 million), Finland (€3.1 million) and Poland (€0.3 million). The largest investments were made in the Sopi-Tootsi wind farm in Estonia and in the Kelmė and Akmenė wind farms in Lithuania. Investments in solar projects in Estonia amounted to €7.4 million, most of which was invested in the Sopi solar project.

Improving the quality of the distribution service

Investments made to maintain and continuously improve the quality of the electricity distribution service amounted to €35.7 million in Q2 2024 (Q2 2023: €43.9 million). We built 95 substations and 347 km of network (Q2 2023: 85 substations and 230 km of network).

At the end of Q2 2024, 96.1% of Elektrilevi’s low voltage distribution network was weatherproof (end of Q2 2023: 95.1%). During the quarter, the weatherproof low voltage overhead network increased by 66 km and the bare conductor network decreased by 89 km. At the end of Q2 2024, 74.7% of Elektrilevi’s total low and medium voltage distribution network was weatherproof (end of Q2 2023: 73.4%).

At the end of Q2 2024, 94.6% of Imatra Elekter’s low voltage distribution network was weatherproof (end of Q2 2023: 93.5%) and 67.2% of its entire low and medium voltage distribution network was weatherproof.

Increasing the efficiency of large-scale energy production

Investments in the development of the chemical industry in Q2 2024 amounted to €19.7 million. The new plant will increase our annual output of liquid fuels to 700,000 tonnes.

In 2023, we started the renovation of the office building of the Eesti power plant in the Auvere production complex, in which we invested €1.7 million in Q2 2024.

The project will modernise the office space by improving the employees' working and leisure conditions to support a positive work culture.

Financing

Development projects in the energy sector are generally capital intensive. Our own resources are not always sufficient to build new production facilities or to undertake significant business expansion. We therefore raise debt from the market to finance major development projects.

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

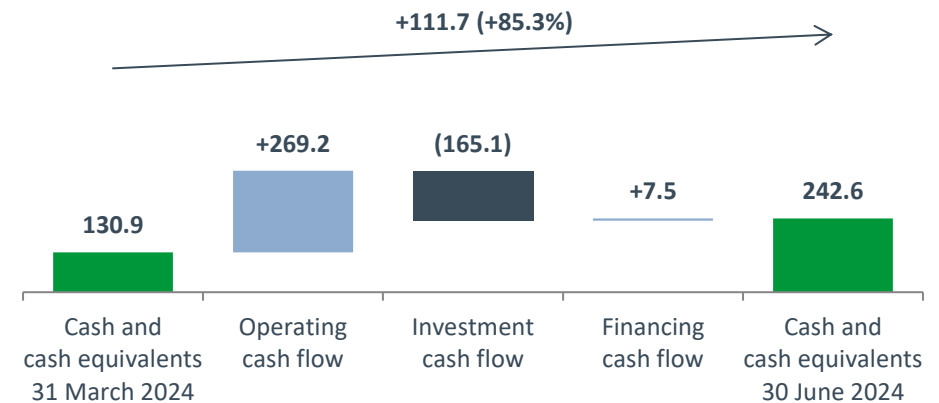
The Group's borrowings at the end of Q2 2024 amounted to €1,626 million (end of Q1 2024: €1,601 million).

At the end of Q2 2024, the Group's investment loan liabilities amounted to €1,555 million, consisting of the parent company's liabilities of €990 million and the subsidiary Enefit Green's liabilities of €565 million. During the quarter, the parent and Enefit Green made regular investment loan repayments of €2.1 million and €4.1 million, respectively.

On 9 April 2024, Eesti Energia AS and Swedbank AS signed an agreement to refinance a €150 million loan facility agreement signed in March 2021. The new maturity date of the loan is 28 June 2027.

The Group's liquid assets at the end of Q2 2024 amounted to €242.6 million (cash at bank). In addition, at the reporting date the Group had undrawn loans of €505.2 million, of which €270 million was attributable to the parent and €235.2 million to Enefit Green.

Liquidity development in Q2 2024, m€



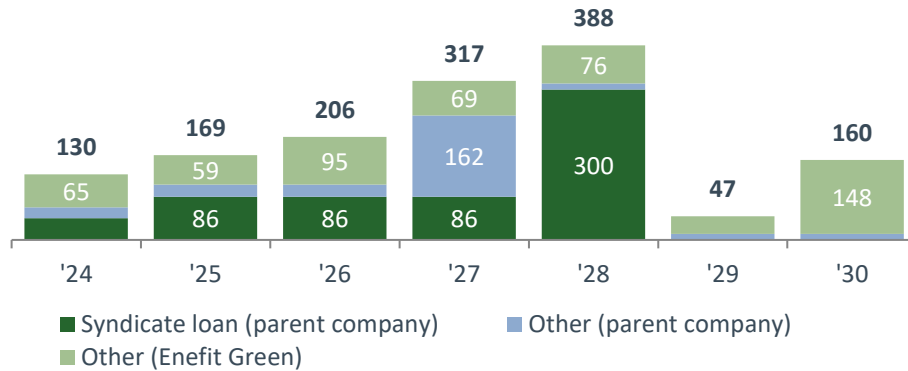
The Group's revolving credit facilities extended to €320 million at the end of Q2 2024, consisting of credit lines raised by the parent of €270 million and credit lines raised by Enefit Green of €50 million. The parent had drawn down €nil million and Enefit Green €50 million of the revolving credit.

The weighted average interest rate of Eesti Energia's borrowings at the end of Q2 2024 was 5.90% (end of Q1 2024: 5.76%).

To support the business and strengthen its financial position, in July 2024 the parent company raised an additional €400 million of capital through a green

hybrid bond offering on the London Stock Exchange to be invested in ongoing and planned projects supporting the development of renewable energy.

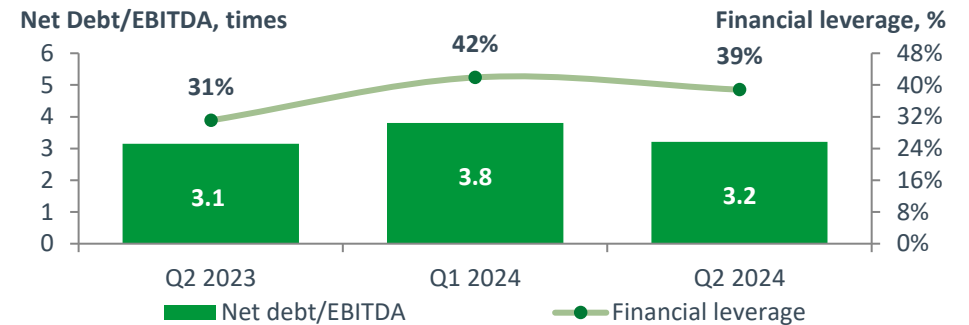
Debt maturity, m€



At the reporting date, the Group had borrowings of €187 million with fixed interest rates and borrowings of €1,418 million with floating interest rates (end of Q1 2024: borrowings of €189 million with fixed interest rates and borrowings of €1,401 million with floating interest rates).

