

# Consolidated Annual Report of AS Alexela 2024

the beginning of the  
annual period: **01.01.2024**  
end of the annual period: **31.12.2024**

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**ALEXELA**

# TABLE OF CONTENTS

<b>ABOUT THE COMPANY .....</b>	<b>3</b>
Address by the Chairman of the Board .....	4
Alexela at a Glance .....	6
Key Events in 2024 .....	7
How We Make the World a Better Place.....	11
Strategy and Direction .....	13
<b>SUSTAINABILITY AND GOVERNANCE .....</b>	<b>15</b>
Sustainability.....	16
Environment.....	21
Impact of the Regulatory Environment.....	25
Our People .....	26
Our Community.....	28
Governance.....	30
<b>ECONOMIC RESULTS .....</b>	<b>34</b>
Liquid Fuels .....	35
Gaseous Fuels .....	36
Electricity.....	37
E-mobility .....	38
Trade and Retail.....	39
Alexela Täkupoiss .....	40
Digitalisation .....	41
Smart Electricity.....	42
AS Alexela Motors.....	43
Alexela rePower OÜ .....	44
Rohe Solutions Oy .....	45
SIA Alexela.....	45
Hamina LNG Terminal.....	46
OÜ Eesti Biogaas .....	47
OÜ Zero Terrain.....	48
<b>Investment.....</b>	<b>49</b>
<b>CONSOLIDATED ANNUAL FINANCIAL STATEMENTS.....</b>	<b>50</b>
Consolidated Statement of Financial Position.....	51
Consolidated Income Statement .....	52
Consolidated Statement of Comprehensive Income .....	52
Consolidated Statement of Cash Flows.....	53
Consolidated Statement of Changes in Equity .....	54
Notes to the Annual Financial Statements .....	55



# ABOUT THE COMPANY

Address by the Chairman of the Board.....	4
Alexela at a Glance.....	6
Key Events in 2024.....	7
How We Make the World a Better Place .....	11
Strategy and Direction.....	13

# Address by the Chairman of the Board



2024 was a year of change and growth for Alexela. We have reached an evolutionary phase, where we are moving away from our previous business models towards new solutions. This transition will require significant investment and continuous learning, but it is essential if we are to be one of the region's leading energy solutions provider in the future. The validity of this direction is demonstrated by the growth in our market share and the positive customer perception of Alexela's image.

2024 was a year of change and growth for Alexela. We have reached an evolutionary phase, where we are moving away from our previous business models towards new solutions. This transition will require significant investment and continuous learning, but it is essential if we are to be the region's leading energy solutions provider in the future. The validity of this direction is demonstrated by the growth in our market share and the positive customer perception of Alexela's image.

## **We have a balanced energy portfolio and are developing solutions for the future**

Estonia needs a balanced energy portfolio, where renewable energy is complemented by dispatchable capacity, energy storage and functioning connections with neighbouring countries. Alexela is contributing to this by developing Estonia's first bio-LNG supply chain, investing in managing the flexibility of electricity supply with our customers, contributing to the Paldiski pumped-storage hydro-

power project and building infrastructure that reduces dependence on Russia.

In 2024, we continued to move from a product-led to a service-led business model, offering customers complete and smart energy solutions at home, en-route and at their destination. We grew our refuelling network, expanded our energy services and electric vehicle charging network, making the Smart Electricity solution available free of charge to our electricity customers. In addition, we invested in renewable energy by developing solar and battery parks and hydrogen refuelling solutions.

## **We are a growing energy partner for the region**

In 2024, we expanded our operations in Latvia and Finland. Our subsidiaries Rohe Solutions Oy in Finland and SIA Alexela in Latvia built new Western-based supply chains and provided sustainable energy solutions. The Hamina LNG terminal in Finland has become an important regional hub, helping to secure independent gas supplies in both, Finland and across the Baltics.

We also finalised the establishment of the region's first westbound LPG supply chain – Alexela's parent company AVH Group owns the Riga terminal SIA Latvija Propāna Gāze, securing a new supply chain for the whole region.

## We maintained a strong financial position

Despite the difficult economic environment, we maintained a strong financial position and invested over ten million euros in innovative energy solutions. Alexela's market share in electricity sales increased to 19.7%, strengthening our position as the second largest electricity seller in Estonia.

The volatility of energy prices and the high Euribor affected the market, but we managed to maintain an efficient cost structure.

## Investing in the economy, education, and culture

Our values - increasing the well-being of the Estonian people, ensuring security of supply, reasonable energy prices, supporting education, culture and sport, and responsibility - are not just words, but principles that we live by every day.

We contributed €182 million in taxes paid to the Estonian economy and supported education, culture and sport with more than €500 thousand, including additional activities to activate them.

We were awarded the title of Estonian Friend of Culture and Supporter of Music, and a Kantar Emor survey confirmed that Alexela is the most spontaneously recognised energy company in Estonia and one of the most desirable employers.

In addition, we stood up for the interests of Estonian consumers by helping to prevent the introduction of frequency reserve fee, which would have meant higher electricity prices for both, consumers and producers.

## Looking to the future

There is an ongoing fundamental change in the energy sector. Current solutions no longer work, but new ones are not yet fully ready. To make the transition smooth and sustainable, we need strong partnerships and a long-term vision. Every decision by businesses and individuals will have an impact on the future- energy is not just the price, but also the values that create a stronger and more independent society.

Together we will create a better energy future!

**Marti Hääl**  
Chairman of the Board



# Alexela at a Glance

Alexela is Estonia's leading energy company, with a comprehensive portfolio of services offering smart and environmentally friendly energy solutions for everyday life - at home, en-route the road and at the destination. We focus on investments that make Estonia's energy market more independent from others and at the same time more environmentally friendly. We are committed to investing in sustainable energy solutions based on local input materials, such as bio-LNG, Energiasalv and Alexela rePower, in order to strengthen our energy security and reduce our dependence on external sources.

We also focus on energy solutions such as Smart Electricity, affordable offers and smart lockers that help reduce energy costs and increase energy efficiency. In addition, we are developing environmentally friendly solutions, such as the electric vehicle charging network and VOOL chargers, to support the green transition and sustainable development

We are actively working on developing new supply chains for the region. For example, an LPG supply chain to exclude products from Russia from our product portfolio and to ensure the reliability of energy supplies.

Standing up for the interests of the Estonian people is one of Alexela's most important values. We have consistently opposed the introduction of a frequency reserve fee, to keep electricity prices af-

fordable, and stood up for the interests of Estonian consumers in the energy market.

As a an Estonian company, Alexela actively contributes to local communities. Our Community Programme brings people together in different regions, while the establishment of food sharing lockers helps reduce food waste. We also support Estonia's nature - for example, with tree planting projects - and participate in events such as basketball, the Tallinn International Horse Show and the Dark Nights Film Festival to promote Estonian culture and sport.

## Recognitions

Alexela is recognised for its activities and contribution in Estonia and the region. Our work and the company's values have been positively reflected in various fields. Alexela has been awarded the title of Estonian Friend of Culture and has been recognised as a Supporter of Music, actively supporting cultural and educational activities.

Alexela also excels in its working environment and employee well-being. According to a Kantar Emor survey, Alexela is the most spontaneously recognised energy company in Estonia and one of the most desirable employers in Estonia. Our goal is to provide reliable energy services that make everyday life easier and increase energy security in the region.

# Key Events in 2024

## January

- We opened Alexela's and Estonia's second 400 kW charging station at Jüri service station, where heavy-duty vehicles can also charge.
- We started with the Alexela Energy Day series of conferences
- We renewed the Alexela bränd

## February

- We launched the new Alexela cylinder gas smart lockers.
- We opened Tallinn's most powerful charging station at the Mustamäe Keskus. A total of ten charging points, 2x400 kW CCS, 150 kW CCS, 50 kW CCC and 5x22 kW type 2 chargers to promote the uptake of electric vehicles.



## March

- We launched Smart Electricity, a free electricity management solution for household customers with solar panels. This service is part of our broader strategy to provide flexible and environmentally friendly energy solutions that help people in Estonia manage their energy production and consumption.

## April

- In Rae municipality, in Peetri, at the Aruheina kindergarten, we opened our eleventh food sharing locker, which is powered, by solar panels
- In Estonia, we launched E85, a renewable fuel made from biodegradable waste, reinforcing our commitment to environmentally friendly solutions.
- We won two awards at the 2024 Golden Egg Awards Gala: a Silver Egg for our new logo and a Bronze Egg in the corporate rebranding category
- We started a strategic partnership with VOOL, an Estonian company that produces smart electric car chargers, which we integrated into our flexible energy management system

## May

- Alexela underwent a structural change, which supports the company's rapid growth and enables strategically focused development.
- We launched a new podcast, „Energiakool“ (Energy School) which aims to explain important energy issues to the Estonian people in a simple and understandable way with the help of experts.
- The third Alexela Community Day for planting trees took place, with 5,000 trees planted in Rapla County in one day. By the end of May, we had reached the Community Programme target of planting one tree for every person in Estonia
- The first Täkupoiss Night Market took place, where local traders were able to sell their fresh produce, promoting support for local communities and local food consumption.

## June

- Alexela's first nationwide summer campaign with a digital prize wheel was launched.
- Tākupoiss was awarded the Family Friendly Food Place label by the Estonian Association of Large Families.

## July

- The merger with energy company 220 Energia was completed.
- We migrated to the new HR platform Wemply.

## August

- The traditional Alexela Power Days for Alexela employees took place.

## September

- We launched the first liquefied biomethane based on a local feedstock in Estonia. The biomethane produced by Alexela in Estonia was liquefied at our Hamina LNG terminal.
- We launched two important tools to uphold Alexela's values. The Alexela Code of Conduct and a whistleblowing channel to report areas for improvement and more significant misconduct.
- OÜ Alexela Solar got a new name and a new mission statement in the form of OÜ Alexela rePower, which brings together all future technology development projects under one roof.



## October

- We signed a cooperation agreement with the Tallinn University of Technology basketball team, whose representative team is now called TalTech/Alexela.
- Alexela organised a customer appreciation event and participated as a partner in Tallinn International Horse Show 2024.
- The traditional service staff appreciation event was held at Täkupoiss to thank and highlight our forward-thinking café-shop staff.
- We launched a campaign to showcase the unique energy portfolio of Alexela, whereby Alexela electricity customers can get a fuel discount of -15 cents per litre for three months.

## November

- The PÖFF, or the Black Nights Film Festival, took place, with Alexela as a major sponsor.
- Alexela became a member of TULI, the Estonian Association of Marketers.

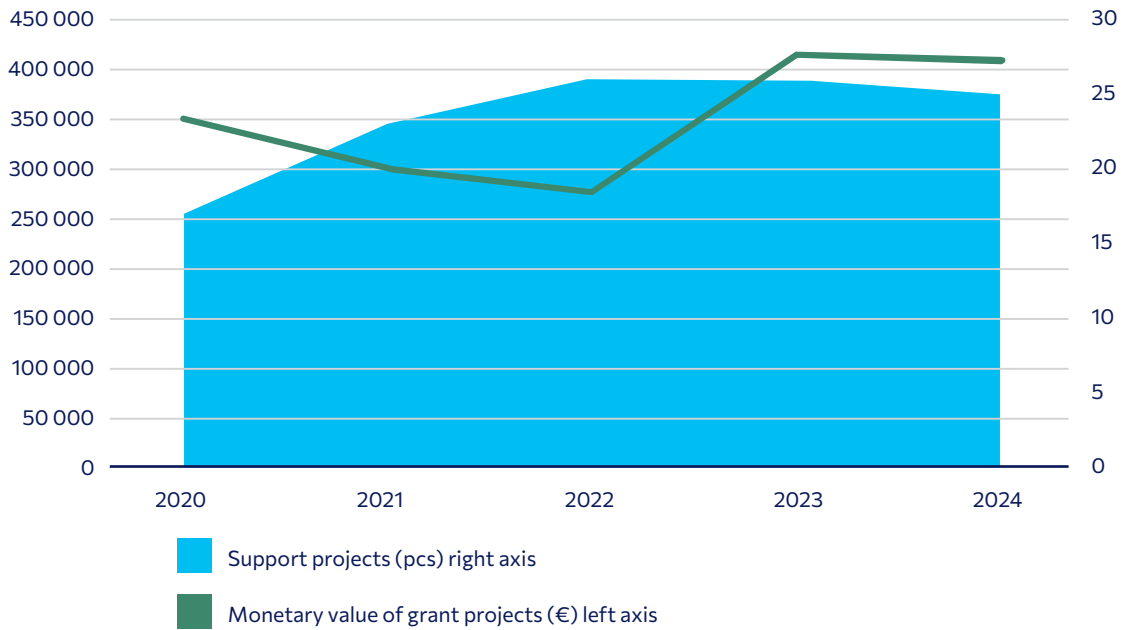
## December

- By the end of the year, we had installed 185 cylinder gas smart lockers across Estonia. The smart lockers are special because customers with the Alexela app can use them to buy cylinder gas 24/7 and the lockers do not require a separate power supply, so they can be installed in places where there are no previous communications.
- In cooperation with parent company AVH Group, a new LPG supply chain was launched, which is used to supply the whole region with LPG of Western origin.

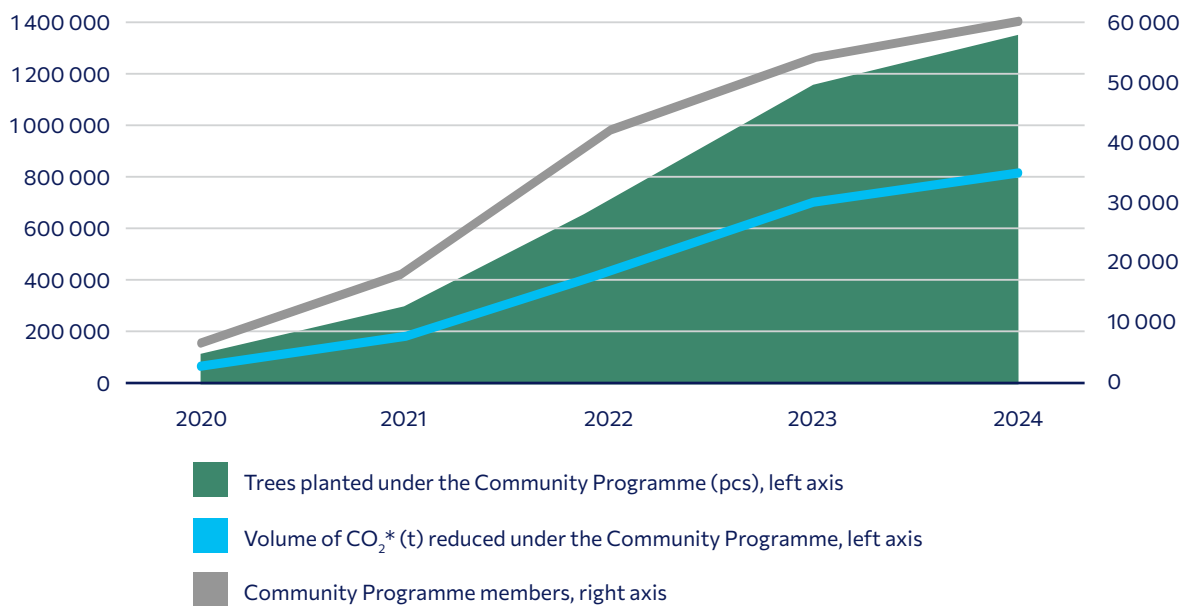


# How We Make the World a Better Place

## SOCIAL – SUPPORT PROJECTS

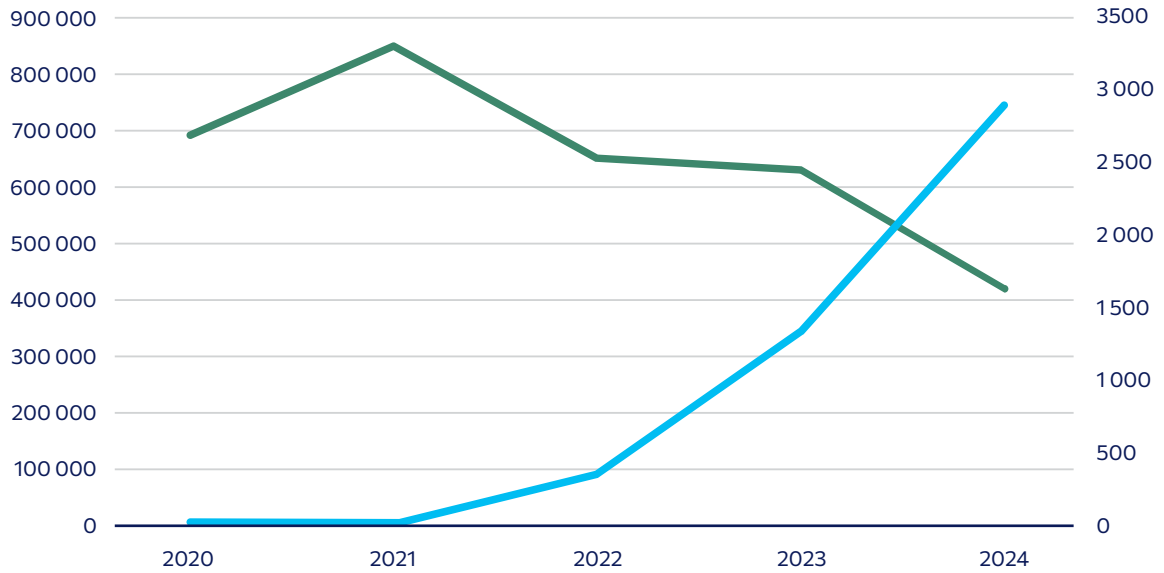


## COMMUNITY PROGRAMME



\* Over the lifetime of planted trees

## DEVELOPMENT OF ENVIRONMENTALLY FRIENDLY REFUELLING SOLUTIONS



■ Biomethane sold at refuelling stations (MWh) left axis  
■ Electricity charged in Alexela chargers (MWh) right axis



# Strategy and Direction

## Sustainable growth and security of supply

At the core of Alexela's strategy is the strengthening of energy security, the development of sustainable solutions and the provision of smart, flexible, and affordable energy services to customers. In a rapidly changing economic and geopolitical environment, our focus is on continued longterm investments, new market opportunities, and the digitalisation of services.

