SUPPLEMENT DATED 17 OCTOBER 2025 TO THE OFFERING CIRCULAR DATED 20 OCTOBER 2023

THE REPUBLIC OF ESTONIA

EURO MEDIUM TERM NOTE PROGRAMME

This Supplement (the "**Supplement**") to the Offering Circular dated 20 October 2023 (the "**Offering Circular**") is prepared in connection with the Euro Medium Term Note Programme (the "**Programme**") established by The Republic of Estonia (the "**Issuer**").

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular issued by the Issuer and any other supplements to the Offering Circular issued by the Issuer. Terms defined in the Offering Circular have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer, the information contained in this Supplement is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Supplement are honestly held or made and are not misleading in any material respect; this Supplement does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and all proper enquiries have been made to verify the foregoing.

Purpose of this Supplement

The purpose of this Supplement is to update:

i. the risk factors under the heading "1. Risks relating to the Republic of Estonia" in the "Risk Factors" section of the Offering Circular; and

ii. the taxation summary included in the "Estonian Taxation" section of the Offering Circular.

Updates to Risk Factors

By virtue of this Supplement, the risk factors under the heading "1. Risks relating to the Republic of Estonia" in the "Risk Factors" section starting on page 14 of the Offering Circular shall be deemed updated and replaced with the following:

1. Risks relating to the Republic of Estonia

The Republic of Estonia is susceptible to geopolitical risk, principally from its relationship with its neighbour, Russia.

On 24 February 2022, Russia commenced a military invasion of Ukraine. In response, the United States, the United Kingdom, the European Union, Japan and other countries have announced the

imposition of extensive sanctions on certain industry sectors of Russia and Belarus, contested regions of Ukraine and on certain Russian individuals and entities. The sanctions announced to date include restrictions on selling or importing goods, materials and items (including an embargo on Russian crude oil exports to the EU), services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia, severing Russia's largest banks from the U.S. financial system, removal of certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication system, barring some Russian entities from raising money, blocking the access of certain Russian banks to financial markets and preventing Russian nationals or residents from holding posts in governing bodies of owners or operators of the EU's critical infrastructures and critical entities.

There exists a risk of further deterioration of geopolitical relations, including the war spilling over into new territories and the extension of sanctions to additional persons, sectors or countries. The Republic of Estonia remains exposed to tests of tolerance given its geographical proximity to Russia. Regional security could deteriorate through hybrid activities, including airspace and border provocations and interference with critical infrastructure. Given its high usage and reliance on information technology, the Republic of Estonia is also vulnerable to cyber and information attacks. Such events could adversely affect the Republic of Estonia's economy, fiscal position and debt-servicing capacity. The Republic of Estonia is also vulnerable to any attempts to spark unrest among its Russian-speaking population, which makes up approximately 1/5th of its population (as at 1 January 2025). Although Russia has not been one of the Republic of Estonia's main trading partners in recent years and the Republic of Estonia's dependence on Russian energy imports is relatively low, the Republic of Estonia has some economic exposure to unforeseen and potentially severe changes in its trading relationship.

In early February 2025, the Republic of Estonia, together with Latvia and Lithuania, permanently disconnected from the Russian and Belarussian power grid and synchronised with the Continental Europe Synchronous Area. While the successful desynchronisation from Russia's power grid reduced the Republic of Estonia's direct dependence on Russia for power, there remains a risk of disruption to the Republic of Estonia's energy system. Physical or cyber attacks on generation assets, interconnectors or subsea infrastructure, unexpected changes in water supply affecting domestic power plants, or system-wide electricity price or supply shocks within Europe may, if they occur, impair economic activity and public finances.

The Republic of Estonia's defence and security spending is expected to remain high for an extended period of time. As at the date hereof, the Republic of Estonia has committed to maintain a baseline defence budget of at least 5 per cent of GDP from 2026. While these measures are intended to strengthen national defence capabilities in a more volatile security environment, they may raise borrowing needs or constrain fiscal flexibility if growth or revenue outcomes fail to meet expectations, particularly if combined with the external shocks and demographic pressures described above.

The occurrence of any of the above events may have a significant adverse impact on the economic condition and trading position of the Republic of Estonia.

As a small, open economy, the Republic of Estonia is exposed to global economic factors, including the economic performance of its main trading partners - European Economic Area members and particularly the Nordic countries.

As a small, open economy, the Republic of Estonia is vulnerable to the general global macroeconomic environment. Major regional or global economic downturns have in the past and may also in the future negatively impact the Republic of Estonia's economic performance. In particular, if the economies of the Republic of Estonia's main trading partners deteriorate, this may have a negative impact on the level of economic activity in the Republic of Estonia. In addition, a significant portion of the Republic of Estonia's banking sector is controlled by Nordic countries and is therefore exposed to changes in business appetite and economic performance in such countries. Pressures on banking systems in such Nordic countries and other trading partners or stresses in government debt markets may adversely affect the economic performance of the Republic of Estonia.