At the end of Q2 2024, the Group’s net debt amounted to €1,384 million (end of Q1 2024: €1,470 million) and the net debt to EBITDA ratio was 3.2 (end of Q1 2024: 3.8). The current net debt to EBITDA ratio is below the target ceiling of 3.5 set out in the Group’s financing policy.

Net debt/EBITDA ratio and financial leverage



Eesti Energia’s credit ratings are BBB- (Standard & Poor’s, outlook negative) and Baa3 (Moody’s, outlook stable). Eesti Energia’s financing policy is aimed at maintaining investment grade credit ratings from international rating agencies.

Outlook for 2024

In 2024, we will continue on our green journey, where customer focus, innovation and efficiency are key. Although there are many challenges, our direction is clear – to drive the green transition and to do so in a balanced way: making green energy accessible while ensuring energy security. Renewable energy production, affordable and useful energy solutions based on renewable energy, a strong electricity distribution network and a sustainable chemical industry are the cornerstones on which Eesti Energia is building its future.

We expect the outlook for energy markets to be more stable than in recent years. Lower market prices for electricity allow us to offer more affordable energy to our customers, but they also have a negative impact on the profitability of power generation. Oil shale power plants will no longer be competitive at the expected electricity price levels and will not be able to recover their costs from the market.

We expect revenue for 2024 to remain at the same level as last year. The decrease in revenue due to lower market prices for electricity is expected to be offset by an

increase in electricity sales volumes, resulting from the completion of new renewable generation facilities. EBITDA is expected to increase slightly in 2024, but the increase in profitability, due to the addition of new production assets to the market, is reduced by the decrease in the competitiveness of oil shale power plants.

In 2024, we will focus on developing renewable energy, improving the quality of network services, developing a sustainable chemical industry and increasing customer satisfaction. After record investments in 2023, we expect capital expenditure to decline somewhat in 2024. One of the priorities is to complete major projects that are in their final stages. The investment plan for the year includes the completion of a number of wind and solar farms under construction by Enefit Green. We also expect the new Enefit 280-2 plant to start shale oil production by the end of the year.

Condensed consolidated interim financial statements

Condensed consolidated interim income statement

<i>in million EUR</i>	2nd Quarter		Half-year		Note
	2024	2023	6m 2024	6m 2023	
Revenue	415.1	416.1	915.4	998.8	4
Other operating income	42.7	112.9	93.2	228.9	5
Change in inventories of finished goods and work-in-progress	2.8	10.7	7.2	17.1	
Raw materials and consumables used	(210.6)	(249.6)	(530.4)	(613.8)	6
Payroll expenses	(48.8)	(50.0)	(96.9)	(102.0)	
Depreciation, amortisation and impairment	(40.2)	(46.1)	(79.2)	(91.8)	
Other operating expenses	(47.8)	(132.4)	(107.6)	(243.0)	7
OPERATING PROFIT	113.2	61.6	201.7	194.2	
Financial income	1.5	2.6	3.0	3.5	
Financial expenses	(11.3)	(7.5)	(24.3)	(17.4)	
Net financial expense	(9.8)	(4.9)	(21.3)	(13.9)	
Profit from associates under the equity method	1.2	1.3	3.0	1.5	
PROFIT BEFORE TAX	104.6	58.0	183.4	181.8	
Corporate income tax expense	(1.5)	(15.3)	(1.7)	(20.6)	
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:	103.1	42.7	181.7	161.2	
Equity holder of the parent	102.9	42.1	172.4	153.7	
Non-controlling interest	0.2	0.6	9.3	7.5	

Condensed consolidated statement of comprehensive income

	2nd Quarter		Half-year		Note
<i>in million EUR</i>	2024	2023	6m 2024	6m 2023	
PROFIT FOR THE PERIOD	103.1	42.7	181.7	161.2	
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Revaluation of hedging instruments net of reclassifications to profit or loss	45.6	(46.6)	(55.7)	(360.2)	
<i>Of which share of non-controlling interest</i>	0.4	0.3	0.6	(3.1)	
Impact of comprehensive income of associates	0.3	-	0.1	(1.6)	
Exchange differences on the transactions of foreign operations	0.2	(2.3)	1.0	(0.7)	
Other comprehensive income/(loss) for the period	46.1	(48.9)	(54.6)	(365.6)	
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:	149.2	(6.2)	127.1	(204.4)	
Equity holder of the parent	148.6	(7.1)	117.2	(208.8)	
Non-controlling interest	0.6	0.9	9.9	4.4	

Condensed consolidated interim statement of financial position

<i>in million EUR</i>	30.06.2024	30.06.2023	31.12.2023	Note
Non-current assets				
Property, plant and equipment	3,447.9	3,472.9	3,152.0	8
Right-use-of assets	27.1	11.0	17.0	
Intangible assets	98.3	83.7	82.8	
Prepayments for non-current assets	75.6	74.0	84.5	8
Deferred tax assets	4.0	4.3	4.5	
Derivative financial instruments	301.4	377.4	257.8	9
Investments in associates	79.9	78.6	78.3	
Non-current receivables	6.5	1.0	3.6	
Total non-current assets	4,040.7	4,102.9	3,680.5	
Current assets				
Inventories	165.3	179.3	158.7	
Greenhouse gas allowances and certificates of origin	140.6	18.0	216.5	
Trade and other receivables	284.6	684.6	516.9	
Derivative financial instruments	42.8	134.2	59.7	
Cash and cash equivalents	242.6	409.2	174.5	
	875.9	1,425.3	1,126.3	
Assets classified as held for sale			16.1	
Total current assets	875.9	1,425.3	1,142.4	
Total assets	4,916.6	5,528.2	4,822.9	

<i>in million EUR</i>	30.06.2024	30.06.2024	31.12.2023	Note
EQUITY				
Capital and reserves attributable to equity holder of the Parent Company				
Share capital	746.6	746.6	746.6	10
Share premium	259.8	259.8	259.8	
Statutory reserve capital	75.0	75.0	75.0	
Other reserves	99.8	348.5	155.0	14
Retained earnings	828.9	1,245.5	656.5	
Total equity and reserves attributable to equity holder of the Parent Company	2,010.1	2,675.4	1,892.9	
Non-controlling interest	170.8	158.7	167.2	
Total equity	2,180.9	2,834.1	2,060.1	
LIABILITIES				
Non-current liabilities				
Borrowings	1,424.0	945.3	1,226.1	12
Deferred tax liabilities	13.2	19.9	13.7	
Other payables	82.9	9.1	5.3	
Derivate financial instruments	11.6	21.9	16.6	
Contract liabilities and government grants	430.5	375.3	396.7	
Provisions	31.2	23.3	30.5	13
Total non-current liabilities	1,993.4	1,394.8	1,688.9	
Current liabilities				
Borrowings	228.3	742.0	468.0	12
Trade and other payables	249.2	287.7	319.9	
Derivative financial instruments	54.4	148.1	67.8	
Contract liabilities and government grants	1.8	1.5	2.1	
Provisions	208.6	120.0	211.1	13
	742.3	1,299.3	1,068.9	
Liabilities directly associated with assets classified as held for sale	-	-	5,0	
Total current liabilities	742.3	1,299.3	1,073.9	
Total liabilities	2,735.7	2,694.1	2,762.8	
Total liabilities and equity	4,916.6	5,528.2	4,822.9	