Alexela aims to make the energy sector more resilient and agile. We are investing in sustainable energy solutions, including renewable energy, storage capacity development, and smart energy services. We also secure Westbound energy supply chains, reducing dependence on Eastbound energy sources.

## International expansion and digitalisation

Alexela's strong position in Estonia's energy economy has created the prerequisites for growth towards the Baltic and Nordic countries. In 2024, we expanded our operations in Finland and Latvia to strengthen Westbound energy supply chains and offer customers reliable alternatives. The Hamina LNG terminal has become an important regional hub ensuring independent gas supply. In addition, the AVH Group completed the first Westbound LPG supply chain with the acquisition of the Riga terminal.

In the energy sector, the future will bring a growing demand for flexible and smart solutions. Alexela will continue to invest in new technologies by developing servic-

es such as Smart Electricity, which helps customers manage energy consumption and production more efficiently. We are expanding into electric vehicle charging infrastructure, and developing digital solutions that simplify energy use and increase consumer awareness, helping to ensure more efficient energy balance management in the future.

## Sustainable development and environmental responsibility

The development of the energy sector, together with the preservation and conservation of our environment, is part of Alexela's long-term strategy. We are investing in local renewable energy production, building solar and battery parks, and increasing our energy storage capacity. The development of biomethane and hydrogen are important steps towards a cleaner future, both supporting Estonia's energy independence, reducing its CO<sub>2</sub> footprint.

In addition, we will continue to develop community-based initiatives that support the development of education, culture, and sport in Estonia. Our aim is to be a responsible and sustainable company that contributes to society beyond the energy sector.

## Future outlook

Alexela's strategy is focused on long-term growth and innovation to ensure security of supply and provide smart energy solutions to customers. Investments in renewable energy, storage technologies, and digital services will create a strong foundation for a competitive and sustainable energy sector.

## In the coming years we will focus on:

- Development of new energy sources and technologies, including bio-LNG, bio-LPG, long and short term storage, maximum flexibility in renewable energy production, cost efficiency, and hydrogen solutions.
- Expanding our international reach by securing supply chains in Finland and the Baltics.
- Making energy use smarter by providing better digital solutions for customers.
- Reducing environmental impact by supporting the development of renewable energy and the circular economy.

Alexela's vision is to be one of the region's leading and most reliable energy companies, helping to shape an efficient and secure energy sector. Our strength lies in long-standing experience, innovative thinking, and trusted partnerships.





## SUSTAINABILITY AND GOVERNANCE

Sustainability .....	16
Environment.....	21
Impact of the Regulatory Enviroment.....	25
Our People .....	26
Our Community.....	28
Governance .....	30

# Sustainability

## Sustainability assessment

Alexela is the most diversified energy company in Estonia. We want to actively help every household and every business. The share of renewable energy in Alexela's energy portfolio is growing with the aim of offsetting the impact of fossil fuels in households (at home), transport (en-route) and business (at destination)

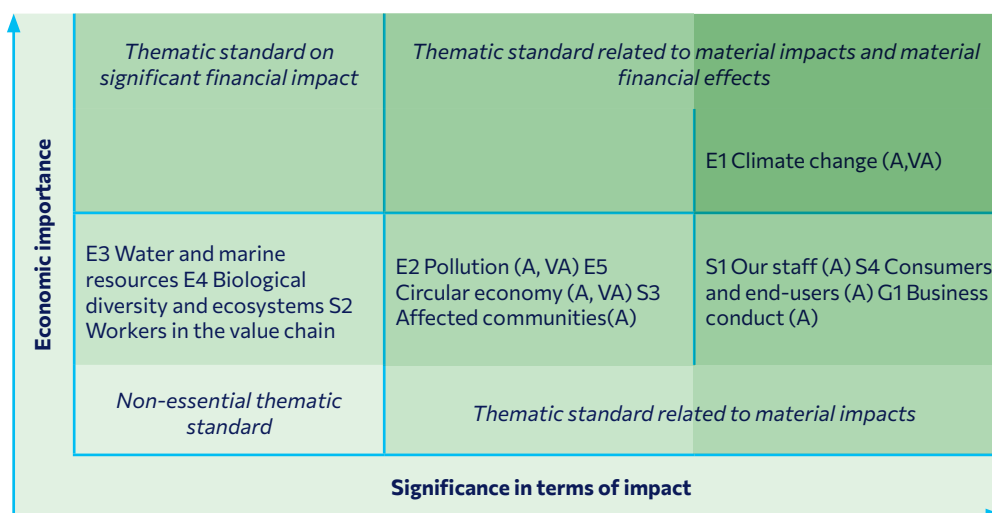
The development of the company is based on a consistent focus on environmental, social, and governance topics (ESG). Addressing climate change is important, but social and governance aspects are equally important to ensure sustainable development.

Alexela's ESG strategy is the responsibility of the company's Board of Directors and the Head of Sustainability. Each area manager is responsible for linking ESG issues in his/her area of responsibility to the achievement of the area's objectives.

In order to map and better manage key ESG issues, we have carried out a double materiality assessment, taking into account both, the materiality of the impacts of sustainability-related issues and their economic materiality. We involved the company's key stakeholders in the assessment process. The table below highlights the major internal and external stakeholders whose expectations and involvement are important.

		Method of Empowerment	Important Topics and Expectations
1	<b>Our employees and owners</b>	Organizational health survey (satisfaction), "Give Power" interviews and 360 degree assessment, ESG seminars, participatory workshops (e.g. development of a model for success and collaboration, and the Code of Conduct; identification of ESG key issues, risks and opportunities)	Engagement and feedback, personal and organisational development, raising collective awareness of key ESG issues
2	<b>Investors</b>	Direct communication, presentations, annual reports	Engagement, feedback, certainty about sustainable development and profitability
3	<b>Costumers</b>	Annual customer surveys, more specific focus group surveys (e.g. sustainable fuels survey, customer programme survey), monthly NPS surveys	Involvement, feedback, education, input into the development of sustainable products
4	<b>Suppliers, partners, financial institutions</b>	Direct communication	Sustainable value chain

		Method of Empowerment	Important Topics and Expectations
5	Community and municipalities	Communicating with local officials, initiatives to benefit communities	Supporting the local community, building trust and feedback
6	The general public (media, research and development institutions, and universities)	Open and active communication, radio and TV appearances, press events, trade fairs, expert presentations at conferences and universities	Openness and transparency, ethical business practices
7	Regulators and authorities	Participation in national sustainability and green transition working groups, direct communication with government officials	Input for policy and legislation as a representative of the energy sector, familiarity with ESG regulations
8	Cross-sectoral associations and consortia	Active participation in the work of the Estonian Transport Fuels Association, the Estonian Gas Association, the Estonian Hydrogen Association, the Estonian Employers Confederation and the organisation Rohetiiger	Lead role in promoting sustainability



A - impact from Alexela's operations; VA - impact from business relationships in the value chain

## Double materiality process

The results of the double materiality assessment reflect our need to pursue a sustainability strategy that aims to increase the share of renewable energy by balancing the impact of fossil fuels in business, households, and transport. This strategy will help us to develop our corporate culture and innovation.

The double materiality assessment is also reflected in our Code of Conduct, which we expect our partners to follow, in addition to Alexela employees. The Code of Conduct reflects Alexela's values, which guide us towards ethical business conduct and respect for the environment and people. All employees are required to undergo Code of Conduct training in order to create a responsible and ethical internal culture.

## Activities

We have a long-standing commitment to the community and to the green transition.

Our activities include:

- Developing less polluting refuelling solutions, such as biomethane refuelling and e-mobility.
- Biomethane production based on the local circular economy.
- Developing solar and wind parks.
- Developing renewable energy storage capacity, such as the Zero Terrain pumped-storage hydropower in Paldiski.
- Green electricity package Green Spark.

- Involving clients through community programmes such as tree planting.
- Promoting biodiversity, such as the Insect Drive-In project, which was rolled out across the entire network of service stations.
- Rewarding reusability in retail, such as cheaper hot drinks with reusable cups and Alexela water packaged in recycled plastic bottles.

## Summary

Our activities are aimed at developing more environmentally friendly solutions and ensuring sustainability by investing in nature and local communities.

Focus topics	Affected SDG	2020	2021	2022	2023	2024
<b>1. Developing environmentally friendly refuelling solutions</b>	Jobs and Growth Industry, Innovation and Infrastructure Sustainable Energy Sustainable Cities and Towns Sustainable Production and Consumption Climate Change Action					
Development of CNG and LNG filling stations, which will allow us to offer 100 percent renewable biomethane to the market. We install fast- and ultra-fast chargers in key locations. We offer a full electrical charging service for private and commercial customers	Total CNG/LCNG stations	6	7	11	11	11
	Biomethane sold at refuelling stations (GWh)	69	85	65	63	42
	Charging points	15	21	53 (77 with a charging nozzle to be used at the same time)	222	326
	Alexela electric chargers charged electricity (GWh)	0,02	0,04	0,11	1,86	2,90

Focus topics	Affected SDG	2020	2021	2022	2023	2024
<b>2. Developing the circular economy</b>	Jobs and Growth Industry, Innovation and Infrastructure Sustainable Energy Sustainable Cities and Towns Sustainable Production and Consumption Climate Change Action					
Alexela's affiliate Eesti Biogaas produces biomethane mainly from agricultural waste, making a major contribution to the development of Estonia's circular economy and job creation in rural areas	Biomethane production units (pcs)	1	3	3	3	3
	Biomethane produced (GWh)	28	82	94,6	107,1	126,1
We reward the use of our cups when selling hot beverages, reducing the use of disposable cups and waste.	Hot beverages sold with own can as % of all hot beverages sold (%)	2	4,2	6	10	14
<b>3. Contributing to energy security</b>	Jobs and Growth Industry, Innovation and Infrastructure Sustainable Energy Sustainable Cities and Towns Sustainable Production and Consumption Climate Change Action					
Alexela's affiliated company is building a pumped-hydro plant in Paldiski, which solve the challenge of storing renewable energy. The construction of this natural battery will account for about seven per cent of Estonia's total infrastructure construction over eight years, creating about 1.5 million jobs in the region. 700 direct and indirect jobs and €200 million in tax revenue for the state. The operation of the station will reduce CO <sub>2</sub> emissions by 8.5 million tonnes	Energy status	Geologic al surveys	Publicta- tion	Building permit	Project, invest- ment co-inmine	Engineer- ing, design, negotia ting with construction partners and techno- logical suppliers.
We are developing a peak-load power plant to compensate for the unreliability of renewable energy generation and to build climate-neutral, managed generation capacity to replace oil-fired power plants after their closure	Power plant status			A business plan of the size- mine	Analysis of the imple- ment ation, techno- logical solution Choice	The best technology for the peakload power plant has been selected, we are waiting for the market design situation to be clarified (Elering procure- ment)
Alexela's subsidiary Alexela rePower builds solar parks for Alexela's own use. In addition, the company offers sustainable energy solutions as a service, providing corporate customers with complete solutions to make their energy planning as affordable, lowimpact and worry-free as possible.	Number of solar parks (pcs)*	0	2	4	7	7
	Solar farm capacity (kW)	0	122	1473	4416	4416
	Solar farm production (kWh)	0	104	1 324 035	1 460 050	3 606 206

Focus topics	Affected SDG	2020	2021	2022	2023	2024
<b>4. Supporting communities</b>	Sustainable cities and human settlements Sustainable production and consumption Climate change action Earth's ecosystems					
We believe that Estonian people and communities have the power to change the world. The most successful way to change the world is for a large number of people to do the right thing, even in small ways. That's why June 2020, we launched the Alexela Community Program, whose core project - the tree planting program - aims to plant one tree for every Estonian resident with the help of our customers. A tree with a trunk volume of one tm neutralises 917 kg of carbon dioxide in its lifetime - the amount of CO <sub>2</sub> emitted by an average car travelling around 7900 km	Trees planted under the Community Programme (pcs)	108 820	293 238	714 415	1 160 785	1 353 626
	Volume of CO <sub>2</sub> reduced under the Community programme** (t)	65 292	175 943	430 006	696 471	812 176
	Members of the Community Programme	6411	18 589	42 700	55 125	61 359
<b>5. Support for culture, sport and charity</b>	Health and well-being					
We understand that as a large company, we play an important role in the Estonian economy and in the lives of local. That's why we support a number of local initiatives in the fields of education, culture, sport and charity. Alexela has been awarded the title of Cultural Friend of the Year by the Ministry of Culture.	Support projects (pcs)	17	23	26	26	25
	Support projects (€)	175 180	300 142	276 266	415 117	409 292
	Sports projects (pcs)	10	13	16	13	10
	Sports projects (€)	82 189	167 286	168 165	243 597	197 215
	Charity projects (pcs)	5	5	4	6	6
	Charity projects (€)	12 991	29 811	9 440	11 956	5 585
	Cultural projects (pcs)	2	4	4	5	5
	Cultural projects (€)	80 000	100 046	87 461	148 564	192 492
	Education projects (pcs)	0	1	2	2	4
	Education projects (€)	0	3 000	11 200	11 000	14 000
<b>6. Developing and supporting your staff</b>						
Staff satisfaction	Referrer rate (%)			92	not measured	eNPS 21 (change of methodology)
Staff development	Trainees (%)			48	63	65
Volatility	(%)			34	32	54***
Health and safety at work	Number of incidents (pcs)			7	3	3

\* Parks on the Alexela territory

\*\* Over the lifetime of planted trees

\*\*\* Staff turnover of 3.2%; turnover was high in Tallinn and Harju County, reaching 96%, which increased Alexela's overall turnover. In terms of stores, Roseni, Jüri, Põrguvälja and Raudalu were the ones with high turnover. In some of these stores, the team turnover exceeded 100 percent. The high turnover of service staff in this area is due the fact that it is a 'springboard' position for young people.

# Environment

## Achieving environmental objectives through innovation

Alexela is constantly changing its business and development practices to reduce its impact on the environment and apply circular economy principles. Our goals are in line with the Paris Climate Agreement and the Green Deal. We focus on reducing our CO<sub>2</sub> footprint and give preference to suppliers whose environmental policies are compatible with our own. All Alexela employees must respect these principles.

Alexela's target is to achieve CO<sub>2</sub> neutrality by 2030 (Impact Areas 1 and 2).

We measure our CO<sub>2</sub> footprint from 2020 and have corrected the results from last years. In 2022, we verified our baseline year, which helped to refine later measurements. Under the GHG Protocol Standard, calculations for Impact Areas 1 and 2 are mandatory for organisations, while Impact Area 3 is optional. Companies can therefore start by mapping the most immediate impacts. For Impact Area 3, a tiered approach is used, including different relevant impact categories according to data availability and capabilities. Work and activities are ongoing in this area.



## Greenhouse gas footprint of AS Alexela and AS Alexela Motors

Impact Area 1: direct emissions from sources owned or controlled by the company. Impact Area 2: indirect emissions from purchased energy.

