AS Alexela 2023 consolidated annual report

beginning of annual period:	**01.01.2023**
end of annual period:	**31.12.2023**
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ALEXELA

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1.1. ABOUT THE COMPANY

Statement by the chairman of the board

Marti Hääl
Chief Executive Officer at AS Alexela

Looking back on last year and plotting our course for the future, it is important to recognise our joint commitment and efforts which have always been the driving force behind Alexela. With 528 employees (including 275 front line employees) ensuring continuity of the first-line services we provide, our commitment to energy supply security is stronger than ever. In a constantly changing world, Alexela is also developing rapidly - we are ambitious and welcome all challenges and opportunities, while recognising the impact we have on Estonian communities and ecosystems. I am happy to say that our energy client mix has reached a critical point where we are no longer just a fuel station chain, but a truly unique hybrid energy provider, with our portfolio of energy services totalling 5 TWh last year and providing the largest diversity and value potential for customers compared to competitors.

Last year brought several important milestones and strategic developments.

We expanded our network of energy stations (including the opening of the Alexela Täkupoiss gourmet restaurant at Sauga) and elevated our service standards to consistently exceed customers' expectations. Smart and sustainable investments are also a focus for our service network, with the aim of providing more than just a product to our customers. The goal is to move to the concept of energy as a service, where we provide personal energy services to our customers, helping them save both time and money.

In the area of motor fuels, we remain a pioneer of energy-efficient alternatives, having expanded our charging infrastructure to 574 charging stations across Estonia, including the first 400 kW truck charging station in the Baltics. This fall, we will open Estonia's first green hydrogen station at Peterburi street in Tallinn - a prelude to the introduction of novel motor fuels on the Estonian market.

However, our achievements are not limited to infrastructure. The launch of our Pingevaba electric energy plan was a breath of fresh air for the Estonian electric energy market, creating a smart balance between ease of use, security, affordability and stability. The tens of thousands of homes in the Alexela community are a testament to this. Today we are seeing similar success from our latest dual fixed-rate electric energy plan, which proves that we are in tune with the needs of our customers and are moving in the right direction.

Looking forward, we will continue ambitious development of our energy portfolio, from traditional fuels to novel energy solutions, in order to grow even faster and cement our position as a hybrid energy provider. The changes we are undergoing have to do with not just the diversity of energy sources, but also a movement toward comprehensive solutions to meet our customers' expectations and ensure energy security, affordability and sustainability.

Our commitment to clean affordable energy and sustainable practices has grown year-over-year through the completion of various projects. For example, the Paldiski energy storage plant reached a new milestone by engaging new investors and more capital, strengthening its potential effect on the Estonian energy system and economy. However, the project is still far from completion and we are working hard to reach one milestone after another.

Despite the macroeconomic downturn we have maintained strong growth, with our customer portfolio growing by more than 20% and reaching 175,000 active customers who have chosen Alexela as their energy partner. Alexela's crucial role is illustrated by the fact that we supply every fifth kWh of energy consumed in Estonia daily (as electric energy or fuel). We are taking this important role with full seriousness. We are prepared to tackle the trilemma of energy security, affordability and sustainability, while braving the storms of change brewing in the energy sector. We are carried by our innovativeness, cooperation skills and capability to foresee market changes, recognising the needs of our customers and providing the right solutions at the right time. Our virtual power plant and other novel technological solutions are just the first steps on our journey of increasingly sustainable and customisable energy services, with the goal of providing a more secure and abundant future for all of us.

Alexela's success has always been based on our team, who foresee a better tomorrow, believe in the feasibility of our goals, and carry the values which will help realise our vision. Committed employees are a cornerstone of our company's success. Considering the challenges and opportunities of the next few years, I believe we must focus on maintaining unity in the rapidly evolving environment. We have the power and strength to improve life in Estonia.

About Alexela in brief

Alexela is an Estonian leader in sustainable energy, promoting green initiatives and providing energy as a service customised to the customers' needs and the urban environment. Uniquely on the local market, Alexela is a one-stop energy services shop for both private and corporate clients. Our extensive experience as a hybrid energy company, bold decision-making and customers' confidence has earned us the image of an expert, guiding the development of the energy sector not just in Estonia, but also Finland and Latvia. The goal is to help our customers make smarter energy service choices and thereby reduce their negative environmental impacts. A knowledgeable and reliable energy partner helps the society overcome its anxiety regarding the future and provides its customers with a more comprehensive view of developments in the energy sector. Smarter customers are key for a successful green transition and stronger energy security.

Global energy consumption is not decreasing, but growing rapidly. The constraints imposed by the environment and global warming force us to come up with increasingly complex and efficient energy carriers, ways to produce them and ways to manage energy. Alexela has committed to increasing its investments in biomethane production and developing solar and wind farms to increase renewables output. This year, Alexela launched a product designed for all small and large electric energy producers. The service is free for small producers (up to 50 kWh) and helps the client implement smart management of energy production, saving time and money and better handling of peak loads.

Currently, Alexela is active in Finland and Latvia as a provider of natural gas, e-mobility and electric energy. To name a few major projects, Alexela is also engaged in the development of the Energiasalv pumped energy storage plant and a biomethane-fuelled peak load power plant. In Estonia, the company has over 119 fuel stations and 43 convenience stores (including the Alexela Täkupoiss gourmet restaurant), providing a wide selection of energy products, high-quality food, electric energy, natural gas and various fuels, along with pleasant service and a convenient rest stop.

The company is also developing a network of EV charging stations and hydrogen and biomethane stations, supporting the transition to green mobility.

Alexela has made significant contributions to the development of Estonian communities. One of our more successful community and environmental projects is the tree-planting program, joined by nearly 57,000 Alexela customers and planting over 1.3 million trees to date. The company plans to move forward with community projects and increase membership in all areas with a positive impact on societal development in Estonia.

Based on the Sustainable Brand Index, Alexela continues to garner high regard among Estonians as a socially and environmentally sustainable company.

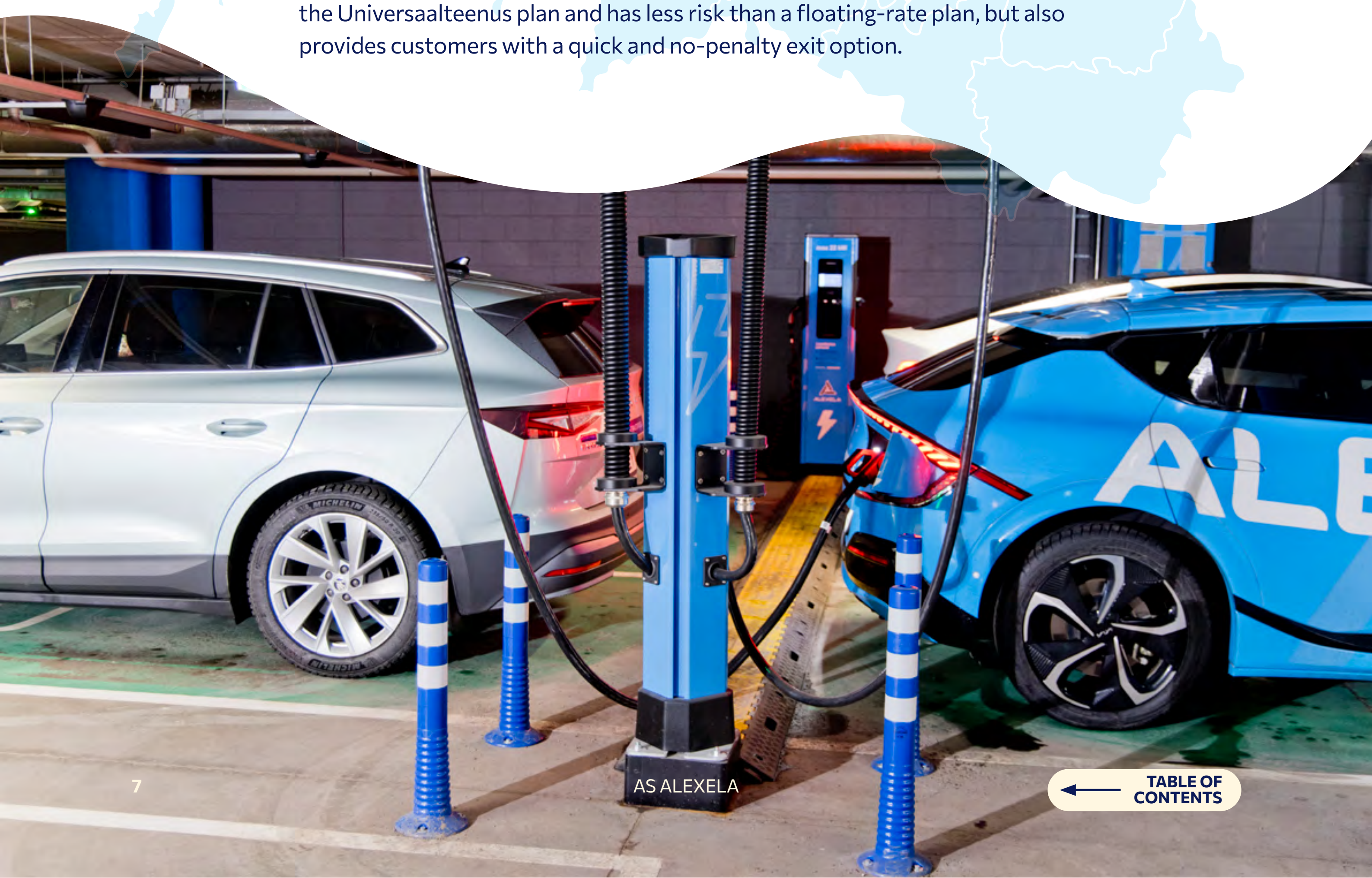
2023 key events

January

- The largest electric vehicle charging station in Estonia was completed in cooperation with the Solaris design and leisure centre.
- AS Alexela's parent company (previously Alexela Varahalduse AS) is now called AVH Grupp AS.
- The 550 MW Energiasalv pumped storage hydroelectric plant in Paldiski received its construction permit.

February

- Alexela introduced the new Pingevaba electricity plan, which is cheaper than the Universaalteenus plan and has less risk than a floating-rate plan, but also provides customers with a quick and no-penalty exit option.



March

- AS Eesti Varude Keskus and Pakrineeme Sadama OÜ concluded a contract for the state to acquire the Alexela- and Infortar-constructed liquid natural gas (LNG) terminal pier at Paldiski along with the accompanying infrastructure and harbour land. The total price excluding VAT was 31.5 million euros, 30 million euros of which was the construction cost and 1.5 million euros was the land price.

April

- There was a change in the Management Board. Mati Hääl, the previous chairman of the Advisory Board, took on the role of chairman of the Management Board. The Advisory Board was joined by Kersti Kaljulaid, an energy expert and ex-president of the Republic of Estonia.

- The world's first nationwide Hydrogen Valley was established. Alexela, Eesti Energia, Port of Tallinn, University of Tartu and Estonian Hydrogen Association signed an agreement to establish Hydrogen Valley Estonia, to accelerate the vigorous and versatile development of the hydrogen industry and to officially establish the world's first nationwide Hydrogen Valley.

May

- Insect drive-in. We continued the greening project initiated at our service stations last summer with the goal of supporting biodiversity. Alexela decided to limit the mowing of lawns surrounding our service stations to twice a year, to provide insects with rest stops and improve biodiversity.

- A community day was held, with Alexela employees and loyal customers planting 8000 trees.

- Toomas Virro, a long-time member of the Alexela Advisory Board, passed.

June

- Alexela opened its fortieth convenience store in Jüri, as well as a new marine fuel station at Kõiguste Harbour.

- Our Toidukäru food truck helped spread the word about Alexela's tasty fast food and coffee across Estonia.

July

- Alexela introduced 24-7 smart gas cylinder cabinets.
- Alexela launched natural gas and electric energy sales in Latvia as SIA Alexela.

August

- Alexela launched cooperation with the "Estonia" national opera house.
- The Väepäevad Alexela employee summer event took place in Pärnu.
- Basketball Olympic qualification tournament in Tondiraba Sports Center, with Alexela successfully promoting its products.
- Alexela acquires 100% of shares in Rohe Solutions OY.

September

- Alexela and Infortar started expanding the biomethane production plants in Oisu (Järva county) and Ilmatsalu (Tartu county). This increased our food waste processing and biomethane production capacity.
- There was a change in the AS Alexela Advisory Board.
- The Tikupoiss harvest fair took place.
- Alexela opened a fencing hall in the T1 Center.

October

- Alexela opened up a novel restaurant-store called Alexela Täkupoiss. What sets this energy stop apart from competition is its electric charger - the most powerful in Estonia - as well as a restaurant run by a Michelin chef. Alexela Täkupoiss has its own 120 kW solar farm, a restaurant seating nearly 100 guests, and a 400 kW electric vehicle charger, which is the most powerful in Estonia (and a close second in the Baltics).
- Alexela hosted an appreciation event for its customers and participated in the Tallinn International Horse Show 2023 as an organising partner.
- There was a customer service attendants' appreciation event.
- Alexela's Haabersti convenience store was opened after renovations.

November

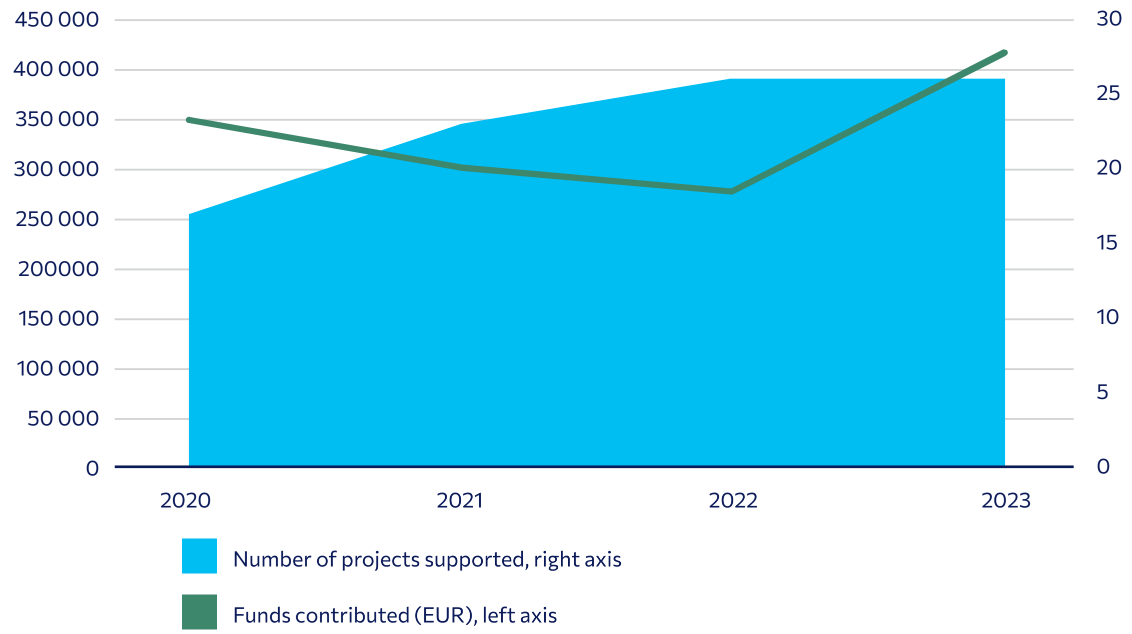
- The ferry named Amalie developed a list on the Gulf of Riga on its way from Ruhnu to Pärnu. On board was Alexela's empty fuel truck. No one was injured.
- Alexela participated in NEXPO Tallinn - the largest ever green technology exhibition in Estonia. The sustainability-focused exhibition area had more than 80 countries showcasing their ambitious solutions for the future and their green innovation achievements.
- Alexela participated in the Dark Nights Film Festival as a partner.
- Alexela contributed to the organising of the Telia Cyber Battle of Nordic-Baltics 2023 event.

December

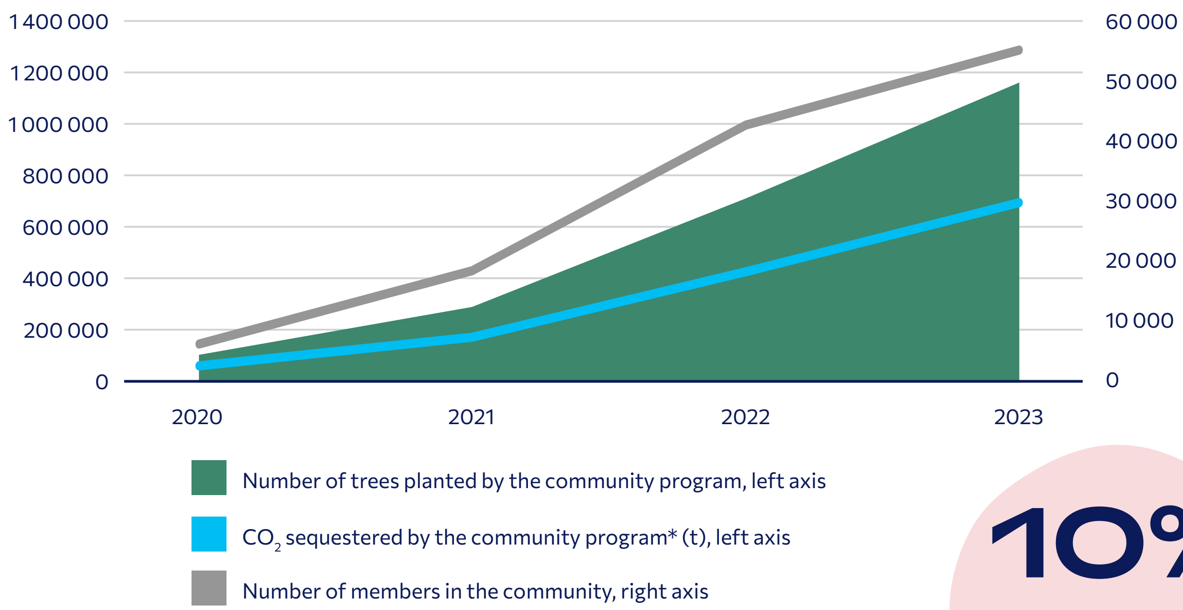
- Alexela partnered in the organizing of the Estonian Auto Gala.
- The Environmental Investment Centre decided to grant 40.5 million euros to green hydrogen projects, including Alexela's new hydrogen refueling stations.
- Alexela also participated in the Green Hunt project.

Working for a better world

SOCIAL – PROJECTS SUPPORTED



COMMUNITY PROGRAM



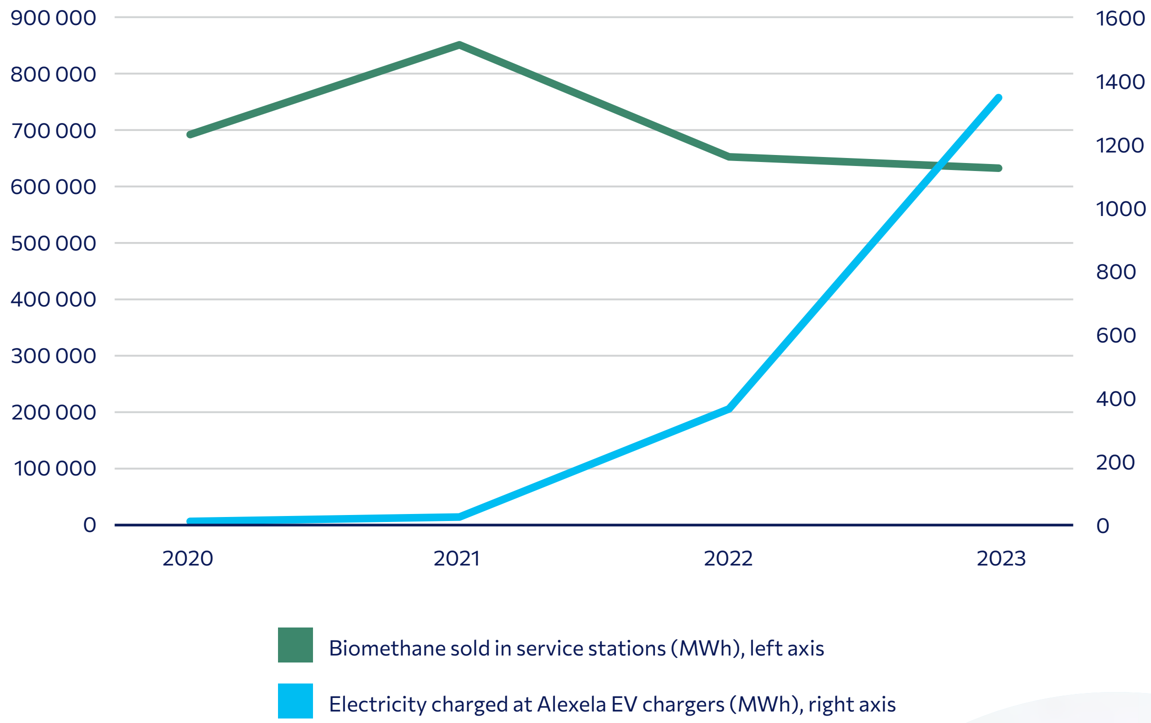
10%

of all hot drinks were sold in a reusable cup in 2023

(2022: 6%; 2021: 4,2%; 2020: 2%)

* Over the lifetime of planted trees

DEVELOPING ENVIRONMENTALLY FRIENDLY REFUELING SOLUTIONS



Strategy and direction

There is a clear trend of rising investments in as well as rising cost of consumption of energy. Alexela's strategy is not based on reducing the price of MWh, but rather focuses on energy mixes and technologies enabling consumers to make more efficient use of energy. This results in a new level of quality for the consumers, benefiting them, as well as the environment and Alexela.

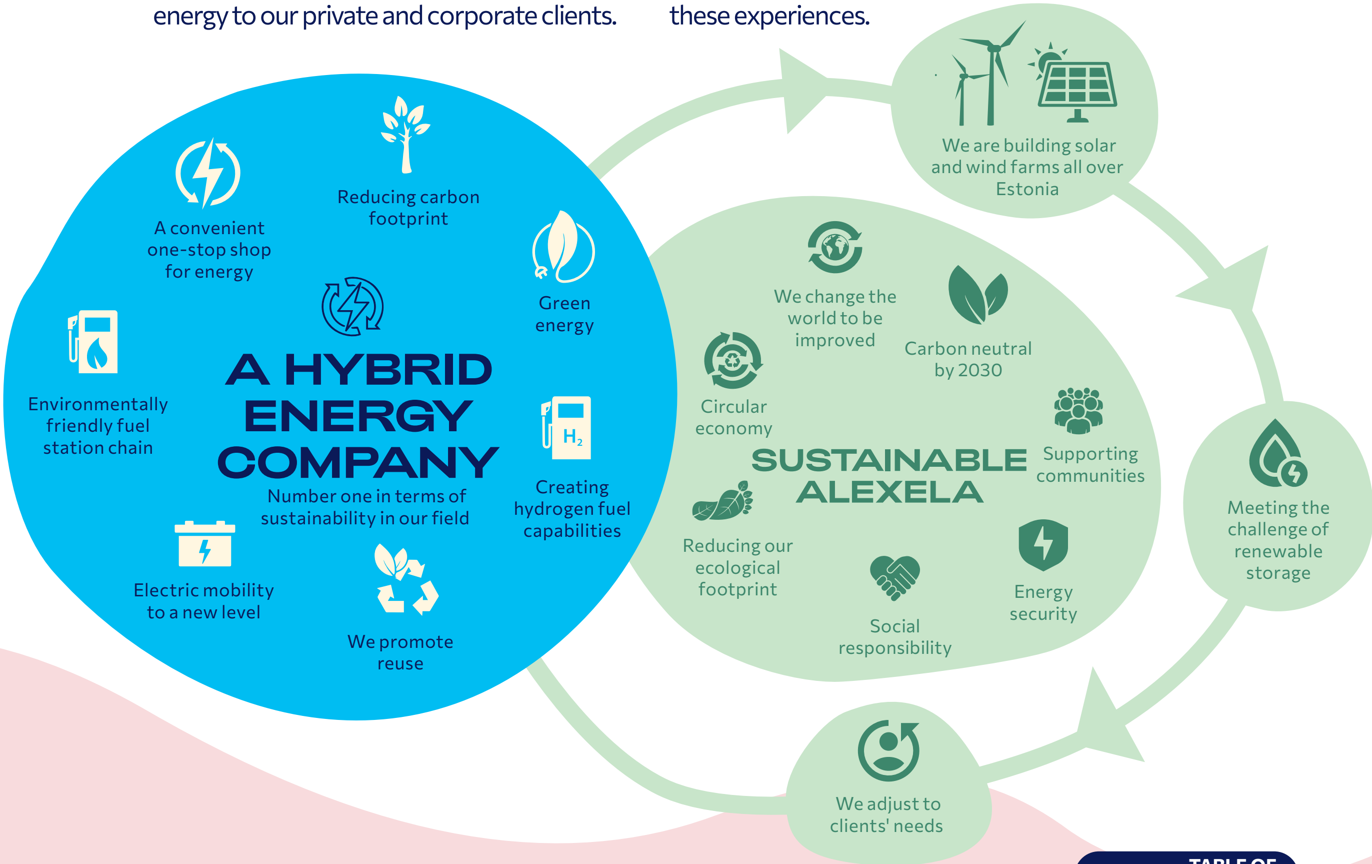
Energy is not created, only transformed. This means that energy is not just fuels or electricity. The time it takes to acquire goods and services, as well as the environmental impacts of human activity, can be measured in units of energy. Efficient energy use leaves more energy for doing good things. Alexela is a hybrid energy company, doing all it can to extract as much benefit as possible from energy - in any form - for our customers, the environment, and ourselves. We are not just selling energy, we are selling energy utility. This includes providing all necessary forms of energy to our private and corporate clients.

Instead of price, Alexela prefers to focus on efficiency.

Energy trading must be accompanied with a smart data-based ecosystem of products and services, designed to provide a more personal approach to customers and help them make increasingly more informed choices regarding their energy partner.

Alexela aims to become the largest energy company in Estonia by market value within ten years by making smart investments, educating customers, providing service, supporting communities, introducing new products/services and providing expert advice on the national level.

Alexela's motto "We change the world" adds special meaning to our strategic direction and motivates us to take action. This has been proven by all previous years and we will be able to fulfil our commitment based on these experiences.