Condensed consolidated interim statement of cash flows

<i>in million EUR</i>	2nd Quarter		Half-year		Note
	2024	2023	6m 2024	6m 2023	
Cash flows from operating activities					
Cash generated from operations	282.4	81.6	504.8	168.0	15
Interest and loan fees paid	(12.6)	(6.9)	(51.3)	(19.6)	
Interest received	1.3	1.4	2.8	2.3	
Corporate income tax paid	(1.9)	(14.2)	(3.2)	(14.8)	
Net cash generated from operating activities	269.2	61.9	453.1	135.9	
Cash flows used in investing activities					
Purchase of property, plant and equipment and intangible assets	(184.8)	(159.3)	(368.2)	(320.6)	8
Proceeds from grants of property, plant and equipment	19.2	2.1	24.2	3.2	8
Proceeds from sale of property, plant and equipment	0.5	0.1	0.8	0.2	
Net change in deposits not recognised as cash equivalents		(245.0)	-	(245.0)	
Contribution to the share capital of associates		-	-	(3.3)	
Dividends received from associates		1.6	1.6	1.6	
Proceeds from sale of shares of business	-	-	16.9	-	
Net cash used in investing activities	(165.1)	(400.5)	(324.7)	(563.9)	
Cash flows used in financing activities					
Loans received	125.0	770.0	185.0	820.5	12
Repayments of bank loans	(111.2)	(174.0)	(240.2)	(181.7)	12
Principle elements of lease liabilities	(0.5)	(0.3)	(1.0)	(0.6)	
Dividends paid	(6.3)	(81.5)	(6.3)	(81.5)	
Proceeds from realisation of interest rate swaps	0.6		2.2		
Net cash used in financing activities	7.6	514.2	(60.3)	556.7	
Net cash flows	111.7	175.6	68.1	128.7	
Cash and cash equivalents at the beginning of the period	130.9	233.6	174.5	280.5	
Cash and cash equivalents at the end of the period	242.6	409.2	242.6	409.2	
Net change in cash and cash equivalents	111.7	175.6	68.1	128.7	

Condensed consolidated interim statement of changes in equity

<i>in million EUR</i>	Attributable to equity holder of the Parent Company					Total	Non-controlling interest	Total
	Share capital	Share premium	Statutory legal reserve	Other reserves	Retained earnings			
Equity as at 31.12.2022	746.6	259.8	75.0	711.0	1 160.7	2 953.1	166.9	3 120.0
Profit for the period	-	-	-	-	153.7	153.7	7.5	161.2
Other comprehensive income for the period	-	-	-	(362.5)	-	(362.5)	(3.1)	(365.6)
Total comprehensive income for the period	-	-	-	(362.5)	153.7	(208.8)	4.4	(204.4)
Dividends declared	-	-	-	-	(68.9)	(68.9)	(12.6)	(81.5)
Total contributions by and distributions to owners of the Group, recognised directly in equity	-	-	-	-	(68.9)	(68.9)	(12.6)	(81.5)
Equity as at 30.06.2023	746.6	259.8	75.0	348.5	1,245.5	2,675.4	158.7	2,834.1
Equity as at 31.12.2023	746.6	259.8	75.0	155.0	656.5	1,892.9	167.2	2,060.1
Profit for the period	-	-	-	-	172.4	172.4	9.3	181.7
Other comprehensive income for the period	-	-	-	(55.2)	-	(55.2)	0.6	(54.6)
Total comprehensive income for the period	-	-	-	(55.2)	172.4	117.2	9.9	127.1
Dividends paid	-	-	-	-	-	-	(6.3)	(6.3)
Total contributions by and distributions to owners of the Group, recognised directly in equity	-	-	-	-	-	-	(6.3)	(6.3)
Equity as at 30.06.2024	746.6	259.8	75.0	99.8	828.9	2,010.1	170.8	2,180.9

Notes to the condensed interim consolidated financial statement

1. Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance **with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations** as adopted by the European Union. These consolidated interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated condensed interim financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2023, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies and presentation of information applied to this interim report were consistent with those used in the consolidated financial statements for the financial year that ended on 31 December 2023.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

According to the Management Board the interim report prepared for the period 1 January 2024 – 30 June 2024 presents a true and fair view of the financial position, the cash flows and the results of operations of Eesti Energia AS and its subsidiaries (Group).

The information contained in the interim financial statements has not been audited or otherwise verified by auditors.

2. Financial risk management

2.1. Financial risks

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The purpose of financial risk management is to mitigate financial risks and minimise the volatility of financial results. The risk and internal audit department under the Chairman of the Management Board and the Audit Committee are engaged in risk management and responsible for the development, implementation and maintenance of the Group's risk management system. The Group's financial risks are managed in accordance with the principles established by the Management Board at the Group level. The Group's liquidity, interest rate and currency risks are managed in the finance department of the parent company.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

2.2. Interest rate swaps

Interest rate swaps usually involve the exchange of a floating interest rate for a fixed rate (or vice versa) with a purpose to hedge against the cash flow

fluctuations. An economic relationship exists between the hedging instruments (interest rate swaps) and the hedged items (loan agreements), because as at 30 June 2023 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 30 June 2023, the Group had three interest rate swaps to hedge the interest rate risk of three loans (in the comparative period, there were no interest rate swaps):

- An interest rate swap with a notional amount of EUR 69.6 million (73.0 million 2023), whereby the Group receives interest at a rate equal to 6-month EURIBOR and pays a fixed rate of interest of 1.1%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan that was drawn down on 30 September 2022.
- An interest rate swap with a notional amount of EUR 46.9 million (49.0 million 2023), 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 33.3 million (35.0 million 2023), whereby the Group receives interest at a rate equal to 6-month EURIBOR and pays a fixed rate of interest of 1.125%. The swap is designed to hedge the exposure to the interest rate risk of a floating-rate loan that was drawn down on 30 June 2022.

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

The Group sells electricity to its customers in the retail market. Part of the customers have agreements with fixed rates. To hedge the volatility risk in electricity prices, the Group uses derivatives (futures, forward contracts and long-term power purchase agreements), which are entered into for the purchase of electricity at each hour of trading. Transactions designed to hedge the volatility risk in electricity prices are designated as hedging instruments in cash flow hedges. The underlying hedged item is the risk components of highly probable forecast

electricity purchase transactions: TGE Polish base and peak load prices (Polish market) and the Nord Pool system price, and the difference between the system price and the Finnish area price i.e. the price spread (markets other than Poland). Long-term cash-settled power purchase agreements hedge the exposure to the Nord Pool Lithuanian price area. The volumes of derivative instruments entered into to hedge the purchase price risk is driven by the volumes of forecast fixed-price sales transactions. The hedge ratio of the hedging relationships is one to one.