Source of GHG emissions		GHG emissions (t CO <sub>2</sub> eq.)				
		2020	2021	2022	2023	2024
<b>Impact Area 1</b>		986	1186	1505	2 044	1 428
	Transport of fuels	845	1001	1285	1663	1220
	Business trips in a company vehicle	43	63	148	375	202
	Thermal energy (gas)	97	122	72	6	5
<b>Impact Area 2</b>		4 037	680	0	0	0
	Electricity	4 037	680	0	0	0
<b>Total</b>	<b>Impact Areas 1-2</b>	<b>5 023</b>	<b>1866</b>	<b>1505</b>	<b>2 044</b>	<b>1 428</b>

Impact Area 3: Indirect emissions resulting from upstream (inward) and downstream (outward) activities in the value chain of the company.

<b>Impact Area 3</b>		522	1251	846	822	825
	Business trips in an employee vehicle	36	53	112	118	95
	Biodegradable waste	0	0	0	1	1
	Waste	135	840	220	180	184
	Black metal	0	0	0	0	0
	Paper/cardboard	0	0	0	0	0
	Recycled material (packaging)	0	0	1	1	2
	Water consumed		6	7	7	9
	Commuting	352	352	504	516	535
<b>Total</b>	<b>Impact Area 3</b>	<b>522</b>	<b>1251</b>	<b>846</b>	<b>822</b>	<b>825</b>

<b>Total</b>	<b>Impact Areas 1-3</b>	<b>5 546</b>	<b>3 116</b>	<b>2 351</b>	<b>2 867</b>	<b>2 253</b>
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The CO<sub>2</sub> footprint of AS Alexela and AS Alexela Motors (Impact Areas 1-2) was in 2024 1428 tonnes of CO<sub>2</sub> equivalent (2 044.3 tonnes in 2023), representing a 30% reduction in emissions compared to 2023 and a 72% reduction in emissions compared to the base year. The reduc-

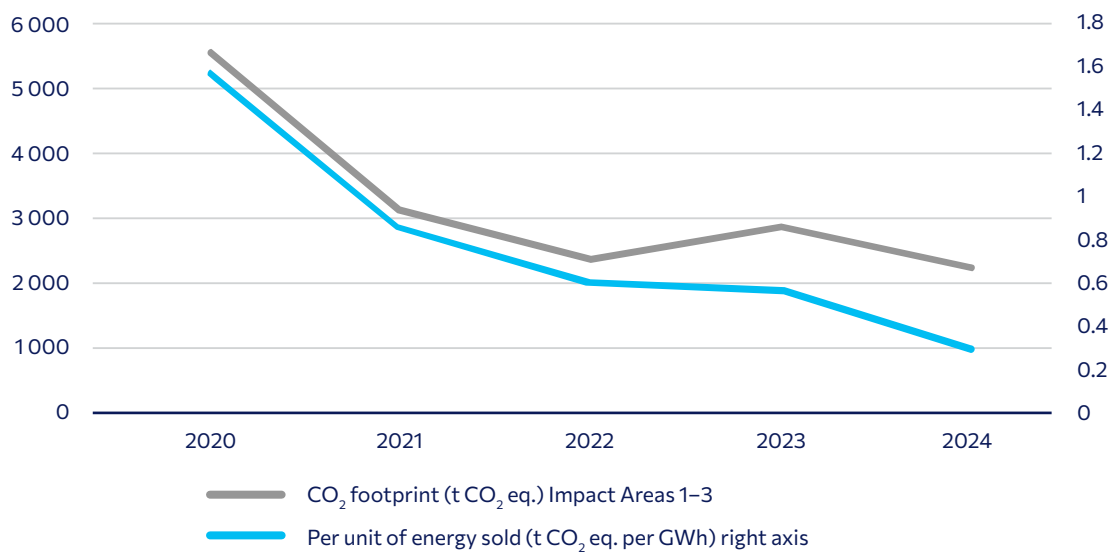
tion in emissions in 2024 was due to the replacement of vehicles in the fleet by less-polluting.

Passenger cars were replaced by CNG and electric power vehicles, lorries were replaced by CNG and LNG powered vehicles.

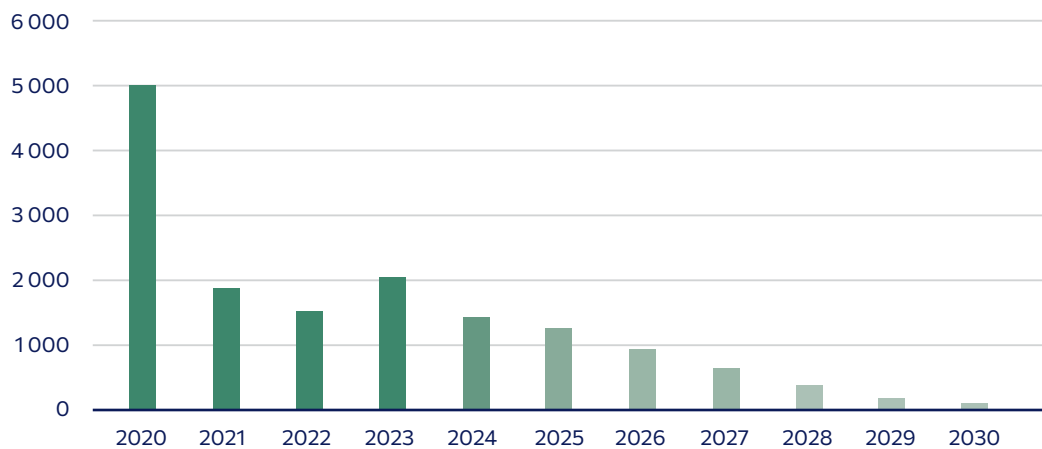
The volume of emissions upstream and downstream of the company's value chain did not change significantly in 2024, remaining at 825 tonnes CO<sub>2</sub> equivalent (822 tonnes in 2023). In 2024 we continued to improve the separated collection of waste of separate collection of waste, which despite the company's expansion, has helped to keep the volume of waste emissions under control.

In 2024, the CO<sub>2</sub> footprint of AS Alexela and AS Alexela Motors fell, achieved by making the company's vehicle fleet less polluting and by continuously improving the separate collection of waste. The long-term trend shows that Alexela's CO<sub>2</sub> intensity per unit of energy sold is declining, as illustrated in the graph below.

### CO<sub>2</sub> FOOTPRINT AND CO<sub>2</sub> INTENSITY



### AS ALEXELA AND AS ALEXELA MOTORS CO<sub>2</sub> TRAIL AND MITIGATION PLAN, IMPACT AREAS 1-2



Graph: Alexela has set itself a target to be CO<sub>2</sub> neutral by 2030 in Impact Areas 1 and 2. The main CO<sub>2</sub> footprint-reducing activities so far have been the transition to 100 percent renewable electricity and the gradual transition of its vehicle fleet to less polluting solutions.

## Transition plan for climate change mitigation

Alexela's main environmental impact comes from our energy portfolio. Environmental policies are part of our strategy to mitigate climate change. We monitor and measure the achievement of our environmental targets and publish the results in our annual report.

Our action is focused on reducing emissions, with a target to achieve CO<sub>2</sub>-neutrality 2030 (Impact Areas 1-2).

To do this we:

- We produce and buy green energy, providing it to our customers, to reduce the use of fossil fuels.
- We are building renewable energy production units, such as solar parks and, in the future, wind parks, and energy storage.
- We will develop car charging points to make the transport sector less polluting.
- We are bringing biomethane and hydrogen to the market, offering them in our own service stations and as automotive fuel.



# Impact of the Regulatory Environment

## Overview of the regulatory environment

Alexela has continuously invested, knowing that only by following the basic principles of democracy and fair competition can we make people's lives better. The year 2024 has shown that regulatory risks have increased. The regulatory environment is characterised by uncertainty, the impact of which on long-term investments will be felt for years to come. Investing wisely will help us to meet the regulatory challenges and to support the Estonian society. While the implementation of regulatory changes has temporarily eased revenue expectations, we will continue to contribute to Estonia's development.

The main source of uncertainty is Russia's war of aggression in Ukraine, as a result of which the European Union has made a major change to its energy policy. The fact that the EU has been slow to grasp the new geopolitical realities has added to the complexity, especially to the implementation of the 2019 Green Deal. Certain changes have not yet entered into force in Estonia.

In 2024, 15 sets of sanctions came into force, restricting access to the EU market for energy supplies from Russia and its allies. Alexela supports all sanctions that block market access for Russian energy products and has adapted its operations to democratic alternatives. We also accept our responsibility to ensure energy security independent of aggressor countries. However, there are practices in Estonia that avoid sanctions and create unfair competition. Such practices are harmful to us.

We have identified that certain market players used Russian origin LNG to avoid sanctions, creating unfair competition. We have also detected a situation where methane excise duty exemptions have been claimed twice, leading to illegal benefits. Such problems need to be addressed to ensure fair competition in the market

## Deferral of frequency reserve fees

In 2024, Alexela, together with partners and public authorities, managed to defer the implementation of the frequency reserve fee into 2025. We believe that such a fee obligation should only be implemented after harmonisation of the network charges in the Baltic States. Regulatory risks are still relevant and require cooperation between public authorities and the private sector. Our aim is to further cooperation to ensure long-term stability and to support the wellbeing of the Estonian people and energy consumers.

## Regulatory risk management

Moving forward on regulatory risk management will be a collaborative process, where we will also address the following key issues: the Climate Resilient Economy Act, bringing biomethane to the market, CO<sub>2</sub> excise issues and the damaging of Estlink 2. We will continue to work on these issues, as mutual understanding and leadership are only possible through trusted collaboration between the public and private sectors.

# Our People

Alexela employs more than 500 professionals who contribute to making the world a better place every day. Our employees interact with Estonians, both in service station café-shops, offering breaks and a choice of food, and in electronic channels, where we provide round-the-clock customer service. Whether it is advice on finding the best electricity package or quick help with a variety of problems, we're always there.

We value our people in every job position. Our value lies in our long-term employees, who share valuable experience and contribute to the continuity of the company, as well as in our newcomers, who bring new ideas and knowledge. Recruitment and management are based on the values developed in 2019, which support value-based management.

## Value-based management and culture

Each and every one of our employees shares and carries forward our core values: 'I am a strength - and my work is valuable', 'We have power - and we support each other', 'We change the world - by making life in Estonia better'. These values are not just words - they are integral to our daily work. We believe that creating a value-based culture requires the engagement of all employees at every level, which is why our employees were involved in the process of developing the values from the start. It is only by working together that we can create a company where values truly live and thrive.

## EMPLOYEES OF AS ALEXELA AND ITS SUBSIDIARIES

Year	31.12.2023	31.12.2024
<b>Number of employees</b>	<b>524</b>	<b>538</b>
Board members	10	10
Executives and specialists	189	210
Customer service and staff	325	318
<b>Council and Governing Board</b>	<b>28</b>	<b>28</b>
Women	0	0
Men	14	14
30-49 y/o	11	10
Over 50 y/o	3	4

Year	2023	2024
<b>New staff*</b>		
Women	118	136
Men	47	45
Under 30 y/o	62	84
30-49 y/o	72	67
Over 50 y/o	31	30

Year	2023	2024
<b>Employee turnover*</b>		
Women	237	212
Men	96	91
Under 30 y/o	217	175
30-49 y/o	63	86
Over 50 y/o	53	42

\* Includes seasonal workers

## Employee well-being and development

At Alexela, we measure employee satisfaction regularly through surveys and use feedback to improve the working environment. Each year, we select three key development opportunities to create an even more supportive and motivating environment.

Our employees' daily work is based on values and the Code of Conduct. The Code defines the basic ideas of health, safety, equal treatment and respect for human rights. We believe that the safety and wellbeing of our employees is paramount. We therefore comply with all legal requirements and expect our partners to do the same to ensure a safe and healthy working environment.

The well-being and development of our employees is our priority, as we believe that the success of the company is determined by how well our people feel there. Alexela does not tolerate bullying, violence or harassment. We recruit on the basis of equality; we judge people on their professional merits.

Our values guide our everyday work. All employees are involved in defining our values, which are constantly evolving. We provide annual development opportunities through interviews and training, including 360 degree assessments for executives to focus on development needs. We also value self-development and provide opportunities for our staff to undertake vocational and professional training.

The health and well-being of our employees are important to us. So we offer sports support, medical insurance and benefits, and activities such as tennis tournaments that bring together team spirit and sporting values. We also offer competitive salaries, which are regularly benchmarked against the labour market and are always above average.

Valuing our employees is important because they are the ones who create the company's reputation and culture. In addition to everyday cooperation, we organise joint events such as Alexela Energy Day and Power Day to strengthen teamwork and a unified work culture.



# Our Community

## Social responsibility and support for communities

Alexela is aware of its impact on local communities and considers social responsibility an integral part of its operations. This is why we are committed to supporting sport, culture, charity, and education to contribute to the development of society and a sustainable future.

In the autumn of 2024, we updated our sponsorship policy, introducing a criterion that all sponsorship projects from 2025 onwards must reduce the barrier between the client and the company. Successful sponsorship is a two-way street, where we support those in need and vice versa to strengthen community development.

In 2024, Alexela was awarded the Ministry of Culture's Friend of Culture of the Year title and received the Friend of Music of the Year award. We received these recognitions for supporting cultural events that promote Estonian culture.

Culture is the foundation of society and its sustainable development needs strong partners. Alexela supports culture not only as a sponsor, but as a long-term partner to help organise meaningful and value-creating events. Culture brings different generations together and

strengthens community cohesion, while playing an important role in the creative economy and national awareness.

The projects we support:

- Alexela Concert Hall
- Dark Nights Film Festival
- Lottemaa Theme Park
- Estonian National Opera Estonia
- Beach Grind Festival
- Kuressaare Maritime Days

Community sport promotes healthy lifestyles, strengthens social cohesion, and helps to create a healthier society.

As a pilot project, initiated a basketball community that already has 675 members. This demonstrates how working together is a two-way street - members of the basketball community have consciously chosen Alexela's products and services, valuing our contribution to their field.

The projects we support:

- Estonian Basketball Association
- Le Glaive Sports Club, Katrina Lehis
- Muhu Väina Regatta
- Basketball team TalTech/Alexela
- Tallinn International Horse Show
- Estonian Biathlon Union
- Estonian Ski Federation
- Training Partner Pühajärve Chess Club
- Estonian Trialton
- Lasnamäe Sports Centre

Investing in education creates the conditions for new ideas, technologies, and innovation. Education equips young people with the skills and knowledge they need to contribute to their personal and social development. By supporting education, we create a more supportive and informed society that can successfully adapt to the challenges of a changing world.

The projects we support:

- Enerhack Foundation's winter camps for girls and summer camps for children
- Tallinn University of Technology, Department of Electroenergetics and Mechatronics, project "Tudengid tundi" (Students as lecturers)
- Cyber Battle of Estonia

Charity is essential to provide support to the vulnerable members of society and to those who need help in difficult situations. Through charitable initiatives, we help to improve the quality of life, reduce inequalities, and provide hope and opportunity to those who need it most.

The projects we support:

- SA Maarja Village
- SA Estonian-Dutch Charity Foundation Food Bank
- Tartu University Hospital Children's Fund
- Estonian Red Cross
- SA Kadunud
- Agrenska Fond, Tammistu Family House



# Governance

## Alexela's management culture is value-based

Alexela's business activities are guided by values, a Code of Conduct, focus, topics, strategic objectives, and national laws and regulations.

Alexela's governance principles:

- Alexela does not tolerate any form of corruption or bribery. We will never ask for, offer, or accept bribes.
- By bribery, we mean offering or accepting something of value in exchange for an action that may involve extortion and profiteering.
- By corruption we mean dishonest or illegal behaviour such as embezzlement, abuse of power, fraud, nepotism, collusion.
- We do not engage in or facilitate tax evasion, money laundering.
- Decisions at Alexela must be made in the best interests of the company and avoid conflicts of interest.
- Alexela complies with competition law and antitrust rules and does not enter into discussions or agreements that involve price fixing, market sharing, bid rigging, or other unfair trading practices.
- Alexela ensures the security and privacy of the data of its customers, employees, and business partners.

At least once a year, we publish a public report on our ESG objectives, progress, and key findings.

Alexela's ESG strategy is the responsibility of the company's Board of Directors and the Head of Sustainability. Thus, the management plays an important role in integrating sustainability into the business processes, but all employees also play an important role, as they are responsible for quality, safety, and the environment in their area of responsibility.

Employee training starts at the very beginning with a New Employees Day, which introduces, among other things, the company's values, Code of Conduct and strategic focus topics, so that everyone can work well and safely. Staff training will continue throughout their employment, in addition to sector-specific training, with ongoing general training such as cyber security, data protection, mental health, etc. training.

In order to promote an open organisational culture and internal communication, information is shared on an ongoing basis via the intranet, and regular information sessions for all employees are held and monitored via Microsoft Teams. On the intranet, all employees can easily give feedback on ongoing processes, praise colleagues and, if necessary, criticise if something needs to be done better.