Our values

Alexela's values

I am a force

- I do my work proudly and well, and celebrate my successes.
- I'm honest, brave and innovative.
- I communicate proactively, valuing my own time as well as others'.
- Our safety, well-being and success depends on me.
- I hold myself to agreements.

We have power

- We are strong and look out for each other.
- We share experiences, engage and learn from each other.
- We notice and recognize each other.
- We are open-minded, listen and trust each other.
- We have fun together!

We change the world

- We lead the way in our field and encourage others to innovate.
- We achieve our goals in a socially and environmentally responsible way.
- We power the development of life in Estonia.
- We have a lot to offer - changing the lives of our employees, customers and partners for the better.
- Sure we can!

1.2. SUSTAINABILITY

1.2. SUSTAINABILITY

Sustainability and ESG at Alexela

Our environmental, social and corporate governance systems are crucial for the sustainable development of Alexela. Climate change caused by human activity has led to emphasis being put on controlling the environmental impacts, but social and governance aspects are equally important for sustainable and balanced development.

ESG is an acronym for environmental, social and corporate governance, a sustainable and responsible way of doing business.

At Alexela, the Management Board and the Head of Sustainability are responsible for ESG strategy. In every department, the department manager is responsible for covering the necessary ESG issues in their area of responsibility. We realise the need to evaluate ESG-related risks and increase the transparency and responsibility of our decision-making processes, which is why we conducted an ESG impact and risk assessment in 2023 (i.e. a double materiality assessment).

Materiality topics, double materiality, risks and opportunities

In 2023, Alexela conducted a materiality topics assessment. We analysed Alexela's impact on each topic and vice versa - what impact these topics have on the company. Additionally, we considered topics material for the decision-making of internal and external stakeholders. This resulted in a list of material topics which have the greatest impact and which the company should prioritise when allocating efforts and resources.

MATERIALITY ASSESSMENT RESULTS

	Materiality topics across all segments
1	Workplace conditions (our employees)
2	Personal safety of consumers and/or end users
3	Corporate culture
4	Information-related impact on consumers and/or end users
5	Political activity and lobby
6	Supplier relations, including payment practices
7	Working conditions (in our value chain)
8	Economic, social and cultural rights of communities
9	Energy
10	Resource inflow, including resource utilisation
11	Climate change mitigation
12	Adaptation to climate change

Materiality assessment:

- In October 2023 we conducted a workshop for identifying material issues, with approximately 35 attendants
- Issues were analysed by segment: liquid fuels, gaseous fuels, electricity and e-mobility, and shops
- We identified the impacts the company's activities have on specific environmental, social and governance topics based on ESRS standards
- We determined the materiality of impacts identified

Furthermore, we conducted a financial impacts analysis to identify major risks and opportunities. The list of materiality topics and the list of risks and opportunities will be reviewed yearly and updated if necessary.

FINANCIAL IMPACT ASSESSMENT RESULTS - MATERIAL RISKS

Risk	Materiality (1-5)	5y likelihood (1-5)	Total
Risk associated with investing in new technologies - long time to profitability, overinvestment	5	3	15
Foregoing product development - declining competitiveness	5	2	10
Regulatory impact - price increase, restrictions on activities, added regulatory requirements, added investments. Impact of energy taxation (CO_2 trade) and excise duties	2	5	10
Declining demand for fossil products	4	2	8
Growing costs of human resources work and research and development	2	4	8
Increased cost of capital if Alexela does not stay sustainable in terms of ESG	3	4	12

Financial impact analysis:

- In December 2023 we conducted a workshop to identify potential risks and opportunities and evaluate their materiality, with approximately 30 attendants
- We discussed if and how each sustainability topic may entail risks or opportunities with financial impact for Alexela. Once again, the assessment was segment-based: liquid fuels, gaseous fuels, electricity and e-mobility, and trade
- We evaluated the financial impact and likelihood of risks and opportunities identified

FINANCIAL IMPACT ASSESSMENT RESULTS - MATERIAL OPPORTUNITIES

Opportunity	Materiality (1-5)	5y likelihood (1-5)	Total
Demand growth - energy storage technologies	3	5	15
Demand growth - growing demand for renewable energy (sales of both electricity and equipment), biofuels, lower-emission energy products; overall growth of energy demand; growing demand for circular economy compliant energy products; growing demand for EV charging services	2	5	10
Innovation in energy technology and novel development and growth opportunities - e.g. VPP	2	5	10
Automating processes and increasing their efficiency	2	3	6
Growing costs of human resources work and research and development	1	5	5
Regulation for accelerating the green transition - grants, increased demand	1	4	4

Alexela continues to innovate its business and development in order to mitigate any negative impacts of its activities. The company's activities are subject to the green transition and global climate warming mitigation targets, including the Paris climate agreement and the European Green Deal.

Alexela focuses on the following areas for sustainable development: introducing sustainable refuelling solutions, promoting circular economy, contributing to energy security, empowering communities and supporting culture, sports and charities (see table of focus topics). These areas enable us to have maximum effect on the eight sustainable development goals (SDGs) defined by the UN.

Our 5 focus topics:

Goal: to reach carbon neutrality by 2030

As an organisation, we have a long history of contributing to sustainability initiatives (especially concerning the environment and the green transition).

- Creation of less-polluting refuelling solutions:
    - Development of biomethane filling stations
    - Developing e-mobility
- Biomethane production based on circular economy
- Solar and wind development
- Development of renewable energy storage capabilities - Energiasalv at Paldiski
- Rohesärts - a green electricity plan
- Customer engagement - planting trees in a community program
- Promoting biodiversity - insect drive-in First on the green spaces of Alexela fuel stations. In addition to reducing pollution, we also focus on the preservation and promotion of biodiversity. To this end, in 2022 we initiated the insect drive-in experimental project on the green spaces of forty filling stations owned by AS Alexela. In 2023 we expanded the project to all AS Alexela filling stations.
- We promote reuse in commerce - hot beverages are discounted if dispensed in a reusable cup. Alexela bottled water uses recycled plastic bottles.

See the table of focus topics below for details.

Focus Topics	SDG impacted	2020	2021	2022	2023
1. Developing less-polluting refuelling solutions					
Development of CNG and LNG stations to sell 100% renewable biomethane. We are developing LNG stations to provide sustainable refuelling options for transportation companies. We are taking e-mobility to the next level. We are installing fast and ultra-fast EV chargers in service stations on major highways and in larger towns. Furthermore we offer comprehensive recharging packages to private and corporate customers. We are increasingly focusing on installation of private chargers.	Total number of CNG/LCNG stations	6	7	11	11
	Biomethane sold in stations (GWh)	69	85	65	63
	Recharging stations (public)	15	21	53 (with 77 available charging plugs)	222

Focus Topics	SDG impacted	2020	2021	2022	2023
2. Developing circular economy					
Alexela's associate Eesti Biogaas produces biomethane mainly from agricultural waste, greatly contributing to Estonian circular economy and creating jobs in rural areas.	Number of biomethane plants	1	3	3	3
	Biomethane produced (GWh)	28	82	94,6	107,1
We reward customers for bringing their own cup for hot beverages, helping reduce usage of disposable cups and waste.	Hot beverages dispensed in personal cups out of all hot beverages sold (5%)	2	4,2	6	10
3. Contributing to energy security					
Alexela's subsidiary is building a pumped hydroelectric storage plant in Paldiski, in order to solve the challenge of renewable energy storage. Over eight years, the construction of this pumped hydro storage will constitute 7% of total new infrastructure investment in Estonia, directly and indirectly create around 700 jobs and bring in 200 million euros of tax revenue. Once in operation, the plant will help reduce Estonian CO_2 emissions by 8.5 million tonnes.	Status of Energiasalv	Geological surveys	Publication	Construction permit	Architectural design, engaging investors
We are developing a peak shaving power plant to compensate for the intermittent nature of renewables and to establish reliable climate-neutral electricity production capability which will replace oil shale plants after their closure.	Power plant status			Business plan development	Feasibility analysis, selection of technological solution
Alexela's subsidiary Alexela Solar builds solar farms for Alexela. The company also provides sustainable energy solutions as a service to corporate clients who are increasingly interested in saving on electricity, reducing their emissions and improving security of supply.	Number of solar farms*	0	2	4	7
	Capacity of solar farms (kWh)	0	122	1473	4416
	Output of solar farms (kWh)	0	104	1 324 035	1 460 050

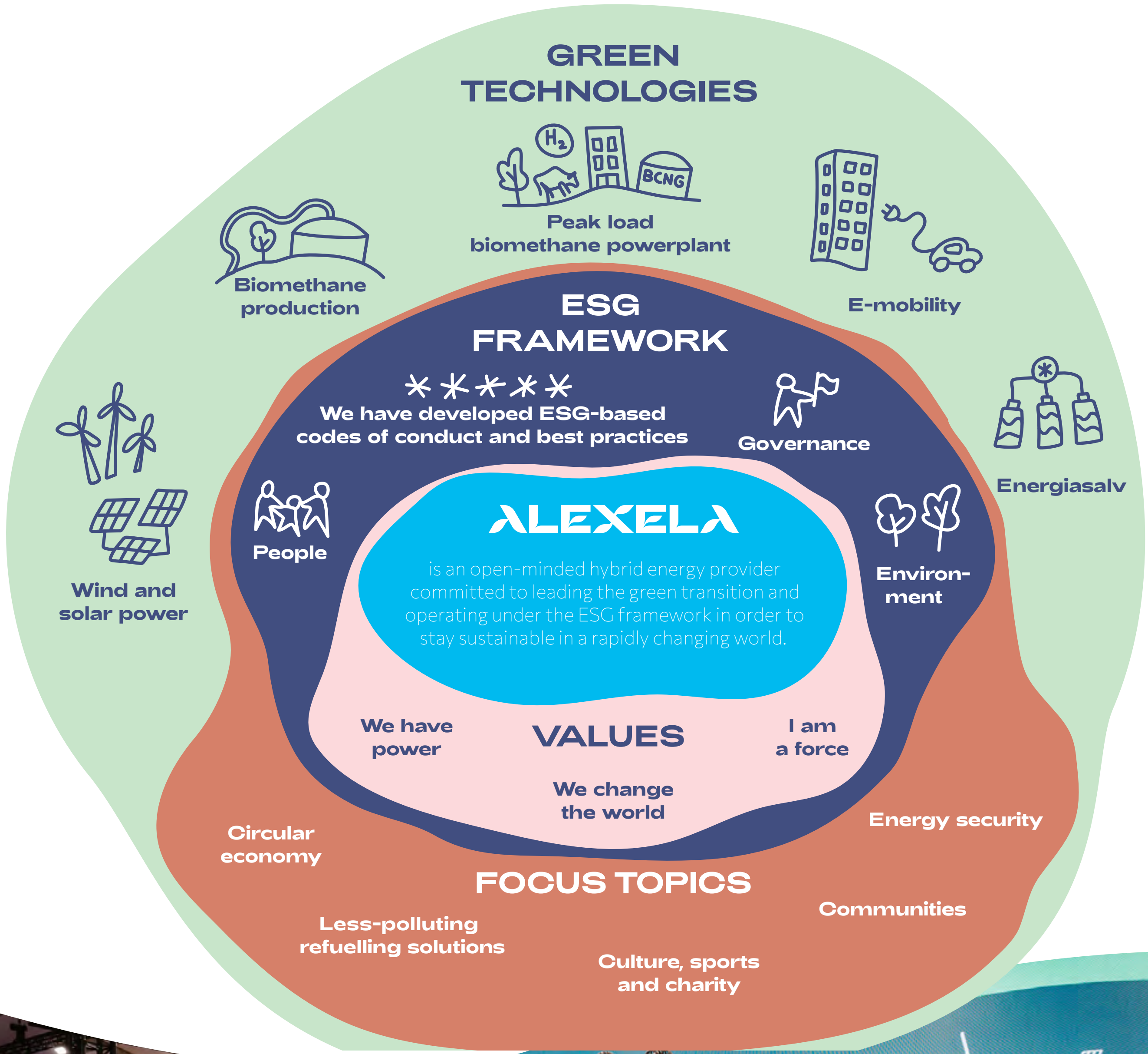
Focus Topics	SDG impacted	2020	2021	2022	2023
4. Supporting communities					
We believe that Estonian people and communities have the power to change the world. Even small positive actions can be effective when enough people commit to them. That's why we started the Alexela community program in June 2020, the goal of the core project of which was to plant a tree for every person living in Estonia with the help of our customers. The lifecycle carbon sequestering capability of a 1 m^3 stem-volume tree is 917 kg - the same amount of CO_2 emitted by an average car over 7900 km.	Number of trees planted by the community program	108 820	293 238	714 415	1 160 785
	CO_2 sequestered by the community program** (t)	65 292	175 943	430 006	696 471
	Number of members in the community program	6411	18 589	42 700	55 125
5. Supporting culture, sports and charities					
As a large company, we are aware of the role we play for both the Estonian economy as well as in local communities. That's why we support various local actions in the fields of education, culture, sports and charity. Alexela has received the title of Kultuurisõber from the Estonian ministry of culture.	Number of projects supported	17	23	26	26
	Support projects (€)	175 180	300 142	276 266	415 117
	Number of sports projects	10	13	16	13
	Sports projects (€)	82 189	167 286	168 165	243 597
	Number of charity projects	5	5	4	6
	Charity projects (€)	12 991	29 811	9 440	11 956
	Number of culture projects	2	4	4	5
	Culture projects (€)	80 000	100 046	87 461	148 564
	Number of educational projects	0	1	2	2
	Educational projects (€)	0	3 000	11 200	11 000
6. Employee development and support					
Employee satisfaction	Would recommend (%)			92	not measured
Employee development	Trained (%)			48	63
Turnover rate	(%)			34	32
Occupational health and safety	Number of incidents			7	3

*Solar farms on Alexela premises
**Over the lifetime of planted trees

Sustainability strategy

ENERGY AS A SERVICE -

always there for you. Renewables are rapidly gaining share in our energy portfolio, helping offset the effects of fossil fuels in businesses, homes and transportation.



STAKEHOLDERS

Alexela values trust-based cooperation with its main stakeholders, including employees, shareholders, customers and suppliers/partners, the local community and municipalities, as well as regulators and supervisory authorities. These are the stakeholders Alexela has the strongest interaction with.

Sustainability in Alexela:

Environment

Alexela acts in accordance with the goals of the Paris climate agreement, to look for ways to reduce its negative impact on the environment and increase its positive impact, and has given these goals centre stage in its strategy. Additionally, the Alexela energy group has set the goal of becoming carbon-neutral by 2030 (scopes 1 and 2).

We have been measuring our carbon footprint since 2020, which we have taken as the baseline year. In 2022 we engaged Sustinere, a leading service provider in our area, to verify AS Alexela's calculations for the baseline year. Based on the verification results, we adjusted past measurements of carbon footprint, in addition to applying the guidelines in calculating the 2022 carbon footprint.

According to the GHG Protocol Standard, scope 1 and 2 calculations are mandatory for an organisation, and scope 3 is optional. Therefore companies are able to start by mapping the most immediate impacts. For Scope 3, a step-by-step approach is applied by including various scope 3 material impact categories based on data availability and capabilities. Work is ongoing in this area. The GHG inventory data of the previous/baseline year has also been updated based on additional more specific information received.

These amendments were in accordance with the GHG Protocol Standard and the existing practice on the market. The current and previous GHG inventory results have also been adjusted using Estonia-specific emissions factors, which have largely been approved by organisations conducting GHG inventories, ensuring that they are representative on the local level.

Recommendations to AS Alexela regarding future GHG inventories concerned the expansion of calculation in the third categories in scope. For example, the following categories were added: purchased products and services; non-current goods; and indirect effects associated with following fuels and energy. E.g., calculation of impacts associated with purchased products and services should include so-called upstream impacts - those arising from the extraction, manufacture, etc. of raw materials / products.

AS ALEXELA AND ALEXELA MOTORS AS GREENHOUSE GAS FOOTPRINT

Scope 1: direct emissions from sources owned or controlled by the company, and scope 2: indirect emissions from energy purchased

GHG emission source		GHG emissions (t CO_2-eq)			
		2020	**2021**	**2022**	**2023**
Scope 1		986	1186	1505	2044.3
	Fuel hauling	845	1001	1662	1662.8
	Business travel in company vehicles	43	63	148	375.3
	Heating (gas)	97	122	72	6.2
Scope 2		4037	680	0	0
	Electricity	4037	680	0	0
Total	Scope 1-2	5023	1866	1504.9	2044.3

Scope 3: indirect emissions from activities taking place upstream (suppliers) and downstream (clients) in the company's value chain.

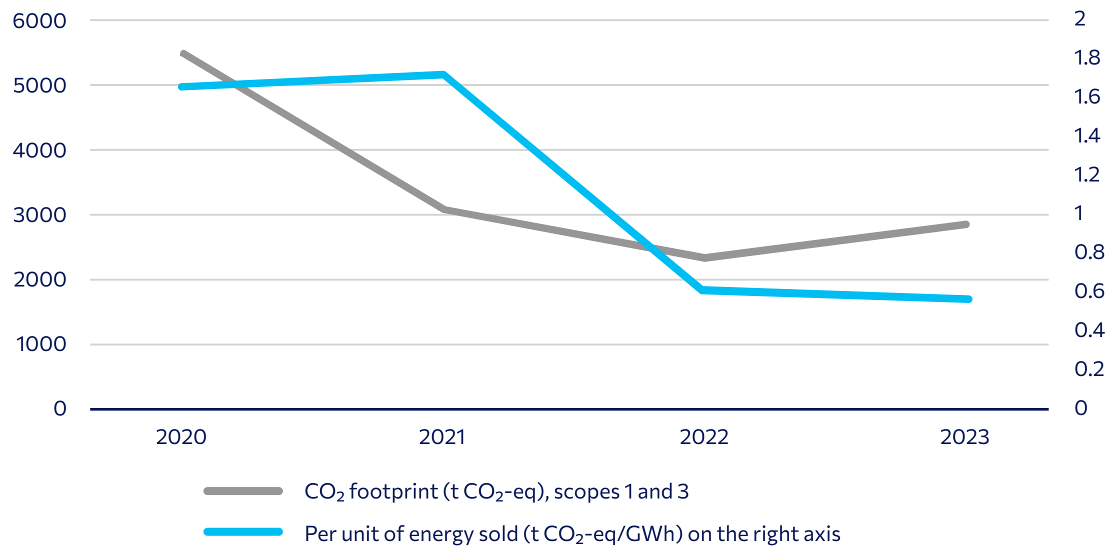
Scope 3		522	1251	845.6	822.4
	Mixed household waste	135	840	220	179.7
	Biodegradables	0	0	0.1	0.5
	Paper/cardboard	0	0	0	0
	Reusable material (packaging)	0	0	1.4	1.4
	Steel	0	0	0	0
	Water consumed	0	6	7	6.6
	Business travel in private vehicles	35	53	112	117.6
	Commute	352	352	504.2	516.5
Total	**Scope 3**	**522**	**1251**	**845.6**	**822.4**
Total	**Scope 1-3**	**5545**	**3117**	**2350.5**	**2866.7**

In 2023, AS Alexela and Alexela Motors AS had the following carbon footprint (scopes 1 and 2): 2044.3 t CO_2-eq (2022: 1504.9), which means a 36% increase of emissions compared to 2022 and a 59% decrease of emissions compared to the 2020 baseline year. The emissions growth in 2023 was due to more trips with fuel trucks and other company vehicles as a result of increased sales of liquid and gaseous fuels and the increased number of employees. In order to reduce emissions in these areas, Alexela is renewing its fleet by replacing its cars with CNG-powered cars and trucks with CNG- and LNG-powered trucks.

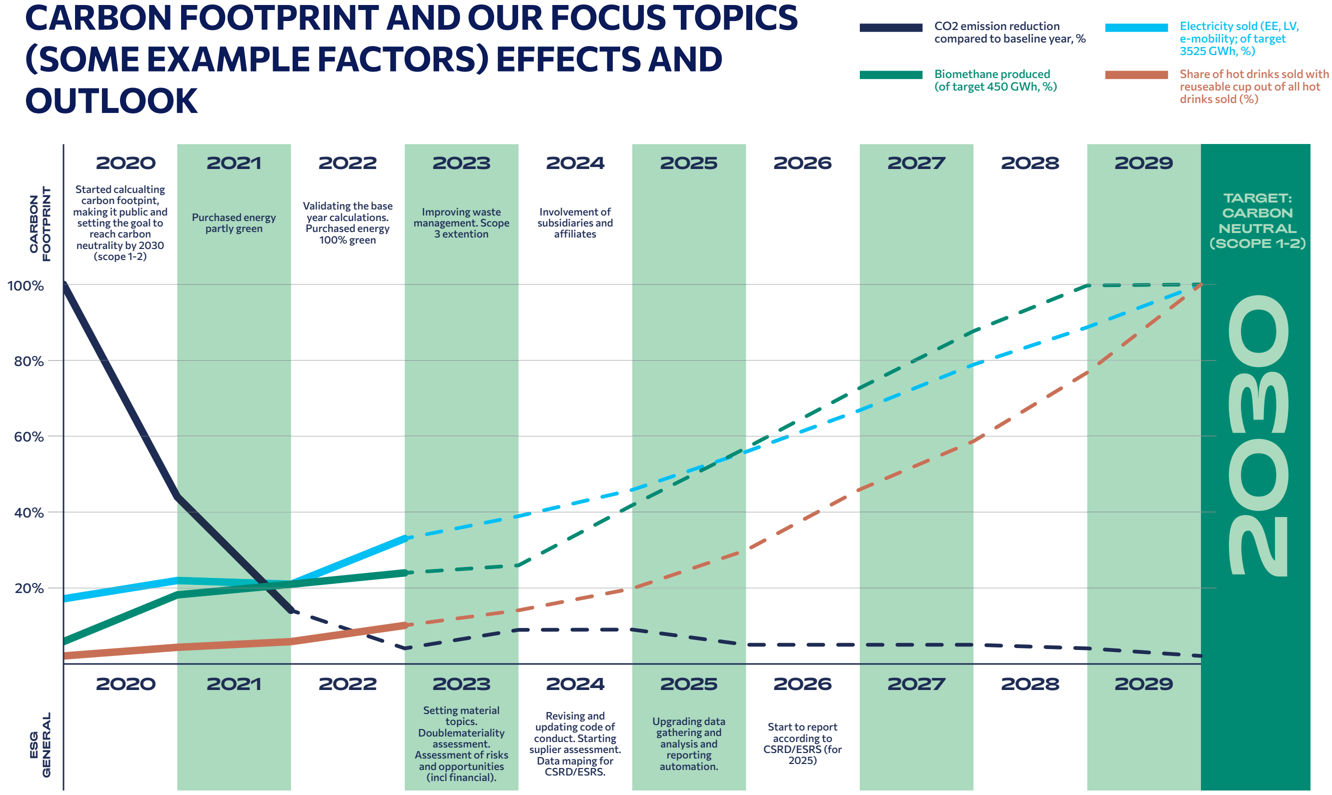
In 2023, the company's total up- and downstream emissions amounted to 822.4 t CO_2-eq (2022: 845.6) - a 3% decrease in emissions, mainly due to reduced amounts of mixed municipal waste and related emissions. In 2023, Alexela committed to improving its waste sorting efforts, which has helped reduce waste-related emissions.

The carbon footprint of AS Alexela and Alexela Motors AS increased in 2023, mainly due to the overall increase in sales and number of employees. The carbon intensity per unit of energy sold, however, is in a long-term decreasing trend, as illustrated by the diagram below.

CO_2 FOOTPRINT AND CARBON INTENSITY



CARBON FOOTPRINT AND OUR FOCUS TOPICS (SOME EXAMPLE FACTORS) EFFECTS AND OUTLOOK



Our people and community

The Alexela energy company has 528 professionals providing the power and changing the world. Estonian people meet our people whenever they stop on the road or have a meal in one of our convenience stores. Our e-channels provide customers with help 24-7: we help them choose the best electricity plan or solve any issues quickly.

We value employees of all positions. We need both long-time employees with their extensive experience, as well as new employees with the new knowledge they bring aboard. Our recruiting and human resource management is founded on our core values developed and implemented in 2019, which are grounded in value-based management. Each employee is aware of our core values ("I am a force", "We have power", "We change the world") and all of us follow these in our everyday work. We engaged employees on all levels in developing the values to make sure they will take root.

ALEXELA GROUP EMPLOYEES 2023

	Alexela AS	AS Alexela Motors	Rohe Solutions OY	Alexela SIA
Number of employees	**Total**	**Total**	**Total**	**Total**
Management board members	3	2	3	2
Executives and specialists	176	7	5	1
Customer service and staff	284	36	0	5
Advisory and management boards				
Women	0	0	0	0
Men	7	2	3	2
30-49 yrs	5	1	3	2
Over 50 yrs	2	1	0	0
New employees*				
Women	115	0	1	2
Men	34	8	1	4
Under 30 yrs	60	1	1	0
30-49 yrs	64	1	1	6
Over 50 yrs	25	6	0	0
Employees who left*				
Women	236	0	0	1
Men	94	2	0	0
Under 30 yrs	217	0	0	0
30-49 yrs	62	0	0	1
Over 50 yrs	51	2	0	0

* Includes seasonal employees

The turnover rate is highest among service station attendants. We have made employee retention our priority. To this end, we conduct yearly reviews of our benefit package, and improve it according to each employee's preferences. We regularly conduct employee satisfaction surveys and every year we focus on three areas to improve as an employer (see item 6 of the focus topics table).

In addition to our values, important tools for our employees also include our code of conduct and our "Best practices for service and conduct". Employees are AS Alexela's greatest asset and making them feel appreciated and empowered is our daily focus. Every year we hold events to recognise the best employees.

We regularly conduct induction days to introduce our company, its areas of business and values, and to help new employees get settled in.

As a talent management effort, we hold annual "Empowering" interviews with all current employees. We are implementing 360 degree evaluations for managers to improve management quality.

Alexela values lifelong learning and development. We help our employees take part in professional and vocational trainings to develop their skills, and encourage participation in personal development courses.

We conduct cybersecurity trainings to prevent cyber attackers from taking advantage of our employees, our customers or our company. Additionally, there are annual data storage and communication trainings, and a relevant code of conduct has been prepared.

Employees are a company's face and shape its reputation.