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

The Group sells gas to its customers in the retail market. Part of the customers have agreements with variable rates. The Group uses derivatives (futures and forwards) to hedge the volatility risk in natural gas prices in the Baltic market. From 1 March 2022, these instruments have been designated as hedging instruments in cash flow hedges. To hedge the price risk associated with natural gas obtained from Inčukalns at a fixed rate and sold to customers in the Baltic countries under long-term floating-price agreements, the Group enters into derivative transactions to convert the fixed price of gas obtained from Inčukalns into a floating price. The underlying hedged item is highly probable forecast gas purchase transactions (purchase to warehouse for fixed price) that are priced against the TTF ICE Endex Futures which are determined by the volumes required by floating-price customers. The hedge ratio of the hedging relationships is one to one.

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

The Group sells natural gas to its customers in the retail market. Part of the customers have agreements with fixed rates. The Group uses derivatives (futures and forwards) to hedge the volatility risk in natural gas prices in the Polish market, which are entered into for the purchase of a specific amount of gas in each month. Transactions designed to hedge the volatility risk in gas prices are designated as hedging instruments in cash flow hedges. The underlying hedged item is the risk component of highly probable forecast gas purchase transactions: the purchase price of natural gas on the Polish power exchange TGE. The volume of derivative instruments entered into to hedge the price risk associated with the natural gas purchases in Poland depends on the natural gas sales volumes which are determined by volumes required by customers under long-term fixed-price agreements. Consistent with the Group's hedging strategy, derivative contracts are concluded for the next three years and allowed net open position is 5% of the volumes of highly probable forecast purchase transactions. The hedge ratio of the hedging relationships is one to one.

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

The Group has shale oil production facilities in Estonia and it sells the produced shale oil and shale oil gasoline in the global energy markets. The Group uses derivatives (futures and swaps) to hedge the volatility risk in the prices of shale oil and shale gasoline (for shale gasoline from 1 January 2021). In these transactions,

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

2.7. Fair value

The Group estimates that the fair values of financial assets and liabilities reported at amortised cost in the statement of financial position as at 30 June 2024 and 31 December 2023 do not materially differ from the carrying amounts reported in the consolidated financial. The carrying amount of current accounts receivable and payables and loan receivables less impairments is estimated to be proximately equal to their fair value. For disclosure purposes, the fair value of financial liabilities is determined by discounting the contractual cash flows at the market interest rate which is available for similar financial instruments of the Group.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); -
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2);
- inputs for the asset or liability that are not based on observable market data (Level 3).

The following tables present the Group's assets and liabilities that are measured at fair value by the level in the fair value hierarchy as at 30 June 2024 and 31 December 2023:

<i>In million EUR</i>	30.JUNE 2024							
	ASSETS				LIABILITIES			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash flow hedges								
Future, forward and long-term PPA contracts to purchase electricity	-	8.0	127.8	135.8	23.5	4.7	-	28.2
Future and forward contracts to purchase natural gas	-	-	-	-	5.0	-	-	5.0
Swap and forward contracts for sale of shale oil	-	-	-	-	11.6	-	-	11.6
Swap and forward contracts for sale of shale oil gasoline	-	-	-	-	1.4	-	-	1.4
Interest rate swap	-	9.9	-	9.9	-	-	-	-
Total cash flow hedges	-	17.9	127.8	145.7	41.5	4.7	-	46.2
Trading derivatives								
Future, forward and long-term PPA contracts to purchase electricity	-	0.4	116.5	116.9	0.8	5.0	-	5.8
Future and forward contracts to purchase natural gas	0.3	-	-	0.3	1.7	-	-	1.7
Swap and forward contracts for sale of shale oil	-	-	-	-	1.2	-	-	1.2
Swap and forward contracts for sale of shale oil gasoline	-	-	-	-	3.2	-	-	3.2
Future contracts for buying and selling greenhouse gas emissions allowances as trading derivatives	-	77.6	-	77.6	-	-	-	0.0
Guarantees of origin	-	-	3.4	3.4	-	-	7.6	7.6
Universal service	-	-	-	-	-	-	-	-
Other derivatives	-	0.3	-	-	-	0.3	-	0.3
Total trading derivatives	0.3	78.3	119.9	198.5	6.9	5.3	7.6	19.8
Total derivative financial instruments (Notes 2.1, 2.7, and 14)	0.3	96.2	247.7	344.2	48.4	10.0	7.6	66.0

31. DECEMBER 2023								
<i>In million EUR</i>	ASSETS				LIABILITIES			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash flow hedges								
Future, forward and long-term PPA contracts to purchase electricity	-	2.7	149.6	152.3	35.8	5.4	-	41.2
Future and forward contracts to purchase natural gas	-	-	-	-	15.2	-	-	15.2
Swap and forward contracts for sale of shale oil	3.8	-	-	3.8	(0.1)	-	-	(0.1)
Swap and forward contracts for sale of shale oil gasoline	0.6	-	-	0.6	-	-	-	-
Interest rate swap	-	8.9	-	8.9	-	-	-	-
Total cash flow hedges	4.4	11.6	149.6	165.6	50.9	5.4	0.0	56.3
Trading derivatives								
Future, forward and long-term PPA contracts to purchase electricity	2.0	-	129.1	131.1	-	1.6	-	1.6
Future and forward contracts to purchase natural gas	3.3	-	-	3.3	5.6	-	-	5.6
Swap and forward contracts for sale of shale oil	4.0	-	-	4.0	7.6	-	-	7.6
Swap and forward contracts for sale of shale oil gasoline	-	-	-	-	1.5	-	-	1.5
Guarantees of origin	-	-	4.4	4.4	-	-	10.2	10.2
Universal service	-	-	9.1	9	-	-	-	0.0
Other derivatives	-	-	-	-	1.2	0.4	-	1.6
Total trading derivatives	9.3	-	142.6	151.9	15.9	2.0	10.2	28.1
Total derivative financial instruments (Notes 2.1, 2.7, and 14)	13.7	11.6	292.2	317.5	66.8	7.4	10.2	84.4

2.7 Fair value, cont.

Financial instruments within level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. The Group's derivatives that are traded on Nasdaq OMX, ICE, Platts European Marketscani (for spot prices), TGE, Argus and Nymex exchanges, are classified as Level 1 instruments. The fair values of forwards, swaps and futures are determined on the basis of their spot prices at the reporting date.

Financial instruments within level 2

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. An instrument is included in level 2 if all the significant inputs required to establish the fair value of the instrument are observable. If one or more significant inputs are not based on observable market data, an instrument is included in level 3. The values of the Group's derivatives arising from Baltic electricity and interest rate swap transactions is calculated using valuation techniques, which are based on the quotations of Nasdaq OMX and the interbank swap market at the reporting date.