## Applying governance principles

Alexela adheres to ethical, fair, and transparent governance principles in all its activities, as set out in our Code of Conduct. The Code of Conduct is a compass in our daily work and decisions, ensuring that these principles are followed by all employees and partners.

Our Code of Conduct reflects our values, which help to promote a respectful, sustainable, and responsible corporate culture. By adhering to it, we ensure ethical behaviour towards nature and people. We are also committed to complying with the law, by complying with all necessary regulations in order to

ensure a safe and healthy working environment where human rights are always held in high regard. For example, we ensure a healthy and safe working environment for our employees and partners by complying with occupational health and safety laws.

Alexela does not tolerate corruption or unfair competition. We do not accept bribery or unfair business practices, such as abuse of official position or conflicts of interest arising from family or business ties. All major transactions are approved by the Management Board to avoid potential problems. For example, we make sure that we do not have situations where the dissemination of inside information is used to advance personal interests.

## Management Board

In 2024, Alexela AS was managed by a three-member Management Board with the following composition:



**Marti Hääl**  
Chairman of the Board



**Aivo Adamson**  
Member of the Board



**Karmo Piikmann**  
Member of the Board

## Advisory Board

The Advisory Board of AS Alexela in 2024 consisted of four members as follows:



**Hans Pajoma**  
Chairman of the Council



**Mikhail Kazarin**  
Member of the Board

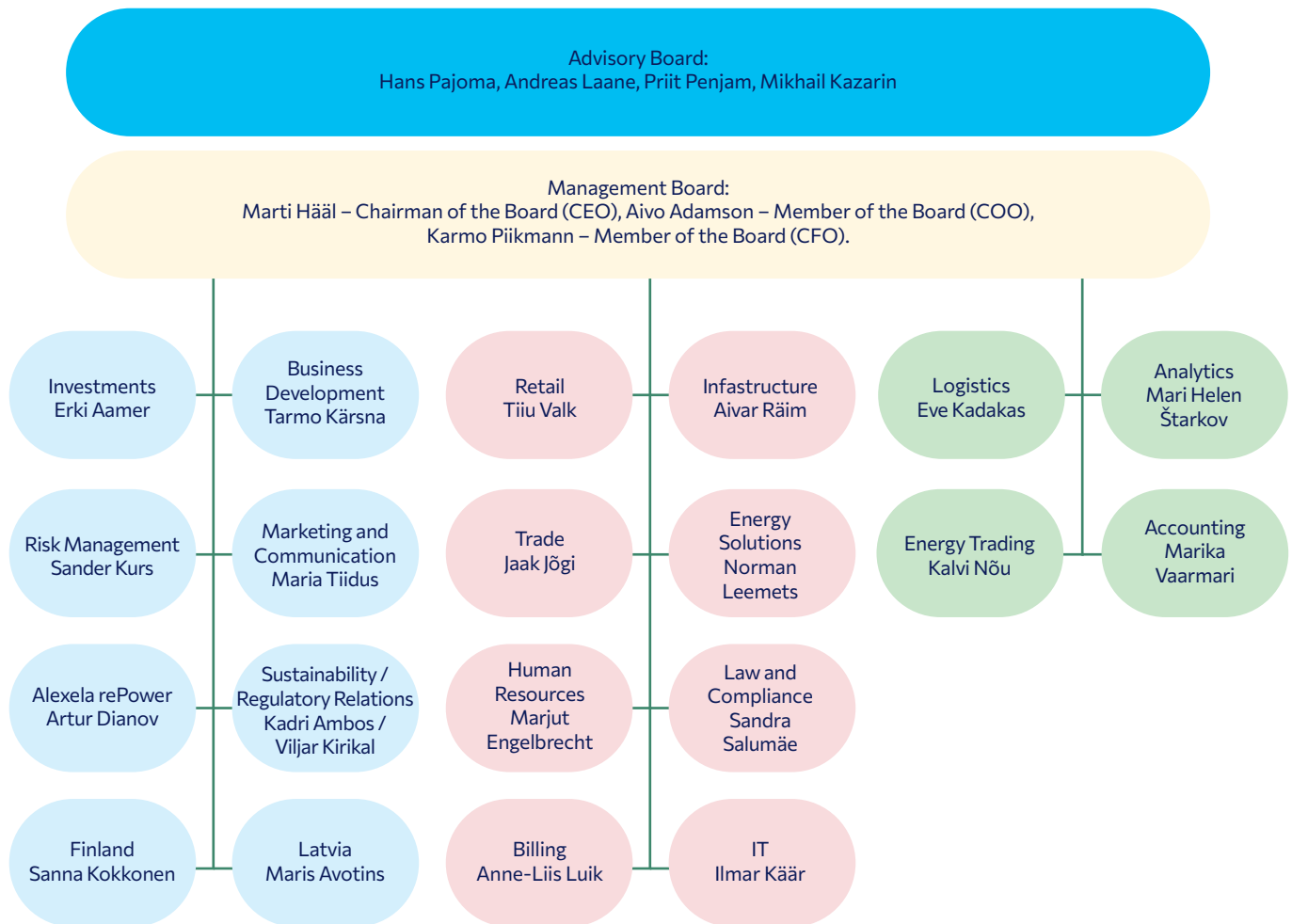


**Andreas Laane**  
Member of the Board



**Priit Penjam**  
Member of the Board

## Structure



## AS Alexela in 2024

- There were no cases of corruption and no legal complaints against the company. No employees were dismissed for corruption-related reasons and no contracts with our partners were suspended or terminated.
- Our operations complied with all applicable regulations, including social, economic and environmental requirements.
- No fines or othersanctions were imposed on the company.
- There were no breaches or non-compliance with environmental obligations.
- Nor has Alexela supported political activities either financially or in kind.



## ECONOMIC RESULTS

Liquid Fuels .....	35
Gaseous Fuels .....	36
Electricity .....	37
E-mobility.....	38
Trade and Retail .....	39
Alexela Täkupoiss .....	40
Digitalisation .....	41
Smart Electricity.....	42
AS Alexela Motors .....	43
Alexela rePower OÜ .....	44
Rohe Solutions Oy .....	45
SIA Alexela.....	45
Hamina LNG Terminal .....	46
OÜ Eesti Biogaas .....	47
OÜ Zero Terrain.....	48
Investment .....	49

# Liquid Fuels

## The liquid fuels market 2024: challenges and adaptation

The year 2024 continued to bring major challenges to the liquid fuels market, confirming the need to be prepared for the unexpected and able to react quickly to events affecting the market.

The liquid fuels market remained largely affected by external factors. Russia's war of aggression against Ukraine and the political decisions taken by neighbouring countries, major powers and OPEC+ member states had the greatest impact. Overall, the European market has now adapted to the new supply chains.

Production cuts in OPEC+ countries and nonOPEC countries increasing their production volumes had the biggest impact on the world market. The impact of the US presidential election put downward pressure on fuel prices. Overall, world fuel prices fell in 2024.

One of the most influential decisions came from Sweden, which lowered the bioobligation requirement, leading to an increase in the supply of HVO and a de-

crease in the price of HVO. However, this had a rather short-term effect.

Alexela continues to buy liquid fuels from its European suppliers. Prior to the imposition of sanctions, we mainly supplied diesel and petrol from the Orlen refinery in Mažeikiai, Lithuania.

Domestically, the decline in consumer confidence was seen in the form of a small fall in consumption. Similarly, the retail market for liquid fuels grew by 1.6 percent, while the wholesale market fell by 1.1 percent. The Estonian fuel market is closely linked to world market prices, which also had an impact on petrol stations, reducing consumption growth.

Market uncertainty and minimal growth fuelled competition in the local market. Market players focused on short-term offers to attract customers. Alexela concentrated on providing its customers with innovative energy solutions that combined fuel and electricity offers. Through hybrid offers and cross-selling, we were able to increase the share of customers using energy solutions to 27 percent.

# Gaseous Fuels

## Gas market developments

Record gas prices in 2022 continued to affect 2024, with different business customers making conservative choices as they considered switching fleets to more environmentally friendly fuels. The decision by car manufacturers to stop production of CNG vehicles in 2024 will have an impact on CNG consumption in the private customer segment in the following years.

LNG market volumes continued to grow in 2024, as this fuel offers low equipment investment costs and is the cheapest in terms of cost per kilometre. Compared to 2023, LNG volumes grew by seven per cent.

The use of natural gas and LPG in industry and as heating source continues. Alexela provides its customers with hybrid solutions that are dependent on movements in world market prices for natural gas and LPG. In 2024, investments in LPG equipment continued, mainly aimed at replacing fuel oil systems.

Although natural gas sales volumes in Estonia increased by 8.8% in 2024 compared to 2023, they have not yet reached pre-war levels. LPG has partially replaced natural gas. LPG market volumes also fell in 2024 due to dry weather during the harvesting season, reducing LPG demand in the agricultural sector.

in the future, the market for gaseous fuels will be affected by excise duties and taxes. For example, biomethane, used as CNG, remains the most environmentally friendly transport fuel. Increasing excise duties on diesel in the coming years and the CO<sub>2</sub> tax on transport fuels in 2027 will increase the competitiveness of biomethane.

On 20 December, the European Union imposed sanctions on Russian propane. Alexela had already begun to establish alternative supply chains and the first fully European-produced LPG vessel arrived in November. The opening of new supply chains is an integral part of ensuring security of supply for customers.

# Electricity

## Alexela's electricity market share continues to grow

Estonia's electricity market in 2024 started off on a rocky note, as cold January weather led to extremely high electricity prices. In addition, Estlink 2, the largest electricity link with Finland, unexpectedly broke in the early morning of 26 January. This event affected electricity consumers in Estonia for another eight months and led to higher electricity prices.

The energy crisis-era distrust of exchange packages persisted in 2024, as customers put most trust in fixed-price packages. For example, Alexela's Pingevaba package, which offers a one-month fixed price, remained popular. Despite the challenging market conditions, Alexela was able to offer a competitive price and maintain

its market share as the clear second largest electricity seller in Estonia. In 2024, Alexela's market share in electricity sales increased to 19.7%.

As an energy company with a diverse product portfolio, Alexela offers a range of permanent and fixed-term discounts, providing more value to customers who consume several services at the same time. Starting in autumn, Alexela's electricity customers received a discount of -15 cents per litre on fuel at petrol stations.

Alexela has entered into a number of longterm power purchase agreements with renewable energy producers to bring renewable electricity to the market, which can be offered to customers at fixed prices.



# E-mobility

## Expansion of e-mobility solutions and services

In the e-mobility sector, 2024 saw significant developments in terms of both public charging infrastructure and the products and services available to customers. Years of experience and action have enabled us to further shape developments and offer our customers the best value by providing charging services at home, en-route and at destination.

In the area of private charging services, we partnered with domestic charger manufacturer VOOL to offer easier and better designed chargers. Customers can benefit from smart charging, where the charger schedules its activity according to the electricity price. In addition, we created a guide for apartment cooperatives on how to build and use charging infrastructure and expanded our cooperation with real estate developers.

The number of Alexela public charging points increased by 1.5 times in 2024 compared to 2023, reaching over 300 outlets in almost 200 different locations across Estonia.

We continued to replace the Elmo network chargers at Alexela service stations with new fast chargers. In addition, we installed charging points en-route and at destinations, such as hotels, spas, sports centres, shopping malls and other leisure facilities. We also set up charging points in densely populated residential areas where it is difficult to create private charging points - public charging points for all residents in the area, which can be quickly and conveniently added as needed.

We paid more attention to service development and quality improvement. In 2024, we introduced a dynamic pricing model for public chargers, which allows for more flexible charging, taking into account the specificities of the charging point and the consumption habits of users.



# Trade and Retail

## Development of the service stations and retail the My Alexela programme

The role of retail in service stations has grown year on year, providing customers with convenient service and excellent customer care, following sustainable principles. By the end of 2024, Alexela's retail network had 43 café-stores, offering a range of tasty snacks and convenience goods in addition to refuelling and charging.

The increase in the number of electric cars will lead to a greater demand for a larger number of service stations offering additional services. We started developing a new interior design for café-stores to offer better service and maintain customer loyalty. The business process in the café-stores is in constant evolution to meet customer needs and to achieve our business objectives.

We are constantly investing in product development and service skills to grow our customer base and build loyalty. The fast food category grew rapidly in 2024 and we will continue to differentiate our concepts in 2025.

Caring for the environment is important to us. We will continue to promote reusable coffee cups, whose share in the hot beverage category increased to 14%, a four percentage point increase compared to 2023. We will also focus on improving the quality of coffee, using Arabica coffee beans roasted specifically for Alexela.

At the end of 2022, we launched the My Alexela customer programme, where in addition to discounts on fuels, electricity, and goods, customers can earn digital badges with a cash value. These can be used to pay for services such as electricity and gas.

My Alexela offers convenience, benefits, and new opportunities for loyal customers. It combines everyday energy products - such as electricity, natural gas, vehicle fuels - with products in café-shops. Customers can enjoy discounts, trailer rental, and much more. Alexela is the only company in Estonia to offer such a wide range of energy services.



# Alexela Tākupoiss

## Development of the Alexela Tākupoiss energy station concept continued

In 2024, we continued to develop Alexela Tākupoiss new energy station concept, which includes a café-shop, a 100 seat top chef quality roadside restaurant, a variety of refuelling options, and additional services such as gas lockers, trailer rental, a canning point and a water point for caravans. In addition, we offer washing facilities for long-distance drivers, souvenir shops for tourists with products from local small businesses, and special offers for guides, bus drivers, and event organisers.

The focus was on raising awareness of the Tākupoiss roadside restaurant, which offers top chef quality food, fast and friendly service, local ingredients and avoidance of semifinished products. All designed to address the needs and energise the motorist.

In 2024, we will focus on growing our loyal customer base by organising events and special offers in the restaurant. My Alexela customers accounted for 62% of restaurant purchases.

A bigger challenge was the construction of the Via Baltica Sauga roundabout, which closed the entrance to Tākupoiss from July to the fourth week of September. In order to maintain the flow of guests, we responded with a promotional campaign where all food in the restaurant was 50% off. This allowed us to showcase the quality of the Tākupoiss restaurant and grow our loyal customer base.

In collaboration with renowned pastry chef Olga Kaju, we created a menu of pastry products inspired by Estonian berries, focusing on quality and innovation.

We invested in the development of our service staff, which resulted in a very high rating from guests for the service: an NPS of 71 in 2024 and an average Google Review score of 4.7.

In the community, we participated in the following events and partnerships:

- Lottemaa Theme park
- Beach Grind Festival
- Opening of the moto season
- Pärnu Restaurant Week
- Pernoova Father's Day



# Digitalisation

## Technology and digitalisation

In 2024, AS Alexela invested more than two million euros in technology and digitalisation to deliver innovative solutions that simplify customers' daily lives and make internal processes more efficient. Our goal is for technology to be a strategic advantage that helps to deliver better service, increase efficiency, and respond quickly to changing market demands.

Technological investments were also made in a number of important projects. We contributed to the development of mobility by developing new technological solutions. We launched an updated and user-friendly Alexela app, which allows customers to manage their energy bills, contracts, payments, and services more conveniently. The number of daily users of this app has doubled compared to last year. 220 Energia customers were also migrated to the Alexela platform, providing a smoother and more integrated customer experience.

The role of artificial intelligence in improving the customer experience and optimising internal processes has increased. We have invested in and introduced a range of AI-based tools to help automate

routine tasks and refine data-driven decisions. We are also expanding the use of AI in customer service to provide a faster and more personalised service.

We also launched the Alexela Smart Electricity solution, which enables customers to manage their electricity generation and consumption in a smart way. This system helps to optimise energy costs and contribute to a more sustainable use of energy by giving customers greater control over their energy use.

We also launched a programme to upgrade our core information systems to bring our technological capabilities to a new level. This will ensure more flexible service delivery and streamline internal business processes. Digitalisation will create the basis for further innovation, keeping Alexela competitive in a rapidly evolving energy economy.

We will continue to develop technology to be at the forefront of innovation, creating long-term value, saving time, and helping to shape a more sustainable future with our customers.



# Smart Electricity

## Smart Electricity - an innovative service for small producers and storage

In March 2024, we launched a new platform, Smart Electricity, designed for small electricity producers and storage. The service will help manage electricity generation and storage, maximising benefits and helping to reduce electricity bills.

Smart Electricity is a virtual power plant that predicts the next day's consumption based on individual history and monitors Nord Pool's exchange price. The service automatically performs beneficial transactions by managing electricity generation based on customer consumption, generation forecast, electricity price, and network charges to buy electricity at a lower price and sell it at a higher price.