In order to strengthen our team and promote networking, in addition to smaller department- and project-based events, we have made it a tradition to hold the Alexela Gala, summer days and a customer service appreciation event.

The health and safety of our employees is our priority. We provide our employees and their families with various benefits, including sports credit and health insurance among others. In 2022 we started a team-based movement tradition at Alexela using the YuMuuv app, in order to motivate our people to be more physically active.

We have made it a tradition to hold an employee tennis tournament early every summer.

We want to make sure our employees are paid fairly. In order to determine fair pay, we compare our salary levels with the nationwide review of salary levels by positions, prepared by Palgainfo. This provides an adequate overview of salaries actually paid on the market. Our policy is to always pay our employees more than the average salary for their position.

Powering our community

Alexela is an Estonian company born along with the restoration of independent Estonia. We follow the principle of sustainable development, which has helped us rise among the top of our field in Estonia. Alexela will become carbon neutral by 2030 at the latest (scopes 1 and 2), helps develop the circular economy, invests in energy security and initiates projects with a real reduction of carbon footprint, thereby improving life in local communities.

As a large company, we realise the significant impact we have on local people and communities, and therefore Alexela has always supported sports, culture, charities and education. Alexela has been awarded the coveted title of Kultuurisõber (Supporter of Culture) and the title of Spordisõber (Supporter of Sports) by the Estonian Olympic Committee several times. In 2022 we reviewed AS Alexela's sponsorship principles and areas of focus, and formed the relevant committee.

Our goal is to be a good and dedicated sponsor, and we expect the same from our partners. With limited resources available, we carefully choose who we partner with. Any project supported by Alexela must contribute to at least one of Alexela's focus areas of support - promoting innovation, sustainability and life in Estonia. Alexela does not sponsor martial arts, political campaigns, religious work, athletes who have been accused of doping or other unethical conduct, initiatives which are in conflict with our values and strategic goals or do not support them (for example, activities and projects which are harmful to the environment, people's health and biodiversity), and activities targeted to an individual or a small circle of individuals.

Governance

MANAGEMENT BOARD

In 2023, AS Alexela was led by a three-member management board including:

MARTI HÄÄL
Member of the Management Board

AIVO ADAMSON
Member of the Management Board

KARMO PIIKMANN
Member of the Management Board

ADVISORY BOARD

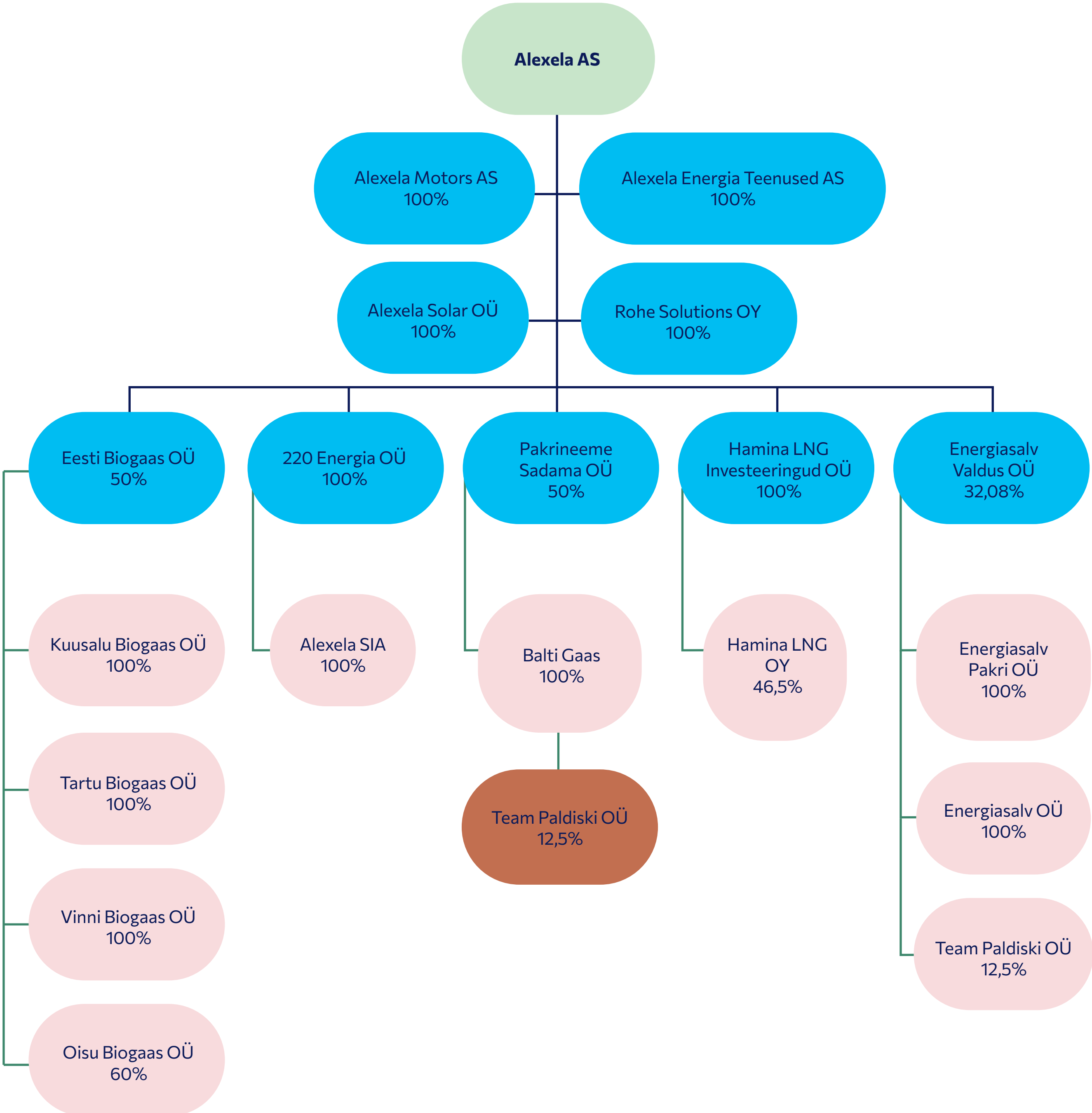
In 2023, AS Alexela had a four-member advisory board:

HANS PAJOMA
Chairman of the Advisory Board

MIKHAIL KAZARIN
Member of the Advisory Board

ANDREAS LAANE
Member of the Advisory Board

PRIIT PENJAM
Member of the Advisory Board


Alexela AS
Alexela Motors AS 100%
Alexela Energia Teenused AS 100%
Alexela Solar OÜ 100%
Rohe Solutions OY 100%
Eesti Biogaas OÜ 50%
220 Energia OÜ 100%
Pakrineeme Sadama OÜ 50%
Hamina LNG Investeeringud OÜ 100%
Energiasalv Valdus OÜ 32,08%
Kuusalu Biogaas OÜ 100%
Tartu Biogaas OÜ 100%
Vinni Biogaas OÜ 100%
Oisu Biogaas OÜ 60%
Alexela SIA 100%
Balti Gaas 100%
Team Paldiski OÜ 12,5%
Hamina LNG OY 46,5%
Energiasalv Pakri OÜ 100%
Energiasalv OÜ 100%
Team Paldiski OÜ 12,5%

Alexela's activity is based on its values, code of conduct, focus subjects,, strategic goals and national laws and regulations.

At Alexela, the Management Board and the Head of Sustainability are responsible for ESG strategy. Therefore the management has a significant role in integrating sustainability aspects in business processes, but all employees also play a key part, as they are responsible for quality, safety and environmental protection in their area. Employee training starts at the Induction Day, where every new employee learns our values, code of conduct and strategic focus subjects with the goal of creating a pleasant and safe workplace for all. Personnel receive training the entire time they work at Alexela - in addition to area-specific trainings it includes general subjects such as cybersecurity, data protection, mental health, etc. In order to promote an open organisational culture and internal communication, there is ongoing communication via the intranet, as well as company-wide briefings held several times every year, including via Teams. On the intranet, employees are also able to provide feedback on ongoing processes, praise their colleagues and provide critique wherever there is room for improvement.

Alexela relies on principles of ethicality, integrity and transparency in its communications with all stakeholders. These principles are also outlined in our code of conduct. Embodying Alexela's values, Alexela's code of conduct acts as a compass for our daily work and decision making. The principles listed here are also a part of the company's management system, helping ensure that they are adhered to throughout the organisation. Alexela expects each employee to read the Alexela code of conduct, understand it and apply it in their work.

As the world and life around us are constantly changing, we may also amend our code of conduct from time to time, to keep it up to date and relevant, and to help our company act responsibly, ethically and respectfully towards the nature as well as people. As a responsible company we are dedicated to compliance and follow all relevant regulations to ensure workplace health and safety and respect for human rights.

Alexela does business according to its code of conduct, which helps promote a positive, respectful and sustainable internal culture, and in this regard every manager's and employee's contribution matters. We also expect our partners to follow the code of conduct, which helps us all develop a sustainable business culture where ethical business practices and respect for the environment and people is paramount. The goal of Alexela's code of conduct is to set standards and expectations and to encourage all of us to stand up for our values and speak out if we see something wrong or due for improvement.

The company applies the principle of zero tolerance for corruption (including offering and taking bribes, conflicts of interest, abuse of position and associated influence, embezzlement) and unfair competition (including disclosure of trade secrets and internal information and using these for personal gain) by both partners and employees.

All large transactions are reviewed and approved by the board to help avoid and prevent cases of corruption or unfair competition, for example due to conflict of interest arising from family, business or other ties.

2023. THE YEAR AT AS ALEXELA:

- There were no cases of corruption and no judicial processes concerning corruption initiated against our company. No employees were fired and no contracts with partners were suspended/terminated due to corruption.
- There were no instances of non-compliance with current regulations (including social, economic or environmental regulations).
- The company received no fines or any other sanctions.
- There were no environmental non-compliances or violations.
- There were no judicial proceedings initiated against the company or an employee, to our knowledge.
- The company did not make any monetary or non-monetary political contributions.

AS Alexela has developed a code of conduct and a questionnaire for partners to better comply with our KYC obligations. In 2023, risk management was implemented as a management responsibility, to make it an integral part of strategic and operational management. Effectiveness of risk management activities and processes will be overseen by the Advisory Board of the Alexela parent company (see Note 34 for more specific information).

Alexela is a member of the Estonian Transport Fuels Union - an industry association for Estonian companies trading in mineral fuels and biofuels. The primary goal of the Estonian Transport Fuels Union is to contribute to the development of energy and liquid fuels policy, ensuring that mineral fuels and biofuels are treated on equal grounds with other energy carriers, to ensure the quality and optimal pricing of fuels and sufficiency and stability of energy supply, and ensure that environmental regulations are followed by providing oversight. Alexela is also a member of the Estonian Gas Association - an industry body for Estonian companies engaged in importing, transportation, sales, implementation and use of natural gas and liquefied gas. Alexela is also a founding member and active participant in Green Tiger - a cross-sector collaboration platform which aims to devise, teach, and implement a plan for a balanced economy in Estonia and the world. Furthermore, Alexela is a founding member of Hydrogen Valley Estonia. Hydrogen Valley Estonia is a consortium of Estonian public and privately funded organisations, including research institutions, the goal of which is to improve the sustainability of the local energy system, currently based mainly on fossil fuels. It fits Estonia's ambitious plan to transition to 100% renewable energy by 2030. In 2022, Hydrogen Valley Estonia introduced a plan to develop a world-first nation-wide hydrogen ecosystem, with the first production plants, distribution solutions and consumption opportunities being created within the next six years. Such a hydrogen ecosystem will create new jobs and contribute to economic growth all over Estonia.

As a member of the Estonian Employers' Confederation, Alexela shares this organisation's position that successful private-sector employers are the foundation of Estonia's development and thereby the wellbeing of Estonian people.

1.3. FINANCIAL RESULTS

1.3. FINANCIAL RESULTS

Company development

Estonian retail network

LIQUID FUELS AND ALEXELA MOTORS

2023 was another successful year for AS Alexela. All crises, some of them ongoing, strengthened us and helped set new goals. The regional energy sector is full of exciting challenges, and we welcome them. During the last few years, external factors have had major effects on our company's business - beyond anything we could have planned for. These changes have demanded great flexibility and reaction speed, keeping the entire company on our toes. Last year's achievements of note included initiation of business at Rohe Solutions OY and SIA Alexela. Alexela now has a clear presence on the Finnish and Latvian markets.

As a whole, the Estonian retail and wholesale market for liquid fuels saw no growth in 2023 compared to 2022. The European market found new supply chains quicker than expected, causing prices to decrease compared to last year. Global market prices were influenced by a more optimistic outlook for the global economy, as well as ongoing reductions of crude oil production by the OPEC+ countries. Prices on the global market were volatile, which was reflected by increased price volatility on the Estonian market during the latter half of the year. Market participants proved more sensitive to final prices, and price hikes were steeper. Admittedly, liquid fuel prices on the Estonian market have decreased somewhat compared to last year. We continue to buy liquid fuels from our European main suppliers. Fossil fuels, such as diesel and gasoline, are supplied to us mainly from the Orlen refinery in Mažeikiai, as was the case before sanctions.

In 2023 we continued to provide hybrid energy solutions by doing cross-sales among our client base, increasing our active client base for liquid fuels by more than 5000 clients.

We continued adding convenience stores to previously automated filling stations, so that our customers would be able to get tasty food and hot drinks. New convenience stores were added to the UKU filling station in Viljandi and the Haabersti filling station in Tallinn.

A landmark event was the opening of the new fuel station restaurant in Sauga, which will surely become a staple for travellers on the Via Baltica.

TRADE AND RETAIL

The added value of retail is growing every year. We aim to provide convenient services and excellent customer service, while adhering to our sustainability goals.

By the end of 2023, the Alexela retail network included 42 convenience stores. With the rising number of electric vehicles, more and more customers prefer to stop at filling stations providing EV chargers, as well as tasty food and convenience shopping. Accordingly, we will continue to renovate and add new convenience stores, to retain and add value to our customers. The business processes in our convenience stores are constantly evolving to meet customer expectations and our financial targets. We systematically invest in product development and improving the competence and service skills of our convenience store clerks. We aim to increase the rate of customer loyalty, maintain business growth in the trade and food segment, and improve Alexela's market share in the fuel station commerce sector. In the fast food category, 2023 was a successful year, and we will continue with this concept differing from competition next year.

Environmental awareness remains a key issue for us, and we will continue to focus on promoting reusable coffee cups next year. 10% of all hot beverages were sold in personal cups, which is 4% more than in 2022. We have made great efforts to improve the quality of coffee, and will continue to do so in the years to come. Alexela uses Arabica beans specially roasted for Alexela, to ensure consistently high-quality coffee.

Late in 2022 we launched the "My Alexela" loyalty program, which lets customers earn digital vouchers with monetary value in addition to any rebates from fuel and convenience store goods, and use these vouchers to pay for goods and services, for example their electricity and gas bills. In 2023, 59% of the vouchers were converted to virtual currency, 25% were used for

free products, 15% for paying electric bills and 1% for planting trees.

The loyalty program is a valued energy source for loyal customers, incentivising them, providing exciting discoveries and making their life more convenient and affordable. There is no other similar loyalty program providing rebates on a wide spectrum of everyday energy products - electricity, natural gas, LPG and highway fuels in more than 100 filing stations, as well as goods in 42 convenience stores and trailer rentals all over Estonia. Who else but our own Estonian energy company Alexela.

GASEOUS FUELS

For the last few years, the ongoing war in Ukraine has had the largest impact on the prices of LPG and CNG motor fuels.

While 2022 brought all-time high natural gas prices for Europe, prices normalised in 2023, with also impacted the price and sales of motor CNG. We were glad to see that 2023 sales exceeded pre-war levels by more than 7%. Biomethane CNG remains the most environmentally friendly motor fuel. With the diesel excise rate due to increase over the next few years and a new CO_2 tax on transport fuels to be introduced in 2027, biomethane will become even more competitive.

The high prices of gasoline and diesel in 2022 incentivised people to convert their gasoline cars to LPG - a trend continuing into 2023. With the low cost of conversion and impressive per-kilometre savings achievable, LPG market volumes continue to grow year-over-year. The volumes increased by 14% compared to previous year.

For industries and buildings using natural gas and LPG for heating, Alexela offers hybrid solutions to use natural gas or LPG depending on their relative global market prices. Our clients continued to invest in LPG equipment in 2023. This includes replacement of fuel oil heating systems, and as an alternative to natural gas heating systems, helping clients save on energy and achieve higher security of supply.

In 2023, natural gas sales volumes in Estonia decreased slightly, as clients turned to LPG as a replacement. LPG sales grew by 25% during the year, as it remains an important source of energy for industrial buildings and agriculture.

Alexela was the only company able to replace Russian LPG in the first half of 2023. We continue our efforts to establish new supply chains and ensure supply security for our clients.

ELECTRIC ENERGY AND E-MOBILITY

On the Estonian electric energy market, 2023 began with 75% of private customers using the state-established "universal service". Meanwhile, the market price dropped below that of the universal service in January. Private customers still clearly remembered the high prices of 2022, and lacked trust for floating-rate plans and private fixed-rate plans.

In February, Alexela introduced its Pingevaba plan, with its rate fixed each month based on the market price for electric energy, but not exceeding the price of universal service. The new plan was received very well by customers, and Alexela grew its customer base by 44%. For example - the yearly electric bill for a 50 m² apartment in an older house in Tallinn was lower with the Pingevaba plan compared to the floating-rate plan.

As a hybrid energy provider, Alexela offers various permanent and periodic discounts to help customers get more value out of the various services they use. For example, Alexela electricity plan subscribers were rewarded with discounts for motor fuel.

In the corporate accounts segment, we expanded our sales and accounts teams, with the number of clients increasing by more than 45% and electric energy sales doubling.

Alexela's share in the electric energy market rose to 19.3% by the end of the year.

2023 was another successful year for e-mobility, which was integrated even more thoroughly with our vision of Alexela as a one stop shop for energy. We significantly expanded our EV charging infrastructure and developed our selection of charging services. We continued our focus on providing customers with need-based charging capabilities both at home, at work, on the road as well as in their destinations. Our complete solutions have provided our customers with mobility and confidence both on longer stops and on the road. We have opened several new charging stations in major infrastructure nodes to provide different charging speeds for shorter and longer stops. Some examples include:

- Sauga Täkupoiss - 5 chargers (4 CCS + 1 Type 2)
- Avala Kvartal - 10 chargers (2 CCS + 8 Type 2)
- Ülemiste City - 16 chargers (16 Type 2)
- Viimsi Spa - 4 chargers (2 CCS + 2 Type 2)
- Tabasalu Keskus - 5 chargers (2 CCS + 3 Type 2)

Our selection of chargers and technologies has always been forward-looking, enabling us to quickly and easily increase the number of chargers and power available.

We were the first in Estonia to open a 400 kW charger at Sauga Täkupoiss, providing fast charging to trailer-towing cars, vans, and semi-trucks.

In addition to constructing charging infrastructure, we also put great emphasis on developing charging software and services. Public chargers were added to the Alexela app, and clients were informed about the opportunity to recharge company vehicles at home.

The first integral and sustainable recharging solutions for apartment buildings and office buildings were completed in cooperation with real estate developers, including automatic systems to measure the building's total electrical load and allocate spare capacity to the charging infrastructure. Such a system enables apartment buildings to install chargers quickly and conveniently, without the developer having to invest in additional amperage. Alexela takes care of the entire billing system.

In 2023, our growth was nearly triple: from 77 chargers in 2022 to 220 chargers by the end of 2023 (quadruple growth of semi-fast chargers and double growth of fast chargers).

ALEXELA SOLAR

Alexela Solar OÜ is a subsidiary (100%) of AS Alexela.

Alexela Solar OÜ provides renewable projects consulting, design and construction for corporate clients of AS Alexela.

In 2023, we developed several solar farms totalling over 3 MW. The largest projects included a solar farm on Kiviõli chemical plant premises (1.93 MW) and a solar farm in Paldiski (0.9 MW). Additionally there are several solar plants on the rooftops of AS Alexela filling stations, the largest of which (0.12 MW) is located in the Sauga Alexela filling station.

In 2022, the company started several new connection projects with transmission grid operators to build new solar farms. However, these were paused for 2023, because the quotes for connecting to the grid proved too expensive. We will keep an eye on the market situation, and will restart the connection processes whenever the projects become financially viable.

AS Alexela is involved in the development of several power management software systems for process optimisation in renewable energy infrastructure, helping end customers improve their bottom line. These solutions will also help improve solar farm efficiency and sell their output at a higher price. We are planning to implement the same solution at Alexela Solar's own

farms, in order to increase the investment value and shorten the time to profitability.

Alexela Solar's business is seasonal, and is largely dependent on the weather, especially the amount of sunlight the solar farms are exposed to. As a result, most of the output is generated between spring and autumn, and output is essentially zero in the winter. Alexela Solar is planning to incorporate energy storage equipment to be able to sell its output at better price points and spread out its sales period. Results will come clear in 2024, with the new investments starting to produce and contribute to financials.

Alexela Solar's business is strongly tied to interest rates, as most investments are financed with parent company loans.

The recent rapid rise of interest rates has reduced the value of these investments, which have been written down accordingly. Alexela Solar is considering options to hedge its interest rate risk either by fixing its rates or by increasing its equity to reduce debt. Interest rate risk is taken into account for all future investments.

As the single shareholder of Alexela Solar OÜ, AS Alexela has decided to bring Alexela Solar OÜ's equity back into compliance with the Commercial Code at the general meeting for approving its annual report, taking place on 30.06.2024 at the latest.

Alexela Solar OÜ is a going concern in 2024.

BIOMETHANE PRODUCTION

Production:

GWh	2022	2023	%
Tartu Biogaas	34,067	36,119	6,0%
Vinni Biogaas	31,808	37,701	18,5%
Oisu Biogaas	28,737	33,305	15,9%
EBG Group total	94,612	107,125	13,2%

Alexela's 50% owned associate Eesti Biogaas continued production of biomethane in its three current production plants. Production volume of domestic biogas or biomethane grew by 13.2% during the year, totalling 107.125 GWh, or 50.9% of all biomethane produced in Estonia in 2023.

The increased production was mainly due to the efforts and expertise of the Eesti Biogaas team - they have improved the operation of their biomethane plants and optimised the composition of waste material fed into digesters, to extract more gas from waste. The main waste materials used for biogas production remain manure and other farm waste, as well as food industry waste. This method of biomethane production is beneficial for the environment, as otherwise the waste would decompose naturally with the methane released into the atmosphere. Most of the biomethane produced by Eesti Biogaas plants is used as motor fuel.

In 2023, Eesti Biogaas started construction of new secondary digesters at the Oisu and Tartu plants, scheduled for completion in the first half of 2024. The secondary digesters will increase the plants' waste processing capacity. The resulting increase in biogas output is estimated to be 20% for each plant.

ENERGIASALV

The Energiasalv pumped hydroelectric storage plant is the only energy storage project in the northern Baltics considered a project of common interest by the European Union.

In 2023, we focused on the active development of the Energiasalv pumped storage plant in Paldiski.

After receiving construction permits in December 2022, Energiasalv focused on designing the pumped hydroelectric plant and developing an Estonian framework for electric energy storage. The goal is to get the FID approved by the end of summer 2024, with construction of the plant scheduled for the same time. According to the timeline, the plant should be ready to accept its first kWh by 2029.

In 2023, the Energiasalv project raised scheduled funding totalling 11 million euros from both existing investors (including Alexela) as well as new Estonian investors, demonstrating that there is confidence in the project's success outside the company. The funds raised will be used to complete the design and engineering phase in cooperation with experts from global leaders in hydropower and mining

ROHE SOLUTIONS AND HAMINA LNG

Established as a joint undertaking of Hamina Energia and Alexela, Rohe Solutions OY sells natural gas and LNG on the Finnish market.

In 2023, Alexela acquired 100% ownership share in Rohe Solutions OY, and currently continues to focus on LNG sales on the Finnish market. The first bunkering services have been provided - LNG bunkering on ships.

In 2023, 325 kWh of natural gas and 80 kWh of LNG were sold to clients.

With the starting up of the Hamina LNG terminal in autumn 2022, Alexela helped create the most logistically cost-effective facility on the Gulf of Finland for supplying non-Russian LNG to clients in Southern Finland and Estonia. It's the first LNG terminal connected to the national gas grid in Finland. The terminal has 30,000 m^3 LNG storage capacity and is equipped to handle up to 1.8 TWh/year.

Hamina LNG terminal operates on the third party open-access principle, with the Finnish Energiavirasto supervising the terminal's operations and rates.

In 2023, the Hamina LNG terminal received 26 shiploads of LNG, all of it coming from outside Russia. The terminal vaporised and injected 820 GWh of natural gas into the Finnish transmission grid and the Hamina regional supply grid and supplied 1217 truck tanks of LNG to off-grid clients in 2023. Alexela remains the largest client and user of the Hamina LNG terminal

DIGITALISATION

AS Alexela continued investments in technology in 2023. Any technological solutions must be easy to use and save time for our clients. This goes for the solutions used internally at Alexela as well: we must be able to efficiently organise our work and automate our processes. We have created new e-mobility solutions, developed smart cylinder gas vending cabinets and upgraded features of the Alexela app. We are also actively investigating ways to utilise AI solutions from Chat GPT to virtual power plants. The My Alexela loyalty program is app-based and we continue to create new incentives and campaigns for our customers. All these technological aspects are in the DNA of AS Alexela - we innovate, experiment, iterate and deliver. With the rapid pace of technological development, it is important to choose the right business models. That's exactly what Alexela is doing.

TABLE OF CONTENTS

Investments

In 2023, Alexela invested more than 16.5 million euros in various projects, with the largest being the Täkupoiss full-service energy station at Sauga near Pärnu, new convenience stores in the Haabersti, Viljandi and Jüri filling stations, and reconstruction of the Tõrva convenience store. We continued investing in e-mobility, rapidly expanding our EV charger network across Estonia. Our new smart vending cabinets make cylinder gas easily accessible to clients, with stocking information quickly available. In order to take the next step in the area of sustainable motor fuels, Alexela decided to add hydrogen refilling capability to its existing Peterburi street filling station in Tallinn. The technological solution was financed in 2023, with completion scheduled for autumn 2024.