Financial instruments within level 3

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. An instrument is included in level 3 if one or more significant inputs are not based on observable market data. The Group classifies the universal service, 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

<i>In million EUR</i>	30.06.2024	31.12.2023
Long-term PPAs	244.3	278.7
Concluded derivatives for Guarantees of Origin	(4.2)	(5.8)
Universal service	-	9.1
Total	240.1	282.0

The fair value of PPAs is calculated using a valuation technique, which is based on the forecasts future period electricity prices. The technique combines market-based inputs for the Nord Pool system price and Helsinki EPAD, as quoted on

Nasdaq OMX at the balance sheet date, with unobservable inputs such as actual production and consumption data of market participants, market prices of fuel inputs (CO₂, gas, coal), data of plant and/ or cable outages, knowledge of future developments. The fair value calculations are made on a monthly basis.

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

The fair value of level 3 derivatives of the universal service is calculated using a valuation technique, which is based on different inputs. The market price is found using valuation techniques, which are based on Nasdaq OMX quotations and fair value is calculated based on the difference between the market price and the universal service price established by the Estonian Competition Authority. The Group has estimated the quantities based on the forecasts of quantities provided by external resellers, who are taking into account the possible movement of customers between electricity plans (packages), which is estimated by reference to the comparison of the leaving customers and the active customers of the universal service. The quantities of the universal service have been accounted for until April 2026 according to the current legislation as of 31 December 2023.

Level 3 instruments

<i>In million EUR</i>	Cash flow hedged	Derivatives held for trading
Opening balance 1 January 2023	360.7	136.5
Gains recognised in other comprehensive income	(181.9)	-
Gains recognised in revenue	(11.8)	-
Reclassification of ineffective portion	(17.1)	17.1
Gains recognised in other operating income	-	40.7
Loss recognised in other operating expenses	-	(60.8)
Closing balance 31 December 2023	149.7	133.5
Gains recognised in other comprehensive income	(18.1)	-
Gains recognised in revenue	(3.8)	-
Reclassification of ineffective portion	-	19.1
Gains recognised in other operating income	-	(40.3)
Closing balance 30 June 2024	127.8	112.3

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

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

Fair value of bank loans

<i>In million EUR</i>	30.06.2024	31.12.2023
Nominal value of bank loans with fixed interest rate	37.1	37.1
Fair value of bank loans with fixed interest rate	34.9	34.1
Nominal value of bank loans with fixed interest swap rate	149.6	157.8
Fair value of bank loans with fixed interest swap rate	149.6	157.8
Nominal value of bank loans with floating interest rate	1,410.5	1,456.8
Fair value of bank loans with floating interest rate	1,410.5	1,456.8

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 4,054% (2023: 3,291%), that are within level 2 of the fair value hierarchy. The discount rates are calculated based on the interpolated interest rate swaps taking into account the average length of years to the repayment date(s).

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

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

3. Segment reporting

For the purposes of monitoring the Group's performance and making management decisions, the Management Board uses product-based reporting. The Group has determined main products and services, i.e. value-creating units that generate external revenues and profit, and built up a methodology of allocating revenues, expenses, and assets to the products.

The Group has distinguished four main products and services, which are presented as separately reportable segments, and a number of minor products and services that are presented together as "Other products and services":

- 1) Electrical Energy (production and sale of electricity generated from renewable and non-renewable sources, and electricity trading);
- 2) Network Services (sale of electricity distribution network services on regulated market and sale of additional services by Elektrilevi);
- 3) Liquid Fuels (production and sale of liquid fuels);
- 4) Natural gas (sale of natural gas);
- 5) Other products and services (including production and sale of heat, construction of power engineering equipment and services, sale of old metal, sale of mining products, sale of other products and services)

Other segments include by-products and services which individual share of the Group's revenue and EBITDA is immaterial. None of these products and services allocated to the segments as they are managed centrally by the Group's finance department.

meet the quantitative thresholds that would require separate reporting disclosures.

Segment revenues include revenues from external customers only, generated by the sale of respective products or services. As the segments are based on externally sellable products and services (as opposed to legal entities), there are no transactions between segments to be eliminated.

All operating expenses of the Group are allocated to the products and services to which they relate. If a product (e.g. electricity) is created by several Group entities in a vertically integrated chain, then the related expenses include the production cost of each entity involved in preparation of the product (e.g. the cost of electricity includes the cost of oil shale used for its production). Group overheads are allocated to products and services proportionally to the revenue generated in relation to these costs.

The Management Board assesses the performance of the segments primarily based on EBITDA and it also monitors operating profit. Finance income and expenses, and income tax are not allocated to the segments. EBITDA is not a defined performance measure under IFRS.

The Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities. The Group's assets are allocated to the segments based on their purpose of use. Liabilities are not

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.

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.

Revenue from external customers

<i>in million EUR</i>	2nd Quarter		Half-year	
	2024	2023	6m 2024	6m 2023
Electricity	263.0	266.7	564.0	640.0
Network Services	67.8	65.9	153.9	147.5
Liquid Fuels	51.8	43.2	97.6	83.9
Natural gas	17.0	15.5	55.2	61.1
Total reportable segments	399.6	391.3	870.7	932.4
Other products and services	15.5	24.8	44.7	66.4
Total (Note4)	415.1	416.1	915.4	998.8

Assets

<i>in million EUR</i>	30.06.2024	31.12.2023
Electricity	2,460.3	2,362.8
Network Services	1,539.0	1,469.8
Liquid Fuels	569.7	554.0
Natural gas	44.1	49.6
Total reportable segments	4,613.1	4,436.2
Other products and services	303.5	386.7
Total	4,916.6	4,822.9

EBITDA

	2nd Quarter		Half-year	
<i>in million EUR</i>	2024	2023	6m 2024	6m 2023
Electricity	43.1	80.2	108.7	229.9
Network Services	21.1	33.1	53.8	62.2
Liquid Fuels	80.6	3.3	98.3	8.9
Natural gas	4.0	-5.3	10.0	-12.4
Other products and services	4.6	-3.6	9.9	-2.5
Total reportable segments	153.5	107.7	280.8	286.0
Depreciation, amortisation and impairment	(40.2)	(46.2)	(79.1)	(91.8)
Net finance costs	(9.9)	(4.8)	(21.3)	(13.9)
Profit(loss) from associates under the equity method	1.2	1.3	3.0	1.5
Profit(loss) before tax	104.6	58.0	183.4	181.8

4. Revenue

	2nd Quarter		Half-year	
<i>in million EUR</i>	2024	2023	6m 2024	6m 2023
Revenue from contracts with customers				
By activity				
Sale of goods				
Shale oil	56.1	50.0	105.3	97.1
Pellets	0.2	2.7	-	18.3
Shale rock	-	0.9	-	0.9
Other goods	1.0	3.6	2.0	4.7
Total sale of goods	57.3	57.2	107.3	121.0
Sale of services				
Electricity	264.3	264.2	569.2	634.0
Sales of services related to network	67.8	64.8	153.9	147.0
Gas energy	17.0	15.5	55.2	61.0
Heat	4.9	3.6	19.7	13.2
Waste reception and resale	3.7	3.9	7.7	8.5
Rental and maintenance income	0.1	0.3	0.4	0.6
Other services	4.3	14.4	9.7	28.5
Total sale of services	362.1	366.7	815.8	892.8
Total revenue from contracts with customers	419.4	423.9	923.1	1,013.8
Reclassifications from other comprehensive income				
Realisation of shale oil cash flow hedges	(4.3)	(6.8)	(7.7)	(13.2)
Realisation of electricity cash flow hedges	-	(1.0)	-	(1.8)
Total reclassifications from other comprehensive income	(4.3)	(7.8)	(7.7)	(15.0)
Total revenue	415.1	416.1	915.4	998.8

