KEY ELEMENTS FOR A SUCCESSFUL ROLL-OUT OF RENEWABLES AND SYSTEMIC SOLUTIONS

UTILITAS WIND

September 2025

UTILITAS

UTILITAS GROUP

1,400 MW
installed heat and power capacity

2.4 TWh
energy produced

20.5 mln m²
heated buildings

GOAL OF CARBON NEUTRALITY BY 2030

Already achieved: The positive handprint related to producing renewable electricity exceeds the carbon footprint from producing district heating

All Utilitas district heating and cooling networks are efficient district heating systems within the meaning of Energy Efficiency Directive (2012/27/EU)

Sustainable energy solutions that enable to consume energy:
- at any time
- at reasonable price
- while preserving the environment

CERTIFIED
ISO 9001
ISO 14001
ISO 45001

RESPONSIBLE BUSINESS INDEX GOLD LEVEL 2024

Utilitas is a provider of district energy solutions, the largest producer of renewable energy in Estonia, and the largest producer of wind energy in Latvia

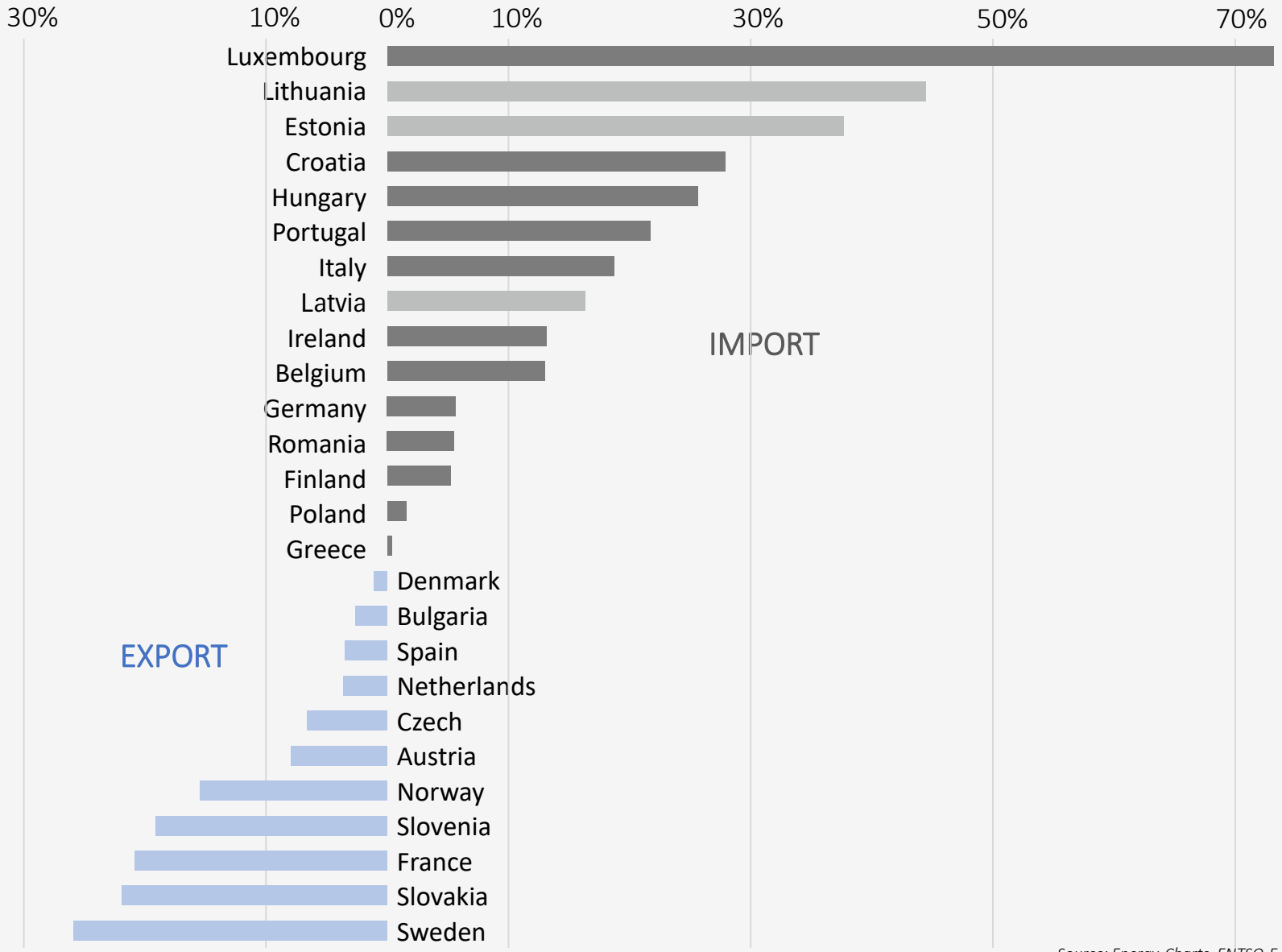
700 million euros
total assets

324
employees

113 million euros
investments

226 million euros
operating revenue

ROOM FOR IMPROVEMENTS



Source: Energy-Charts, ENTSO-E

- Baltic power grid still needs significant investments into new producing assets
- Local generation covers only 68.2% of the local consumption, equalling 8.7 TWh deficit
- DC Interconnections to Sweden and Finland are utilised more than 80% of average capacity on the import side