The development of the service continued throughout the year. In March the service was launched for private customers, in April it was extended to business customers, and from May the service was also available to owners of solar panels who do not have an energy storage solution. Support for Deye inverters was added in June and for Pixii storage devices in August.

By the end of the year, a triple-digit number of customers had joined Smart Electricity. The service currently supports Huawei, Deye, and Pixii devices, but in 2025 we plan to extend compatibility to devices from other inverter manufacturers. The team will continue to evolve the service to offer even more customers a convenient and smart energy solution.



# AS Alexela Motors

## Supporting Alexela's core business

AS Alexela Motors, a subsidiary of AS Alexela, provides logistics and transport services for liquid fuels, including LPG, LNG, and cylinder gas. Its contract partners are Rohe Solutions Oy, to which we provide LNG transport services in Finland, and OÜ Oisu Biogaas, to which we provide CNG logistics and transport services in Estonia.

The fleet of AS Alexela Motors includes 27 vehicles, with an increasing number of alternative fuel vehicles. In 2024, eight new vehicles were acquired, including three Scania semi-trailers running on biometane/CNG and a new Volvo semitrailer running on diesel and LNG/bio-LNG.

The main transport routes are related to the servicing of Estonian domestic service stations and the delivery of products, as well as LPG and LNG supplies from Finland and Latvia. In the cylinder gas service, the focus was on servicing Alexela's smart lockers, for which two Renault Master vans with special solutions were acquired.

In the year 2024, AS Alexela Motors' trucks covered 2.35 million kilometres, which is 300 thousand kilometres more than in the previous year. The volume of liquid fuels transported increased from 209,6 million litres to 214,7 million litres. Alexela Motors employs a total of 46 people, the majority of whom are drivers.



# Alexela rePower OÜ

## OÜ Alexela rePower- sustainable energy and innovation solutions

OÜ Alexela rePower, formerly OÜ Alexela Solar, is a subsidiary of AS Alexela, which brings together all future technologies development projects under one roof. Restructured in 2024, the company's mission is to simplify the management of developments and support their further growth.

Key activities and projects:

- Biomethane and hydrogen refuelling development
- Developing e-mobility
- Biomethane production in a circular economy
- Development of solar and wind parks
- Leading e-fuels projects

At the beginning of 2024, we launched a 1.93 MW solar power plant at the Kiviõli Chemical Industry site, which we started integrating with a battery project to participate in the power reserve market. In the autumn, we signed contracts for the purchase of 4.6 MWh of batteries, which are scheduled to be commissioned in 2025.

We also started the construction of a solar park for a service station and a café-shop on Jalaka Street in Tartu, and launched cooperation with AS Alexela to design solar parks on eight properties. The Paldiski solar park was expanded by 60.5 kW.

## Production volumes of solar parks

During 2024, the production volume of solar parks increased by 151.7%, a significant step towards company's goal of more sustainable and environmentally friendly energy use.

	2023	2024	Change
Saku Brewery solar Park	1 077 MWh	1 062 MWh	-1.4%
Kiviõli Chemical Industry Solar Park	0	1 611 MWh	-
Paldiski solar park	302 MWh	791 MWh	161.9%
Direct line parks	40 MWh	108 MWh	170.0%
<b>Total</b>	<b>1 419 MWh</b>	<b>3 572 MWh</b>	<b>151.7%</b>

*Solar park production volumes in 2023 compared to 2024.*

## Energy management solutions

Solutions developed by Alexela, such as VPP (Virtual Power Plant) and Smart Electricity, which optimise the operational processes of renewable energy infrastructures, support Alexela rePower hardware activities. For example, they help customers to increase revenue and improve the efficiency of solar parks, ensuring a more favourable price for the electricity sold.

Financing and cooperation: Alexela rePower has used external financing and cooperated with AS Alexela and other partners to apply for support from European Union instruments. The aim is to set up hydrogen service stations, and to develop methanol bunkering and truck-to-ship bunkering solutions.

In 2024, we also joined the advisory board for the hydrogen sector set up by OÜ Alexela rePower and AS Metrosert.

## Rohe Solutions Oy

### Rohe Solutions Oy – LNG and bio-LNG solutions in the Finnish market

Rohe Solutions Oy is a subsidiary of AS Alexela, a natural gas and LNG trader in the Finnish market. From 2024, the company's main focus will be on providing LNG solutions to industrial customers and bunkering LNG vessels. During 2024, 165 GWh of natural gas and 120 GWh of LNG was sold in Finland.

Last year, Rohe Solutions was the first in the region to launch a bio-LNG package, where the output of biomethane producers connected to the gas grid can be withdrawn as bio-LNG. The processing of biomethane to bio-LNG provides an opportunity for industrial companies and the transport sector to make progress their sustainability goals, supporting the transition towards more environmentally friendly energy production options.

## SIA Alexela

### SIA Alexela – sale of electricity and natural gas in Latvia

SIA Alexela is a subsidiary of AS Alexela, which is active on the Latvian market in the sale of electricity and natural gas to private and business customers. In 2024, the natural gas portfolio reached 139 GWh and the electricity portfolio 162 GWh.

In 2024, we significantly increased our private customer base, ending the year with a 30% increase in the number of customers compared to the previous year. We also invested in upgrading our IT and billing systems, creating a strong platform for launching new services and growing our customer base.

# Hamina LNG Terminal

## Hamina LNG Terminal – serving customers in Finland and Estonia

Hamina LNG Terminal is operated by Hamina LNG Oy, an affiliate of AS Alexela. The launch of the Hamina LNG Terminal in autumn 2022, with the help of Alexela, enabled the company to offer Finnish and Estonian customers LNG supplied from outside Russia at the lowest logistical cost. It will be the first LNG terminal in Finland to be connected to the Finnish gas transmission network and will have a storage capacity of up to 30 000 m<sup>3</sup> of LNG. The Hamina LNG terminal operates on a third party openaccess basis, with its operations and tariffs supervised by the Finnish Energy Agency Energiavirasto.

In 2024, the Hamina LNG Terminal celebrated its second anniversary. During

2024, the terminal delivered 23 LNG vessels, all from outside Russia. A total of 300 GWh of regasified gas was injected into the Finnish transmission network and the Hamina region distribution network, while 1 866 tanker trailers were loaded with LNG, 53% more than in the previous year. The largest customer and user of the Hamina LNG Terminal is AS Alexela.

In 2024, the terminal launched two important activities for the future, which Rohe Solutions Oy played a role in initiating. A ship bunkering service was launched, with five ships using LNG as fuel being bunkered in the terminal. A bio-LNG project was also launched, which will enable the output of the connected biogas plants to be taken off the terminal as bio-LNG.



# OÜ Eesti Biogaas

## OÜ Eesti Biogaas – growth in biomethane production

In 2024, the production volume of Eesti Biogaas OÜ, a 50% owned subsidiary of Alexela, increased by 17.7% to 126.125 GWh, accounting for about half of the total biomethane produced in Estonia.

In 2024, additional post-digesters were completed at the Oisu and Tartu plants, which increased biomethane production by about 20%. All three of biomethane OÜ Eesti biogaas biomethane plants are now built according to the same model, consisting of two digesters and two secondary post-digesters.

Increasing the efficiency of processing is largely the result of the experience and knowledge of the team OÜ Eesti biogaas. By optimising production, more biomethane can be produced throughout the year using animal manure, biomass, and food industry residues. This is an important environmental step, as it helps to harness methane that would otherwise be released into the atmosphere. Most of the biomethane produced is used as a transport fuel.

The plan is to continue biomethane production in 2025 in three existing production plants.

	2023	2024	Change
Tartu Biogaas	36 119 GWh	41 660 GWh	15.3%
Vinni Biogaas	37 701 GWh	43 359 GWh	15.0%
Oisu Biogaas	33 305 GWh	41 112 GWh	23.4%
<b>EBG group total</b>	<b>107 125 GWh</b>	<b>126 131 GWh</b>	<b>17.7%</b>

*Biomethane production volumes in 2023 compared to 2024.*

# OÜ Zero Terrain

## **OÜ Zero Terrain – pumped-storage hydropower project in Paldiski**

OÜ Zero Terrain, an affiliate of AS Alexela, formerly known as Energiasalv, is developing a 500 MW pumped-storage hydropower facility in Paldiski, the only energy storage project of common interest in the Northern Baltic region of the European Union.

Last year, the Paldiski storage project was further developed. The project reached the stage where supply contracts had to be signed with technology suppliers in the second half of the year in order to move forward. Although the aim was to reach a final investment decision (FID) by the end of summer 2024, this was not achieved. Large energy projects require

a model of cooperation with the state, which has been delayed.

Under the renewed action plan, the project is planned to be finalised by: completing all the engineering and design; signing early involvement agreements with technology partners; and securing funding. FID is planned by 2027. Agreement on a cooperation model with the government is expected to be reached in 2025.

In 2024, KPMG carried out an analysis of the socio-economic benefits of the Paldiski pumped-storage hydropower facility, which showed that the economic impact of the project on the Estonian economy would be €54 million per year during the construction period and €253 million per year on average during the operational period.

# Investment

## 2024 was the year of investment

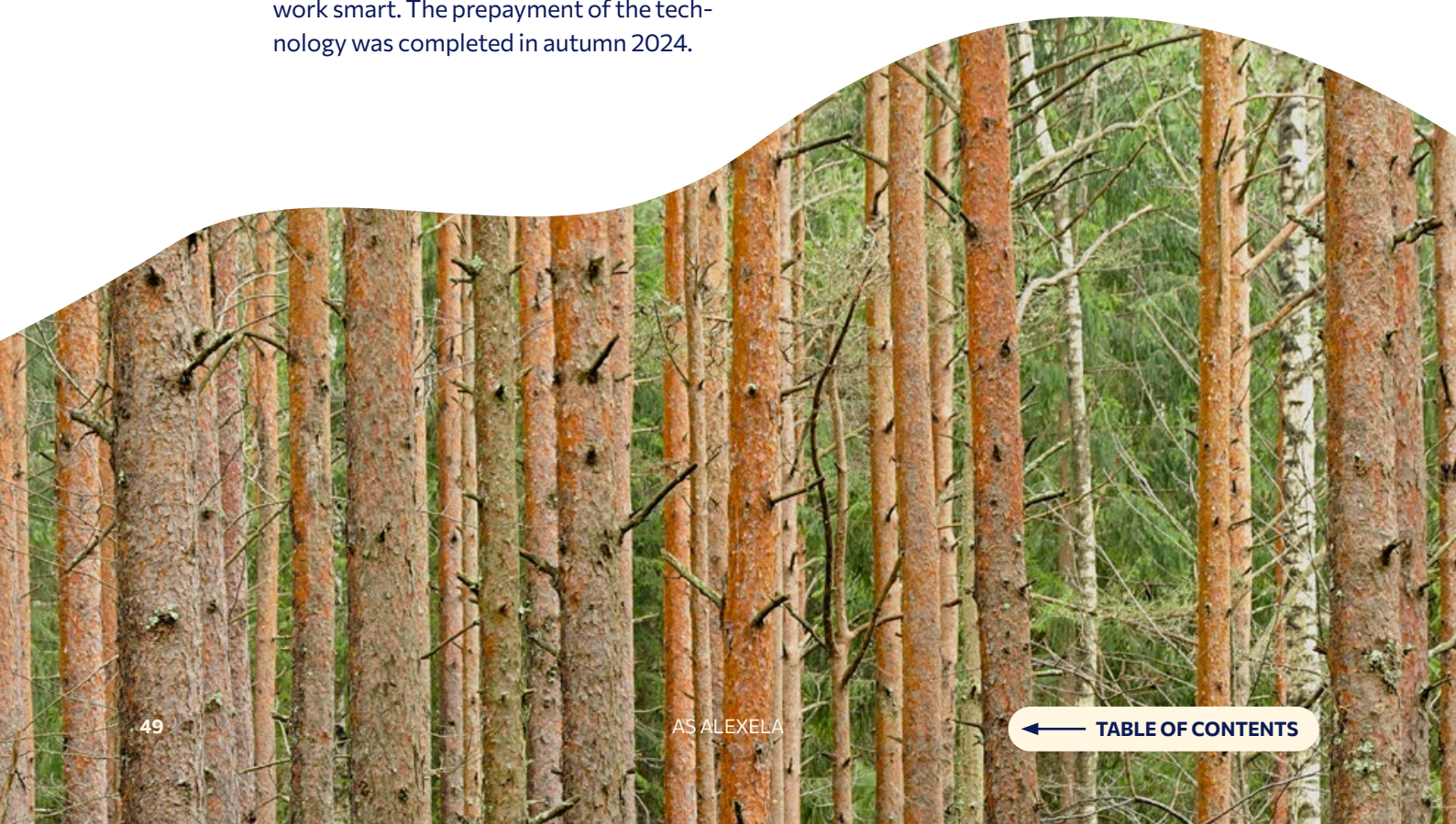
In 2024, the Alexela group invested more than €10.5 million in various projects and IT solutions. The largest projects were the hydrogen service station at Peterburi tee, which will be completed by spring 2025, the acquisition of the Mustakivi service station, and the brand update with IT investments to increase internal efficiency. We also supported new services, including Smart Electricity, a platform for convenient management of generation, consumption, and storage.

In the area of e-mobility, investment continued, with a record number of charging nodes added and service design upgraded. The first phase of installation of smart cylinder gas lockers was completed, making the entire Alexela sales network smart. The prepayment of the technology was completed in autumn 2024.

Alexela Motors invested more than € 1 million in upgrading and expanding its vehicle fleet. The focus was on increasing the security of supply of LPG and improving logistics in order to be prepared for the sanctions that will be imposed at the end of 2024. Specialised vehicles and a new forklift van were acquired to service the cylinder gas smart lockers. Alexela Motors continues to use green gaseous fuels to reduce its environmental footprint.

Alexela rePower started an investment in the Kiviöli battery park, with a total cost of €1.4 million and will be completed by spring 2025. In 2024, the investment will amount to over €0.75 million.

AS Alexela increased the voluntary reserve of Alexela Motors' equity by €0.6 million.





# CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Consolidated Statement of Financial Position.....	51
Consolidated Income Statement .....	52
Consolidated Statement of Comprehensive Income .....	52
Consolidated Statement of Cash Flows.....	53
Consolidated Statement of Changes in Equity .....	54
Notes to the Annual Financial Statements .....	55

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of euros)**

	31.12.2024	31.12.2023	Note No.
Assets			
Current assets			
Cash	1 105	4 297	2
Receivables and advances	74 376	67 920	3,5
Inventory	38 513	22 793	4
<b>Total current assets</b>	<b>113 994</b>	<b>95 010</b>	
Fixed assets			
Long-term investments	42 473	44 301	7
Receivables and advances	14 377	21 808	3
Tangible fixed assets	161 362	150 342	8
Intangible fixed assets	6 757	4 491	9
<b>Total fixed assets</b>	<b>224 969</b>	<b>220 942</b>	
<b>Total assets</b>	<b>338 963</b>	<b>315 952</b>	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan commitments	50 625	37 897	10, 12
Debts and advances	65 593	54 963	5, 13, 14
Provisions	1	706	15
Grants	292	292	16
<b>Total current liabilities</b>	<b>116 511</b>	<b>93 858</b>	
Non-current liabilities			
Loan commitments	77 495	78 044	10, 12
Debts and advances	4	100	13
Deferred income tax liability	914	582	5
Provisions	5	7	15
Grants	1 511	1 192	16
<b>Total non-current liabilities</b>	<b>79 929</b>	<b>79 925</b>	
<b>Total liabilities</b>	<b>196 440</b>	<b>173 783</b>	
Equity			
Equity owned by shareholders or members of the parent company			
Share capital at nominal value	1 644	1 644	17
Premium	1 435	1 435	
Mandatory reserve capital	162	162	
Other reserves	86 385	83 008	8, 17, 35
Retained earnings from previous periods	58 155	47 223	
Profit (loss) for the reporting year	-5 258	8 697	
<b>Total equity owned by shareholders or members of the parent company</b>	<b>142 523</b>	<b>142 169</b>	
<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>	
<b>Total equity</b>	<b>142 523</b>	<b>142 169</b>	
<b>Total liabilities and equity</b>	<b>338 963</b>	<b>315 952</b>	