5. Other operating income

	2nd Quarter		Half-year	
<i>in million EUR</i>	2024	2023	6m 2024	6m 2023
Gain from revaluation of derivatives	28.6	105.5	64.1	211.4
Renewable energy grant	5.0	4.4	11.4	11.6
Fines, penalties and compensations	8.6	1.7	10.6	3.4
Gain/(loss) on disposal of business	(0.8)	-	4.2	-
Government grants	0.4	0.3	0.9	0.6
Gain on greenhouse gas emission allowances sold	-	1.0	-	1.0
Gain on disposal of property, plant and equipment	-	-	0.3	0.2
Other operating income	0.8	-	1.7	0.7
Total other operating income	47.7	112.9	93.2	228.9

6. Raw materials and consumables used

<i>in million EUR</i>	2nd Quarter		Half-year	
	2024	2023	6m 2024	6m 2023
Electricity	176.2	117.9	333.9	247.9
Greenhouse gases emissions expense*	(47.0)	39.4	(1.1)	112.9
Gas bought for resale	11.5	17.8	44.3	69.7
Transmission services	17.5	11.6	38.9	40.6
Maintenance and repairs	15.6	6.5	32.1	12.7
Technological fuel	11.8	19.7	30.0	52.3
Materials and spare parts	8.0	14.0	17.2	29.8
Resource tax on mineral resources	6.0	6.2	12.7	13.8
Purchased works and services	6.7	6.7	12.1	12.7
Environmental pollution charges	2.1	2.6	5.3	6.0
Services for own production	-	4.9	-	9.8
Other raw materials and consumables used	2.2	2.3	5.0	5.6
Total raw materials and consumables used	210.6	249.6	530.4	613.8

*The 2024 costs include a one-time revaluation of the 2023 CO2 allocation of EUR 64.8 million.

7. Other operating expenses

<i>in million EUR</i>	2nd Quarter		Half-year	
	2024	2023	6m 2024	6m 2023
Loss from revaluation of derivatives	34.5	117.5	80.0	214.2
Miscellaneous office expenses	4.7	4.7	8.5	8.8
Consultation	2.1	1.7	4.1	3.3
Insurance	1.8	1.5	3.6	3.1
Building and structure costs	1.3	1.3	2.9	2.8
Rental expense	1.4	1.4	2.8	2.8
Taxes	0.5	0.7	1.7	1.9
Research and development costs	0.5	0.9	1.0	1.8
Compensations	0.1	0.2	0.2	0.3
Other operating expenses	0.8	2.5	2.8	4.0
Total other operating expenses	47.7	132.4	107.6	243.0

8. Property, plant and equipment

<i>in million EUR</i>	Land	Buildings	Const- ruction	Plant and equipment	Other	Construction in progress	Prepayments	Total
Property, plant and equipment as at 31.12.2023								
Cost	94.6	329.4	1,529.2	3,482.6	6.4	798.5	84.5	6,325.2
Accumulated amortisation	-	(218.6)	(690.2)	(2,175.1)	(4.8)	-	-	(3,088.7)
Carrying amount at 31.12.2023	94.6	110.8	839.0	1,307.5	1.6	798.5	84.5	3,236.5
	-	-	-	-	-	-	-	-
Movements in the reporting period								
Additions	-	-	14.0	80.2	0.2	264.6	2.3	361.3
Depreciation charge and write downs	-	(2.4)	(18.8)	(52.5)	(0.3)	-	-	(74.0)
Disposals (at carrying amount)	-	-	-	(0.5)	-	-	-	(0.5)
Foreign exchange adjustments	0.1	-	-	0.1	-	-	-	0.2
Transfers	-	2.1	34.8	54.9	-	(80.6)	(11.2)	-
Total changes occurred in Q2 2024	0.1	(0.3)	30.0	82.2	(0.1)	184.0	(8.9)	287.0
Property, plant and equipment as at 30.06.2023								
Cost	94.7	331.5	1,578.0	3,614.3	6.6	982.5	75.6	6,683.2
Accumulated amortisation	-	(221.0)	(709.0)	(2,224.6)	(5.1)	-	-	(3,159.7)
Carrying amount at 30.06.2024	94.7	110.5	869.0	1,389.7	1.5	982.5	75.6	3,523.5

The Group has concluded construction and development contracts, which are not recorded on the balance sheet as a liability, and which are accounted for off-balance sheet. As of June 30, 2024, the Group had obligations arising from these agreements in the amount of EUR 394.7 million (31 December 2023: EUR 468.5 million).

9. Derivative financial instruments

<i>in million EUR</i>	30.JUNE 2024		31. DECEMBER 2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges				
Future, forward and long-term PPA contracts to purchase electricity	135.8	28.2	152.3	41.2
Future and forward contracts to purchase natural gas	-	5.0	-	15.2
Swap and forward contracts for sale of shale oil	-	11.6	3.8	(0.1)
Swap and forward contracts for sale of shale oil gasoline	-	1.4	0.6	-
Interest rate swap	9.9	-	8.9	-
Total cash flow hedges	145.7	46.2	165.6	56.3
Trading derivatives				
Future, forward and long-term PPA contracts to purchase electricity	116.9	5.8	131.1	1.6
Future and forward contracts to purchase natural gas	0.3	1.7	3.3	5.6
Swap and forward contracts for sale of shale oil	-	1.2	4.0	7.6
Swap and forward contracts for sale of shale oil gasoline	-	3.2	-	1.5
Future contracts for buying and selling greenhouse gas emissions allowances as trading derivatives	77.6	-		
Guarantees of origin	3.4	7.6	4.4	10.2
Universal service	-	-	9.1	-
Other derivatives	0.3	0.3	-	1.6
Total trading derivatives	198.5	19.8	151.9	28.1
Total derivative financial instruments (Notes 2.1, 2.7, and 14)	344.2	66.0	317.5	84.4

<i>in million EUR</i>	30.JUNE 2024		31. DECEMBER 2023	
	Assets	Liabilities	Assets	Liabilities
Including non-current portion:				
Cash flow hedges				
Future, forward and long-term PPA contracts to purchase electricity	112.6	4.0	131.8	7.7
Future and forward contracts to purchase natural gas	-	0.2	-	2.0
Swap and forward contracts for sale of shale oil	-	2.2	3.7	0.1
Swap and forward contracts for sale of shale oil gasoline	-	0.6	0.6	-
Interest rate swap	5.8	-	5.1	-
Total cash flow hedges	118.4	7.0	141.2	9.8
Trading derivatives				
Future, forward and long-term PPA contracts to purchase electricity	105.2	1.2	113.5	1.1
Future contracts for buying and selling greenhouse gas emissions allowances as trading derivatives	77.6	-	-	-
Renewables as trading derivatives	0.5	3.7	3.1	5.6
Other derivatives	-	-	-	0.1
Total trading derivatives	183.3	4.9	116.6	6.8
Total non-current portion	301.7	11.9	257.8	16.6
Total current portion	42.5	54.1	59.7	67.8

10. Share capital and dividends

As at 30 June 2024, Eesti Energia AS had 746 645 750 registered shares (31 December 2023: 746 645 750 registered shares). The nominal value of each share is 1 euro.