On 31.08.2023, AS Alexela bought a 50% share in Rohe Solutions OY for 1.4 million euros, reaching 100% ownership.

AS Alexela participated in the Energiasalv fundraising round, investing 1.65 million euros of equity. Alexela's post-round equity share is 32.1% valued at 14.2 million euros.

AS Alexela (at that time Alexela Tanklad OÜ, which merged with AS Alexela) decided, along with the other shareholder, to approve the sale of the LNG terminal pier constructed by Pakrineeme Sadama OÜ to AS Eesti Varude Keskus for 31.5 million euros.

Alexela Motors focused its investments on improving logistical capabilities, especially in the LPG area - the majority of the 1.5 million euros it invested was for LPG trailers and trucks. The company also replaced its fleet of gas cylinder carrying trucks, which was out of date.

Alexela Solar invested nearly 1.0 million euros in new solar farms, the largest of which is on the Kiviõli Keemiatööstus compound (2 MW). Solar farms were also installed in new Alexela filling stations.

KEY FINANCIAL INDICATORS

Ratio	2023	2022	2021	2020
Revenue (thousand €)	617 909	620 384	367 799	249 839
Revenue growth (%)	-0,4%	68,7%	47,2%	0,9%
Net profit (thousand €)	8 697	14 612	8 320	3 382
Profit margin (%)	1,4%	2,4%	2,3%	1,4%
Current ratio	1,01	1,01	0,69	0,91
ROA (%)	2,8%	4,2%	3,6%	2,1%
ROE (%)	6,1%	11,1%	10,7%	4,7%

Formulae based on which the indicators were calculated:

Revenue growth (%) = (2023 revenue – 2022 revenue) / 2022 revenue × 100

Profit margin (%) = net profit / revenue × 100

Current ratio = current assets / current payables ROA (%) = net profit / total assets × 100

ROE (%) = net profit / total equity × 100

2. part
ANNUAL ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of euros)

	31.12.2023	31.12.2022	Note no.
Assets			
Current assets			
Cash	4 297	1 002	2
Receivables and prepayments	67 920	91 196	3, 5
Inventories	22 793	46 331	4
Total current assets	**95 010**	**138 529**	
Non-current assets			
Non-current investments	44 301	40 173	7
Receivables and prepayments	21 808	20 644	3
Property, plant and equipment	150 342	141 493	8
Intangible assets	4 491	3 214	9
Total non-current assets	**220 942**	**205 524**	
Total assets	**315 952**	**344 053**	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan commitments	37 897	56 584	10, 12
Payables and prepayments	54 963	79 506	5, 13, 14
Provisions	706	613	15
Grants	292	218	16
Total current liabilities	**93 858**	**136 921**	
Non-current liabilities			
Loan commitments	78 044	74 448	10, 12
Payables and prepayments	100	81	13
Deferred income tax liability	582	457	5
Provisions	7	8	15
Grants	1 192	728	16
Total non-current liabilities	**79 925**	**75 722**	
Total liabilities	**173 783**	**212 643**	
Equity			
Equity held by shareholders and partners in parent company			
Nominal share capital	1 644	1 644	17
Share premium	1 435	1 435	
Statutory reserve capital	162	162	
Miscellaneous reserves	83 008	83 401	8, 17, 35
Retained profit	47 223	30 159	
Annual period profit (loss)	8 697	14 609	
Total equity held by shareholders and partners in parent company	**142 169**	**131 410**	
Non-controlling interest	**0**	**0**	
Total equity	**142 169**	**131 410**	
Total liabilities and equity	**315 952**	**344 053**	

CONSOLIDATED INCOME STATEMENT (in thousands of euros)

	2023	2022	Note no.
Net sales	617 909	620 384	18
Other operating income	1 232	642	19
Goods, raw materials and services	-567 634	-571 263	20
Other operating expenses	-7 571	-7 112	21
Labor expenses	-16 635	-12 891	22
Depreciation and impairment	-13 024	-12 870	8, 9
Other operating expenses	-1 051	-323	23
Profit (loss)	**13 226**	**16 567**	
Profit (loss) from subsidiaries and associates	3 023	2 455	6, 7
Interest income	446	388	24
Interest expense	-7 311	-4 250	25
Other financial income and expense	-556	-165	26
Profit (loss) before tax	**8 828**	**14 995**	
Income tax expense	-131	-383	5
Annual period profit (loss)	**8 697**	**14 612**	
Profit share from non-controlling interest	0	3	
Parent company shareholder's profit share	**8 697**	**14 609**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE (in thousands of euros)

	2023	2022	Note no.
Annual period profit (loss)	8 697	14 612	
Other comprehensive income (loss)			
Other comprehensive incomes (losses)	2 356	31 625	8, 17,35
Total other comprehensive income (loss)	**2 356**	**31 625**	
Annual period comprehensive income (loss)	**11 053**	**46 237**	
Profit share from non-controlling interest	0	3	
Parent company shareholder's share of comprehensive income (loss)	11 053	46 234	

CONSOLIDATED STATEMENT OF CASH FLOWS (in thousands of euros)

	2023	2022	Note no.
Cash flow from trade			
Profit (loss)	13 226	16 567	
Adjustments			
Depreciation and impairment	13 024	12 870	8, 9
Income (loss) from sale of non-current assets	-4	-32	8, 9, 19
Other adjustments	-165	99	15, 16
Total adjustments	**12 855**	**12 937**	
Change in trade receivables and prepayments	3 052	-7 819	
Change in inventory	23 538	-31 155	4
Change in trade liabilities and prepayments	-10 380	8 867	
Total cash flow from trade	**42 291**	**-603**	
Cash flow from investment activities			
Payments for purchase of tangible and intangible assets	-20 527	-18 598	8, 9
Income from sale of tangible and intangible assets	350	67	8
Net cash flow from subsidiary acquisition	866	-2 657	
Associate acquisition cost	-1 651	-658	7
Net cash flow from sale of subsidiaries	5 270	1 423	6
Given loans	-2 370	-4 829	3
Repayments from loans given	1 950	3 073	3
Interest income	16	16	
Total cash flow from investment activities	**-16 096**	**-22 163**	
Cash flow from financing activities			
Loans received	186 357	185 986	12
Repayments for loans received	-201 431	-155 724	12
Change in current account balance	-807	-4 914	12
Principal repayments for capital lease	-1 687	-1 506	10
Interest paid	-6 128	-3 335	
Grants received	796	314	16
Share issue	0	1 180	17
Total cash flow from financing activities	**-22 900**	**22 001**	
Total cash flow	**3 295**	**-765**	
Cash and cash equivalents at beginning of the period	1 002	1 767	2
Change in cash and cash equivalents	**3 295**	**-765**	
Cash and cash equivalents at end of the period	4 297	1 002	2

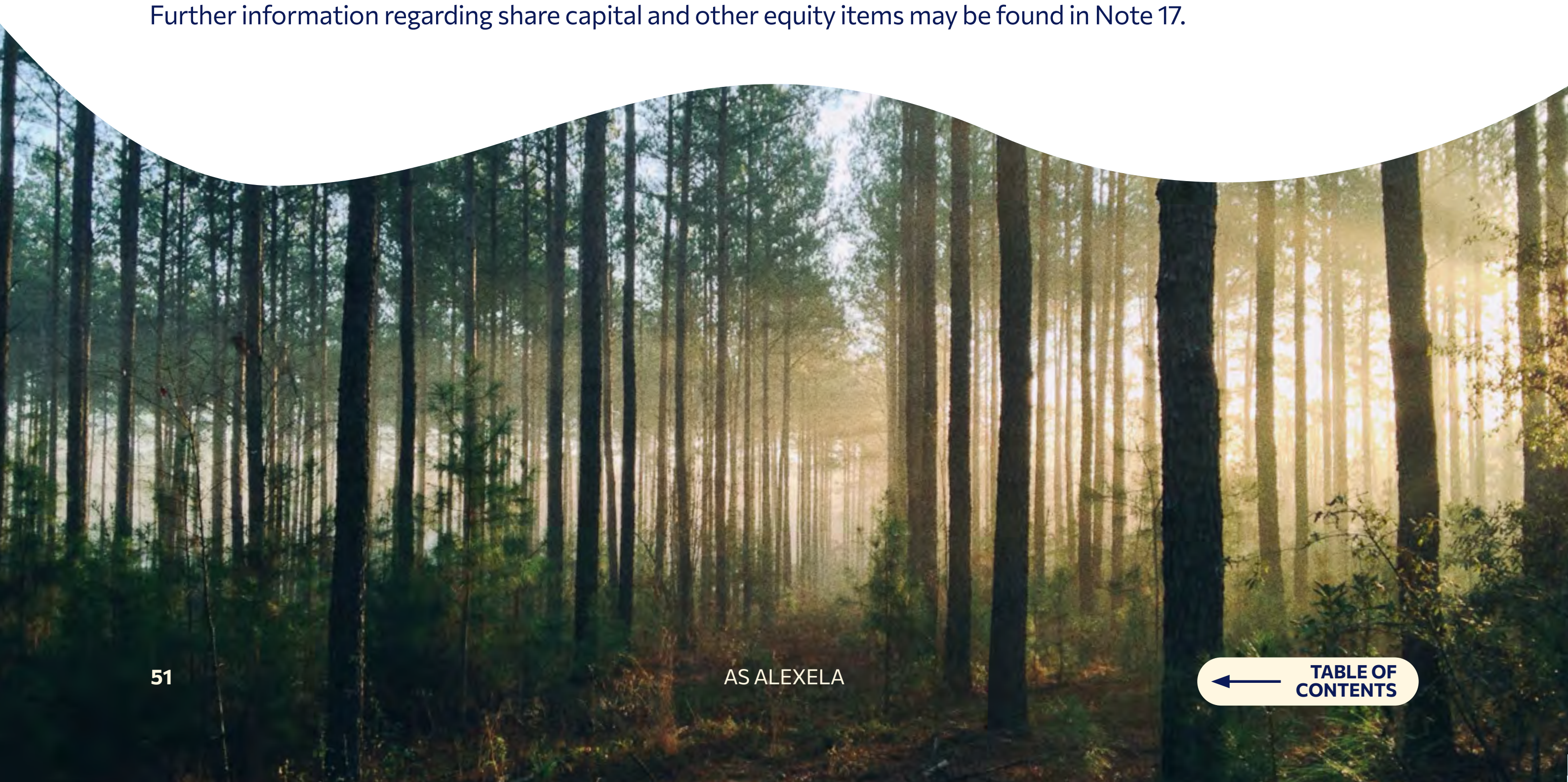
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in thousands of euros)

	Equity held by shareholders and partners in parent company					Minority share	Total
	Nominal share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)		
31.12.2021	**1 619**	**280**	**162**	**54 272**	**20 245**	**1345**	**77 923**
Annual period profit (loss)	0	0	0	0	14 609	3	14 612
Share capital increase	25	1 155	0	0	0	0	1 180
Changes in reserves	0	0	0	29 129	2 496	0	31 625
Other changes in equity	0	0	0	0	7 418	-1 348	6 070
31.12.2022	**1 644**	**1 435**	**162**	**83 401**	**44 768**	**0**	**131 410**
Annual period profit (loss)	0	0	0	0	8 697	0	8 697
Changes in reserves	0	0	0	-393	2 749	0	2 356
Other changes in equity	0	0	0		-294	0	-294
31.12.2023	**1 644**	**1 435**	**162**	**83 008**	**55 920**	**0**	**142 169**

The equity item "Miscellaneous reserves" includes the reserve for revaluation of non-current assets, as well as the reserves for natural gas and electric energy hedging. More information on the changes in the reserve for revaluation of non-current assets may be found in Note 8, and more information on the hedging reserves may be found in Note 35.

The item "Other changes in equity" includes adjustments due to business combinations.

Further information regarding share capital and other equity items may be found in Note 17.



Notes to the annual accounts

NOTE 1. ACCOUNTING POLICIES

GENERAL INFORMATION

AS Alexela is a public limited company registered and operating in Estonia with the main operating activity of retail sales of motor fuel, including operating service stations. The registered address of the company is at Roseni 11, Tallinn, Estonia.

The 2023 consolidated annual accounts include the financials of both AS Alexela (parent company) and its subsidiaries and associates. The group includes as subsidiaries 220 Energia OÜ, Alexela SIA, Alexela Energia Teenused AS, Alexela Motors AS, Alexela Solar OÜ, Hamina LNG Investeeringud OÜ and Rohe Solutions OY, as associates Hamina LNG OY, Eesti Biogaas OÜ, Energiasalv Valdus OÜ, and their subsidiaries and associates (group structure is presented in Note 6).

This consolidated report is signed by the management board on May 7th 2024.

According to the Estonian Commercial Code, the annual report (which includes the consolidated annual accounts), as prepared by the board, must be approved by the supervisory board and approved by the general meeting of shareholders. The shareholders have the right to reject the annual report prepared and submitted by the management board, and demand that a new report be prepared.

BASES OF PREPARING THE ANNUAL REPORT

AS Alexela's 2023 consolidated annual accounts have been prepared according to international reporting standards as adopted by the European Union.

The functional currency and reporting currency of AS Alexela and its subsidiaries is the euro, and all data in the consolidated annual accounts are presented in euros.

The report is prepared on the at cost principle, with a few exceptions as described below in the accounting policies. The primary accounting policies followed in preparing the annual accounts are described below.

USE OF NEW OR AMENDED STANDARDS AND INTERPRETATIONS

The group's 2023 consolidated annual accounts have been prepared using new or amended standards and interpretations thereof as issued by IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee), as applicable to the company's activities during the reporting period starting on January 1st 2023.

"Disclosure of Accounting Policies" - amendments to IAS 1 and IFRS Practice Statement 2 Applicable to reporting periods beginning on or after January 1st 2023.

The amendments clarify what is material accounting policies information and how to identify material accounting policy information, require disclosure of material accounting policy information, and clarify that immaterial accounting policy information should not be disclosed, or, if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The group believes that at the time of initial implementation the amendments do not have significant impact on the group's accounting.

"Definition of Accounting Estimates" - amendments to IAS 8. Applicable to reporting periods beginning on or after January 1st 2023.

The amendment clarifies how entities should distinguish between changes in accounting policies and changes in accounting estimates.

The group believes that at the time of initial implementation the amendments do not have significant impact on the group's accounting.

"Deferred income tax associated with assets and liabilities originating from a single transaction" - IAS 12 amendments. Applicable to reporting periods starting on January 1st 2023 or later.

The IAS 12 amendments specify the taxation of temporary differences and the recognition of deferred income tax on transactions such as lease agreements and decommissioning, restoration and similar liabilities. On certain conditions, companies may be exempted from deferred income tax at the initial recognition of assets or liabilities. The amendments clarify that this deferral does not apply to recognition of lease liabilities and assets at the time of transitioning to IFRSs, and that companies must recognise deferred income tax from these transactions. The group's opinion is that this has no material effect on its financial reporting.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS THEREOF ENTERING INTO FORCE

A number of new standards, amendments or interpretations thereof have been adopted, which entered into force on or after January 1st 2024, and which the group has not implemented early.

Leases: Lease Liability in a Sale and Leaseback - IFRS 16 amendments Applicable to periods beginning on or after January 1st 2024.

The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction such that assets for which they retain right of use, as well as profit and loss associated with them, are recognised proportionally to the asset's previous carried value. The group's opinion is that this has no material effect on its financial reporting.

"Classification of Liabilities as Current or Non-current" - IAS 1 amendments. Applicable to period periods beginning on or after January 1st 2024.

The amendments clarify that the classification of financial liabilities as current or non-current is only based on whether the entity has the right to defer settlement after the reporting period. An entity's right to defer settlement at least 12 months after the reporting date does not have to be unconditional, but must be substantiated. Classification is not influenced by the intentions of the board nor expectations regarding if and when the entity may exercise the right. The amendments also clarify what settlement refers to.

The group believes that at the time of initial implementation the amendments do not have significant impact on the group's accounting.

"International tax reform - Pillar II model rules" - IAS 12 amendments - the exemption will take effect immediately after the amendments are published and will be applied retroactively; other publication requirements not covered by this exemption are applied starting December 31st 2023.

Pillar II taxes are taxes arising from taxation laws implementing the Pillar II model rules published by the Organisation for Economic Cooperation and Development. The purpose of the rules is to ensure that large international corporations are income-taxed at a rate of no less than 15% in each country they operate in, using a system of additional taxes. The amendments address stakeholders' concerns about the new added taxes pursuant to IFRS, by providing a temporary mandatory exemption from deferred income tax associated with the additional taxation, and require submission of new information about the added tax and exemption.

The group believes that at the time of initial implementation the amendments do not have significant impact on the group's accounting.

"Supplier finance arrangements" - IAS 7 and IFRS 7 amendments - applied to reporting periods beginning on or after January 1st 2024, with early application permitted.

A company is not required to disclose reference data on any earlier reporting periods or the beginning of the current reporting year when initially applying the amendments. Furthermore, a company is not required to disclose amendment-related data about any interim periods for which the report is submitted during the reporting year of initially applying the amendments.

The amendments include additional disclosure requirements regarding a company's supplier finance arrangements. A company is required to disclose information about these arrangements to enable investors to assess their impacts on the company's liabilities, cash flows and liquidity risk. The amendments are applied to supplier finance arrangements meeting certain criteria, for example an arrangement where a financing provider pays the company's liabilities to the supplier, with the company agreeing to repay the debt. However, these amendments will not extend to receivables and inventories finance agreements.

The group believes that at the time of initial implementation the amendments do not have significant impact on the group's accounting.

"Lack of exchangeability" - IAS 21 amendments - applied to reporting periods beginning on or after January 1st 2025, with early application permitted.

IAS 21 "The Effects of Changes in Foreign Exchange Rates" concernsforeign currency transaction accounting and its effects on financial reporting.

The amendments clarify which currencies are exchangeable and the method a company should use to determine the current exchange rate for a non-exchangeable currency. The amendments also include additional disclosure requirements to help users understand the effects of estimated exchange rates on accounting.

The group believes that at the time of initial implementation the amendments do not have significant impact on the group's accounting.

"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" - IFRS 10 and IAS 28 amendments - effective date deferred indefinitely

According to the International Financial Reporting Standard (IFRS), application of these amendments is voluntary and companies may do so at their discretion. The European Commission has decided to indefinitely defer approval of these amendments, and it is unlikely that the European Union would adopt these amendments in the near future.

The amendments specify that, in case of a transaction between an investor and its associate or joint venture, the scope of gain or loss recognised is dependent on whether the assets sold or transferred constitute a joint business.

If the transaction between an investor and its associate or joint venture includes transfer of assets constituting a business, the gain or loss is recognised in full. This applies regardless of whether the asset(s) is (are) located in the subsidiary.

If the transaction between an investor and its associate or joint venture includes assets not constituting a business, the gain or loss is recognised in part. This applies even if the assets are located in the subsidiary.

The group believes that at the time of initial implementation the amendments do not have significant impact on the group's accounting.

OTHER LEGAL REQUIREMENTS FOR ACCOUNTING POLICIES

According to the Electricity Market Act the group is an electricity undertaking and, pursuant to §17 of the Act, presents its accounting policies, its balance sheet and a profit and loss account for its electric energy related and other activities. The Electricity Market Act and acts enacted under it are enforced by the Consumer Protection and Technical Regulatory Authority.

According to the Natural Gas Act, the group is a gas undertaking and, pursuant to §8 of the Act, must keep accounts for transmission, distribution and sale of gas and for any activity area unrelated to these activities in the manner that separate undertakings operating in these areas of activity would be obligated to. The Natural Gas Act and acts enacted under it are enforced by the Consumer Protection and Technical Regulatory Authority.

ERROR ADJUSTMENTS

Errors may arise in recording, measurement, presentation or disclosure of components of financial reports. Any errors in the previous accounting period shall be adjusted retroactively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

Material prior period errors shall be adjusted retrospectively in the first set of financial statements authorised for issue after their discovery by:

- restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

PREPARING THE CONSOLIDATED REPORT

The consolidated report consolidates, item-by-item, the financials of all subsidiaries controlled by the parent company (except subsidiaries acquired for the purpose of reselling).

Any intra-group receivables and payables, transactions between group entities and unrealised profit and loss arising from these are eliminated. Any intra-group receivables and payables, transactions between group entities and unrealised profit and loss arising from these are eliminated. Any noncontrolling interests in earnings and equity of entities controlled by the parent are carried within equity in the consolidated statement of financial position, separately from the equity of the addition to any owners of the parent, and are carried in a separate item of the consolidated earnings report. Where applicable, subsidiaries' accounting policies have been adjusted to the group's accounting policies.

SUBSIDIARIES

A subsidiary is an entity controlled by the parent company. A subsidiary is considered to be controlled by the parent if the parent directly or indirectly owns more than 50% of the subsidiary’s voting shares or is otherwise able to exercise control over the subsidiary’s operations or financial policy.

Acquisition of a subsidiary is carried on the purchase method (except jointly controlled entities, which are carried on the adjusted purchase method). According to the purchase method, the assets, payables and contingent liabilities (i.e. acquired net assets) are carried at fair value. Any difference between the cost of acquired ownership interest and the fair value of net assets acquired is recognised as goodwill.

As of the acquisition date, the group's ownership interest in the assets, payables and contingent liabilities of the acquired entity and the resulting goodwill are carried in the consolidated statement of financial position, and ownership interest in the revenue and costs or the acquired entity are carried in the consolidated income statement. In the consolidated statement of financial position, positive goodwill is carried as an intangible asset.

When a subsidiary is disposed of during the accounting period, the income and expenses of the disposed subsidiary shall be included in the consolidated income statement until the date of disposal. The difference between the proceeds from the disposal and the carrying amount of the subsidiary's net assets in the group's balance sheet (including goodwill) as of the date of disposal shall be recognised as profit (or loss) from the disposal of the subsidiary.

If partial disposal of a subsidiary results in the group having less than 50% control over the subsidiary, but retaining some control over the subsidiary, the subsidiary is excluded from consolidation as of the date of disposal, and the remaining interest in the subsidiary's assets, payables and goodwill is carried as an associate, joint undertaking or other financial investment. The book value of the remaining to investment on the disposal date is carried as the new cost.

When a decision is made to dispose of the subsidiary, the subsidiary is classified as held for sale and carried as other financial investment until the disposal date.

ASSOCIATES

An associate is a company over which the parent holds significant influence but is not controlled by the parent. In general, any entity of which the group holds 20%-50% of voting shares is considered an associate.

Investments in associates are carried by the group based on the equity method. Based on the equity method, investments are initially carried at cost, and later adjusted by the associate's profit or loss.

If, based on the equity method, the group's interest in the associate is less than the associate's book value, the associate's book value is reduced to zero, and any further losses are not carried unless the group has provided relevant guarantees.

ASSOCIATES AS A FINANCIAL INVESTMENTA

If the company does not consider its ownership interest in the associate to be strategic, and foreseeable additional fundraising rounds would reduce the voting ownership share under 20%, such an associate shall be recognised as an investment agreement, and the ownership share shall be recognised at fair value.

The change in fair value of such an investment shall be recognized as a change in the income statement.

COMBINATIONS OF JOINTLY CONTROLLED ENTITIES

Combinations of jointly controlled entities are carried based on adjusted purchase method, which means that ownership interest acquired in another entity is recognised as book value of the acquired net assets (i.e. as the acquired assets and payables were carried in the balance sheet of the acquired entity). The difference between the cost of acquisition and the book value of the acquired net assets shall be recognised as an increase or decrease of the equity of the acquirer.

THE PARENT COMPANY'S UNCONSOLIDATED REPORTS PRESENTED IN THE NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

Pursuant to the Estonian Accounting Act, the consolidated annual accounts must include in its Notes the unconsolidated primary accounts of the consolidating entity (the parent company). The parent company's primary accounts are prepared based on the same accounting policies applied to the preparing of the consolidated annual accounts; as an exception, investments in subsidiaries and associates are recognised at cost in the unconsolidated accounts.

Subsequently, subsidiaries are recognised as consolidated item-by-item in the consolidated accounts, and at cost in the unconsolidated accounts.

Transactions increasing or decreasing an entity's ownership interest in a subsidiary under its control (transactions with minority interest) shall be recorded as transactions between owners without any resulting goodwill or profit or loss created. Any difference between the purchase or sales price and the changed carrying amount of minority interest shall be recognised directly in equity (similarly to the differences arising in purchase and sale of treasury shares).

FINANCIAL ASSETS

CLASSIFICATION

The group classifies financial assets in the following measurement categories:

- those recognised at fair value (carried with adjustments in the statement of comprehensive income or with adjustments in the income statement);
- those recognised at adjusted cost.

The classification depends on the group's financial asset management model and the contractual cash flows.

RECOGNITION AND DERECOGNITION

Regular way purchases or sales of financial assets are recognised on the trade date, or the date on which the group commits to the purchase or sale. Financial assets are derecognised when the group relinquishes interest in the cash flows from the financial interest and essentially transfers all risks and gains arising from the asset.

MEASUREMENT

Financial assets (excluding trade receivables with no significant financing component which are initially measured at transaction cost) are initially measured at fair value. For assets which are not carried at fair value with adjustments in the income statement, transaction costs directly attributable to the purchase of the asset are added.

DEBT INSTRUMENTS

The carrying of debt instruments depends on the group's financial asset management model and the contractual cash flows of the financial asset.

Assets held only for receiving contractual cash flows, constituting only principal repayments and interest on unpaid principal, are recognised at adjusted cost based on the effective interest rate method. Any impairment losses are deducted from the adjusted cost. Interest revenue, currency exchange profit or loss and impairment is recognised in the income statement.

Any profit or loss at derecognition is recognised in the income statement.

EQUITY INSTRUMENTS

The group holds no investments in equity instruments.

IMPAIRMENT OF FINANCIAL ASSETS

The impairment loss recognition model is applied to financial assets at adjusted cost. Financial assets recognised at adjusted cost comprise trade receivables, cash and cash equivalents.

Expected credit losses are probability-weighted estimated credit losses. A credit loss is the difference between the contractual cash flows receivable by the group and the cash flows expected by the group, discounted by the initial effective interest rate.

Measurement of expected credit loss reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The group impairs:

- trade receivables in the amount equalling lifetime expected credit losses;
- cash and cash equivalents, the credit risk of which is estimated to be low over the accounting period, in the amount of expected 12-month credit losses;
- all other financial assets in the amount of expected 12-month credit losses, unless the credit risk (i.e. the risk of default over the expected lifetime of the financial asset) has significantly increased after initial recognition. If the risk has increased significantly, credit loss is measured in the amount of expected lifetime credit losses.