**CONSOLIDATED INCOME STATEMENT (in thousands of euros)**

	2024	2023	Note No.
Sales revenue	594 166	617 909	18
Other operating income	1 271	1 232	19
Change in inventory balances of finished and unfinished goods	30	0	4
Capitalized expenses for own-use production of fixed assets	455	0	9
Goods, raw materials, materials and services	-550 967	-567 634	20
Miscellaneous operating expenses	-8 061	-7 571	21
Labour costs	-19 377	-16 635	22
Depreciation and impairment of fixed assets	-11 604	-13 024	8, 9
Other operating expenses	-873	-1 051	23
<b>Operating profit (loss)</b>	<b>5 040</b>	<b>13 226</b>	
Profit (loss) from subsidiaries and associates	-989	3 023	6, 7
Interest income	502	446	24
Interest expenses	-8 417	-7 311	25
Other financial income and expenses	-1 043	-556	26
<b>Profit (loss) before income tax</b>	<b>-4 907</b>	<b>8 828</b>	
Income tax	-351	-131	5
<b>Profit (loss) for the reporting year</b>	<b>-5 258</b>	<b>8 697</b>	
Profit share from non-controlling interest	0	0	
<b>Parent company shareholder's share of profit</b>	<b>-5 258</b>	<b>8 697</b>	

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in thousands of euros)**

	2024	2023	Note No.
Profit (loss) for the reporting year	-5 258	8 697	
Other comprehensive income (loss)			
Other comprehensive profits (losses)	6 452	2 356	8, 17, 35
<b>Total other comprehensive income (loss)</b>	<b>6 452</b>	<b>2 356</b>	
<b>Comprehensive income (loss) for the reporting year</b>	<b>1 194</b>	<b>11 053</b>	
Profit share from non-controlling interest	0	0	
Parent company shareholder's share of comprehensive income (loss)	1 194	11 053	

**CONSOLIDATED STATEMENT OF CASH FLOWS (in thousands of euros)**

	2024	2023	Note No.
Cash flows from business activities			
Operating profit (loss)	5 040	13 226	
Adjustments			
Depreciation and impairment of fixed assets	11 604	13 024	8, 9
Profit (loss) from sale of fixed assets	-230	-4	8, 9, 19
Other adjustments	-253	-165	15, 16
<b>Total adjustments</b>	<b>11 121</b>	<b>12 855</b>	
Change in receivables and advances related to business activities	-3 515	3 052	
Change in inventory	-15 720	23 538	4
Change in liabilities and advances related to business activities	6 783	-10 381	
<b>Total cash flows from business activities</b>	<b>3 709</b>	<b>42 291</b>	
Cash flows from investing activities			
Paid for the acquisition of tangible and intangible fixed assets	-8 742	-20 527	8, 9
Received from the sale of tangible and intangible assets	320	350	8
Net cash flow from acquisition of subsidiaries	-600	866	
Paid upon acquisition of associates	0	-1 651	7
Net cash flow from sale of subsidiaries	0	5 270	6
Loans granted	-300	-2 370	3
Repayments of loans granted	16	1 950	3
Interest received	46	16	
<b>Total cash flows from investing activities</b>	<b>-9 260</b>	<b>-16 096</b>	
Cash flows from financing activities			
Loans received	197 375	186 357	12
Repayments of loans received	-184 646	-201 431	12
Change in overdraft balance	-1 768	-807	12
Finance lease principal repayments	-1 986	-1 687	10
Interest paid	-7 230	-6 128	
Grant receipts	614	796	16
<b>Total cash flows from financing activities</b>	<b>2 359</b>	<b>-22 900</b>	
<b>Total cash flows</b>	<b>-3 192</b>	<b>3 295</b>	
Cash and cash equivalents at the beginning of the period	4 297	1 002	2
<b>Change in cash and cash equivalents</b>	<b>-3 192</b>	<b>3 295</b>	
Cash and cash equivalents at the end of the period	1 105	4 297	2

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

	Equity owned by shareholders or members of the parent company					Minority shareholders' stake	Total
	Share capital at nominal value	Premium	Mandatory reserve capital	Other reserves	Retained earnings (loss)		
<b>31.12.2022</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>83 401</b>	<b>44 768</b>	<b>0</b>	<b>131 410</b>
Profit (loss) for the reporting year	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	0	-294	0	-294
<b>31.12.2023</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>83 008</b>	<b>55 920</b>	<b>0</b>	<b>142 169</b>
Profit (loss) for the reporting year	0	0	0	0	-5 258	0	-5 258
Changes in reserves	0	0	0	3 377	3 075	0	6 452
Other changes in equity	0	0	0		-840	0	-840
<b>31.12.2024</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>86 385</b>	<b>52 897</b>	<b>0</b>	<b>142 523</b>

The equity item "Other reserves" includes the revaluation reserve for fixed assets and the natural gas and electricity hedging reserves. Additional information on changes in the revaluation reserve for non-current assets is provided in Note 8 and on hedging reserves in Note 35.

The item "Other changes in equity" reflects changes from business combinations.

More detailed information on share capital and other equity items is provided in Note 17.

# Notes to the Annual Financial Statements

## NOTE 1. ACCOUNTING PRINCIPLES

### General information

AS Alexela is a public limited company registered in Estonia and operating in Estonia, whose main activity is the retail sale of motor fuels, including the operation of filling stations. The company's office is located at Roseni 11, Tallinn, Estonia.

The consolidated annual financial statements for 2024 reflect the financial indicators of AS Alexela (parent company) and its subsidiaries and associates. The Group includes the subsidiaries Alexela SIA, Alexela Energia Teenused AS, Alexela Motors AS, Alexela re-Power OÜ, Hamina LNG Investeeringud OÜ and Rohe Solutions OY, the associated companies Hamina LNG OY, Eesti Biogaas OÜ, Pakrineeme Sadama OÜ, Zero Terrain OÜ and their subsidiaries and associated companies (the Group structure is presented in Note 6).

This consolidated report was signed by the management board on 02.05.2025.

According to the requirements of the Estonian Commercial Code, the annual report (which also includes the consolidated financial statements) prepared by the management board must be approved by the supervisory board and confirmed by the general meeting of shareholders. Shareholders have the right not to approve the annual report prepared and submitted by the management board and to demand the preparation of a new report.

### Basis for preparing the annual report

The Consolidated Annual Financial Statements of AS Alexela for 2024 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The accounting and presentation currency of AS Alexela and its subsidiaries is the euro and the data in the consolidated financial statements are presented in thousands of euros.

The report has been prepared under the historical cost convention, except as described in the accounting policies below. The main accounting policies used in the preparation of the annual financial statements are described below.

### Application of new or revised standards and interpretations

In preparing the Group's consolidated financial statements for 2024, new standards, amendments to standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have been applied, which are adaptable to the company's operations and applied to the reporting period beginning on 1 January 2024.

#### “Leases: Lease Obligations on Sale and Leaseback” - Amendments to IFRS 16

Effective for annual periods beginning on or after 1 January 2024.

The amendments add subsequent measurement requirements for sale-leaseback transactions that are accounted for as sales in accordance with IFRS 15. The amendments require the seller-lessee to measure the liabilities arising from the subsequent transaction in such a way that it recognizes the right-of-use asset and gains and losses it retains in proportion to the asset's previous carrying amount. The Group estimates that there will be no significant impact on the financial statements.

The Group estimates that the amendments will not have a significant impact on the Group's financial statements upon initial application.

#### “Amendments to Classification of Liabilities as Current or Non-Current” – Amendments to IAS 1

Effective for annual periods beginning on or after 1 January 2024.

The amendments clarify that the classification of liabilities as current or non-current is based solely on the entity's right to defer settlement at the end of the reporting period. The company's right to defer settlement for at least 12 months from the reporting date does not have to be unconditional, but it must have substance. The classification is not affected by management's intentions or expectations about whether and when the company will exercise its right. The amendments also clarify the situations that are considered to constitute settlement of a liability.

The Group estimates that the amendments will not have a significant impact on the Group's financial statements upon initial application.

#### “Supplier Financing Arrangements” – Amendments to IAS 7 and IFRS 7

Effective for reporting periods beginning on or after 1 January 2024, with earlier application permitted. An entity is not required to disclose comparative information for any prior reporting period and the beginning of a new reporting year when the entity first applies the amendments. An entity is also not required to disclose information related to the amendments for any interim period reported during the financial year in which the amendments are first applied.

The amendments introduce additional disclosure requirements regarding a company's supplier financing arrangements. The company must provide information about the arrangements that allow investors to assess

their impact on the company's liabilities, cash flows and liquidity risk. The amendments apply to supplier financing arrangements that meet certain criteria, such as the provider of financing pays for the company's debts to suppliers and the company agrees to pay the debt in accordance with the arrangements. However, these changes do not extend to receivables

and inventory financing arrangements. The Group estimates that the amendments will not have a significant impact on the Group's financial statements upon initial application.

## New standards, interpretations and amendments come into force

New standards, amendments or interpretations have been adopted, the application of which is mandatory from 01.01.2025 or later and which the Group has not applied before the deadline:

#### “Lack of Exchangeability” – Amendments to IAS 21

Effective for reporting periods beginning on or after 1 January 2025, with earlier application permitted.

IAS 21 "The Effects of Changes in Foreign Exchange Rates" deals with the accounting for foreign currency transactions and their effects on financial statements. The amendments clarify when currencies are interchangeable and how an entity determines the estimated spot rate in the event that a currency cannot be exchanged. In addition, the amendments include additional disclosure requirements to help users understand the impact of estimated exchange rates on the financial statements. The Group estimates that the amendments will not have a significant impact on the Group's financial statements upon initial application.

#### “Amendments to Classification and Measurement of Financial Instruments” – Amendments to IFRS 9 and IFRS 7

Applicable for reporting periods beginning on or after 1 January 2026, not yet adopted by the European Union.

The amendments clarify the requirements for the classification and measurement of financial instruments, including the treatment of financial assets with ESG-related characteristics and the settlement of financial liabilities through electronic payments. The aim is to reduce diverse accounting practices and improve the comparability of reports.

The Group believes that it is not possible to assess the impact of implementing the standard at the moment.

### “Contracts Referencing Nature-Dependent Electricity” – Amendments to IFRS 9 and IFRS 7

Applicable for reporting periods beginning on or after 1 January 2026, not yet adopted by the European Union.

The changes address contracts that refer to electricity that depends on nature, such as wind and solar power purchase agreements. It specifies how such contracts should be accounted for and what disclosures are required to improve the clarity and comparability of financial statements.

The Group believes that it is not possible to assess the impact of implementing the standard at the moment.

### “Annual Improvements to IFRS Accounting Standards” – amendments to several standards

Applicable for reporting periods beginning on or after 1 January 2026, not yet adopted by the European Union.

Annual improvements include minor changes to several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10, IFRS 16 and IAS 7, with the aim of improving the clarity of guidance and harmonizing accounting practices.

The Group estimates that the amendments will not have a significant impact on the Group's financial statements upon initial application.

### “Presentation and Disclosure in Financial Statements” – IFRS 18

Applicable for reporting periods beginning on or after 1 January 2027, the European Union has not yet set a date for adoption of the standard.

The new standard will replace IAS 1 and set new requirements for the presentation and disclosure of financial statements, with the aim of improving the transparency and comparability of financial statements.

The Group believes that it is not possible to assess the impact of implementing the standard at the moment.

### “Subsidiaries Without Public Reporting Accountability: Disclosures” – IFRS 19

Applicable for reporting periods beginning on or after 1 January 2027, not yet adopted by the European Union. The new standard allows subsidiaries that do not have public reporting accountability to implement simplified disclosure requirements, reducing the reporting burden while maintaining the reliability of financial statements.

The Group estimates that the amendments will not have a significant impact on the Group's financial statements.

### “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” – Amendments to IFRS 10 and IAS 28

The effective date has been postponed indefinitely. Full application of the amendments to International Financial Reporting Standards (IFRS) is voluntary and may be at the discretion of the company. The European Commission has decided to postpone the approval of the amendments indefinitely and it is unlikely that the European Union will approve these amendments in the near future.

The amendments clarify that the extent of profit or loss recognition in a transaction involving an associate or joint venture depends on whether the assets sold or transferred constitute a business: If a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets that constitute a business, the gain or loss is recognized in full. This applies regardless of whether these assets are located in the subsidiary or not.

If a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, then the gain or loss is partially recognized. This applies even if these assets are located in the subsidiary.

The Group estimates that the amendments will not have a significant impact on the Group's financial statements upon initial application.

## Requirements for accounting principles arising from other laws

As an electricity undertaking, the company submits a report as a note to the annual report, based on § 17(3) of the Electricity Market Act, which includes the balance sheet and income statement by business area and the accounting principles for their preparation. The Competition Authority supervises compliance with the Electricity Market Act and the legislation established on its basis.

As a gas undertaking, pursuant to Section 8 of the Natural Gas Act, the company must establish principles in its internal accounting rules on the basis of which records are kept for gas transmission, distribution, sales and other activities as if they were separate undertakings. In addition, gas sales records must be kept separately for household consumers and eligible consumers. The Competition Authority supervises compliance with the Natural Gas Act and the legislation established on its basis.

## Error correction

Errors can arise in the recognition, measurement, presentation or disclosure of components of financial statements. A prior period error is corrected retrospectively, except to the extent that it is impracticable to determine the period-specific effects or cumulative effect of the error.

Significant prior period errors are corrected retrospectively in the first financial statements approved after the errors are discovered:

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

## Preparation of the consolidated financial statements

The consolidated financial statements consolidate the financial indicators of all subsidiaries controlled by the parent company (excluding subsidiaries acquired for the purpose of resale) on a line-by-line basis. All intra-Group receivables and liabilities, transactions between Group companies and the resulting unrealized profits and losses have been eliminated. Minority interests in the results and equity of companies controlled by the parent company are recognized in the consolidated statement of financial position as equity separately from equity attributable to owners of the parent company and as a separate line item in the consolidated income statement. Where necessary, the accounting policies of subsidiaries have been adjusted to align with the Group's accounting policies.

### Subsidiaries

A subsidiary is a company over which the parent company has control. A subsidiary is considered to be under the control of the parent company if the Group owns, directly or indirectly, 50% or more of the voting shares or interests in the subsidiary or is otherwise able to control the operating and financial policies of the subsidiary.

The acquisition of a subsidiary is accounted for using the purchase method (except for business combinations under common control, which are accounted for using the adjusted purchase method). Under the purchase method, the assets, liabilities and contingent liabilities of the acquired subsidiary (i.e. the net assets acquired) are recorded at their fair value. The difference between the cost of the acquired interest and the fair value of the acquired net assets is recognized as positive or negative goodwill.

From the acquisition date, the Group's interest in the assets, liabilities and contingent liabilities of the acquired company and any goodwill arising therefrom are recognized in the consolidated statement of financial position and the interest in the income and expenses of the acquired company in the consolidated income statement. Positive goodwill is recognized as an intangible asset in the consolidated statement of financial position.

If a subsidiary is sold during the reporting period, the consolidated income statement will recognize

the revenues and expenses of the sold subsidiary up to the date of sale. The difference between the sale price and the carrying amount of the subsidiary's net assets in the consolidated statement of financial position (including goodwill) as of the date of sale is recognized as profit/loss on the sale of the subsidiary.

If, upon partial sale of a subsidiary, the Group's control over the company is reduced to less than 50%, but the influence over the company is not completely lost, then the consolidation of the company is terminated from the date of sale and the remaining share in the assets, liabilities and goodwill of the subsidiary is recognized either as an associate, joint venture or other financial investment. The carrying amount of the remaining portion of the investment at the date of sale is considered its new cost.

In the event of a decision to sell a subsidiary, the subsidiary is classified as assets held for sale and is recognized as other financial investments until the sale process is completed.

### Associated companies

An associate is an entity over which the Group has significant influence, but not control. Generally, an associate is a company in which the Group holds 20–50% of its voting shares or interests.

The Group accounts for investments in associates using the equity method. Under the equity method, the investment is initially recognized at cost and is subsequently adjusted for the profit or loss of the associate.

If the Group's interest in an associate accounted for using the equity method is less than the carrying amount of the associate, the carrying amount of the associate is reduced to zero and no further losses are recognized unless the Group guarantees that they will be covered.

### Associates as a financial investment

Associates in which the company does not consider its stake to be strategic and in which it can be expected that as a result of additional capital raisings, the stake will fall below 20% of the voting shares or interests in the associate are classified as investment contracts and the participation in the company is recognized at fair value.

The change in the fair value of such an investment is recognized as a change through profit or loss.

### Business combinations between entities under common control

Business combinations between entities under common control are accounted for using the adjusted purchase method, which recognizes the acquired interest in another entity at the carrying amount of the net assets acquired (i.e. as the assets and liabilities acquired were recognized in the statement of financial position of the acquiree). The difference between the cost of the acquired interest and the carrying amount of the acquired net assets is recognized as a decrease or increase in the equity of the acquiring company.