Eesti Energia AS had not paid dividends during the reporting period (In the first half of 2023, dividends of 68.9 million euros (0.09 euros per share) were paid.)

11. Earnings per share

Basic earnings per share are calculated by dividing profit attributable to the equity holder of the Parent Company by the weighted average number of ordinary shares outstanding. As there are no potential ordinary shares, diluted earnings per share equal to basic earnings per share all the periods.

	2nd Quarter		Half-year	
	2024	2023	6m 2024	6m 2023
in million EUR				
Profit attributable to the equity holders of the company (million EUR)	102.9	42.1	172.4	153.7
Weighted average number of shares (million)	746.6	746.6	746.6	746.6
Basic earnings per share (EUR)	0.14	0.06	0.23	0.21
Diluted earnings per share (EUR)	0.14	0.06	0.23	0.21

12. Borrowings at amortised cost

<i>in million EUR</i>	Short-term borrowings			Long-term borrowings		Total
	Bank loans	Bonds issued	Lease liabilities	Bank loans	Lease liabilities	
Borrowings at amortised cost 31.12.2023	24.1	441.6	2.3	1,210.1	16.0	1,694.1
Changes occurred in the reporting period						
Cash movements						
Amortisation of borrowing expenses	-	-	-	-	-	-
Borrowings received	52.8	87.5	-	97.5	-	237.8
Repayments of borrowings	(51.0)	(240.2)	(1.3)	-	-	(292.5)
Non-cash movements						
Initial recognition of lease liabilities	-	-	0.6	-	11.7	12.3
Transfers	0.2	(88.3)	-	88.1	-	-
Foreign exchange adjustments	-	-	-	0.1	-	0.1
Amortization of borrowing costs	-	-	-	0.8	-	0.8
Other movements	-	-	-	-	(0.3)	(0.3)
Total changes occurred in Q2 2024	2.0	(241.0)	(0.7)	186.5	11.4	(41.8)
Borrowings at amortised cost 30.06.2024	26.1	200.6	1.6	1,396.6	27.4	1,652.3

*Repayments of lease liabilities in the amount of EUR 1.3 million include principle elements in the amount of EUR 1.0 million and paid interest in the amount of EUR 0.3 million.

As at 30 June 2024, the Group had undrawn loan facilities of EUR 505.2 million (31 December 2023: EUR 410.0 million), including long-term investment loans of EUR 235.2 million and undrawn revolving liquidity loans of EUR 270.0 million.

13. Provisions

	Opening balance 31.12.2023	Recognition and reversal of provisions	Interest charge	Use	Closing balance 30.06.2024	
					Short term provision	Long term provision
in million EUR						
Environmental protection provisions	17.0	-	0.4	(0.2)	1.2	16.0
Provision for dismantling cost of assets	11.7	-	0.5	-	-	12.2
Provision for greenhouse gas emissions	205.1	(1.1)	-	-	204.0	-
Provision for renewable energy certificates	1.8	2.2	-	(1.8)	2.2	-
Other provisions	6.0	(0.5)	0.1	(1.4)	1.2	3.0
Total provisions	241.6	0.6	1.0	(3.4)	208.6	31.2

14. Other reserves

	30.JUNE	31 DECEMBER
<i>in million EUR</i>	2024	2023
Other reserves at the beginning of the period (Note 2.1)	155.0	711.0
of which hedge reserve at the beginning of the period	141.6	698.5
electricity cash flow hedges	144.5	728.7
gas cash flow hedges	(13.5)	8.3
shale oil cash flow hedges	3.7	(42.6)
shale oil gasoline cash flow hedges	0.6	(7.2)
interest rate swap	8.9	14.6
non-controlling interest of hedging instruments	(2.6)	(3.3)
of which currency translation reserve at the beginning of the period	7.0	5.7
of which reserve related to other comprehensive income of associates at the beginning of the period	6.4	6.8
Change in fair value of cash flow hedges	(85.2)	(438.8)
electricity cash flow hedges	(59.6)	(414.0)
gas cash flow hedges	(1.7)	(30.9)
shale oil cash flow hedges	(9.7)	8.7
shale oil gasoline cash flow hedges	(6.3)	(1.7)
interest rate swap	3.2	(2.2)
non-controlling interest of hedging instruments	(1.1)	1.3
Recognised as an (increase)/decrease of revenue (Note 4)	7.7	48.2
electricity cash flow hedges	-	1.1
shale oil cash flow hedges	3.4	37.6
shale oil gasoline cash flow hedges	4.3	9.5

	30.JUNE	31 DECEMBER
<i>In million EUR</i>	2024	2023
Recognised as an increase/(decrease) of cost of raw materials and consumables (Note 6)	23.0	(162.2)
electricity cash flow hedges	12.5	(171.3)
gas cash flow hedges	10.5	9.1
Recognised as an increase/(decrease) of interest expenses (Note 30)	(2.2)	(3.5)
Non-controlling interest of hedging instruments	0.4	(0.6)
Currency translation differences attributable to foreign subsidiaries	1.0	1.3
of which share of non-controlling interest	-	(0.3)
Change in associates other comprehensive income	0.1	(0.4)
Other reserves at the end of the period (Note 2.1)	99.8	155.0
of which hedge reserve at the end of the period	85.3	141.6
electricity cash flow hedges	97.4	144.5
gas cash flow hedges	(4.7)	(13.5)
shale oil cash flow hedges	(12.6)	3.7
shale oil gasoline cash flow hedges	(1.4)	0.6
interest rate swap	9.9	8.9
non-controlling interest of hedging instruments	(3.3)	(2.6)
of which currency translation reserve at the end of the period	8.0	7.0
of which reserve related to other comprehensive income of associates at the end of the period	6.5	6.4