CASH

Cash and cash equivalents constitute cash in cash registers and bank accounts, demand deposits and short-term bank deposits actually withdrawable within three months, where the risk of significant change in market value is low. Bank overdrafts are recognised as current loans in the statement of financial position.

In the statement of cash flows, cash flows from business operations are recognised based on the indirect method, and cash flows from investment and financial activities are recognised based on the direct method, starting from profit.

FOREIGN CURRENCY TRANSACTIONS AND FINANCIAL ASSETS AND LIABILITES DENOMINATED IN A FOREIGN CURRENCY

The group's foreign currency transactions are recognised based on the foreign currency exchange rates of the European Central Bank prevailing on the transaction date.

Monetary financial assets and payables denominated in foreign currency are converted to euros based on the foreign currency exchange rates of the European Central Bank prevailing on the balance sheet date.

Foreign currency transaction profits and losses are recognised in the income statement as income for the period offset by the relevant cost, while exchange rate profit and losses due to trade receivables and payments are included in operating income and costs. Other profits and losses from foreign currency transactions are recognised as financial income and costs in the income statement.

RECEIVABLES AND PREPAYMENTS

Receivables and prepayments are recognised as current assets, unless their due date is more than 12 months after the balance sheet date. Such assets are recognised as non-current assets. Trade receivables comprise current receivables generated in the ordinary course of business of the group. Trade receivables are carried using the amortised cost method (i.e. nominal value minus repayments and any write-down).

Receivables are written down by 50% if overdue by 90-180 days, and by 100% if overdue by over 180 days. At end of period, all receivables are reviewed, and any receivables where there is objective evidence or circumstances suggesting that the receivable is uncollectible will be derecognised from the balance sheet.

Any repayment of previously written-down doubtful receivables is reported as reduction in the allowance for doubtful receivables.

INVENTORIES

Inventories are initially recognised at cost, including purchase costs, manufacturing costs and other costs necessary to deliver the inventories to their current location and condition.

In addition to their price, the inventory purchase costs include any customs duties, other non-refundable taxes and transportation costs directly associated with purchasing the inventory, less allowances and discounts.

Inventory manufacturing costs include all costs directly attributable to manufacturing, raw materials and components. Because manufactured inventory has a high turnover rate and the balance of such inventory on the balance sheet date is insignificant, other direct and indirect manufacturing costs are recognised on the basis of accrual in goods costs and other operating costs.

The expensing and book value calculation of inventory is done based on the weighted average cost method. On the balance sheet, inventories are recognised at cost or at net realisable value, whichever is lower.

Inventory also includes multiple-use gas cylinders purchased for operating activities, which are depreciated as expenses over their useful life.

PROPERTY, PLANT AND EQUPMENT AND INTANGIBLE ASSETS

PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment are assets used in the group's operating activities with useful life of over one year and cost of over 1 thousand euros. Less valuable items are recognised as expenses at acquisition.

Property, plant and equipment are recognised at cost, which includes the price of the asset and any expenses made for taking it into use. The determination of the cost of property plant and equipment acquired through a finance lease or right-of-use lease is done similarly to purchased property plant and equipment.

The land and buildings of commercial real estate owned by the group are recognised at revalued value, and other assets are recognised at cost, less accumulated depreciation and write-down due to impairment. On the date of revaluation, the previous cost of the revalued asset is replaced with its fair value on the revaluation date, and any accrued depreciation is set to zero. If the revaluation results in an increase of the asset's carried value, the difference between the old and new carried value is recognised as other comprehensive income and accumulated in the revaluation reserve. If the revaluation results in a decrease of the asset's carried value, the difference between the old and new carried value is recognised in the income statement as loss from write-down of property, plant and equipment, except the portion of depreciation offset against previously recognised appreciation, which is recognised in equity as adjustment to the revaluation reserve. Every year, the difference between depreciation based on the asset's revalued carried cost and depreciation based on the asset's initial cost is carried over from the revaluation reserve to retained earnings.

Any expenses made to repair or maintain non-current assets are recognised as costs in the reporting period. Non-current asset renovation expenses which meet the definition of property, plant and equipment and carrying criteria will be added to the cost of the property, plant and equipment. Renovation expenses are depreciated over the remaining useful life of the asset.

Property, plant and equipment is derecognised in the event of disposal of the asset or if the asset is no longer considered to be fit for use or sale. Any profit or loss from disposal of property, plant and equipment is recognised in the income statement as other operating income or other operating expense.

Depreciation is calculated using the linear method. The amortisation rate is determined for each non-current asset individually, depending on its useful life. For assets with a significant residual value, only the amortisable difference between cost and residual value is depreciated as expense over its useful life.

If the item of property, plant and equipment is composed of distinct components with different useful lives, these components are recognised as distinct assets and are assigned different depreciation rates based on their useful life.

Depreciation starts from the moment the asset becomes usable for the purpose planned by management, and ends when the residual value exceeds its carried amount, until the asset is definitively removed from use or reclassified as held for sale.

INTANGIBLE ASSETS

Intangible assets are long-term licenses, patents and computer software not tied to a specific piece of property, plant or equipment.

Computer software development costs are recognised as intangible assets if they are directly associated with developing software which is distinguishable, controlled by the company and economically useful for a future period of more than one year.

Software attached to an item of property, plant or equipment is recognised as property, plant and equipment.

Purchased intangible assets are recognised at cost. The cost of intangible assets acquired via business combination is the fair value of the asset at time of acquisition. After recognition, intangible assets are carried at cost, less accumulated depreciation and impairment losses.

Intangible assets are depreciated using the linear method, based on their useful life.

GOODWILL

Goodwill is the positive difference between the cost of acquired ownership interest and the fair value of net assets acquired. This reflects the part of cost which was paid for acquiring a company's assets which are not readily distinguishable and measurable. On the date of acquisition, the goodwill is recognised on the balance sheet as an intangible asset at cost.

After recognition, intangible assets are carried at cost, less accumulated depreciation and impairment losses.

Goodwill is not depreciated. Instead, a goodwill impairment test will be conducted yearly (or earlier, if there is an event or change in circumstances which may indicate impairment of goodwill). In order to test impairment, the goodwill is distributed between the cash-generated units or groups of units which are expected to benefit from this goodwill in the future. Independent cash-generating unit (or a group of units) is the smallest distinguishable asset group not larger than the business segment used for segment reporting. Impairment is determined by measuring the recoverable value of the cash-generating unit associated with the goodwill. If the recoverable value of the cash-generating unit is lower than its carried amount (including goodwill), then impairment of goodwill is recognised, as well as the proportional write-down of other assets associated with the cash-generating unit. Write-down of goodwill is not offset.

Threshold of recognising non-current assets is 1 thousand euros.

USEFUL LIFE BY ASSETS GROUP (years)

Assets group name	Useful life
Buildings and structures	10-25 years
Machinery and equipment	5-10 years
Service station equipment and fitments	5-10 years
IT equipment	5 years
Office furniture	5 years
Tools and other equipment	3-10 years
Computer programs	3-5 years
Licenses, patents	3 years

Items with unlimited useful life (land) are not depreciated.

LEASES

GROUP AS LESSOR

Finance lease constitutes a lease agreement which transfers all material ownership risks and benefits of the leased asset to the lessee. All other lease agreements are recognised as operating lease.

The group recognises assets leased out as an operating lease based on the adjusted cost method (cost less depreciation).

Operating lease income is recognised linearly or based on accrual. Irregular lease income (e.g. renting bicycles or trailers in service stations) is recognised based on accrual. Expenses for generating lease income are recognised as costs.

The group recognises assets leased out under a finance lease in its balance sheet as a receivable at an amount equal to the net investment in the finance lease.

GROUP AS LESSEE

Lease payments for short-term lease or lease agreements, where the purchase value of the leased asset is low, is recognised linearly over the lease period.

For other leases, the leased asset and lease liabilities are recognised as of the start of the lease period.

The initial value of the right-of-use asset includes the present value of lease payments receivable at the start of the lease period, lessee's initial direct expenses and any estimated expenses to be incurred to restore the leased asset pursuant to the lease agreement. The initial value of the lease liabilities equals the present value of lease payments, calculated by discounting lease payments by the implicit interest rate of the lease or the lessee's alternative loan interest rate.

The right-of-use asset is carried:

- at cost, less accumulated impairment and
- write-down, and adjusted with the total lease liability revaluation amount if the lease agreement is amended;
- at fair value using the revaluation method, if the leased asset belongs to a category of property, plant and equipment for which the entity applies the revaluation method..

The carried value of lease liabilities is increased by the lease liability interest and reduced by the lease payments made. The carried value of lease liabilities is revaluated if the lease agreement is amended.

FINANCIAL LIABILITIES

All financial liabilities (trade payables, loans received, accrued liabilities, bonds issued and other current and non-current liabilities) are recognised at adjusted cost.

The adjusted cost of current financial liabilities generally equals their nominal value; therefore, current financial liabilities are carried on the balance sheet at their net realisable value. For determining the amortised cost of non-current financial liabilities they are initially recognised at the fair value of the consideration received (less transaction costs), and subsequently their interest expense is calculated using the effective interest rate method. A financial liability is considered to be current if its repayment term is within 12 months from the balance sheet date or if the Company does not have a non-contingent right to postpone the repayment of the liability to a date more than 12 months after the balance date.

Loan liabilities repayable within 12 months after the balance sheet date, but refinanced as non-current liabilities after the balance sheet date but before approval of the annual report, are recognised as current. Loan liabilities which the creditor was entitled to collect on the balance sheet date due to violation of loan agreement are also recognised as current.

DERIVATIVES AS HEDGING INSTRUMENTS

Derivatives arising from hedging agreements and reflecting future transactions (forwards, futures, swaps, options) are recognised on the balance sheet at fair value from contract date.

The group has purchased derivatives classified as cash flow risk hedging instruments with the purpose of hedging natural gas and electricity price volatility risks.

At the time of transaction, the group documents the material relationship between the hedging instrument and the hedged asset, the goals of hedging and the strategy on which the transaction is based. Furthermore, changes in the cash flow of hedged assets are documented.

If the derivative is classified as a cash flow risk hedging instrument, its net fair value change will be recognised as other comprehensive income via the hedging reserve. The fair value of hedging derivatives is classified as a non-current receivable or liability when the remaining maturity of the hedging instrument is more than 12 months and as a current asset or liability when the remaining maturity of the hedging instrument is less than 12 months. For such derivatives, the fair values and hedging reserve changes are listed in Note 35.

Derivatives for which efficacy analysis has not been conducted are recognised as ineffective.

Profit or loss due to ineffective hedging instruments is recognised on the "Goods, raw materials and services" row of the income statement if the contract was for hedging price risk, or otherwise in financial income and expense.

Sums recognised in the equity risk hedging reserve are reclassified as profit or loss during the period when the hedged asset's cash flow impacts gain or loss.

When a hedging instrument expires or is sold, or when a hedge no longer qualifies for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecasted transaction is ultimately recognised in profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised as other operating income or other operating expenses in the income statement.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised if the group has a legal or constructive obligation due to an event taking place before the balance sheet date, the settlement of which is probable and the amount of which can be reliably measured. The amount recognised on the balance sheet as a provision shall be in the management's opinion the best estimate of the expenditure required to settle the present obligation as of the reporting date.

In case the provision is likely to be settled later than 12 months after the reporting date, it shall be recognised at its discounted value (i.e. in the present value of the payments related to the provision), except when the impact of discounting is immaterial.

Contingent liabilities are not recognised as payables if they are:

- liabilities due to a possible past event, the arising of such liabilities being contingent on the occurrence or non-occurrence of one or several uncertain future events not wholly within the control of the entity, or
- present liabilities due to past events which have not been recognised because:
- it is unlikely that economically useful resources would have to be reduced in order to settle the liability, or
- the amount of liability cannot be measured with sufficient reliability.

GRANTS

Grants received before the revenue recognition criteria are satisfied, are recognised as a liability on the balance sheet. Government grants are not recognised until there is sufficient certainty that the recipient will meet the grant conditions and that the grant will be issued.

Grants for assets are recognised using the gross method. Assets acquired using grants are recognised at cost on the balance sheet.

Grants received are recognised on the balance sheet as liabilities and are carried as income for the periods when the company recognises costs associated with assets purchased using the grant.

Grant-related income is recognised under "Other operating income" in the income statement.

LEGAL RESERVE

The company has established a legal reserve pursuant to the Estonian Commercial Code. Every year at least 5% of net profit must be held for reserve, until the reserve makes up at least 10% of share capital The reserve may be used for covering losses or for increasing share capital. The reserve must not be paid out to shareholders.

REVENUE

Revenue is the income received by the group in the course of its regular business activity. Revenue is recognised at transaction price. The transaction price is the total consideration an entity is entitled to for delivering promised goods or services to a customer, less any amounts collectable for third parties.

SALE OF GOODS AND SERVICES IN THE RETAIL CHAIN

Revenue from goods and services sold in the retail chain is recognised at the time the customer buys the good or service and pays for it using cash, bank card or an Alexela payment card. The prices of goods and services vary depending on local pricing and any discounts based on various loyalty programs or the customer's purchase volumes. Any discounts are fixed at the time of recognising the sale revenue, and varying charges are not revalued retroactively. The probability of returns is low and no provisions are created for this.

WHOLESALE

Wholesale constitutes the selling of motor fuels and storage fuels to resellers, home consumers and industries. The sale is recognised at the time of transfer of control, i.e. when the products are delivered to the customer, the customer is able to determine the reselling and pricing and there are no unfulfilled obligations which might influence the customer's acceptance of the products. Products are delivered when they are transported to the agreed location, all risk of product damage or loss is transferred to the customer and the customer accepts the products pursuant to the sales agreement or is obligated to accept them based on the acceptance deadline or the fulfilling of all acceptance criteria, which the entity is able to objectively prove.

The company recognises the receivable at the time of delivery of goods, because at that time the company becomes unconditionally entitled to consideration, payment of which is only a matter of time. The probability of returns is considered to be minimal, and no provisions are created for this.

SALE OF ELECTRIC ENERGY AND NATURAL GAS

The group sells electric energy and natural gas to private and corporate customers at fixed or variable price. Sales revenue is recognised for the period during which the goods are sold, based on units sold and unit price. If the customer is billed based on actual consumption, even for variably-priced transactions the price becomes final at the time of recognising the sales revenue, and the revenue is not revalued retroactively.

In addition to fixed pricing, customers are able to subscribe to fixed monthly payments, which means that the customer's monthly bills are the same over a pricing period, regardless of actual consumption. With these contracts, the entity's sales revenue is adjusted according to actual consumption, the difference between that and the invoices submitted being recognised as the customer's contractual debt or receivable.

FINANCING COMPONENT

The prices agreed in the group's customer contracts are not influenced by payment scheme, and therefore they do not include a significant financing component and the time value of money is not recognised.

TAXATION

INCOME TAX ON DIVIDENDS

Pursuant to the Estonian Income Tax Act, there is no corporate income tax on retained or reinvested profits. Income tax is paid on dividends, fringe benefits, gifts, donations, costs of entertaining guests, payments not attributable to business, and transfer price amendments.

In Estonia, earnings distributed as dividends are taxed at a rate of 20/80 of the net amount paid out, or at a lower rate of 14/86 for dividends paid out, its. In Latvia, profit distributed is taxed at a rate of 20/80.

On certain terms, dividends received may be forwarded without any further income tax expense. The corporate income tax arising from the payment of dividends is accounted for as a liability and as an income tax expense in the period when dividends are declared, regardless of the actual payment date or the period for which dividends are paid. The income tax is due on the 10th of the month following the month of payment of dividends.

DEFERRED INCOME TAX

Maksustamissüsteemi omapärast lähtuvalt ei teki Eestis re-
Due to some particular characteristics of the Estonian tax system, companies established in Estonia do not incur any difference between the taxable and carried values of assets, and therefore there are no deferred income tax liabilities or obligations. The balance sheet does not include any income tax liability contingent on distributing retained profits as dividends. The maximum income tax liability which would arise from distributing retained profits as dividends is included in Notes to this annual report..

The group includes subsidiaries in Estonia, Latvia and Finland. Pursuant to the IAS 12 interpretation, the deferred income tax cost and liability arising from payment as dividends of subsidiaries' and associates' retained earnings is recognised based on all retained earnings accumulated by the reporting date.

The deferred income tax liability does not have to be recognised if the subsidiary's or associate's retained earnings is not planned to be distributed in the near future, and distribution is controlled by the parent company.

RELATED PARTIES

In this annual report, parties are considered to be related if one party has the ability to control the other party or can exercise significant influence over the management decisions of the other party. The group's related parties are:

- its owners (the parent company and persons controlling or able to exercise significant influence over it);
- other entities belonging to same consolidation group (including other subsidiaries of the same parent);
- executives and top managers;
- the above parties' immediate family and companies controlled by them or under their prevalent and material influence.

MATERIAL ACCOUNTING ESTIMATES

In preparing IFRS-compliant annual accounts, the management has to develop presumptions, make estimates and make decisions regarding accounting policies to be applied as well as the recognition of assets, liabilities, revenue and costs. The estimates and associated presumptions are based on historic experience and other facts which are presumed to be relevant and factual, and useful as a basis for determining the value of assets and liabilities not directly determinable from other sources.

Actual results may differ from the estimates. The estimates and underlying presumptions are periodically reviewed. Any adjustments due to reviewed accounting estimates are recognised for the period of making the adjustment, if it only concerns that period, or for that period and future periods, if the adjustment concerns both the current period and future periods..

Below are presented major management estimates which may impact financial reports.

USEFUL LIFE OF NON-CURRENT ASSETS (NOTE 8)

The management has estimated the useful life of property, plant and equipment. The estimation is based on historical experience, considering the asset utilisation volumes and future outlook.

VALUATION OF LAND AND BUILDINGS (NOTE 8)

The company uses the revaluation method for recognising land and buildings. For this, the management of the company regularly assesses whether the fair value of revalued non-current assets is significantly different from their carried value.

The non-current assets (real estate) recognised at fair value are analysed based on the valuation method as follows. Levels are defined as follows:

- (unadjusted) prices of identical assets quoted on alternative markets (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly (Level 2);
- asset evaluation using unobservable inputs (Level 3).

Based on the character of the company's non-current assets (real estate), they are placed on Level 3, and therefore the management has used their own evaluations for determining the fair value of land and buildings. The evaluation is based on the discounted cash flows of the Basis generating unit associated with the non-current asset. These are based on actual and budgetary data from which, based on service station specific assessment, the revenue-benefit of belonging to the Alexela retail chain is eliminated, along with its positive impact on the value of the asset. In revaluating assets, any increase in asset value based on the management's estimate is only recognised as the increase in value of land and the complex of buildings on it.

INVENTORY EVALUATION (NOTE 4)

The management's evaluation of inventories is based on best available information, taking into account historical experience, general background and expected future events and conditions. Inventory depreciation is based on both its merchantability as well as the net realisable value of goods purchased for sale. Most goods purchased by the company are purchased for sale. Food is periodically written down during its shelf life, and food past its shelf life is written off.

EVALUATING DOUBTFUL RECEIVABLES (NOTE 3)

Trade receivables are reviewed monthly, and a reserve for doubtful receivables is made. This reserve includes 100% of receivables more than 180 days past due, and 50% of receivables 90 to 180 days past due. At the end of each year, receivables due are individually evaluated, and uncollectible receivables are derecognised.

If such a receivable was included in the reserve for doubtful receivables, the reserve is reduced accordingly. If the receivable was not included in the reserve, it is recognised as a cost. The carrying value of claims is reduced by the allowance for doubtful receivables, and the write-down loss is reported in the statement of financial position under miscellaneous operating expenses. Any repayment of previously written-down doubtful receivables is reported as reduction in the allowance for doubtful receivables.

MISCELLANEOUS RESERVES

Non-current asset revaluation reserve and derivatives risk hedging reserve are recognised as a miscellaneous reserve. These reserves are tied to equity and are not distributed to shareholders.

The non-current asset revaluation reserve is reduced yearly by depreciation based on cost. This reduction in the revaluation reserve is added to retained earnings from previous periods.

The derivative hedging reserve reflects the change of fair value of hedging instruments, which is reclassified as profit or loss for the period when the hedged transaction cash flow contributes to profit or loss.

NET EARNINGS PER SHARE

Undiluted net earnings per share is calculated by diving the net earnings for the reporting year by the average number of outstanding shares.

Diluted net earnings per share is calculated by adjusting both the net earnings and the average number of shares by any potential shares which may dilute the net earnings per share. Because the group has no financial instruments with the potential of diluting net earnings per share, the undiluted net earnings per share and the diluted net earnings per share are equal.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Annual accounts must include any significant events which have occurred between the balance sheet date and the annual accounts date and are associated with transactions conducted during the reporting period or earlier periods.

Events occurring after the balance sheet date which are not included in the evaluation of assets and liabilities, but which have material impact on earnings in the next reporting year, are disclosed in Notes of the annual report.

NOTE 2. CASH (in thousands of euros)

	31.12.2023	31.12.2022
Cash in cash register	412	329
Current accounts	3 807	598
Cash in transit	78	75
Total cash	4 297	1 002

"Cash in transit" includes cash held by cash-in-transit service providers.

NOTE 3. RECEIVABLES AND PREPAYMENTS (in thousands of euros)

		Allocation by remaining maturity		
	31.12.2023	**Within 12 months**	**within 1-5 years**	**Note no.**
Trade receivables	55731	55731	0	
Trade receivables	55816	55816	0	
Doubtful receivables	-85	-85	0	
Prepaid and deferred taxes	50	50	0	5
Other current receivables	10359	33	10326	
Loan receivables	10101	0	10101	
Interest receivables	258	33	225	
Prepayments	1653	1653	0	
Other prepayments made	1653	1653	0	
Guarantees and deposits	2960	2944	16	
Finance lease receivables	42	16	26	10
Derivatives	15915	4737	11178	35
Other current receivables	3018	2756	262	
Total receivables and prepayments	**89728**	**67920**	**21808**	

		Allocation by remaining maturity		
	31.12.2022	**Within 12 months**	**within 1-5 years**	**Note no.**
Trade receivables	58415	58415	0	
Trade receivables	58738	58738	0	
Doubtful receivables	-323	-323	0	
Prepaid and deferred taxes	669	669	0	5
Other current receivables	10883	1105	9778	
Loan receivables	10591	941	9650	
Interest receivables	272	144	128	
Accrued income	20	20	0	
Prepayments	1044	1044	0	
Other prepayments made	1044	1044	0	
Guarantees and deposits	239	222	17	
Finance lease receivables	90	57	33	10
Derivatives	28217	17416	10801	35
Other current receivables	12283	12268	15	
Total receivables and prepayments	**111840**	**91196**	**20644**	

The deposits include guarantees for tax liabilities pursuant to the Value Added Tax Act and the Liquid Fuels Act, letters of indemnity and public procurement bonds.

Change in doubtful receivables (in thousands of euros):

	2023	2022
Doubtful receivables at the start of the period	-323	-90
Receivables determined to be doubtful	-260	-435
Doubtful receivables repaid	86	95
Receivables determined to be uncollectible	412	107
Doubtful receivables at the end of the period	**-85**	**-323**

The management estimates the write-down of receivables to be sufficient to cover any losses until maturity of receivables, and estimates that any credit losses have insignificant effect on this report. No additional reserve is made.

Maturity of trade receivables:

	Total	Not due	Overdue by up to 30 days	Overdue by 31–90 days	Overdue by 91–180 days	Overdue by 180 days
31.12.2023	**55 816**	**53 018**	**2 538**	**152**	**47**	**61**
Including related entities	3 453	3 203	221	27	0	2
31.12.2022	**58 738**	**56 010**	**1 408**	**799**	**217**	**304**
Including related entities	5 505	5 405	83	13	2	2

All other receivables are not due.

Maturities and interest rates of loan receivables:

31.12.2023	Amount (in thousands of euros)	Interest rate	Base currency	Year
Given loans	4 208	6,00%	€	2027
Given loans	822	7,00%	€	2027
Given loans	211	7,11%	€	2028
Given loans	1 144	2,00%	€	2035
Given loans	3 216	2,00%	€	2036
Given loans	500	2,00%	€	2037
Total	**10 101**			
31.12.2022	**Total**	**Interest rate**	**Base currency**	**Year**
Given loans	526	6,00%	€	2023
Given loans	415	7,00%	€	2023
Given loans	147	7,00%	€	2024
Given loans	683	7,00%	€	2025
Given loans	3 960	6,00%	€	2027
Given loans	1 144	2,00%	€	2035
Given loans	3 216	2,00%	€	2036
Given loans	500	2,00%	€	2037
Total	**10 591**			

As of 31.12.2023, loan receivables include receivables from related parties in the sum of 10,101 thousand euros (10,591 thousand euros as of 31.12.2022).

As of 31.12.2023, "Interest receivables" includes receivables from related parties in the sum of 258 thousand euros (272 thousand euros as of 31.12.2022).

As of 31.12.2023, "Trade receivables" includes receivables from related parties in the sum of 3,453 thousand euros (5,505 thousand euros as of 31.12.2022).

NOTE 4. INVENTORY (in thousands of euros)

	31.12.2023	31.12.2022
Raw materials	415	347
Goods for resale	21 581	40 278
Prepayments for inventories	797	5 706
Total inventory	**22 793**	**46 331**

During the reporting period, inventories have been written down by 63 thousand euros (26 thousand euros in 2022).

All stockpiled inventories are pledged for financial liabilities as receivable pledge or commercial pledge (see Note 12). Information on pledged inventories is found in Note 36.

NOTE 5. TAX PREPAYMENTS AND LIABILITIES (in thousands of euros)

	31.12.2023		31.12.2022	
	Prepayment	**Tax liability**	**Prepayment**	**Tax liability**
Corporate income tax	0	0	0	0
Estonian value added tax	6	7 051	595	10 880
Personal income tax	0	369	0	283
Fringe benefit income tax	0	20	0	15
Social tax	0	703	0	544
Mandatory funded pension	0	25	0	20
Unemployment insurance tax	0	47	0	35
Excise duty tax	0	186	0	131
Other tax prepayments and liabilities	0	1	0	1
Prepayment account balance	30	0	30	0
Foreign value added tax	14	1 443	44	306
Other tax prepayments and liabilities abroad	0	60	0	16
Total tax prepayments and liabilities	**50**	**9 905**	**669**	**12 231**

Tax prepayments are recorded in Note 3 and prepayments in Note 13.