The share of natural gas in the Republic of Estonia's energy consumption is relatively low and it has established a strategic reserve. The Republic of Estonia imports all of the gasoline and diesel it consumes from Finland and Lithuania, and maintains gasoline and diesel reserves equivalent to 90 days of consumption. In addition, the Republic of Estonia has considerable oil shale reserves and has

developed a special purpose quay enabling it to receive ships carrying liquefied natural gas. Nevertheless, the Republic of Estonia remains subject to economic exposure from energy price increases (including increases of the price of electricity and fossil fuels, such as oil and natural gas). Any material restrictions or other unforeseen and potentially severe changes in the global supplies of oil may have an adverse negative impact on the Republic of Estonia's economy.

There can be no assurance that the Republic of Estonia's credit rating will not change.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Rating agencies continue to assess rating levels, including to monitor the potential impact of Russia's invasion of Ukraine and other geo-political events. There can be no assurance that the rating or outlook of the Republic of Estonia will not be placed on watch or be subject to change in the future, whether due to economic impact or otherwise. A downgrade in rating or a negative change in outlook could have a materially adverse impact on the cost of funding of the Republic of Estonia, and could have a further impact on the Estonian economy including on the GDP and budget.

The Republic of Estonia is a sovereign state and accordingly it may be difficult to enforce judgments against certain assets.

In connection with the issue of any Notes under the Programme, the Republic of Estonia will irrevocably accept that disputes may be referred to arbitration. The Republic of Estonia will also irrevocably waive immunity in connection with any action arising out of or based upon any Notes issued under the Programme or brought by any holder of Notes issued hereunder. However, there is no law or jurisprudence of Estonian courts with respect to sovereign immunity or procedure of irrevocable waiver thereof. Accordingly, if, notwithstanding the irrevocable waiver, the Issuer sought to claim immunity in respect of any action or proceedings brought in connection with the issue of any Notes under the Programme, there is no guarantee that such claim of immunity by the Issuer would not be successful. In the absence of a waiver of immunity by the Republic of Estonia with respect to such actions, it would not be possible to obtain a judgment or award in such an action against the Republic of Estonia unless a court or arbitral tribunal were to determine that the Republic of Estonia is not entitled to sovereign immunity with respect to such action. However, such waiver of immunity is subject to exclusions in respect of certain assets (see Condition 21(d) (*Governing Law and Arbitration – Waiver of Immunity*)).

In the event that a claimant enforces a judgment or award against the Republic of Estonia by attempting to attach assets located outside the Republic of Estonia, such assets may be immune from attachment notwithstanding the Republic of Estonia's waiver of sovereign immunity. Save as necessary to ensure the effectiveness of service, the Republic of Estonia does not agree to waive immunity with respect to: (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (ii) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (iii) any other property or assets used solely for official non-commercial state purposes in the Republic of Estonia or elsewhere; (iv) military property or military assets of the Republic of Estonia related thereto; or (v) any non-transferable national assets and national assets with priority importance as defined in or in accordance with applicable Estonian laws.

There is a risk that, notwithstanding the waiver of sovereign immunity by the Republic of Estonia, a claimant will not be able to enforce a court judgment or arbitral award against certain assets of the Republic of Estonia in certain jurisdictions (including the imposition of any arrest order or attachment or seizure of such assets and their subsequent sale) without the Republic of Estonia having specifically consented to such enforcement at the time when the enforcement is sought.

In particular, the Estonia Code of Enforcement Procedure of 2005 (*täitemenetluse seadustik*), as amended, provides a list of assets against which a claim for payment cannot be made and/or which may not be sold in the course of enforcement proceedings and which are immune from the enforcement of any judgment or claim with respect to any Notes issued under the Programme. These include assets or things in restricted commerce which the Republic of Estonia or local government need for the performance of public duties or the enforcement of which would be contrary to public interest. Also, according to the Bank of Estonia (*Eesti Pank*) Act, the Bank of Estonia is not liable for

any financial obligations of the state and its assets are independent and legally distinct from the assets of the state.

Demographic challenges may lead to lower levels of economic growth and loss of competitiveness.

The Republic of Estonia faces certain demographic challenges, including an aging population and shrinking work force. If labour supply constraints become evident, this may lead to wage growth exceeding productivity gains and to a loss of competitiveness and a level of economic growth that is lower than expected.

While such demographic challenges can in principle be mitigated by increasing immigration, it may not be possible for the Republic of Estonia to attract sufficient appropriately skilled migrants. Furthermore, any extended period of slower or negative economic growth may lead to a resumption of emigration by younger and highly skilled workers, reversing the previous trend of workers returning to Estonia from overseas.