15. Cash generated from operations

<i>in million EUR</i>	2nd Quarter		Half-year	
	2024	2023	6m 2024	6m 2023
(Loss)/Profit before tax	104.6	58.0	183.4	181.8
Adjustments				
Depreciation and impairment of property, plant and equipment and right of use assets	38.4	44.0	75.4	87.8
Amortisation and impairment of intangible assets	1.9	2.1	3.7	4.0
Deferred income from connection and other service fees	(3.7)	(3.4)	(7.3)	(6.7)
Gain on disposal of property, plant and equipment	-	-	(0.3)	(0.2)
Loss on disposal of associate	0.8	-	(4.2)	-
Amortisation of government grant received to purchase non-current assets	(0.5)	(0.3)	(0.9)	(0.6)
Profit/loss from associates using equity method	(1.2)	(1.3)	(3.0)	-
Unpaid/unsettled gain/loss on derivatives	3.0	(53.0)	(23.3)	(205.5)
Profit (loss) from other non-cash transactions	0.1	0.3	0.4	(1.2)
Interest expense on borrowings	10.9	11.0	24.7	17.7
Interest and other financial income	(1.3)	(2.6)	(2.8)	(3.5)
Adjusted net profit before tax	153.0	54.8	245.8	73.6
Net change in current assets relating to operating activities				
Change in receivables related to operating activities	56.2	62.2	79.1	117.5
Change in inventories	(12.7)	(24.9)	(6.6)	(2.4)
Net change in other current assets relating to operating activities	70.8	393.2	143.3	299.0
Total net change in current assets relating to operating activities	114.3	430.5	215.8	414.1
Net change in current liabilities relating to operating activities				
Change in provisions	(48.1)	(391.3)	(1.9)	(315.4)
Change in trade payables	13.3	(4.9)	(28.5)	(37.2)
Net change in liabilities relating to other operating activities	49.9	(7.6)	73.6	32.9
Total net change in liabilities relating to operating activities	15.1	(403.8)	43.2	(319.7)
Cash generated from operations	282.4	81.6	504.8	168.0

16. Related party transactions

The sole shareholder of Eesti Energia AS is the Republic of Estonia. In preparing the Group's financial statements, the related parties include associates, members of the management and supervisory boards of the parent company, and other companies over which these persons have significant influence. Related parties also include entities under the control or significant influence of the state.

Transactions with associates

	2nd Quarter		Half-year	
<i>in million EUR</i>	2024	2023	6m 2024	6m 2023
Purchase of goods	2.6	3.2	5.4	8.9
Purchase of services	0.3	0.2	0.6	0.4
Proceeds from sale of services	0.1	0.1	0.1	0.1
Dividends received	-	1.6	1.7	1.6

Receivables from associates and payables to associates

<i>in million EUR</i>	30.06.2024	31.12.2023
Receivables	12.7	12.3
Incl. long-term loan receivables	12.7	12.3
Allowance for doubtful loan receivables	(12.7)	(12.3)
Payables	1.0	1.6

Upon premature termination of the service contract with a member of the Management Board, the service contracts stipulate the payment of 3 months' remuneration as termination benefits. During the period 1 January – 30 June 2024 remuneration to management and supervisory boards amounted to EUR 2.6 million (1 January – 30 June 2023: EUR 2.4 million).

In purchasing and selling network services, the prices set by the Estonian Competition Authority are used. All other transactions are concluded using agreed prices.

The sales of electricity, network services and heat to the entities over which the state has control or significant influence have been taken place under normal business activity. The Group has performed in the reporting and comparative period purchase and sales transactions in the material amounts with Elering AS, which is fully state owned enterprise.

Transactions with Elering AS

	2nd Quarter		Half-year	
<i>in million EUR</i>	2024	2023	6m 2024	6m 2023
Purchase of services, goods and prepayments	23.4	32.9	50.0	71.5
Purchase of property, plant and equipment and prepayments	-	6.6	-	6.6
Sale of goods and services (incl. renewable energy grant)	6.3	4.3	12.8	10.0
Sale of goods and services (incl. renewable energy grant)	4.6	4.4	11.0	11.7

Receivables from Elering AS and payables to Elering AS

<i>in million EUR</i>	30.06.2024	31.12.2023
Receivables	6.6	7.6
Payables	14.4	23.6

17. Events after the reporting period

In July Eesti Energia raised EUR 400 million of green hybrid bonds, listed on the London Stock Exchange to support its business and strengthen its financial position. The funds raised will be invested in ongoing and planned projects supporting the development of green energy. Eesti Energia's green hybrid bond offer attracted nearly 200 investors from around the world, with two-thirds of the subscribers coming from Europe, including Estonia. It is the first green hybrid bond issued in the Baltics to be offered internationally and listed on the London Stock Exchange. A green hybrid bond means that the company takes responsibility to investors to invest the capital raised by the bond only in green projects.

On 25 July 2024, the Secretariat of the ICC International Court of Arbitration released the arbitral tribunal's final award on the proceedings that Jordanian National Electric Power Company (NEPCO) and the Government of Jordan (GoJ) initiated against the Attarat Power Company (APCO) on December 2020 with respect to the Power Purchase Agreement (PPA), and the Government Guarantee of NEPCO's obligations related to the oil shale project to produce electricity in the Al Attarat area of Jordan. The Arbitral Tribunal has dismissed all of NEPCO's and the GoJ's claims and confirms that PPA, signed in 2014, remains valid and binding on the parties, and Government Guarantee remains in force. The award, being in favour of APCO in all accounts, supports achievement of APCO's economic and financial objectives in Jordan power project. Eesti Energia AS (Enefit) is a 10% shareholder of APCO.

Glossary

Circulating fluidised bed (CFB) technology – Circulating fluidised bed combustion technology whereby larger (unburnt) particles are returned to the furnace

Clean Dark Spread (CDS) – Eesti Energia's margin between the price of electricity (in NP Estonia) and oil shale costs and CO₂ costs (taking into account the price of CO₂ allowance futures maturing in December and the amount of CO₂ emitted 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 – profit before finance income and costs, profit (loss) from associates under the equity method, tax, depreciation, amortisation, impairment losses

EBITDA margin – profit before finance income and costs, profit (loss) from associates under the equity method, tax, depreciation, amortisation, impairment losses divided by revenue

FFO – Funds from operations. Cash flow from operations, excluding changes in working capital

Level of water reservoirs – The level of water in the reservoirs of hydro power plants as a percentage of the maximum possible level. Most of the Nordic countries' electricity production is based on hydro power whose output depends on the level of water reservoirs

Liquidity – Amount of liquid assets. Sum of cash and cash equivalents, short-term financial investments and deposits with a maturity of more than 3 months

Maintenance and repair expenditures – Expenditures incurred to maintain the existing production capacities

MWh – megawatt hour. 1 MWh is the unit of energy generated (or consumed) in one hour by a device operating at a constant power of 1 MW (megawatt)

1.000.000 MWh = 1.000 GWh = 1 TWh

Net debt – Debt obligations (amortised) less cash and cash equivalents (incl. bank deposits with maturities exceeding 3 months), units in money market funds and investments in fixed income bonds

Network losses – The amount of electricity delivered to customers is somewhat smaller than the amount supplied from power plants to the network because during transfer a part of electricity in the power lines and transformers converts into heat. To a lesser extent, network losses are caused by power theft and incorrect measuring.

NP system price – The price on the Nord Pool power exchange that is calculated on the basis of all purchase and sale bids without taking into account transmission capacity limitations

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

ROIC – Return on Invested Capital, calculated by dividing operating profit by average invested capital

SAIDI – System Average Interruption Duration Index. The sum of all customer interruption durations in minutes divided by the total number of customers served

SAIFI – System Average Interruption Frequency Index. The total number of customer interruptions divided by the total number of customers served

Tax footprint – An indicator which reflects the contribution made to society through taxes

Variable profit – Profit after deducting variable costs from sales revenue