As of 31.12.2022, value added tax prepayment includes the amount recognised based on the December VAT declaration, but still controlled on the balance sheet date.

Income tax and deferred income tax from retained revenue of subsidiaries and associates:

	2023	2022
Income tax expense	6	0
Deferred income tax expense	125	383
	31.12.2023	**31.12.2022**
Deferred income tax liability	582	457

NOTE 6. SHARES IN SUBSIDIARIES (in thousands of euros)

Shares in subsidiaries, general information:

Subsidiary registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2022	31.12.2023
14185894	Alexela Energia Teenused AS	Estonia	Sales of electric energy	100	100
12271081	220 Energia OÜ	Estonia	Sales of electric energy and natural gas	100	100
LV-4010375297	Alexela SIA (subsidiary of 220 Energia OÜ)	Latvia	Sales of electric energy and natural gas	100	100
14387534	Hamina LNG Investeeringud OÜ	Estonia	Investments	100	100
14128985	Alexela Motors AS	Estonia	Transportation services	100	100
12817083	Alexela Solar OÜ	Estonia	Sales of electric energy	100	100
12935931	Alexela Tanklad OÜ	Estonia	Leasing out of real estate	100	0
FI-2948219-7	Rohe Solutions OY	Finland	Wholesale of liquid and gaseous fuels	0*	100

* Subsidiary as of 31.12.2022, ownership information in Note 7.

The subsidiary Alexela Energia Teenused AS was incorporated on 28.11.2016 and was entered into the business registry on 16.01.2017. The subsidiary 220 Energia OÜ was acquired on 31.08.2018 at a cost of 1,831 thousand euros.

This acquisition resulted in 1,734 thousand euros of goodwill which is recognised as an intangible asset. Goodwill was not depreciated in 2023 and 2022 (see Note 9).

In May 2023, Alexela AS advisory board decided to merge the subsidiary Alexela Tanklad OÜ with the parent Alexela AS as of 01.01.2023. Prior to the merger, Alexela AS was leasing the service station properties from its subsidiary Alexela Tanklad for the parent's business. The merger reduced administrative overhead resulting from intercompany transactions, and clarified profit reporting for the service stations.

In 2023, 50% of Rohe Solutions OY shares were purchased, bringing ownership share in Rohe Solutions OY up to 100%; as of 31.08.23 the company is recognised as a subsidiary.

Fair value of Rohe Solutions OY's identifiable assets and liabilities at the time of acquisition:

In thousands of euros	31.08.2023
Cash	2 355
Trade receivables	2 523
Other current receivables	23
Fixed assets	562
Current liabilities	2 466
Total identifiable assets	**2 997**
Acquisition cost	2 800
Negative goodwill incurred	-197
Cash paid for 50% shares	**1 400**
Cash and cash equivalents in associated entities	-2 355
Net monetary effect of the investment purc-hase	**955**

The -197 thousand euros of negative goodwill incurred by the purchase is added to current year's profits.

Shares of Hamina LNG Investeeringud OÜ were purchased for 6,900 thousands of euros, and receivables in the amount of 10,000 thousand euros were acquired. This acquisition resulted in 3,421 thousand euros of goodwill which was recognised as an intangible asset. An asset valuation test was conducted as of 31.12.2022, based on the assumption that the company will dispose of its ownership share in Hamina LNG OY in 2027, and will receive repayment for loans given and repay loans received the same year. The resulting cash flows were discounted at a rate of 10.02%, calculated using the weighted average capital method. Based on the revaluation, the value of Hamina LNG Investeeringud OÜ is 3,748 thousand euros, and the total goodwill of Hamina LNG Investeeringud OÜ amounting to 3,421 thousand euros was written down.

In 2022, 12% ownership share in the subsidiary Pakrineeme Sadama OÜ was purchased, resulting in a total ownership share of 100%. A non-Group shareholder increased the share capital of Pakrineeme Sadama OÜ, as a result of which the Group's ownership share decreased to 50% and Pakrineeme Sadama OÜ is recognised as an associate as of 30.06.2022. The transaction resulted in a loss of -721,000 euros, included on the "Profit (loss) from subsidiaries and associates" line of the income statement.

In 2022, 10% ownership share in the subsidiary Balti Gaas OÜ was purchased, resulting in a total ownership share of 100%. Division of Balti Gaas OÜ resulted in a new subsidiary, Hamina Consult OÜ. Both subsidiaries were sold in 2022. The losses from these transactions are included on the "Profit (loss) from subsidiaries and associates" line of the income statement, amounting to -129 thousand euros for Balti Gaas OÜ and -86 thousand euros for Hamina Consult.

NOTE 7. SHARES OF ASSOCIATES (in thousands of euros)

Shares of associates, general information:

Associate registry code	Name of associate	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2022	31.12.2023
FI-2948219-7	Rohe Solutions OY	Finland	Wholesale of liquid and gaseous fuels	50	0*
2696139-5	Hamina LNG OY (associate of Hamina LNG Investeeringud)	Finland	Energetics	46,5	46,5
14754903	Eesti Biogaas OÜ	Estonia	Energetics	50	50
11162912	Pakrineeme Sadama OÜ	Estonia	Buying and selling real estate	50	50
14010321	Energiasalv Valdus OÜ	Estonia	Energetics	35,52	32,082

* Subsidiary as of 31.12.2023, ownership information in Note 6.

Associates' profit/loss is recognised based on the equity method on the income statement. Because the company carries non-current assets at fair value, the fair value of ownership share in associates is established and any change in fair value is recognised as an adjustment to previous periods' profit/loss.

Shares of associates, detailed information:

Name of associate	31.12.2022	Acquisition	Profit (loss) based on the equity method; profit (loss) from sale of associate	Other changes	Sale/ reclassification	31.12.2023
Rohe Solutions OY	1 754	0	-197	-157	-1 400	0
Hamina LNG OY (associate of Hamina LNG Investeeringud)	15 984	0	-14	-778	0	15 192
Eesti Biogaas OÜ	12 005	0	-619	194	0	11 580
Energiasalv Valdus OÜ	5 795	0	0	0	-5 795	0
Pakrineeme Sadama OÜ	4 635	315	-633	-158	0	4 159
Total shares of associates	**40 173**	**315**	**-1 463**	**-899**	**-7 195**	**30 931**

Associates, investments in which are considered to be financial investments, are recognised at fair value, and any change in fair value is recognised and profit/loss for the period.

Shares of associates as a financial investment, detailed information:

Name of associate	31.12.2022	Acquisition/ reclassificatione	Gain/loss from change in fair value	Loan conversion	Sale/reclassification	31.12.2023
Energiasalv Valdus OÜ	0	5 795	4 486	3 089	0	13 370
Total financial investment shares in associate	**0**	**5 795**	**4 486**	**3 089**	**0**	**13 370**

In 2023, 50% of Rohe Solutions OY shares were purchased, bringing ownership interest in Rohe Solutions OY up to 100%; as of 31.08.23 the company is recognised as a subsidiary. The loss of 99 thousand euros due to change in ownership interest is recognised as loss for the period in the income statement.

In 2023, based on the equity method, Rohe Solutions OY returned a loss of 98 thousand euros (profit 1,503 thousand euros in 2022).

Rohe Solutions OY financials (for 100% ownership interest), adjusted to meet IFRS rules:

	31.08.2023	31.12.2022
Current assets	5 064	5 591
Non-current assets	562	373
Current liabilities	2 466	2 455
Equity	3 160	3 509

	2023	2022
Net sales	22 036	14 212
Annual period profit (loss)	-197	3 005

The determination of fair value of Hamina LNG OY as of 31.12.2023 was based on the FCFF principle, assuming future cash flows over 12 years and terminal value. A discount rate of 8.45% and a growth rate of 1% per year were applied. The revaluation resulted in writing down of the investment in Hamina LNG OY by 778 thousand euros. Based on the equity method, 2023 yielded a loss of 14 thousand euros.

The determination of fair value of Hamina LNG OY as of 31.12.2022 was based on the FCFF principle, assuming future cash flows over 13 years and terminal value. A discount rate of 8.18% and a growth rate of 1% per year were applied. As a result of the evaluation, the goodwill of 3,748 thousand euros acquired by acquisition of the Hamina LNG OY investor Hamina LNG Investeeringud OÜ was derecognised from the balance sheet and the profit for the associate Hamina LNG OY was increased by the same amount.

Hamina LNG OY financials (for 100% ownership share), adjusted to meet IFRS rules:

	31.12.2023	31.12.2022
Current assets	20 384	18 231
Non-current assets	99 370	107 896
Current liabilities	15 056	19 725
Non-current liabilities	72 028	72 028
Equity	32 670	34 374

	2023	2022
Net sales	26 117	5 595
Annual period profit (loss)	-29	-3 377

The valuation of the ownership interest in Eesti Biogaas as of 31.12.2023 was based on the FCFF principle and earnings forecast for the coming years at a discount rate of 9.84% and growth rate of -1% per year. Until January 2024, biomethane manufacturing plants operated by Eesti Biogaas are eligible to receive the biomethane subsidies managed by Elering.

The valuation of the ownership interest in Eesti Biogaas on 31.12.2022 was based on the FCFF principle and earnings forecast for the coming years at a discount rate of 10.27% per year.

Eesti Biogaas OÜ financials (for 100% ownership share), adjusted to meet IFRS rules:

	31.12.2023	31.12.2022
Current assets	3 893	4 604
Non-current assets	39 413	40 018
Current liabilities	4 405	3 655
Non-current liabilities	14 741	16 365
Equity	24 160	24 602
including equity owned by parent company shareholders	23 160	24 009

Based on the equity method, the ownership interest in Pakrineeme Sadama OÜ yielded a loss of 633 thousand euros for 2023, with depreciation due to other changes in equity amounting to 158 thousand euros.

A new shareholder increased the share capital of subsidiary Pakrineeme Sadama OÜ, as a result of which the Group's ownership share decreased to 50% and Pakrineeme Sadama OÜ is recognised as an associate as of 30.06.2022.

Pakrineeme Sadama OÜ financials (for 100% ownership share), adjusted to meet IFRS rules:

	31.12.2023	31.12.2022
Current assets	514	504
Non-current assets	8 244	38 934
Current liabilities	17	15 850
Non-current liabilities	422	14 318
Equity	8 319	9 270

	2023	2022
Net sales	206	0
Annual period profit (loss)	-1 266	-268

Determination of fair value of Energiasalv Valdus OÜ for 2023 was based on the ratio of capital, injected by parties not associated with current shareholders during a capital raise, to ownership share, and Alexela's equity ownership share after the expansion.

Fair value is recognised net of the loans received from Alexela AS.

In 2022, the value test applied to Energiasalv Valdus OÜ was based on a financial model which includes financing 25% of the project from equity, applying the FCFE valuation principle, and discounting based on expected return on equity of 12% per year.

Energiasalv Valdus OÜ financials (for 100% ownership share), adjusted to meet IFRS rules:

	31.12.2023	31.12.2022
Current assets	9 264	629
Non-current assets	8 268	23 642
Current liabilities	298	453
Non-current liabilities	2 012	3 592
Equity	15 222	20 226

	2023	2022
Net sales	5	0
Annual period profit (loss)	-1 963	-515

NOTE 8. PROPERTY, PLANT AND EQUIPMENT (in thousands of euros):

	Land	Buldings	Transpor-tation	Other machinery and equip-ment	Machinery and equip-ment	Other property, plant and equipment	Unfinished projects	Prepay-ments	Unfinished projects and prepayments	Total
31.12.2021										
Acquisition cost	47 111	50 356	3 552	21 756	25 308	5 127	8 787	1 483	10 270	138 172
Accumulated depreciation	0	-466	-991	-8 001	-8 992	-2 246	0	0	0	-11 704
Residual cost	**47 111**	**49 890**	**2 561**	**13 755**	**16 316**	**2 881**	**8 787**	**1 483**	**10 270**	**126 468**
Acquisitions and additions	145	603	713	3 276	3 989	394	18 040	604	18 644	23 775
Purchase of land and pre-viously in-use buildings	145	171	0	0	0	0	0	0	0	316
Purchase of new buildings, new construction, additions	0	118	0	0	0	0	17 659	0	17 659	17 777
Other acquisitions and additions	0	314	713	3 276	3 989	394	381	604	985	5 682
Additions via business combinations	0	-55	0	0	0	0	-17 431	0	-17 431	-17 486
Depreciation cost	0	-4 642	-583	-2 111	-2 694	-594	0	0	0	-7 930
Write-down due to im-pairment	-72	-559	0	0	0	0	0	0	0	-631
Write-offs (at residual cost)	0	0	0	-5	-5	-1	-12	0	-12	-18
Disposal (at residual cost)	-1134	-903	-29	-291	-320	-2	0	0	0	-2 359
Reclassifications	1	3 321	152	1 586	1 738	744	-5 626	-174	-5 800	4
Reclassification from prepayments	0	36	127	0	127	11	0	-174	-174	0
Reclassification from unfinished projects	1	3 285	25	1 586	1 611	733	-5 630	0	-5 630	0
Other reclassifications	0	0	0	0	0	0	4	0	4	4
Other changes	12 271	7 399	0	0	0	0	0	0	0	19 670
31.12.2022										
Acquisition cost	58 322	55 068	4 339	25 908	30 247	6 226	3 758	1 913	5 671	155 534
Accumulated depreciation	0	-14	-1 525	-9 698	-11 223	-2 804	0	0	0	-14 041
Residual cost	**58 322**	**55 054**	**2 814**	**16 210**	**19 024**	**3 422**	**3 758**	**1 913**	**5 671**	**141 493**
Acquisitions and additions	1 574	1 513	1 657	1 436	3 093	330	10 560	704	11 264	17 774
Purchase of land and pre-viously in-use buildings	1 574	408	0	0	0	0	0	0	0	1 982
Purchase of new buildings, new construction, additions	0	282	0	0	0	0	9 784	0	9 784	10 066
Other acquisitions and additions	0	823	1 657	1 436	3 093	330	776	704	1 480	5 726
Changes via business combinations	0	213	0	82	82	0	38	202	240	535
Depreciation cost	0	-5 470	-724	-1 971	-2 695	-705	0	0	0	-8 870
Write-down due to im-pairment	-620	-1 583	0	0	0	0	-1 098	0	-1098	-3 301
Write-offs (at residual cost)	0	0	0	-32	-32	-28	-29	0	-29	-89
Disposal (at residual cost)	0	0	-73	-212	-285	0	-82	0	-82	-367
Reclassifications	299	10 601	11	-1 428	-1 417	2 391	-10 544	-1 581	-12 125	-251
Reclassification from prepayments	0	22	0	85	85	14	1 447	-1 568	-121	0
Reclassification from unfinished projects	0	7 307	7	2 589	2 596	1 927	-11 993	0	-11 993	-163
Other reclassifications	299	3 272	4	-4 102	-4 098	450	2	-13	-11	-88
Other changes	-470	3 889	0	0	0	0	-1	0	-1	3 418
31.12.2023										
Acquisition cost	59 105	64 420	5 800	24 095	29 895	8 982	2 602	1 238	3 840	166 242
Accumulated depreciation	0	-203	-2 115	-10 010	-12 125	-3 572	0	0	0	-15 900
Residual cost	**59 105**	**64 217**	**3 685**	**14 085**	**17 770**	**5 410**	**2 602**	**1 238**	**3 840**	**150 342**

Cashflow adjustment paid at purchase of property, plant and equipment and intangible assets (in thousands of euros):

2022	Property, plant and equipment	Intangible assets	Total
Purchase of property, plant and equipment in 2022	23775	848	24623
Purchased using financial lease	-935	0	-935
New right of use leases	-753	0	-753
Trade payables balance 31.12.21 excl. VAT	556	36	592
Trade payables balance 31.12.22 excl. VAT	-4912	-17	-4929
Paid at purchase of non-current assets in 2022	17731	867	18598
2023	**Property, plant and equipment**	**Intangible assets**	**Total**
Purchase of property, plant and equipment in 2023	17774	684	18458
Purchased using financial lease	-1471	0	-1471
New right of use leases	-841	0	-841
Trade payables balance 31.12.22 excl. VAT	4912	17	4929
Trade payables balance 31.12.23 excl. VAT	-388	-160	-548
Paid at purchase of non-current assets in 2023	19988	541	20527

The share of right-of-use assets in non-current assets (in thousands of euros):

	Buildings	Machinery and equipment	Total
31.12.2021			
Acquisition cost	8881	352	9233
Accumulated depreciation	-358	-86	-444
Residual cost	**8523**	**266**	**8789**
Acquisitions and additions	456	297	753
Depreciation cost	-706	-122	-828
Write-down due to impairment	-301	0	-301
Disposal (at residual cost)	-19	-227	-246
Other changes	2127	0	2127
31.12.2022			
Acquisition cost	10094	297	10391
Accumulated depreciation	-14	-83	-97
Residual cost	**10080**	**214**	**10294**
Acquisitions and additions	823	0	823
Depreciation cost	-1038	-142	-1180
Write-down due to impairment	-74	0	-74
Other changes	-159	0	-159
31.12.2023			
Acquisition cost	9781	297	10078
Accumulated depreciation	-149	-225	-374
Residual cost	**9632**	**72**	**9704**

The share of finance leased assets in non-current assets (in thousands of euros):

	31.12.2023	31.12.2022
Machinery and equipment	3 859	3 041
Total	**3 859**	**3 041**

The liquefied gas terminal at Vana-Kuuste, the non-current assets at service stations and solar farm infrastructure are carried at fair value.

The 31.12.2023 valuation of the liquefied gas terminal assets was based on future cash flows over 6 years and terminal value. A discount rate of 10.39%, profit margin of 15.90%, gain of 4% and future growth rate of -2% per year was used for evaluation. The profit margin and growth rates applied are conservative, based on experience of the management and an assessment of the competitive situation in the business segment. The 31.12.23 evaluation resulted in write-up of the liquefied gas terminal non-current assets by 1,624 thousand euros, recognised as an increase of equity reserve and on the "Other changes" row of the non-current assets table.

The 31.12.2022 valuation of the liquefied gas terminal assets was based on future cash flows over 6 years and terminal value. A discount rate of 9.12%, profit margin of 7.63% gain of 2% and future growth rate of 2% per year was used for evaluation. The profit margin and growth rates applied are conservative, based on experience of the management and an assessment of the competitive situation in the business segment. Based on the evaluation, the value of non-current assets of the liquefied gas terminal as of 31.12.2022 is 2,060 thousand euros. The positive revaluation is recognised as an increase of the equity reserve and in the non-current assets table on row "Other changes".

The value of non-current assets of Alexela's service stations was measured at the end of 2023 and revalued a fair value. Fair values were determined by management. The fair values were determined using discounted cash flow method, based on the actual and budgetary data of the service stations. The evaluation used a discount rate of 10.39% and growth rates specified in the table below. A growth rate of -5% was used to determine residual value. For some service stations, other assumptions were applied, which the management feels best describe the changes taking place at the service station (newly opened service stations, regional developments, etc.). In order to eliminate the effect of the Alexela chain from the actual and budgetary data of service stations for the purpose of determining fair value of non-current assets, the price margin of fuel sales was reduced by 0.01275 euros/litre. Furthermore, a risk margin of 0.03 cents/litre was applied in order to reduce the difference between long-term average margins and current period margins, caused by increased biofuel requirements, general competitive situation and the effects of COVID and energy crisis on the economy. The revaluation decreased the value of non-current assets by 165 thousand euros in total. 10,310 thousand euros of this was write-up of assets and 8,903 thousand euros was write-down of previous revaluations, recognised as an increase of equity reserve and on the "Other changes" row of the non-current assets table. Assets were written down by 1,572 thousand euros, as recognised in item "Depreciation and impairment" in the income statement, and on the "Write-down due to impairment" row of the non-current assets table.

Assumptions applied to 2023	2024	2025	2026	2027	2028	2029	2030	2031
Fuel sales volume increase at service stations	3,00%	3,00%	3,00%	2,00%	0,00%	-2,00%	-2,00%	-2,00%
Goods revenue increase	5,00%	3,00%	3,00%	3,00%	3,00%	1,00%	1,00%	1,00%
Goods revenue margin increase	1,00%	1,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

The value of non-current assets of service stations was measured at the end of 2022 and revalued at fair value. Fair values were determined by management. The fair values were determined using the discounted cash flow method, based on the actual and budgetary data of the service stations. The evaluation used a discount rate of 9.13% and growth rates specified in the table below.

Terminal value was determined based on -5% growth rate. For some service stations, other assumptions were applied, which the management feels best describe the changes taking place at the service station (newly opened service stations, regional developments, etc.). In order to eliminate the effect of the Alexela chain from the actual and budgetary data of service stations for the purpose of determining fair value of non-current assets, the price margin of fuel sales was reduced by 0.01275 euros/litre.

Furthermore, a risk margin of 0.03 cents/litre was applied in order to reduce the difference between long-term average margins and current period margins, caused by increased biofuel requirements, general competitive situation and the effects of COVID-19 and energy crisis on the economy as a whole. The revaluation increased the value of non-current assets by 18,156 thousand euros in total. Of this, 25,728 thousand euros

was write-up of assets and 6,941 thousand euros was write-down of previous revaluations, recognised as an increase of equity reserve and on the "Other changes" row of the non-current assets table. Assets were written down by 631 thousand euros, as recognised in item "Depreciation and impairment" in the income statement, and on the "Write-down due to impairment" row of the non-current assets table.

Assumptions applied to 2022	2023	2024	2025	2026	2027	2028	2029	2030
Fuel sales volume increase at service stations	2,00%	2,00%	2,00%	1,00%	0,00%	-2,00%	-2,00%	-2,00%
Goods revenue increase	5,00%	3,00%	3,00%	3,00%	3,00%	0,00%	0,00%	0,00%
Goods revenue margin increase	1,00%	1,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

The value of non-current assets of solar farms was measured at the end of 2023 and revalued at fair value. Fair values were determined by management. Fair values were determined based on the discounted cash flows method, the sites' forecasts for future periods, and current contracts. A discount rate of 8.77% and a growth rate of -1% were applied. The revaluation decreased the value of non-current assets by 1,359 thousand euros in total. 370 thousand euros of this was write-up of assets, recognised as an increase of equity reserve and in the non-current assets table as

"Miscellaneous changes". Assets were written down by 1,729 thousand euros, as recognised in item

"Depreciation and impairment" in the income statement, and on the "Write-down due to impairment" row of the non-current assets table.

The non-current assets (real estate) recognised at fair value are analysed based on the valuation method as follows. Levels are defined as follows:

- (unadjusted) prices of identical assets quoted on alternative markets (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly (Level 2);
- asset evaluation using unobservable inputs (Level 3).

Based on the character of the company's assets, the company's non-current assets (real estate) belong to Level 3. Therefore, management's evaluations were used to establish fair value of land and buildings. The evaluation is based on the discounted cash flows of the cash-generating unit associated with the non-current asset. These are based on the service stations' actual and budgetary data from which the revenue-benefit of belonging to the Alexela retail chain is eliminated, along with its positive impact on the value of the asset. In revaluating assets, any increase in asset value based on the board's estimate is only recognised as the increase in value of land and the complex of buildings on it.

Level 3 inputs used to determine fair value, and the sensitivity of determined fair value to these inputs:

Unobservable inputs	Estimate used	Sensitivity
Discount rate	10.39%	1% increase reduces value by 7.9 million euros
		1% decrease increases value by 9.1 million euros
Fuel sales volume increase at service stations	According to the table (same residual value)	1% higher growth increases value by 7.2 million euros
		1% lower growth reduces value by 6.8 million euros
Goods revenue and margin increase	According to the table (same residual value)	1% higher growth increases value by 12.0 million euros
		1% lower growth reduces value by 11.1 million euros
Growth rate of residual value	-5%	-4% growth increases value by 3.1 million euros
		-6% growth reduces value by 2.7 million euros

In revaluating assets at fair value, the pre-revaluation cost has been reduced by the accumulated depreciation of non-current assets. Revaluation amounts have been added to net value, arriving at the new cost..

The fair values of assets by groups of non-current assets (in thousands of euros):

	Land	Buildings	Machinery and equipment	Total	Including right-of-use assets
31.12.2022	61 476	53 990	12 667	128 133	9 546
31.12.2023	59 105	63 347	12 727	135 179	9 069

Residual cost of the same assets after offsetting the effects of revaluation:

	Land	Buildings	Machinery and equipment	Total	Including right-of-use assets
31.12.2022	23 040	22 999	12 667	58 706	3 858
31.12.2023	22 163	30 441	12 727	65 331	4 182

Changes in the current assets revaluation reserve (in thousands of euros):

	Land	Buildings	Total	Including right-of-use assets
Reserve balance as of 31.12.2021	**26481**	**27791**	**54272**	**3817**
Revaluation	12364	6423	18787	2140
Depreciation adjustment	0	-2496	-2496	-269
Change due to business combination	-409	-727	-1136	0
Reserve balance as of 31.12.2022	**38436**	**30991**	**69427**	**5688**
Revaluation	-469	3870	3401	-178
Depreciation adjustment	0	-2749	-2749	-511
Reclassification	-1025	794	-231	-112
Reserve balance as of 31.12.2023	**36942**	**32906**	**69848**	**4887**

The changes in reserves are carried in equity as follows(in thousands of euros):

2022	**Miscellaneous reserves**	**Retained earnings (loss)**	**Total**
Revaluation	17651	0	17651
Depreciation adjustment	-2496	2496	0
Total changes in reserves	**15155**	**2496**	**17651**
2023	**Miscellaneous reserves**	**Retained earnings (loss)**	**Total**
Revaluation	3170	0	3170
Depreciation adjustment	-2749	2749	0
Total changes in reserves	**421**	**2749**	**3170**

The company's assets are pledged to cover financial obligations (see Note 12). More information about pledged assets may be found in Note 36.