Estonia has limited ability to set monetary policy.

Estonia joined the Eurozone on 1 January 2011. Therefore, the Bank of Estonia (Eesti Pank) lacks the ability to set monetary policy by adjusting money supply and interest rates. The limitations on the ability to affect monetary policy may have an adverse effect on the Estonian economy.

Updates to Estonian Taxation

By virtue of this Supplement, the taxation summary included under the paragraph in italics in the "Estonian Taxation" section starting on page 91 of the Offering Circular shall be deemed updated and replaced with the following:

The summary herein regarding taxation is based on the laws in force in Estonia as of the date of this Offering Circular (as supplemented) and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

Taxation of interest in Estonia

Estonian Resident Noteholders

Pursuant to Article 17 (1) of the Estonian Income Tax Act of 1999 (*tulumaksuseadus*), as amended (the "**EITA**"), Estonian resident natural person Noteholders pay income tax at the rate of 22 per cent[1]. Income tax is charged on all interest received by natural persons who are tax residents in Estonia. Natural persons pay income tax on an annual basis. The interest income is included in the amount based on which the general income tax allowance is calculated, meaning the interest income may increase the amount of income (and respectively decrease the amount of income which is subject to allowance) which is subject to tax.

Estonian resident natural persons can postpone tax liability on interest income if they have acquired the publicly offered financial asset for money held on an investment account and keep the returns from investment on the investment account as specified in Article 17^2 of the EITA. Likewise, individuals who have decided to accumulate their Estonian mandatory funded pension (II Pillar) via pension investment account (PIA), can also acquire the publicly offered financial asset through PIA and postpone taxation of income from such assets (incl. interest from the Notes) until such income is withdrawn from the PIA.

In general, interest income earned by resident legal entities is not subject to income tax upon earning. Such income is included in their profits and taxed upon distribution of profit at the rate of 22/78.

[1] In July 2025 amendments to the Income Tax Act took effect, providing for a higher income tax rate of 24 per cent. starting from 1 January 2026. However, in September 2025 the Government of the Republic of Estonia announced a plan to reverse the income tax increase. As at the date of this Offering Circular (as supplemented) a relevant bill has been submitted to the proceedings of the Estonian Parliament, but has not been adopted yet. If the Estonian Parliament passes such bill and reverses the increase, the income tax rate will remain at 22 per cent.

Non-resident Noteholders

The interest income earned by non-resident Noteholders may be subject to taxation in their country of residence. Estonia generally does not levy tax on interest income earned by non-resident person or entity.

Individual Note Certificates

Noteholders should be aware that, if Individual Note Certificates are issued, holders of any Individual Note Certificates, who are natural persons, may be required to present evidence of non-Estonian residency or other evidence as required by the Issuer, to the Issuer or the Paying Agent, in order for payment of interest not to be subject to withholding of income tax in Estonia (which, as at the date of this Offering Circular (as supplemented), is charged at a rate of 22 per cent[2]).

Taxation of capital gains

Estonian Resident Noteholders

The income earned by Estonian tax resident individuals from the sale or exchange of Notes is taxed as profit from the transfer or exchange of property which is subject to income tax at the rate of 22 per cent[3]. A Noteholder has to declare the income and pay the income tax.

Pursuant to Article 37 (1) of the EITA, a resident individual has the right to deduct certified expenses directly related to the sale of Notes from the resident's gain or to add such expenses to the resident's loss. The gain or loss derived from the transfer of Notes is the difference between the acquisition cost and the sale price of the Notes.

Estonian resident individual Noteholders may postpone the taxation of their income derived from the sale or exchange of the Notes, by using an investment account specified in Article 17^2 of the EITA for the purposes of making transactions with the Notes and depositing the proceeds from the transfer of Notes in the investment account. The moment of taxation of the financial income held in an investment account is postponed until such income is withdrawn from the investment account (i.e. the amount withdrawn from the account exceeds the amount which had been previously paid in to the account). Likewise, individuals who have decided to accumulate their Estonian mandatory funded pension via pension investment account, can postpone taxation of capital gains from the Notes by acquiring the Notes via the PIA, in which case taxation will occur only upon withdrawal of pension funds from the PIA.

Income earned by resident legal entities from the sale of Notes is not subject to income tax upon receiving the income. Such income is included in their profits and taxed upon distribution of profits pursuant to relevant procedures.

Non-resident Noteholders

Income earned from the sale or exchange of Notes is not subject to income tax in Estonia for non-resident Noteholders. The income earned by non-resident Noteholders may be subject to taxation in their country of residence.

Financial Transaction Tax

There is no financial transaction tax or similar taxes or levies in Estonia.

General

To the extent that there is any inconsistency between (i) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (ii) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (i) will prevail.

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2 See footnote 1.

3 See footnote 1.