- DC interconnection to Poland utilised for import nearly 40%, for export 30%
- Annual power prices have not been below 86 €/MWh since 2020

ARE BALTICS SLOW TO ACT?

Whilst all Baltic countries are trying to realise their underlying renewables potential, several key challenges are holding the region back:

- Complex regulations and permitting processes
- Differing or lacking auction structures and support mechanisms
- The cost of financing projects
- A lack of supply chain in the region

WIND FARM DEVELOPMENT TIMELINE

- Wind farm development in Estonia is too long-term process involving multiple phases
- The entire process can take 10+ years before a wind farm is operational
- Permitting in Estonia has been slow and inconsistent, preventing timely deployment of renewable projects.
- The process should be streamlined, with clear responsibilities between state and local governments to speed up the deployment

PLANNING	PERMITTING	FINANCIAL CLOSE	INSTALLATION
5-10 years + court?	1 year + court?	1-2 years TENDERING FiD	1,5-2 years

PUBLIC ACCEPTANCE

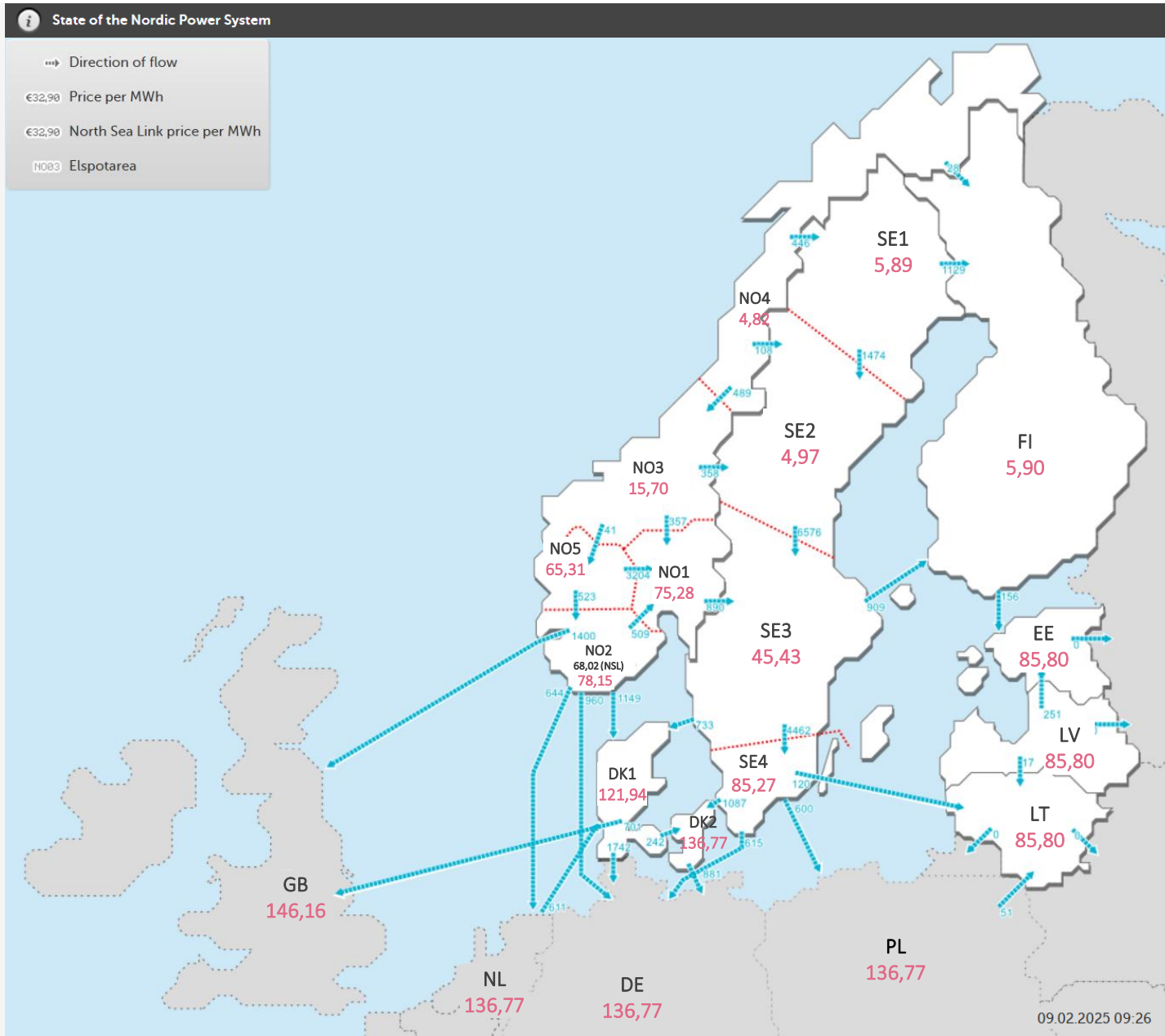
- Public support for renewables is strong, but local acceptance requires continuous engagement and transparent communication jointly by public and private sectors.
- Renewables are strongly associated with energy security and affordable prices
- On top of existing revenue sharing mechanism, communities should directly benefit through schemes such as discounted electricity prices.