### Unconsolidated statements of the parent company presented in the notes to the consolidated financial statements

According to the Estonian Accounting Act, the separate unconsolidated primary reports of the consolidating entity (parent company) must be disclosed in

the notes to the consolidated financial statements. The parent company's primary financial statements have been prepared using the same accounting principles as those applied in the preparation of the consolidated financial statements, except for investments in subsidiaries, which are recorded at cost in the unconsolidated financial statements.

Subsequent recognition of subsidiaries is carried out on a line-by-line basis in consolidated statements and at cost in unconsolidated statements.

Transactions in which an entity increases or decreases its ownership interest in a subsidiary that it already controls (transactions with minority interests) are accounted for as transactions between owners that do not give rise to goodwill or profit or loss. Any differences between the purchase or sale price and the changed carrying amount of the minority interest are recognized directly in equity (similarly to differences arising from the purchase and sale of treasury shares).

## Financial assets

### Classification

The Group classifies financial assets into the following measurement categories:

- those that are recorded at fair value (either by change through the comprehensive income statement or by change through the income statement);
- those that are recorded at adjusted acquisition cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the cash flows.

### Recognition and derecognition

Purchases and sales of financial assets that occur under normal market conditions are recognized on the trade date, i.e. the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to the cash flows from the financial asset expire or are transferred and the Group transfers substantially all risks and rewards.

### Measurement

Financial assets (except for receivables from buyers that do not have a significant financing component and are initially measured at the transaction price) are initially measured at fair value. If it is an asset that is not recorded at fair value through profit or loss, transaction costs directly related to the acquisition of the asset are added.

### Debt instruments

The subsequent recognition of debt instruments depends on the Group's business model for managing financial assets and the contractual cash flows of the financial asset.

Assets held to collect contractual cash flows, and whose cash flows are solely principal and interest on the principal amount outstanding, are measured at amortized cost using the effective interest method. The adjusted cost is less any impairment loss. Interest income, foreign exchange gains and losses, and impairment are recognized in the income statement.

Gains or losses arising on derecognition are recognized in the income statement.

### Equity instruments

The Group has no investments in equity instruments.

### Impairment of financial assets

The impairment loss recognition model is applied to financial assets at amortized cost. Financial assets carried at amortized cost consist of trade receivables, cash and cash equivalents.

Expected credit losses are probability-weighted estimates of credit losses. Credit loss is the difference between the cash flows receivable by the Group under the contract and the cash flows expected by the Group, discounted at the original effective interest rate.

The measurement of expected credit losses takes into account:

- an unbiased and probability-weighted amount, which is determined by assessing a number of possible different outcomes;
- the time value of money;
- reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, available without undue cost or effort at the end of the reporting period.

The Group measures impairment as follows:

- receivables from buyers in an amount equal to lifetime expected credit losses;
- cash and cash equivalents for which the credit risk is assessed as low during the reporting period, in an amount equal to the expected credit losses within 12 months;
- for all other financial assets, the amount of expected credit losses within 12 months, if the credit risk (i.e. the risk of default occurring during the expected life of the financial asset) has not increased significantly since initial recognition. If the risk has increased significantly, credit losses are measured at an amount equal to lifetime expected credit losses.

## Cash

Cash and cash equivalents include cash in hand and at banks, demand deposits and short-term bank deposits that can be converted into a known amount of cash within three months based on the actual maturity of

the transaction and whose risk of significant changes in market value is low. Overdrafts are recognized in the statement of financial position as short-term loan commitments.

In preparing the cash flow statement, cash flows from operating activities have been recorded using the indirect method and cash flows from investing and financing activities using the direct method, starting from operating profit.

## Transactions in foreign currency and financial assets and liabilities denominated in foreign currency

The Group's transactions denominated in foreign currencies are recorded based on the official exchange rates of the European Central Bank on the date of the transaction. Monetary financial assets and liabilities denominated in foreign currencies are revalued into euros at the reporting date based on the official exchange rates of the European Central Bank.

Gains and losses from foreign currency transactions are recognized in the income statement as income for the period net of the corresponding expenses, while foreign exchange gains and losses related to supplier and buyer settlements are recognized in operating income and expenses. Other gains and losses from foreign currency transactions are recognized in the income statement under financial income and expenses.



## Receivables and advances

Receivables and advances are recognized as current assets unless their payment term is later than 12 months after the reporting date. Such assets are recognized as non-current assets. Short-term receivables arising in the course of the Group's ordinary business activities are recognized as trade receivables. Trade receivables are recorded at amortized cost (i.e. nominal value minus repayments and any discounts made, if applicable).

Receivables are assessed at 50% if the receivables are 90–180 days past due, and at 100% if the receivables are more than 180 days past due. At the end of the reporting period, an inventory of uncollected receivables is made and if there is objective evidence or circumstances indicating that the receivable is uncollectible, the receivables are written off from the statement of financial position.

The recovery of previously written-down doubtful receivables is recorded as a reduction in the expense for doubtful receivables.

## Inventory

Inventories are initially recorded at their acquisition cost, which comprises purchase costs, production costs and other costs necessary to bring the inventories to their present location and condition.

In addition to the purchase price, inventory purchase costs include customs duties, other non-refundable taxes and transportation costs directly related to the acquisition of inventory, net of discounts and subsidies.

The production costs of inventories include direct costs related to the products: the price of raw materials and materials. Since produced inventories are sold very quickly and the balance of these inventories at the reporting date is insignificant, other direct and indirect costs related to production are recognized on

an accrual basis in the cost of goods sold and other operating expenses of the period.

The weighted average cost method is used to expense inventories and calculate their carrying amount. Inventories are valued in the statement of financial position at the lower of cost or net realizable value.

Inventories also include gas cylinders purchased for long-term operational purposes, which are depreciated to expenses over their useful lives.

## Tangible and intangible fixed assets

### Tangible fixed assets

Tangible fixed assets are assets used in the Group's own economic activities, with a useful life of more than one year and a cost of more than 1,000 euros. Low-value objects are expensed upon acquisition.

Tangible fixed assets are recorded at acquisition cost, which consists of the cost of the asset and expenses incurred in bringing it into use. Tangible fixed assets taken out under a finance lease and assets subject to the right of use are accounted for similarly to purchased fixed assets.

Land and buildings belonging to the Group's revenue objects are recorded at revalued value and other assets at cost less accumulated depreciation and impairment losses. On the revaluation date, the previous cost of the revalued asset is replaced by its fair value at the revaluation date and the previous accumulated depreciation is reversed. If the carrying amount of an asset increases as a result of a revaluation, the difference between the new and old carrying amount is recognized in other comprehensive income and accumulated in the revaluation reserve. If the carrying amount of an asset decreases as a result of a revaluation, the difference between the old and new value is recognized in the income statement as a loss from impairment of fixed assets, except for the part of the impairment that cancels a previously recognized revaluation and which is recognized in equity as a change in the

revaluation reserve. Each year, the difference between depreciation based on the asset's revalued carrying amount and depreciation based on the asset's original acquisition cost is transferred from the revaluation reserve to retained earnings.

Expenses for repairs and maintenance of fixed assets are recognized as expenses in the reporting period when they are incurred. Renovation costs of fixed assets that meet the definition of tangible fixed assets and the criteria for recognition of the asset in the statement of financial position are added to the cost of the fixed asset. Renovation costs are amortized over the remaining useful life of the relevant asset.

Property, plant and equipment is derecognized upon disposal of the asset or in a situation where no economic benefits are expected from its use or sale. The gain or loss arising from the disposal of tangible fixed assets is recognized in the income statement under other operating income or other operating expenses.

The straight-line method is used to calculate depreciation. The depreciation rate is determined separately for each fixed asset, depending on its useful life. For assets with a significant residual value, only the depreciable portion between the acquisition cost and the residual value is depreciated over the useful life.

If an item of tangible fixed assets consists of distinct components with different useful lives, these components are recorded in the accounts as separate asset objects and separate depreciation rates are determined according to their useful lives.

Depreciation begins when the asset is available for use in accordance with management's intended purpose and ends when the residual value exceeds the carrying amount, until the asset is finally retired from use or reclassified as a non-current asset held for sale.

### Intangible fixed assets

Long-term licenses, patents and computer software that are not related to a specific tangible fixed asset are recognized as intangible assets.

Computer software development costs are recognized as intangible assets if they are directly related to the development of software objects that are identifiable, controllable by the company, and from the use of which future economic benefits will be generated over a period of more than one year.

Software embedded in an item of tangible fixed assets is recognized as tangible fixed assets.

Acquired intangible assets are recorded at cost. The cost of intangible assets acquired through a business combination is considered to be the fair value of the assets at the time of acquisition. After recognition, intangible assets are carried at cost less accumulated amortization and impairment losses.

Intangible assets are amortized using the straight-line method over their useful lives.

### Goodwill

Goodwill is the positive difference between the cost of the interest acquired in a business combination and the fair value of the net assets acquired. This reflects the portion of the cost paid for the company's acquired assets that cannot be distinguished and accounted for separately. At the acquisition date, goodwill is recognized as an intangible asset at cost in the statement of financial position.

After recognition, goodwill is measured at cost, less any impairment losses. Goodwill is not amortized. Instead, an impairment test is performed annually (or more frequently if an event or change in circumstances indicates that the value of goodwill may be

impaired). For the purpose of impairment testing, goodwill is allocated to those cash-generating units or groups of units that are expected to receive economic benefits from a particular combination. An independent cash-generating unit (group of units) is considered to be the smallest identifiable group of assets that is not larger than the business segment used in segment reporting. Impairment is determined by assessing the recoverable amount of the cash-generating unit to

which goodwill relates. If the recoverable amount of a cash-generating unit is less than its carrying amount (including goodwill), an impairment loss is recognized on goodwill and a proportionate impairment loss on other assets related to that cash-generating unit. Goodwill impairment losses are not reversed.

The minimum threshold for recording fixed assets is 1,000 euros.

## USEFUL LIFE BY FIXED ASSETS GROUP (in years)

Fixed asset group name	Useful life
Buildings and structures	10–25 years
Machinery and equipment	5–10 years
Filling station inventory and equipment	5–10 years
Computing equipment	5 years
Office furniture	5 years
Tools and other equipment	3–10 years
Computer programs	3–5 years
Licenses, patents	3 years

Objects with an indefinite useful life (land) are not depreciated.



## Rentals

### The Group as a lessor

A finance lease is a lease agreement in which all significant risks and rewards incidental to ownership of an asset are transferred to the lessee. Other leases are recorded as operating leases.

The Group recognizes assets leased out under operating leases using the amortized cost (cost less depreciation) method.

Income from operating leases is recognized on a straight-line or accrual basis. Rental income with irregular periods (e.g. bicycle or trailer rentals at filling stations) is recognized on an accrual basis. Expenses incurred to generate rental income are recognized as an expense.

The Group recognizes assets leased out under a finance lease as a receivable in its statement of financial position at the amount of the net investment made under the finance lease.

### The Group as a lessee

The company recognizes lease payments for short-term leases or leases where the value of the underlying asset when new is low on a straight-line basis over the lease term.

For other leases, the right-of-use asset and lease liabilities are recognized at the beginning of the lease term.

The initial value of the right-of-use asset includes the present value of the lease payments outstanding at the beginning of the lease term, the lessee's initial direct costs and the estimated costs incurred to restore the underlying asset to its condition in accordance with the terms of the lease. The initial value of the lease liability is equal to the present value of the lease payments, which are calculated by discounting the lease payments at the lease's intrinsic interest rate or the lessee's alternative borrowing rate.

The right-of-use asset is further recognized:

- at cost less accumulated depreciation and impair-

ment losses, adjusted by the amount of the revaluation of lease liabilities when the terms of the lease change;

- at fair value, using the revaluation method, if the right-of-use asset belongs to a type of tangible fixed asset for which the company uses the revaluation method.

The carrying amount of lease liabilities is increased by the interest on the lease liabilities and decreased by the lease payments made. When the lease agreement changes, the carrying amount of the lease liability is revalued.

## Financial liabilities

All financial liabilities (trade payables, loans taken, accrued expenses, bonds issued and other short-term and long-term debt obligations) are recorded at amortized cost.

The adjusted cost of current financial liabilities is generally equal to their nominal value, therefore current financial liabilities are recorded in the statement of financial position at the amount payable. To calculate the adjusted cost of non-current financial liabilities, they are initially recognized at the fair value of the consideration received (net of transaction costs), with interest expense on the liabilities in subsequent periods calculated using the effective interest rate method. A financial liability is classified as current if its payment is due within 12 months from the reporting date or if the company does not have an unconditional right to defer payment of the liability for more than 12 months after the reporting date.

Loan commitments that are due within 12 months of the reporting date but are refinanced into long-term debt after the reporting date but before the approval of the annual report are reported as current. Also recognized as current are loan commitments that the lender had the right to recall at the reporting date due to a breach of the terms and conditions set out in the loan agreement.

## Derivatives as hedging instruments

Derivative instruments resulting from agreements entered into for the purpose of hedging that reflect future settlements (forwards, futures, swaps, options) are recognized in the statement of financial position at their fair value from the moment the agreement is entered into.

The Group has adopted derivatives that are designated as cash flow hedging instruments and whose purpose is to hedge the risks of changes in the price of natural gas and electricity.

When entering into a transaction, the Group documents the economic relationship between the hedging instruments and the hedged items, the hedging objectives and the transaction strategy. In addition, changes in cash flow from hedged items are documented.

If a derivative is designated as a cash flow hedge, the effective portion of the change in its fair value is recognized in other comprehensive income through the hedge reserve. The fair values of hedging instruments are classified as non-current assets or liabilities if the remaining maturity of the hedged item is longer than 12 months and as current assets or liabilities if the remaining maturity is shorter than 12 months. The fair values of such derivatives and changes in the hedging reserve are disclosed in Note 35. Derivatives for which an effectiveness analysis has not been performed are reported as ineffective. In the case of agreements en-

tered into to hedge price risk, gains and losses arising from ineffective hedging instruments are recognized in the income statement under the line item "Goods, raw materials, materials and services", in other cases in financial income and/or expenses.

Amounts recognized in the equity hedging reserve are reclassified to profit or loss in the period in which the cash flows of the hedged item affect profit or loss.

If the hedging instrument expires or is sold, or if the hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss included in equity remains in equity and is recognized in the income statement upon final recognition of the expected future event. If the forecast transaction is no longer expected to occur, the gain or loss on the hedging instrument included in equity is immediately recognized in the income statement as other operating income or other operating expenses.

## Provisions and contingent liabilities

A provision is recognized if the Group has a legal or constructive obligation as a result of a valid event that occurred before the reporting date, the realization of the obligation is probable and its amount can be measured reliably. A provision is recognized in the statement of financial position at the amount that management estimates is necessary at the reporting date to settle or transfer the obligation related to the provision to a third party.

If a provision is likely to be realized later than 12 months after the reporting date, it is recognized at its discounted value (the present value of the payments related to the provision), unless the effect of discounting is immaterial.

Contingent liabilities are not recognized as liabilities if they are:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- existing obligations arising from past events that have not been recognized because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
  - the amount of the obligation cannot be measured with sufficient reliability.

## Grants

Grants received for which the conditions for recognition as income are not met are recognized as a liability in the statement of financial position. Government grants are not recognized until there is sufficient certainty that the recipient of the grant meets the conditions attached to the grant and the grant takes place.

Granting of assets is recorded using the gross method. Assets acquired through granting are recorded in the statement of financial position at cost.

A government grant received is recognized as a liability in the statement of financial position and is included in income in the periods in which the company recognizes expenses related to the asset acquired with the government grant.

Revenues related to grants are recognized in the income statement under the line "Other operating income".

## Mandatory reserve capital

According to the Commercial Code of the Republic of Estonia, the company has formed a mandatory reserve capital. In each financial year, at least 5% of net profit must be transferred to the reserve capital until the reserve capital constitutes at least 10% of the share capital. Reserve capital can be used to cover losses, as well as to increase share capital. No payments may be made to shareholders from the reserve capital.

## Revenue

Revenue is the economic benefit that arises in the normal course of a group's business activities. Sales revenue is recognized at the transaction price. The transaction price is the total consideration that the company is entitled to receive for transferring the promised goods or services to the customer, less any amounts collected on behalf of third parties.

### Sales of goods and services in a retail chain

Revenue from the sale of goods and services sold in a retail chain is recognized at the moment the customer purchases an item or service and pays for it in cash, by bank card or by an Alexela payment card. The price of a good or service is variable and depends on the price at the point of sale and discounts that are given on the basis of various discount cards or that depend on the customer's consumption volumes. The discounts granted are fixed at the time of recognition of sales revenue and the variable fee is not revalued later. The probability of goods being returned is low and no provisions are made for this.