Changes in non-current assets recognised as real estate investments (in thousands of euros):

	Investment properties
31.12.2021	**4285**
Reductions via business combinations	-4285
31.12.2022	**0**
Reductions via business combinations	0
31.12.2023	**0**

NOTE 9. INTANGIBLE ASSETS (in thousands of euros):

	Goodwill	Other intangible assets and equipment	Unfinished projects and prepayments	Total
31.12.2021				
Acquisition cost	4 690	3 804	67	8 561
Accumulated depreciation	0	-1 769	0	-1 769
Residual cost	**4 690**	**2 035**	**67**	**6 792**
Acquisitions and additions	0	720	129	849
Additions via business combinations	-129	0	0	-129
Depreciation cost	0	-692	0	-692
Write-down due to impairment	-3 553	0	0	-3 553
Writeoffs	0	-46	0	-46
Reclassifications	0	189	-196	-7
31.12.2022				
Acquisition cost	1 008	4 605	0	5 613
Accumulated depreciation	0	-2 399	0	-2 399
Residual cost	**1 008**	**2 206**	**0**	**3 214**
Acquisitions and additions	0	1 085	684	1 769
Additions via business combinations	0	27	0	27
Depreciation cost	0	-758	0	-758
Writeoffs	0	-6	0	-6
Reclassifications	0	762	-517	245
31.12.2023				
Acquisition cost	**1 008**	**6 491**	**167**	**7 666**
Accumulated depreciation	0	-3 175	0	-3 175
Residual cost	**1 008**	**3 316**	**167**	**4 491**

In 2018, shares in OÜ 220 Energia were purchased for 1,831 thousand euros. Most recent tests of goodwill and value of other assets were conducted as of 31.12.2023.

Measurement of recoverable value was based on future cash flows over five years along with terminal value. The discount rates applied are based on business segment specific risks..

The profit margin and growth rates applied are conservative, based on experience of the management and an assessment of the competitive situation in the business segment. The test showed that the present value of 220 Energia's cash flows covered the recognized goodwill, and the goodwill was not written down in 2023 (goodwill was not written down in 2022 either).

Main test inputs:

	31.12.2023	31.12.2022
Profit margin over next 5 years	1,58%	0,80%
Discount rate	10,39%	11,88%
Revenue growth over next 5 years	-5,80%	2,00%
Future growth rate	0,00%	2,00%

If the market conditions were to deteriorate or the profit margin or revenue growth were to be lower or the discount rate was higher than the inputs used in the test, the recoverable value of goodwill would drop below the carried value.

Variable	Estimate used	Sensitivity
Profit margin over next 5 years	1,58%	1% increase increases value by 735 thousand euros
		1% decrease reduces value by 743 thousand euros
Discount rate	10,39%	1% increase reduces value by 95 thousand euros
		1% decrease increases value by 119 thousand euros
Revenue growth over next 5 years	-5,80%	1% higher growth increases value by 5,325 thousand euros
		0.2% lower growth results in total value -990 thousand euros
Future growth rate	0%	1% increase increases value by 52 thousand euros
		1% decrease reduces value by 43 thousand euros

In 2021, acquisitions of new subsidiaries added the following goodwill (in thousands of euros):

Subsidiary	Goodwill at acquisition
Alexela Motors AS	52
Balti Gaas OÜ	129
Alexela Solar OÜ	79
Hamina LNG Investeeringud OÜ	3421
Total	**3681**

In 2022, ownership share in subsidiary Balti Gaas OÜ was disposed of and the goodwill was derecognised.

The goodwill from the purchase of subsidiaries Alexela Motors AS and Alexela Solar OÜ was written down to 0 euros in 2022.

As of 31.12.2022, a new asset valuation test for Hamina LGN Investeeringud OÜ was conducted based on the assumption that the company will sell its ownership share in Hamina LNG OY, thereby recovering loans issued in 2027 and repaying loans taken in 2027. The resulting cash flows were discounted at a rate of 10.02%, calculated using the weighted average capital method. Based on the evaluation, the value of Hamina LNG Investeeringud OÜ is 3,748 thousand euros, and the goodwill of Hamina LNG Investeeringud OÜ was derecognised in order to carry fair value.

NOTE 10. FINANCE LEASE

ACCOUNTING ENTITY AS LESSOR (in thousands of euros):

		Allocation by remaining maturity		Interest rate	Base currency	Due date
		Within 12 months	within 1-5 years			
Finance lease receivables 31.12.2023	42	16	26	5.0-15.0%	€	2024-2027
Finance lease receivables 31.12.2022	90	57	33	4.5-8.5%	€	2023-2027

Effect of finance leases in the income statement (in thousands of euros):

	2023	2022
Trade revenue or loss	0	-13
Finance lease revenue	4	6

ACCOUNTING ENTITY AS LESSEE

After the introduction of IFRS 16 on 01.01.2019, lease liabilities also include the present value of lease payments for non-current assets and assets with significant value.

The leases included in the items of this Note are classified as follows:

	31.12.2023	Allocation by remaining maturity			Interest rate	Base currency	Due date
		Within 12 months	Within 1-5 years	Over 5 years			
Finance lease	451	168	283	0	3 kuu euribor +1,99–3,35%	€	2024–2028
Finance lease	2 231	692	1 424	115	6 kuu euribor +1,45–5,5%	€	2024–2029
Finance lease	78	18	60	0	7,50%	€	2026-2028
Right of use	4 474	357	1 514	2 603	5,50%	€	2023–2053
including agreements with related parties	771	140	528	103	5,50%	€	2028
Right of use	1 204	334	366	504	7,50%	€	2024–2033
including agreements with related parties	166	25	38	103	7,50%	€	2033
Total finance lease liabilities	**8 438**	**1 569**	**3 647**	**3 222**			

	31.12.2022	Allocation by remaining maturity			Interest rate	Base currency	Due date
		Within 12 months	Within 1-5 years	Over 5 years			
Finance lease	519	186	333	0	3-month Euribor +1.99-3.35%	€	2023–2027
Finance lease	1 698	451	1 224	23	6-month Euribor +1.45-5.5%	€	2023–2028
Finance lease	30	7	23	0	7,50%	€	2026
Right of use	4 708	403	1 499	2 806	5,50%	€	2023–2053
including agreements with related parties	725	123	563	39	5,50%	€	2028
Right of use	693	127	441	125	7,50%	€	2024–2033
including agreements with related parties	169	16	41	112	7,50%	€	2033
Total finance lease liabilities	**7 648**	**1 174**	**3 520**	**2 954**			

The carried value of leased assets and right-of-use assets is included in Note 8.

NOTE 11. OPERATING LEASE (in thousands of euros)

ACCOUNTING ENTITY AS LESSOR

Buildings, rooms, trailers, tanks, cylinder lockers and cylinders are leased for operation.

Operating lease revenue per source:

	2023	2022
Buildings and rooms	83	81
Vehicles	342	312
Machinery and equipment	417	268
Other assets	5	4
Total	**847**	**665**

Residual cost of leased assets:

	2023	2022
Machinery and equipment	1 297	989
Total	**1 297**	**989**

All operating leases are cancellable.

ACCOUNTING ENTITY AS LESSEE

As of 01.01.2019, leases are recognised based on IFRS 16. For leases of non-current assets and assets with significant value, the right-of-use assets are recognised as assets and the present value of lease payments is recognised as lease liability (see Notes 8 and 10). Short-term leases and leases of low-value assets are recognised in the income statement as operating lease expenses.

Operating lease expenses per type of asset:

	2023	2022
Buildings and rooms	3	8
Other assets	22	11
Total	**25**	**19**

NOTE 12. LOAN COMMITMENTS (in thousands of euros)

As of 31.12.2023, total bank overdraft limit was 8,000 thousand euros (8,000 thousand euros as of 31.12.2022).

In addition to loans, as of 31.12.2023 the group had bank guarantees for trade payables in the amount of 13,286 thousand euros (as of 31.12.2022, bank guarantees amounted to 15,475 thousand euros).

	31.12.2023	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note no.
		Within 12 months	within 1-5 years	Over 5 years				
Current loans								
Bank overdraft	1 769	1 769	0	0	6-month Euribor 3.25%	€	2024	
Current bank loans	29 180	29 180	0	0	6-month Euribor 3.25%	€	2023	
Total current loans	**30 949**	**30 949**	**0**	**0**				
Non-current loans								
Non-current bank loans	35 410	3 757	31 653	0	6-month Euribor 3.25%	€	2026	
Non-current bank loans	23 468	1 622	21 846	0	6-month Euribor 3.60%	€	2026	
Non-current loans from related parties	17 676	0	17 676	0	6,00%	€	2026	
Total non-current loans	**76 554**	**5 379**	**71 175**	**0**				
Total finance lease liabilities	8 438	1 569	3 647	3 222				10
Loan commitments total	**115 941**	**37 897**	**74 822**	**3 222**				

	31.12.2022	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note no.
		Within 12 months	within 1-5 years	Over 5 years				
Current loans								
Bank overdraft	2 576	2 576	0	0	6-month Euribor 3.25%	€	2023	
Short-term bank loan	48 005	48 005	0	0	6-month Euribor 3.25%	€	2023	
Total current loans	**50 581**	**50 581**	**0**	**0**				
Non-current loans								
Non-current bank loans	29 176	3 186	25 990	0	6-month Euribor 3.25%	€	2026	
Non-current bank loans	25 051	1 643	23 408	0	6-month Euribor 3.60%	€	2026	
Non-current loans from related parties	18 576	0	18 576	0	6,00%	€	2026	
Total non-current loans	**72 803**	**4 829**	**67 974**	**0**				
Total finance lease liabilities	7 648	1 174	3 520	2 954				10
Loan commitments total	**131 032**	**56 584**	**71 494**	**2 954**				

The loans are guaranteed by mortgage and commercial pledge; trade credit is guaranteed by pledged inventory. As of 31.12.2023, other assets pledged for guarantee included retained money and guarantee deposits in the sum of 2,864 thousand euros (222 thousand euros as of 31.12.2022) and inventory in the sum of 22,647 thousand euros as of 31.12.2023 (46,299 euros as of 31.12.2022). Detailed information on loan collateral and pledges may be found in Notes 36 and 8.

Change in net debt (in thousands of euros):

	Cash and cash equivalents	Bank overdraft	Credit payables	Lease payables	Net debt
31.12.2021	**1 767**	**-7 490**	**-76 414**	**-7 311**	**-89 448**
Cash flow	-765	4 914	-30 262	1 506	-24 607
Added lease payables	0	0	0	-1 843	-1 843
Changes due to business combinations	0	0	7 307	0	7 307
Other non-monetary changes	0	0	-21 439	0	-21 439
31.12.2022	**1 002**	**-2 576**	**-120 808**	**-7 648**	**-130 030**
Cash flow	3 295	807	15 074	1 687	20 863
Added lease payables	0	0	0	-2 477	-2 477
Changes due to business combinations	0	0			0
Other non-monetary changes	0	0	0		0
31.12.2023	**4 297**	**-1 769**	**-105 734**	**-8 438**	**-111 644**

NOTE 13. PAYABLES AND PREPAYMENTS (in thousands of euros)

	31.12.2023	Allocation by remaining maturity		Note no.
		Within 12 months	within 1-5 years	
Trade payables	37 625	37 625	0	
Employee payables	1 332	1 332	0	14
Tax liabilities	9 905	9 905	0	5
Other payables	3 766	3 762	4	
Interest payables	2 165	2 161	4	
Other accrued expenses	1 601	1 601	0	
Prepayments received	1 341	1 341	0	
Monetary guarantees received	161	161	0	
Derivative-related payables	96	0	96	35
Other payables	837	837	0	
Total payables and prepayments	**55 063**	**54 963**	**100**	

	31.12.2022	Allocation by remaining maturity		Note no.
		Within 12 months	within 1-5 years	
Trade payables	40 207	40 207	0	
Employee payables	1 025	1 025	0	14
Tax liabilities	12 231	12 231	0	5
Other payables	1 393	1 390	3	
Interest payables	981	978	3	
Other accrued expenses	412	412	0	
Prepayments received	13 003	13 003	0	
Monetary guarantees received	138	138	0	
Derivative-related payables	11 584	11 506	78	35
Other payables	6	6	0	
Total payables and prepayments	**79 587**	**79 506**	**81**	

As of 31.12.2023, the item "Trade payables" includes payables to related parties in the sum of 690 thousand euros (5,923 thousand euros as of 31.12.2022).

As of 31.12.2023, the item "Interest payables" includes payables to related parties in the sum of 1,758 thousand euros (633 thousand euros as of 31.12.2022).

Transactions with related parties are found in Note 27.

NOTE 14. EMPLOYEE PAYABLES

Employee payables are as follows (in thousands of euros):

	31.12.2023	31.12.2022
Salary liability	803	635
Vacation pay liability	529	390
Total employee payables	**1 332**	**1 025**

NOTE 15. PROVISIONS

Provisions have been made for compensation of health damages and payment of bonuses.

For the calculation of compensation for health damages, the discount rate was taken to be the previous year's consumer price index increase published by Statistics Estonia.

As of 31.12.2023, compensation for health damages is 7 thousand euros, of which non-current payables are 7 thousand euros. As of 31.12.2022, compensation provision was 9 thousand euros, of which current payables were 1 thousand euros and non-current payables were 8 thousand euros.

The provision for bonuses includes bonuses paid for the previous period's performance. Bonus payments are decided after approval of annual earnings.

in thousands of euros	31.12.2022	Establishing/adjustments	Provision used	31.12.2023
Compensation for health damages	9	-1	-1	7
Provision for bonuses	612	792	-698	706
Total provisions	**621**	**791**	**-699**	**713**
Including:				
Short-term provisions	613	792	-699	706
Long-term provisions	8	-1	0	7

in thousands of euros	31.12.2021	Establishing/adjustments	Provision used	31.12.2022
Compensation for health damages	9	1	-1	9
Provision for bonuses	372	725	-485	612
Total provisions	**381**	**726**	**-486**	**621**
Including:				
Short-term provisions	373	726	-486	613
Long-term provisions	8	0	0	8

NOTE 16. GRANTS

Grants include grants for purchasing non-current assets, received from SA. Keskkonnainvesteeringute Keskus, Klaipedos Nafta AB and the CINEA managing authority of the European Commission.

Assets purchased using the grant are recognised at cost and the grant is carried as income during the asset's useful life.

in thousands of euros	31.12.2022 liabilities	Received	Repaid	Recognised in the income statement	31.12.2023 liabilities	including non-current	current
Grants for non-current assets	946	795	0	-257	1 484	1 192	292
Total grants	**946**	**795**	**0**	**-257**	**1 484**	**1 192**	**292**

in thousands of euros	31.12.2021 liabilities	Received	Repaid	Recognised in the income statement	31.12.2022 liabilities	including non-current	current
Grants for non-current assets	773	314	0	-141	946	728	218
Total grants	**773**	**314**	**0**	**-141**	**946**	**728**	**218**

Important conditions included in grant agreements for construction of LNG stations:

- The grant is contingent on self-financing.
- The recipient must ensure the preservation and intended use of the assets necessary for achieving the goal of the project for at least five years after the final payment.
- The recipient must use the grant-supported biomethane supply capability to provide biomethane for public sale for at least five years after the final grant payment. If the recipient is unable to provide biomethane for sale, they must make the refuelling infrastructure available to entities providing biomethane for sale on equal and fair conditions.
- Annual amount of biomethane produced and used for transportation as a result of the project (ktoe) 0.01-0.07, depending on the project.

Important conditions included in grant agreements for installation of electric vehicle chargers:

- The primary goal of the project is to create a network of publicly accessible recharging stations for cars and trucks to enable EV charging in the Estonian portion of the TEN-T highway network, with a sufficient number of chargers installed.
- The recipient must ensure the preservation and intended use of the assets necessary for achieving the goal of the project for at least five years after the final payment.

NOTE 17. SHARE CAPITAL (in thousands of euros)

	31.12.2023	31.12.2022
Share capital	1 644	1 644
Number of shares (thousands)	1 644	1 644
Nominal value of shares	1	1

CHANGES IN SHARE CAPITAL IN 2022 YEAR

Share capital was increased in 2022. A new shareholder was issued 24,523 shares at a nominal value of 1 euro, paid for at a premium.

EQUITY CHANGES IN 2022 YEAR

At the end of 2022, non-current assets at service stations were revaluated based on the fair value method. Fair values were determined by management. The fair values were determined using the discounted cash flow method, based on the actual and budgetary data of the service stations. The rates used for valuation are included in Note 8. The revaluation resulted in an increase of the value of non-current assets by 18,786 thousand euros, which is recognised as an increase of equity reserve and on the "Other changes" row of the non-current assets table, and a decrease by 631 thousand euros, which is recognised in the "Depreciation and impairment" item of the income statement.

In 2022, derivatives were classified as effective hedging instruments, their fair values were carried in receivables and payables and the equity hedge reserve was increased by 13,974 thousand euros, including 11,221 thousand euros for electric energy instruments and 2,753 thousand euros for natural gas instruments.

EQUITY CHANGES IN 2023 YEAR

At the end of 2023, non-current assets were revaluated based on the fair value method. Fair values were determined by management. Fair values were determined using the discounted cash flow method, based on the actual and budgetary data of the service stations. The rates used for valuation are included in Note 8. The revaluation resulted in an increase of the value of non-current assets by 3,401 thousand euros, which is recognised as an increase of equity reserve and on the "Other changes" row of the non-current assets table, and a decrease by 3,301 thousand euros, which is recognised in the "Depreciation and impairment" item of the income statement.

The change in fair value of derivatives defined as effective risk hedging instruments in 2023 is recognised as reduction of the equity risk hedging reserve by 814 thousand euros, including reduction of 1,120 thousand euros for electric energy instruments and 306 thousand euros for natural gas instruments.

NET EARNINGS PER SHARE

For determining the undiluted net earnings per share, the annual net earnings to be distributed to shareholders is divided by the weighted annual average number of outstanding ordinary shares. Because the company does not have any potentially diluting ordinary shares, the diluted net earnings per share equals undiluted net earnings per share.

In 2023, Alexela AS had net earnings of 8,697 euros and its undiluted and diluted net earnings per share were 5,29 euros.

In 2022, Alexela AS had net earnings of 14,610 thousand euros and its undiluted and diluted net earnings per share were 8,89 euros.

In 2021, Alexela AS had net earnings of 8,320 euros and its undiluted and diluted net earnings per share were 5,14 euros.

In 2020, Alexela AS had net earnings of 3,382 euros and its undiluted and diluted net earnings per share were 2,09 euros.

In 2019, Alexela AS had a net loss of 1,630 euros and its undiluted and diluted net loss per share was 1,01 euros.

MAXIMUM INCOME TAX LIABILITY

As of 31.12.2023, Alexela AS had retained earnings of 55,920 thousand euros (44,769 thousand euros as of 31.12.2022). Payment of dividends would entail income tax expense at the ordinary rate of 20/80 or, for regular payments, a reduced rate of 14/86 for a part of it. As of 31.12.2023, 44,735 euros of retained earnings is available to be paid out as dividends to shareholders (35,815 euros as of 31.12.2022), and the resulting maximum income tax liability from dividends at the ordinary rate would amount to 11,184 thousand euros (8,954 thousand euros as of 31.12.2022).

NOTE 18. REVENUE (in thousands of euros):

	2023	2022
Net sales by geographical location		
Net sales in European Union		
Estonia	518 720	549 933
Net sales in European Union, other	86 906	40 982
Net sales in European Union, total	**605 626**	**590 915**
Net sales outside of European Union		
Net sales outside of European Union, other	12 283	29 469
Net sales outside of European Union, total	**12 283**	**29 469**
Total net sales	**617 909**	**620 384**
Net sales by operating activities		
Retail sales of motor fuels	252 402	286 923
Wholesale of motor fuels	32 076	30 440
Sales of electric energy	149 255	135 105
Sales of other liquefied gas and gaseous fuels	151 850	141 225
Retail sales of other goods and services	25 047	22 810
Other sales	7 279	3 881
Total net sales	**617 909**	**620 384**

In 2023, net sales of natural gas to households was 2,888 thousand euros (5,536 thousand euros in 2022) and net sales to eligible customers was 31,137 thousand euros (57,955 thousand euros in 2022).

NOTE 19. OTHER OPERATING INCOME (in thousands of euros):

	2023	2022	Note no.
Income from disposal of property, plant and equipment	4	32	8
Grants	257	141	16
Profit from exchange rate differences	0	60	
Fines, penalties and compensations	454	314	
Other	517	95	
Total other operating income	**1 232**	**642**	

NOTE 20. GOODS, RAW MATERIALS AND SERVICES (in thousands of euros)

	2023	2022
Cost of goods sold	537 772	571 838
Cost of services sold	1 789	685
Transportation cost of products	69	92
Goods lost	1 464	638
Lease costs	27	45
Other sales costs	3 875	2 496
Other trading costs	21 407	13 245
Impact of derivative transactions	1 231	-17 776
Total goods, raw materials and services	**567 634**	**571 263**

NOTE 21. OTHER OPERATING EXPENSES (in thousands of euros)

	2023	2022
Rent and lease	153	19
Miscellaneous office expense	2 391	1 969
Allowance for doubtful receivables	187	329
Consultations	1 691	2 160
Audit expenses	77	61
Marketing expenses	2 013	1 721
Taxes and levies	203	144
Other operating expenses	856	709
Total miscellaneous operating expenses	**7 571**	**7 112**

NOTE 22. LABOR EXPENSES (in thousands of euros)

	2023	2022
Wage and salary expense	12 934	9 998
Social tax	3 701	2 893
Total labour expense	**16 635**	**12 891**
Average number of employees in full time equivalent units	460	380
Average number of employees by types of employment:		
Contract employees	511	426
Contractors on the basis of the law of obligations, except sole proprietors	4	5
Management or supervisory board member	13	13

Labor expenses also include the vacation pay reserve and bonus reserve allocated for the reporting year but not yet paid.

The bonus reserve is allocated monthly, and its payment is determined by the management board and the supervisory board. The balance of and payments from bonus reserve are found in Note 15.

NOTE 23. OTHER OPERATING EXPENSES (in thousands of euros)

	2023	2022
Losses from exchange rate differences	90	0
Other operating expenses	961	323
Total other operating expenses	**1 051**	**323**

NOTE 24. INTEREST INCOME (in thousands of euros)

	2023	2022
Interest income from loans	442	382
Interest income from finance lease	4	6
Total interest income	**446**	**388**

As of 31.12.2023, "Interest income from loans" includes income from related parties in the sum of 326 thousand euros (382 thousand euros as of 31.12.2022).

NOTE 25. INTEREST EXPENSE (in thousands of euros)

	2023	2022
Interest expense from loans	6 818	3 873
Interest expense from leases	493	377
Total interest expense	**7 311**	**4 250**

NOTE 26. OTHER FINANCIAL INCOME AND EXPENSE (in thousands of euros)

	2023	2022
Profit (loss) from exchange rate differences	-4	4
Other financial income and expense	-552	-169
Total other financial income and expense	**-556**	**-165**

NOTE 27. RELATED PARTIESD

Name of parent company of the reporting entity	Tanklate Investeeringud OÜ
Country where the parent company of the reporting entity is registered	Estonia
Name of the group which includes the parent company	AVH Grupp AS
Country where the parent company of the group is registered	Estonia

As of January 2023, the group's parent company Alexela Varahalduse AS is named AVH Grupp AS.

Transactions between related parties are classified based on the relationships prevailing on the transaction date, and balances are classified based on the relationship prevailing on the balance sheet date.

Related party balances according to groups (in thousands of euros):

	31.12.2023		31.12.2022	
	Receivables	Liabilities	Receivables	Liabilities
Associates	11 950	513	20 806	978
Other entities belonging into same consolida-tion group	97	20 393	113	23 229
Management and higher supervisory body and individuals with material ownership interest, and entities under their prevalent and material influence	274	20	898	95
Legal persons with material ownership interest, and entities under their prevalent and material influence	1 518	136	1 366	998

CHANGES IN LOANS (in thousands of euros)

2023	Given loans	Repayments from loans given	Interest received	Loans received	Repayments for loans received	Interest paid	Interest rate	Base currency	Maturity term
Associates									
Current loan	1000		0	0	0	0	7.00%	€	2023
Current loan	1370	1902	3	0	0	0	7.11%	€	2023
Other entities belonging into same consolidation group									
Non-current loan	0	0	0	0	900	0	6.00%	€	2026

2022	Given loans	Repayments from loans given	Interest received	Loans received	Repayments for loans received	Interest paid	Interest rate	Base currency	Maturity term
Associates									
Current loan	415	0	0	0	0	0	7.00%	€	2023
Non-current loan	500	0	0	0	0	0	6.00%	€	2027
Non-current loan	500	0	0	0	0	0	2.00%	€	2037
Other entities belonging into same consolidation group									
Non-current loan	0	0	0	0	1700	9	2.00%	€	2022
Non-current loan	0	0	0	0	3100	0	6.00%	€	2026

PURCHASES AND SALES OF GOODS JA SERVICES (in thousands of euros)

	2023		2022	
	Goods and services purchased	Goods and services sold	Goods and services purchased	Goods and services sold
Associates	13 523	29 203	9 240	15 166
Other entities belonging into same consolidation group	1 032	1 056	25 094	345
Management and higher supervisory body and individuals with material ownership interest, and entities under their prevalent and material influence	2 266	2 789	1 989	7 519
Legal persons with material ownership interest, and entities under their prevalent and material influence	1 838	10 380	1 968	19 152

PURCHASES AND SALES OF NON-CURRENT ASSETS (in thousands of euros)

	2023		2022	
	Non-current asset purchased	Non-current asset sold	Non-current asset purchased	Non-current asset sold
Other entities belonging into same consolidation group	100	99	0	0
Management and higher supervisory body and individuals with material ownership interest, and entities under their prevalent and material influence	65	0	1 526	0
Legal persons with material ownership interest, and entities under their prevalent and material influence	4	0	64	0

Remuneration and other significant benefits calculated for management and higher supervisory body members (in thousands of euros):

	2023	2022
Remuneration	813	848

Management board contracts and some key employees' employment contracts include a discretionary 6- or 12-month prohibition of competition clause. If the clause is enforced, the company must pay compensation of 50% of salary for the duration of the prohibition of competition. The company is entitled to terminate the prohibition of competition at any time and stop paying the compensation. No provision has been made for payment of compensation relating to prohibition of competition.