GRID INFRASTRUCTURE DEVELOPMENT

- The expansion of renewable energy requires timely upgrades of the national transmission network
- New cross-border interconnectors, such as the Harmony Link, are essential to integrate large volumes of renewable power.
- Clear actions are needed to minimize curtailment of renewable generation

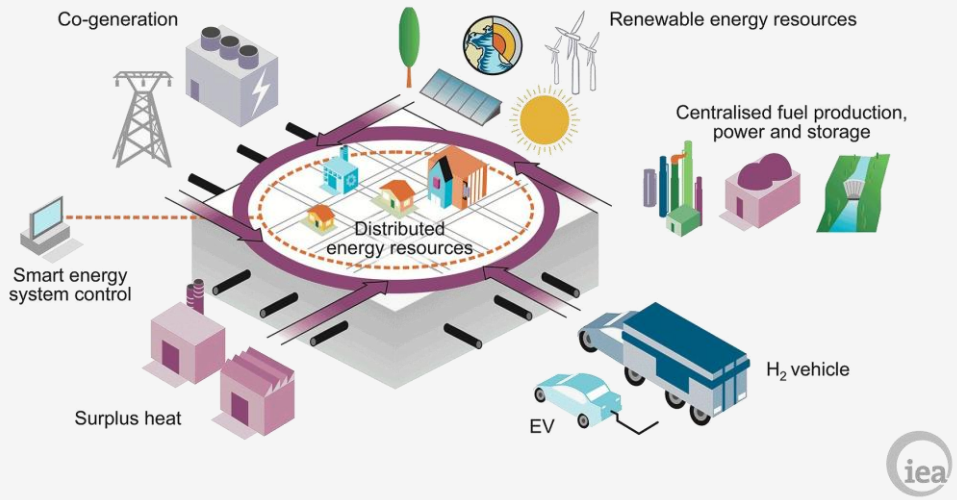
FINANCING AND INVESTMENT SECURITY

- Risk-mitigation tools are needed to ensure that private capital flows at the necessary scale into renewable energy deployment.
- Investors require long-term certainty.
  A CfD-backed investment framework with regular tenders will reduce risks and make projects bankable.
- EU funding instruments and various national guarantee instruments should be fully leveraged. to lower the cost of capital
- Bidding zones configurations should be revisited

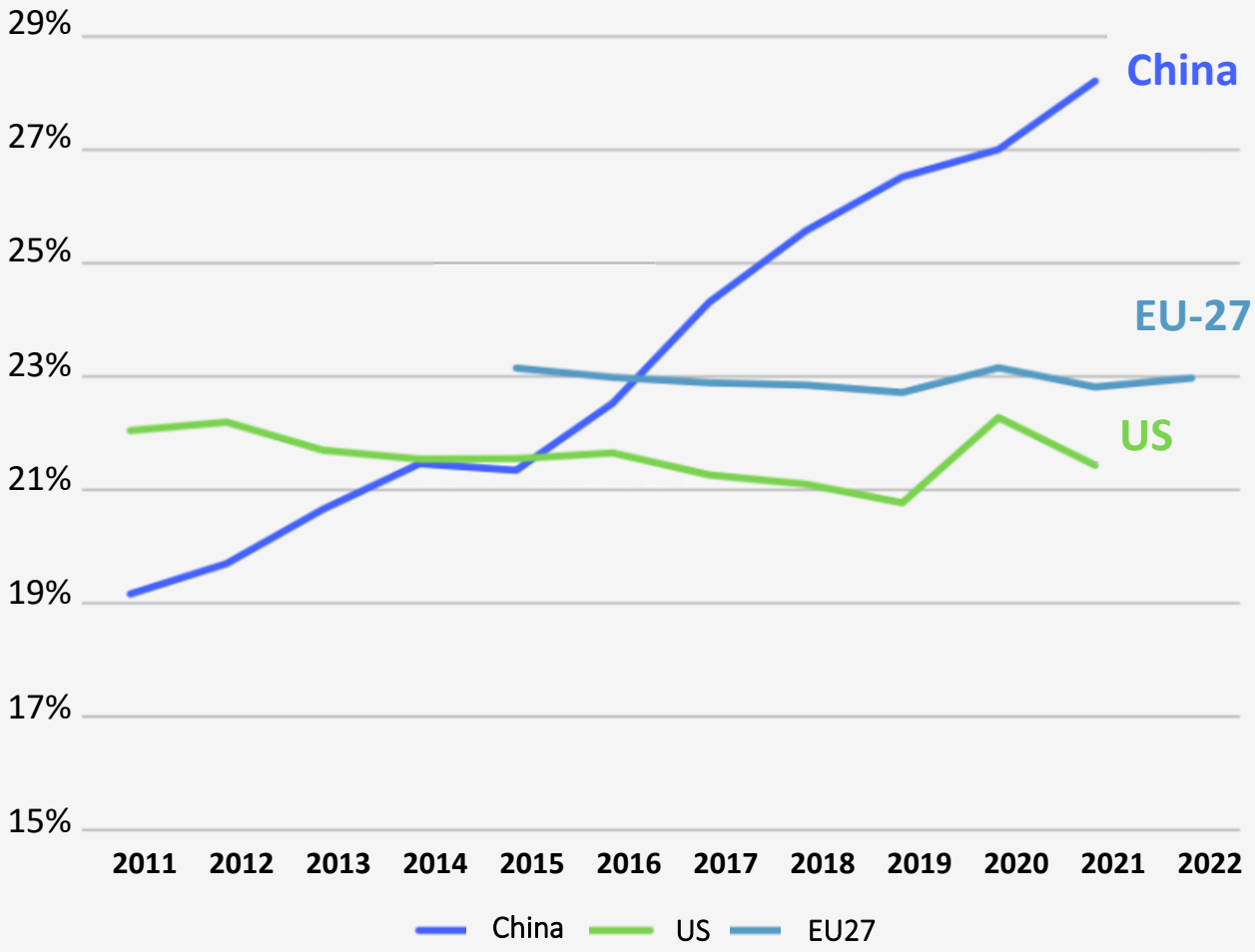


INDUSTRY AND ELECTRIFICATION

- Renewables can power energy-intensive industries, reducing both emissions and dependency on imported fuels
- The development of green hydrogen and e-fuels will allow decarbonisation of hard-to-abate sectors such as shipping
- Sector coupling between electricity, heat, and transport can provide systemic solutions for energy transition



EU electrification stagnating



Source: Wind Europe

POLICY AND REGULATORY CERTAINTY

- Estonia needs long-term renewable energy targets that are closely aligned with the EU Green Deal and climate targets to provide clarity for investors.
- A stable and predictable Contract for Difference (CfD) framework is essential to unlock large-scale investments into both onshore and offshore wind.
- The permitting process must be transparent, consistent, and time-bound so that projects can proceed without unnecessary delays.

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CLEAN ENERGY
IN CLEAN FUTURE