As of 31.12.23, the item "Legal person with material ownership interest, and entities under their prevalent and material influence" includes right-of-use liabilities according to IFRS 16 in the sum of 941 thousand euros in the related parties' balances, of which 5 thousand euros is interest payables and 165 thousand euros is current principle payables and 771 thousand euros is non-current principle payables (as of 31.12.22 this was 900 thousand euros, of which 6 thousand euros was interest payables, 138 thousand euros was current principle payables, and 755 thousand euros was non-current principle payables).

Receivable and payable balances and interest income/expense from transactions with related parties are described in Notes 3, 13, 24 and 25 respectively.

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NOTE 28. NON CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of euros)

	31.12.2023	31.12.2022
Assets		
Current assets		
Cash	778	868
Receivables and prepayments	71 040	96 361
Inventories	22 647	46 328
Total current assets	**94 465**	**143 557**
Non-current assets		
Investments in subsidiaries and associates	36 080	38 487
Receivables and prepayments	39 048	32 660
Property, plant and equipment	144 438	136 230
Intangible assets	3 151	2 064
Total non-current assets	**222 717**	**209 441**
Total assets	**317 182**	**352 998**
Liabilities and equity		
Liabilities		
Current liabilities		
Loan commitments	38 231	57 691
Payables and prepayments	56 820	80 310
Provisions	542	483
Grants	292	97
Total current liabilities	**95 885**	**138 581**
Non-current liabilities		
Loan commitments	76 456	68 130
Payables and prepayments	100	81
Provisions	6	8
Grants	1 192	326
Total non-current liabilities	**77 754**	**68 545**
Total liabilities	**173 639**	**207 126**
Equity		
Nominal share capital	1 644	1 644
Share premium	1 435	1 435
Statutory reserve capital	162	162
Miscellaneous reserves	82 638	94 977
Retained profit (loss) from previous periods	48 280	33 309
Annual period profit (loss)	9 384	14 345
Total equity	**143 543**	**145 872**
Total liabilities and equity	**317 182**	**352 998**

NOTE 29. NON CONSOLIDATED INCOME STATEMENT (in thousands of euros)

	2023	2022
Net sales	595 971	612 511
Other operating income	1 222	1 894
Goods, raw materials and services	-550 841	-566 002
Other operating expenses	-7 071	-6 679
Labor expenses	-14 364	-11 104
Depreciation and impairment	-10 659	-10 311
Other operating expenses	-976	-274
Total profit (loss)	**13 282**	**20 035**
Profit (loss) from associates	1 743	-2 597
Interest income	2 001	1 494
Interest expense	-7 203	-4 431
Other financial income and expense	-439	-156
Profit (loss) before tax	**9 384**	**14 345**
Annual period profit (loss)	**9 384**	**14 345**

NOTE 30. NON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in thousands of euros)

	2023	2022
Annual period profit (loss)	9 384	14 345
Other comprehensive income (loss):		
Other comprehensive incomes (losses)	-9 590	33 339
Total other comprehensive income (loss)	**-9 590**	**33 339**
Total annual period comprehensive income (loss)	**-206**	**47 684**

NOTE 31. NON CONSOLIDATED STATEMENT OF CASH FLOWS (in thousands of euros)

	2023	2022
Cash flow from trade		
Profit (loss)	13 282	20 035
Adjustments		
Depreciation and impairment	10 659	10 311
Income (loss) from sale of non-current assets	-25	-1 377
Other adjustments	-199	38
Total adjustments	**10 435**	**8 972**
Change in trade receivables and prepayments	-1 984	-30 398
Change in inventory	23 681	-31 151
Change in trade liabilities and prepayments	-5 416	20 105
Total cash flow from trade	**39 998**	**-12 437**
Cash flow from investment activities		
Payments for purchase of tangible and intangible assets	-20 174	-7 633
Income from sale of tangible and intangible assets	232	678
Subsidiary acquisition cost	-1 489	-1 727
Associate acquisition cost	-1 651	-658
Income from sale of subsidiaries	5 270	2 029
Given loans	-4 016	-7 646
Repayments from loans given	3 426	11 434
Interest income	187	77
Total cash flow from investment activities	**-18 215**	**-3 446**
Cash flow from financing activities		
Loans received	186 357	178 686
Repayments for loans received	-201 431	-152 071
Change in current account balance	-807	-4 896
Principal repayments for capital lease	-759	-3 605
Interest paid	-6 029	-3 599
Grants received	796	0
Share issue	0	1 180
Total cash flow from financing activities	**-21 873**	**15 695**
Total cash flow	**-90**	**-188**
Cash and cash equivalents at beginning of the period	868	1 056
Change in cash and cash equivalents	**-90**	**-188**
Cash and cash equivalents at end of the period	778	868

NOTE 32. NON CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in thousands of euros)

	Nominal share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)	Total
31.12.2021	**1 619**	**280**	**162**	**65 456**	**22 094**	**89 611**
Book value of holdings under prevalent and material influence	0	0	0	0	-29 554	-29 554
Equity value of holdings under prevalent and material influence	0	0	0	0	27 190	27 190
Adjusted non-consolidated equity as of 31.12.2021	**1 619**	**280**	**162**	**65 456**	**19 730**	**87 247**
Annual period profit (loss)	0	0	0	0	14 345	14 345
Share capital increase	25	1155	0	0	0	1 180
Changes in reserves	0	0	0	29521	3 819	33 340
Other changes	0	0	0	0	7 396	7 396
31.12.2022	**1 644**	**1 435**	**162**	**94 977**	**47 654**	**145 872**
Book value of holdings under prevalent and material influence	0	0	0	0	-18 933	-18 933
Equity value of holdings under prevalent and material influence	0	0	0	0	22 322	22 322
Adjusted non-consolidated equity as of 31.12.2022	**1 644**	**1 435**	**162**	**94 977**	**51 043**	**149 261**
Annual period profit (loss)	0	0	0	0	9 384	9 384
Changes in reserves	0	0	0	-12 339	2 749	-9 590
Other changes	0	0	0	0	-2 123	-2 123
31.12.2023	**1 644**	**1 435**	**162**	**82 638**	**57 664**	**143 543**
Book value of holdings under prevalent and material influence	0	0	0	0	-6 971	-6 971
Equity value of holdings under prevalent and material influence	0	0	0	0	7 416	7 416
Adjusted non-consolidated equity as of 31.12.2023	**1 644**	**1 435**	**162**	**82 638**	**58 109**	**143 988**

The equity item "Miscellaneous reserves" includes the reserve for revaluation of non-current assets, as well as the reserves for natural gas and electric energy hedging. More information on the changes in the reserve for revaluation of non-current assets may be found in Note 8, and more information on the hedging reserves may be found in Note 35.

Further information regarding share capital and other equity items may be found in Note 17.

NOTE 33. CAPITAL MANAGEMENT

The goal of the company's capital management is to ensure sustainability of the company and compliant capitalisation.

The company oversees its capital structure and adjusts it according to changing economic conditions.

The company's managed capital is equity. By law, equity must be at least 50% of share capital. As of 31.12.2023, equity was 8648% of share capital, which is compliant. As of 31.12.2022, equity was 7994% of share capital.

NOTE 34. FINANCIAL RISK MANAGEMENT

The company's operations may incur various financial risks, of which the most significant ones are liquidity risk, credit risk and market risk (including foreign exchange risk, interest rate risk and price risk). Financial risk management is an obligation of the management board, and includes defining, measurement and verification of risks. The goal of financial risk management is hedging of financial risks and reducing the volatility of earnings.

The risk hedging measures taken by the management board are monitored by the parent company's supervisory board.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk of future fluctuations of the fair value or cash flows or financial instruments due to changing foreign exchange rates. Financial assets and obligations denominated in euros are considered to be exchange risk-free.

In order to reduce the company's foreign exchange risk, most contracts are denominated in euros. All loan agreements are also denominated in euros and are therefore considered to be free of foreign exchange risk.

In 2023, the company had a low foreign exchange risk. Previously, hedging instruments have been used to reduce the risk of USD transactions, and these will continue to be used as necessary. In 2023, most transactions were made in euros, with some of the liquefied gas purchase transactions made in foreign currency (USD).

Purchases in foreign currency yielded profit of 90 thousand euros to the company (recognised in item "Other operating income" of the income statement).

INTEREST RATE RISK

Interest rate risk is the risk of rising interest rates increasing the interest payable on obligations, which may significantly impact the company's earnings. Most of the company's interest rate risk is due to non-current loans. The company's loans and leases from financial institutions are tied to Euribor and have a floating interest rate fixed for six months or three months. The company does not practice Euribor-fixing for longer periods. Overdraft agreements with financial institutions and loans from other companies have a fixed interest rate or a floating interest rate tied to Euribor. In 2023, six-month Euribor increased from 2.732% at the beginning of the year to 3.861% at the end of the year. For 2024, analysts forecast a slight decrease of Euribor to approximately 3.7%, which may have a slight positive effect on the company's earnings. The 2023 Euribor increase and the higher interest rate environment was a challenge for the company, but the company maintained profitability. For 2024, the company will maintain its debt at a similar level to 2023, so any increase in interest payables will not jeopardise the company's status as a going concern.

Information regarding the amounts and interest rates of financial obligations is provided in Notes 10 and 12.

HEDGING THE ELECTRICITY AND NATURAL GAS MARKET PRICE RISK

Alexela sells electric energy and natural gas on the retail market. Some customers have fixed-price contracts. Alexela uses derivatives (futures, forwards and long-term contracts for buying electric energy) to hedge the risk of fluctuating electric energy and gas prices. Natural gas price risk is hedged using TTF forward contracts. Electric energy price is hedged using the Nord Pool system price and EPAD futures, Estonian, Latvian and Lithuanian baseline electricity and fixed-price purchase contracts with electric energy producers.

Volume of hedged electric energy sales transactions as of 31.12.2023:

	Maturity	2024-2029
Nord Pool system price component	GWh	68
Nord Pool price in Estonia	GWh	155.7
Nord Pool price in Finland	GWh	118.6
Nord Pool price in Latvia	GWh	236.4
Nord Pool price Lithuania	GWh	17.6
NordPool SYTAL component	GWh	165.8
NordPool SYHEL component	GWh	-111.3
Long-term electricity purchase agreements (Estonia)	GWh	271.9
Long-term electricity purchase agreements (Latvia)	GWh	35.1
Nord Pool system price component	EUR/MWh	61.7
Nord Pool price in Estonia	EUR/MWh	84.4
Nord Pool price in Finland	EUR/MWh	71.1
Nord Pool price in Latvia	EUR/MWh	81.7
Nord Pool price Lithuania	EUR/MWh	194.0
NordPool SYTAL component	EUR/MWh	35.6
NordPool SYHEL component	EUR/MWh	10.3
Long-term electricity purchase agreements (Estonia)	EUR/MWh	89
Long-term electricity purchase agreements (Latvia)	EUR/MWh	45.7

The company also signs fixed-price contracts for the sale of natural gas and hedges the risk of market prices exceeding the contract price. Furthermore, fixed-price natural gas inventories are hedged. Argus TTF Month Ahead futures are used for transaction hedging.

As of 31.12.2023, the volume of 2024-2025 hedged natural gas sales transactions is 169 GWh with a weighted average price of 49.5 EUR/MWh, and the hedged inventory is 210 GWh with a weighted average price of 51.1 EUR/MWh..

FUEL PRICE RISK

Similarly to 2022, the company had a relatively low fuel market risk in 2023: most purchases were made on the local market, which helped reduce the fuel price risk.

CREDIT RISK

Credit risk is the risk of the company incurring financial losses due to the counterparty of a financial instrument defaulting on their obligations. Approximately 30% of customer transactions are made in cash, with a bank card or a prepaid card. The company's credit risk mainly derives from sales made on credit. Because the company uses customer credit risk analysis to select which customers to provide credit to, the credit risk is considered by the company to not be high. Furthermore, there are many customers and their credit limits are low. Information about the amount and maturity of receivables is provided in Note 3.

As of 31.12.2023, the maximum conceivable credit risk is constituted by total receivables amounting to 69,150 thousand euros(31.12.2022 this was 81,671 thousand euros).

The credit risk of cash and cash equivalents is low, because current accounts are held in domestic banks who hold legal activity licenses and high international credit ratings.

LIQUIDITY RISK

Due to the company's low working capital (1,149 thousand euros as of 31.12.2023 and 1,607 thousand euros as of 31.12.2022), the company is exposed to liquidity risk. Based on the management's estimate, the liquidity risk is not high because receivables are significantly shorter-term than payables. The company's cash flows are constantly planned and monitored to manage the liquidity risk, and appropriate measures are taken for covering any negative cash flows.

FAIR VALUE

Based on the company's estimation, the fair value of assets and payables carried at adjusted cost is not significantly different from their balance sheet value as of 31.12.2023 and 31.12.2022.

The valuation input levels of financial instruments carried at fair value are as follows:

- level 1 - quoted prices on actively traded markets
- level 2 - directly or indirectly observable inputs other than level 1 inputs
- level 3 - non-observable inputs

For valuation of derivatives, inputs are the fixed or projected buy-sell spreads of electric energy. Values determined using both level 2 and level 3 inputs are classified as level 3.

NOTE 35. DERIVATIVES (in thousands of euros)

The company has entered into long-term purchase contracts with physical suppliers of natural gas (biomethane) and electric energy, in order to ensure critical supply, hedge risks and resell the purchased natural gas and electric energy to retail customers. Based on the company's opinion, some of these contracts (depending on the contract term, termination clauses and agreed price) do not qualify as regular purchase agreements and must therefore be classified as derivatives to be recognised on the income statement at adjusted fair value according to IFRS 9. On the value date, the company settles these contracts by accepting delivery of energy and reselling it to its retail customers or on the open market if necessary.

The company has entered into long-term cash-settled energy purchase agreements with energy suppliers. On the value date, the derivative will be settled based on the difference between the fixed price and the price on the specified market. The company classifies such contracts as derivatives to be recognised at fair value in the income statement in accordance with IFRS 9, or as cash flow hedging instruments if the contract is designated as a hedge and qualifies as one.

Fair values of derivatives recognised as hedging instruments (in thousands of euros):

	31.12.2023		31.12.2022	
	Receivables	Payables	Receivables	Payables
Forward contracts for purchasing or selling electric energy	12760	0	25248	11368
Forward contracts for purchasing or selling natural gas	3155	96	2969	216
Total receivables and payables from forward contracts	15915	96	28217	11584
Including:				
Current				
Forward contracts for purchasing or selling electric energy	2980	0	14620	11368
Forward contracts for purchasing or selling natural gas	1757	0	2797	138
Non-current				
Forward contracts for purchasing or selling electric energy	9780	0	10628	0
Forward contracts for purchasing or selling natural gas	1398	96	172	78

The equity reserved for hedging instruments is allocated as follows (in thousands of euros):

Hedge reserve	31.12.2022	Reserve change	31.12.2023
Electric energy hedging instruments	**11221**	**-1120**	**10101**
Natural gas hedging instruments	2753	306	3059
Total	**13974**	**-814**	**13160**

NOTE 36. LOAN GUARANTEES AND PLEDGED ASSETS

The company's financial obligations are guaranteed by mortgages and commercial pledges.

Type of pledge	Value, thousands of euros
Mortgage for the benefit of AS Swedbank	99500
Commercial pledges on AS Alexela's assets for the benefit of AS Swedbank	52240
Commercial pledges on 220 Energia OÜ's assets for the benefit of AS Swedbank	3000
Commercial pledges on Alexela Motors AS's assets for the benefit of AS Swedbank	300

Bank guarantees for trade payables amount to 13,286 thousand euros in total (see Note 12).

Shares in subsidiaries are pledged as loan collateral:

Subsidiary	Nominal value
220 Energia OÜ	32000
Hamina LNG Investeeringud OÜ	2500
Alexela Motors AS	110000
Alexela Solar OÜ	32000

Carrying amount of collateral assets for loans (in thousands of euros):

	31.12.2023	31.12.2022
Land	59 068	61 557
Buildings	51 508	39 893
Machinery and equipment	13 905	8 488
Other property, plant and equipment	5 305	3 416
Other assets	28 334	46 549

NOTE 37. EVENTS AFTER THE REPORTING DATE

The AS Alexela management board has decided to merge the subsidiary OÜ 220 Energia with AS Alexela in 2024.

NOTE 38. MANAGEMENT BOARD CERTIFICATION OF THE CONSOLIDATED ACCOUNTS

The management board certifies that AS Alexela 2023 consolidated annual accounts presented on pages 47-103 are accurate and complete and that:

- the accounting policies applied for preparing the annual accounts comply with the international financial reporting standards as adopted by the European Union;
- the annual accounts accurately and faithfully reflect the parent company's and group's financial situation, earnings and cash flows;
- AS Alexela and its subsidiaries are a going concern.

ARUANDE DIGIALLKIRJAD

Aruande lõpetamise kuupäev on 12.05.2023

AS Alexela (registrikood: 10015238) 01.01.2022–31.12.2022 majandusaasta aruande andmete õigsust on elektrooniliselt kinnitanud:

Allkirjastaja nimi	Allkirjastaja roll	Allkirja andmise aeg
Marti Hääl	Juhatuse liige	12.05.2023
Aivo Adamson	Juhatuse liige	12.05.2023
Karmo Piikmann	Juhatuse liige	12.05.2023

SÕLTUMATU VANDE-AUDIITORI ARUANNE

AS Alexela aktsionäridele

ARVAMUS

Oleme auditeerinud AS Alexela konsolideerimisgrupi (grupp) konsolideeritud raamatupidamise aastaaruannet, mis sisaldab konsolideeritud bilanssi seisuga 31. detsember 2022 ning konsolideeritud kasumiaruannet, koondkasumiaruannet, konsolideeritud rahavoogude aruannet ja konsolideeritud omakapitali muutuste aruannet eeltoodud kuupäeval lõppenud aasta kohta ja konsolideeritud raamatupidamise aastaaruande lisasid, sealhulgas märkimisväärsete arvestuspõhimõtete kokkuvõtet. Meie arvates kajastab kaasnev konsolideeritud raamatupidamise aastaaruanne kõigis olulistes osades õiglaselt grupi konsolideeritud finantsseisundit seisuga 31. detsember 2022 ning sellel kuupäeval lõppenud aasta konsolideeritud finantstulemust ja konsolideeritud rahavoogusid kooskõlas rahvusvaheliste finantsaruandlusstandarditega, nagu need on vastu võetud Euroopa Liidu poolt.

ARVAMUSE ALUS

Viisime auditi läbi kooskõlas rahvusvaheliste auditeerimise standarditega (Eesti) (ISA (EE)). Meie kohustusi vastavalt nendele standarditele kirjeldatakse täiendavalt meie aruande osas „Vandeaudiitori kohustused seoses raamatupidamise aastaaruande auditiga". Me oleme grupist sõltumatud kooskõlas Kutseliste arvestusekspertide eetikakoodeksiga (Eesti) (sh sõltumatuse standardid), ja oleme täitnud oma muud eetikaalased kohustused vastavalt nendele nõuetele. Me usume, et auditi tõendusmaterjal, mille oleme hankinud, on piisav ja asjakohane aluse andmiseks meie arvamusele.

MUU INFORMATSIOON

Juhtkond vastutab muu informatsiooni eest. Muu informatsioon hõlmab tegevusaruannet, kuid ei hõlma konsolideeritud raamatupidamise aastaaruannet ega meie asjaomast vandeaudiitori aruannet. Meie arvamus konsolideeritud raamatupidamise aastaaruande kohta ei hõlma muud informatsiooni ja me ei tee selle kohta mingis vormis kindlustandvat järeldust. Seoses meie konsolideeritud raamatupidamise aastaaruande auditiga on meie kohustus lugeda muud informatsiooni ja kaaluda seda tehes, kas muu informatsioon lahkneb oluliselt konsolideeritud raamatupidamise aastaaruandest või meie poolt auditi käigus saadud teadmistest või tundub muul viisil olevat oluliselt väärkajastatud. Lisaks on meie kohustus avaldada, kas tegevusaruandes esitatud informatsioon on vastavuses kohalduvates seaduses sätestatud nõuetega. Kui me teeme tehtud töö põhjal järelduse, et muu informatsioon on eespool toodu osas oluliselt väärkajastatud, oleme kohustatud sellest faktist aru andma. Meil ei ole sellega seoses millegi kohta aru anda ning avaldame, et tegevusaruandes esitatud informatsioon on olulises osas kooskõlas konsolideeritud raamatupidamise aastaaruandega ning kohalduvates seadustes sätestatud nõuetega.

JUHTKONNA JA NENDE, KELLE ÜLESANDEKS ON VALITSEMINE, KOHUSTUSED SEOSES KONSOLIDEERITUD RAAMATUPIDAMISE AASTAARUANDEGA

Juhtkond vastutab konsolideeritud raamatupidamise aastaaruande koostamise ja õiglase esitamise eest kooskõlas rahvusvaheliste finantsaruandlusstandarditega, nagu need on vastu võetud Euroopa Liidu poolt.ja sellise sisekontrolli eest, nagu juhtkond peab vajalikuks, et võimaldada kas pettusest või veast tulenevate oluliste väärkajastamisteta konsolideeritud raamatupidamise aastaaruande koostamist. Konsolideeritud raamatupidamise aastaaruande koostamisel on juhtkond kohustatud hindama grupi suutlikkust jätkata jätkuvalt tegutsevana, esitama infot, kui see on rakendatav, tegevuse jätkuvusega seotud asjaolude kohta ja kasutama tegevuse jätkuvuse arvestuse alusprintsiipi, välja arvatud juhul, kui juhtkond kavatseb kas grupi likvideerida või tegevuse lõpetada või tal puudub sellele realistlik alternatiiv. Need, kelle ülesandeks on valitsemine, vastutavad grupi raamatupidamise aruandlusprotsessi üle järelevalve teostamise eest.

VANDEAUDIITORI KOHUSTUSED SEOSES KONSOLIDEERITUD RAAMATUPIDAMISE AASTAARUANDE AUDITIGA

Meie eesmärk on saada põhjendatud kindlus selle kohta, kas konsolideeritud raamatupidamise aastaaruanne tervikuna on kas pettusest või veast tulenevate oluliste väärkajastamisteta, ja anda välja vandeaudiitori aruanne, mis sisaldab meie arvamust. Põhjendatud kindlus on kõrgetasemeline kindlus, kuid see ei taga, et olulise väärkajastamise eksisteerimisel see kooskõlas ISA (EE)-dega läbiviidud auditi käigus alati avastatakse. Väärkajastamised võivad tuleneda pettusest või veast ja neid peetakse oluliseks siis, kui võib põhjendatult eeldada, et need võivad üksikult või koos mõjutada majanduslikke otsuseid, mida kasutajad konsolideeritud raamatupidamise aastaaruande alusel teevad. Me kasutame auditi osana vastavalt ISA (EE)-dega kutsealast otsustust ja säilitame kutsealase skeptitsismi kogu auditi käigus.

Me teeme ka järgmist:

- teeme kindlaks ja hindame konsolideeritud raamatupidamise aastaaruande kas pettusest või veast tuleneva olulise väärkajastamise riskid, kavandame ja teostame auditiprotseduurid vastuseks nendele riskidele ning hangime piisava ja asjakohase auditi tõendusmaterjali aluse andmiseks meie arvamusele. Pettusest tuleneva olulise väärkajastamise mitteavastamise risk on suurem kui veast tuleneva väärkajastamise puhul, sest pettus võib tähendada salakokkulepet, võltsimist, tahtlikku tegevusetust, vääresitiste tegemist või sisekontrolli eiramist;
- omandame arusaamise auditi puhul asjassepuutuvast sisekontrollist, et kavandada nendes tingimustes asjakohaseid auditiprotseduure, kuid mitte arvamuse avaldamiseks grupi sisekontrolli tulemuslikkuse kohta;
- hindame kasutatud arvestuspõhimõtete asjakohasust ning juhtkonna arvestushinnangute ja nendega seoses avalikustatud info põhjendatust;
- teeme järelduse juhtkonna poolt tegevuse jätkuvuse arvestuse alusprintsiibi kasutamise asjakohasuse kohta ja saadud auditi tõendusmaterjali põhjal selle kohta, kas esineb olulist ebakindlust sündmuste või tingimuste suhtes, mis võivad tekitada märkimisväärset kahtlust grupi suutlikkuses jätkata jätkuvalt tegutsevana. Kui me teeme järelduse, et eksisteerib oluline ebakindlus, oleme kohustatud juhtima vandeaudiitori aruandes tähelepanu konsolideeritud raamatupidamise aastaaruandes selle kohta avalikustatud infole või kui avalikustatud info on ebapiisav, siis modifitseerima oma arvamust. Meie järeldused põhinevad vandeaudiitori aruande kuupäevani saadud auditi tõendusmaterjalil. Tulevased sündmused või tingimused võivad siiski kahjustada grupi suutlikkust jätkata jätkuvalt tegutsevana;
- hindame konsolideeritud raamatupidamise aastaaruande üldist esitusviisi, struktuuri ja sisu, sealhulgas avalikustatud informatsiooni, ning seda, kas konsolideeritud raamatupidamise aastaaruanne esitab aluseks olevaid tehinguid ja sündmusi viisil, millega saavutatakse õiglane esitusviis.
- hangime grupi majandusüksuste või äritegevuste finantsteabe kohta piisava asjakohase tõendusmaterjali, et avaldada arvamus grupi konsolideeritud finantsaruannete kohta. Me vastutame grupiauditi juhtimise, järelevalve ja läbiviimise eest. Me oleme ainuvastutavad oma auditiarvamuse eest.

Me vahetame nendega, kelle ülesandeks on valitsemine, infot muu hulgas auditi planeeritud ulatuse ja ajastuse ning märkimisväärsete auditi tähelepanekute kohta, sealhulgas mis tahes sisekontrolli märkimisväärsete puuduste kohta, mille oleme tuvastanud auditi käigus.

/digitaalselt allkirjastatud/

Mati Nõmmiste

Vandeaudiitor nr 178

Grant Thornton Baltic OÜ

Tegevusluba nr 3

Pärnu mnt 22, 10141 Tallinn

12.mai 2023

AUDIITORITE DIGITAALALLKIRJAD

AS Alexela (registrikood: 10015238) 01.01.2022–31.12.2022 majandusaasta aruandele lisatud

audiitori aruande on digitaalselt allkirjastanud:

Allkirjastaja nimi	Allkirjastaja roll	Allkirja andmise aeg
MATI NÕMMISTE	Vandeaudiitor	12.05.2023