### Wholesale

Wholesale consists of the sale of automotive and tank fuels to dealers, domestic consumers and for industrial use. Sales are recognized when control of the products has been transferred, meaning that the products have been transferred to the customer, the customer can decide on the distribution and price of the products, and there are no outstanding obligations that could affect the customer's acceptance of the prod-

ucts. The products are considered delivered when they have been sent to the agreed location, the risks of damage and destruction of the products have passed to the customer, and the customer has accepted the products in accordance with the sales contract, the acceptance requirement has expired, or the company has objective evidence that all acceptance requirements have been met.

The company recognizes the receivable when the goods are transferred, because at that point in time an unconditional right to receive consideration arises, the payment of which depends only on the passage of time. The probability of goods being returned is assessed as minimal and no provisions are made for this.

### Electricity and natural gas sales

The Group sells electricity and natural gas to private and business customers at fixed or variable prices. Sales revenue is recognized in the period in which the goods are sold and based on the units sold and the transaction price. If the customer receives invoices based on actual consumption, even for variable-price transactions, the price is final when recognizing sales revenue and the fee received is not revalued later.

In addition to fixing the price, customers can fix monthly payments, in which case the customer will receive the same amount of bills every month during the price period, regardless of actual consumption. In such contracts, the company's sales revenue is adjusted according to actual consumption, and the difference with the invoices submitted is recognized as a contractual debt or receivable from the customer.

### Financing component

The payment terms in Group's customer contracts do not affect the transaction price and therefore do not contain a significant financing component and the effect of the time value of money is not recognized.

## Taxation

### Income tax on dividends

According to the current income tax law in Estonia, a company's profit for the accounting year is not taxed in Estonia. Income tax is paid on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business-related payments, and transfer pricing adjustments.

The tax rate on profits distributed as dividends in Estonia is 22/78 of the net amount paid out. In Latvia, distributed profit is taxed at a rate of 20/80. In the case of dividends paid from a subsidiary in Finland to an Estonian resident company, 5% income tax is withheld if the holding is at least 10% and proof of residency and a request for the application of a tax treaty are submitted.

Under certain conditions, it is possible to redistribute dividends received without additional income tax expense. The corporate income tax associated with the payment of dividends is recognized as a liability and as an income tax expense in the income statement in the same period as the dividends are declared, regardless of the period for which they are declared or when they are actually paid.

The obligation to pay income tax arises on the 10th day of the month following the payment of dividends.

### Deferred income tax

Due to the peculiarities of the taxation system, companies registered in Estonia do not experience differences between the tax and balance sheet residual values of assets and, consequently, no deferred income tax assets or liabilities. The statement of financial position does not recognize a contingent income tax liability that would arise from the payment of dividends from the parent company's retained earnings. The maximum income tax liability that would arise from the payment of retained earnings as dividends is presented in the notes to the annual report.

The Group includes subsidiaries in Estonia, Latvia and Finland. In accordance with the interpretation of IAS 12, deferred income tax expense and liability arising from the payment of potential dividends from the accumulated retained earnings of subsidiaries and associates as of the reporting date are recognized.

A deferred tax liability does not need to be recognized if the profit of a subsidiary or associate is not planned to be distributed in the near future and its distribution is under the control of the parent company.

## Related parties

In preparing the annual report, parties are considered related if one party has either control over the other party or significant influence over the other party's business decisions. The Group's related parties are:

- owners (the parent company and persons controlling or having significant influence over the parent company);
- other companies belonging to the same consolidation group (including other subsidiaries of the parent company);
- executive and senior management;
- close family members of the persons listed above and companies controlled by them or under their significant influence.

## Significant accounting estimates

The preparation of financial statements in accordance with IFRS requires management to make assumptions, estimates and judgments that affect the accounting policies applied and the recognition of assets and liabilities, as well as income and expenses. Estimates and related assumptions are based on historical experience and various other facts that are believed to be relevant and are based on circumstances that shape the principles for valuing assets and liabilities that are not directly derived from other sources. Actual results may differ from estimates. Estimates and their underlying assumptions are overviewed periodically. The effect of a revision of accounting estimates is recognized in the period of the change if it affects only a specific period, or in the revised and future periods if the change affects both the current period and future periods.

The following describes the most important management estimates that may have an impact on the financial statements.



**Determining the useful life of fixed assets (Note 8)**

Management has estimated the useful life of tangible fixed assets. This assessment is based on historical experience and takes into account the volume of asset use and future prospects.

**Determining the reassessed value of land and buildings (Note 8)**

The company records land and buildings using the re-assessment method. To this end, the company's management regularly assesses whether the fair value of reassessed fixed assets does not differ significantly from their carrying amount. The following is an analysis of fixed assets (real estate) carried at fair value by the method of value assessment. The different levels are defined as follows:

- quoted prices for identical assets (unadjusted) in active markets (Level 1);
- inputs other than quoted prices classified within Level 1 that are observable for the asset, either directly or indirectly (Level 2);
- asset valuation using unobservable inputs (Level 3).

Considering the nature of the company's assets, the company's fixed assets (real estate) are classified as Level 3, and therefore management has relied on its own assessments to determine the fair value of land and buildings. The valuation is based on the discounted cash flows of the cash-generating unit related to the fixed assets. They are based on actual and budgeted data, from which the positive impact of Alexela as a complete retail chain on the expected sales results and thus on the value of the property has been eliminated when valuing filling stations. As a result of the reassessment, the increase in the value of the asset is recognized based on management's assessment only as an increase in the value of the land and group of buildings.

**Inventory valuation (Note 4)**

The management board bases its valuation of inventories on the best information available, taking into account experience, general background information, and possible assumptions and conditions of future

events. When determining the impairment of inventories, both the sales potential and the net realizable value of goods purchased for sale are taken into account. The company purchases most of its goods for sale. Food products are periodically depreciated before the end of their shelf life and written off when they have exceeded their shelf life.

**Assessment of doubtful receivables (Note 3)**

Accounts receivable are inventoried once a month and a reserve for doubtful accounts is formed. The reserve includes 100% of receivables that are more than 180 days past due, and 50% of receivables that are 90 to 180 days past due. At the end of the year, outstanding receivables are assessed individually and bad debts are written off from the statement of financial position. If the receivable has previously been recorded in the reserve for doubtful accounts, the reserve is reduced accordingly. If the receivable was not recorded in the reserve, it is recorded as an expense. The carrying amount of receivables is reduced by the amount of the allowance for doubtful accounts, and the loss from the allowance is normally recognized in the income statement as miscellaneous operating expenses. The recovery of previously written-down doubtful receivables is recorded as a reduction in the expense for doubtful receivables.

**Other reserves**

Other reserves include reserves for revaluation of fixed assets and hedging of derivative instruments. These reserves are related to the equity portion and are not distributed among shareholders.

The fixed asset revaluation reserve is reduced each year by the depreciation calculated on the added cost. The reduction in the said revaluation reserve is added to the retained earnings of previous periods.

The derivative hedging reserve records the change in the fair value of hedging instruments, which is reclassified to profit or loss in the period when the cash flows of the hedged transactions affect profit or loss.

## Earnings per share

Basic earnings per share are calculated by dividing the net income for the reporting period by the weighted average number of shares outstanding.

When calculating diluted earnings per share, both net income and the average number of shares are adjusted for potential shares that have a dilutive effect on net earnings per share. As the Group does not have financial instruments that could dilute net earnings per share in the future, basic net earnings per share and diluted net earnings per share are equal.

## Events after the reporting date

The annual financial statements reflect significant circumstances affecting the valuation of assets and liabilities that occurred between the reporting date and the date of preparation of the report, but are related to transactions that occurred in the reporting period or in previous periods.

Events after the reporting date that have not been taken into account in the valuation of assets and liabilities, but that have a significant impact on the results of the next financial year, are disclosed in the notes to the annual report.

## NOTE 2 CASH (in thousands of euros)

	31.12.2024	31.12.2023
Cash in the till	304	412
Current accounts	716	3 807
Cash on the way	85	78
Total cash	1 105	4 297

The item "Cash on the way" reflects funds that are being collected.



## NOTE 3 RECEIVABLES AND ADVANCE PAYMENTS (in thousands of euros)

	31.12.2024	Breakdown by remaining term		Note No
		within 12 months	within 1-5 years	
Accounts receivable	56 784	56 784	0	
Outstanding invoices from buyers	56 912	56 912	0	
Doubtful receivables	-128	-128	0	
Tax advances and refunds	82	82	0	5
Other receivables	10 743	108	10 635	
Loan receivables	10 381	0	10 381	
Interest receivables	345	91	254	
Accrued income	17	17	0	
Advance payments	2 660	2 660	0	
Other advances paid	2 660	2 660	0	
Guarantees and deposits	1 477	1 461	16	
Finance lease receivables	25	13	12	10
Derivatives	11 627	7 944	3 683	35
Other receivables	5 355	5 324	31	
<b>Total receivables and advances</b>	<b>88 753</b>	<b>74 376</b>	<b>14 377</b>	

	31.12.2023	Breakdown by remaining term		Note No
		within 12 months	within 1-5 years	
Accounts receivable	55 731	55 731	0	
Outstanding invoices from buyers	55 816	55 816	0	
Doubtful receivables	-85	-85	0	
Tax advances and refunds	50	50	0	5
Other receivables	10 359	33	10 326	
Loan receivables	10 101	0	10 101	
Interest receivables	258	33	225	
Accrued income	0	0	0	
Advance payments	1 653	1 653	0	
Other advances paid	1 653	1 653	0	
Guarantees and deposits	2 960	2 944	16	
Finance lease receivables	42	16	26	10
Derivatives	15 915	4 737	11 178	35
Other receivables	3 018	2 756	262	
<b>Total receivables and advances</b>	<b>89 728</b>	<b>67 920</b>	<b>21 808</b>	

Deposits secure tax obligations under the VAT and Liquid Fuel Act, letters of guarantee, and participation in public procurement.

### Change in doubtful receivables (in thousands of euros):

	2024	2023
Doubtful receivables at the beginning of the period	-85	-323
Receivables considered doubtful	-292	-260
Received receivables considered doubtful	20	86
Receivables declared irrecoverable	229	412
<b>Doubtful receivables at the end of the period</b>	<b>-128</b>	<b>-85</b>

The company's management estimates that the allowance for receivables is sufficient to cover potential losses over the life of the receivables, and estimates that the impact of expected credit losses on the report is insignificant. No additional reserve has been formed.

### Due date of outstanding invoices from buyers:

	Total	On time	Overdue up to 30 days	Overdue 31–90 days	Overdue 91–180 days	Overdue more than 180 days
<b>31.12.2024</b>	<b>56 912</b>	<b>51 937</b>	<b>1 422</b>	<b>1 260</b>	<b>2 176</b>	<b>117</b>
Including related companies	6 368	2 483	631	1 170	2 084	0
<b>31.12.2023</b>	<b>55 816</b>	<b>53 018</b>	<b>2 538</b>	<b>152</b>	<b>47</b>	<b>61</b>
Including related companies	3 453	3 203	221	27	0	2

The remaining receivables are due.

### Loan terms and interest rates:

31.12.2024	Amount (in thousands of euros)	Interest rate	Base currency	Year
Loans granted	4 472	6,00%	€	2027
Loans granted	822	7,00%	€	2027
Loans granted	227	7,11%	€	2028
Loans granted	1 144	2,00%	€	2035
Loans granted	3 216	2,00%	€	2036
Loans granted	500	2,00%	€	2037
<b>Total</b>	<b>10 381</b>			
31.12.2023	Summa	Interest rate	Base currency	Year
Loans granted	4 208	6,00%	€	2027
Loans granted	822	7,00%	€	2027
Loans granted	211	7,11%	€	2028
Loans granted	1 144	2,00%	€	2035
Loans granted	3 216	2,00%	€	2036
Loans granted	500	2,00%	€	2037
<b>Total</b>	<b>10 101</b>			

As of 31.12.2024, loan receivables include receivables from related parties in the amount of 10,381 thousand euros (as of 31.12.2023: 10,101 thousand euros).

The item "Interest receivables" includes receivables from related parties in the amount of 413 thousand euros as of 31.12.2024 (258 thousand euros as of 31.12.2023).

The item "Outstanding invoices from buyers" includes receivables from related parties in the amount of 6,368 thousand euros as of 31.12.2024 (3,453 thousand euros as of 31.12.2023).

## NOTE 4 INVENTORIES (in thousands of euros)

	31.12.2024	31.12.2023
Raw materials and materials	488	415
Goods purchased for sale	32 999	21 581
Advance payments for inventory	5 026	797
<b>Total inventories</b>	<b>38 513</b>	<b>22 793</b>

During the reporting period, inventories have been written down by 39 thousand euros (63 thousand euros in 2023).

All inventories are pledged as a claim pledge and a commercial pledge to cover financial liabilities (see Note 12). Information on pledged inventories is provided in Note 36.

## NOTE 5 TAX ADVANCES AND TAX ARREARS (in thousands of euros)

	31.12.2024		31.12.2023	
	Advance payments	Tax arrears	Advance payments	Tax arrears
Corporation tax	0	0	0	0
VAT in Estonia	40	8 870	6	7 051
Personal income tax	0	390	0	369
Fringe benefit tax	0	8	0	20
Social tax	0	713	0	703
Mandatory funded pension	0	29	0	25
Unemployment insurance contributions	0	49	0	47
Excise duties	0	184	0	186
Other tax advances and tax arrears	0	1	0	1
Advances account balance	30	0	30	0
VAT abroad	12	1 229	14	1 443
Other tax advances and tax arrears abroad	0	240	0	60
<b>Total tax advances and tax arrears</b>	<b>82</b>	<b>11 713</b>	<b>50</b>	<b>9 905</b>

Tax advances are disclosed in Note 3 and tax arrears in Note 13.

As of 31.12.2023 and 31.12.2024, the amount calculated based on the December VAT declaration but still under review on the reporting date is recorded in the advance VAT payment.

**Income tax and deferred income tax on retained earnings of subsidiaries and associates:**

	2024	2023
Income tax expense	19	6
Deferred income tax expense	332	125
	<b>31.12.2024</b>	<b>31.12.2023</b>
Deferred income tax liability	914	582

## NOTE 6 SHARES AND INTERESTS IN SUBSIDIARIES (in thousands of euros)

**Shares and interests in subsidiaries, general information:**

Subsidiary registry code	Subsidiary name	Country of location	Main field of activity	Shareholding percentage (%)	
				31.12.2023	31.12.2024
14185894	Alexela Energia Teenused AS	Estonia	Electricity sales	100	100
12271081	220 Energia OÜ	Estonia	Electricity and natural gas sales	100	0
LV-4010375297	Alexela SIA	Latvia	Electricity and natural gas sales	100	100
14387534	Hamina LNG Investeeringud OÜ	Estonia	Investments	100	100
14128985	Alexela Motors AS	Estonia	Transportation services	100	100
12817083	Alexela rePower OÜ*	Estonia	Renewable energy design and consulting	100	100
FI-2948219-7	Rohe Solutions OY	Finland	Wholesale of liquid and gaseous fuels	100	100

\* Name change, previously known as Alexela Solar OÜ

The subsidiary 220 Energia OÜ was acquired on 31.08.2018. The subsidiary was merged with the parent company as of 01.01.2024.

There were no acquisitions or sales of subsidiaries in 2024.

In 2023, 50% of the shareholding in Rohe Solutions OY was purchased, bringing the shareholding in Rohe Solutions OY to 100%, and the shareholding has been recognized as a subsidiary since 31.08.2023.



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

In thousands of euros	31.08.2023
Cash	2 355
Accounts receivable	2 523
Other receivables	23
Fixed assets	562
Current liabilities	2 466
<b>Total identifiable assets</b>	<b>2 997</b>
Acquisition cost	2 800
Negative goodwill incurred	-197
<b>Paid for the purchased 50% interest in cash</b>	<b>1 400</b>
Cash and cash equivalents in the acquired company	-2 355
<b>Total financial impact from the acquisition of the investment</b>	<b>955</b>

The negative goodwill of -197 thousand euros arising from the acquisition was transferred to profit in 2023.



## NOTE 7 SHARES AND INTERESTS IN ASSOCIATED COMPANIES (in thousands of euros)

### Shares and interests in associated companies, general information:

Associate registry code	Associate name	Country of location	Main field of activity	Shareholding percentage (%)	
				31.12.2023	31.12.2024
2696139-5	Hamina LNG OY (Associate of Hamina LNG Investeeringud)	Finland	Energy	46,5	46,5
14754903	Eesti Biogaas OÜ	Estonia	Energy	50	50
11162912	Pakrineeme Sadama OÜ	Estonia	Real estate purchase and sale	50	50
14010321	Zero Terrain OÜ*	Estonia	Energy	32,082	32,082

\* Name change, previously known as Energiasalv Valdus OÜ

Profits and losses of associates are recognized through the income statement using the equity method. Since the company recognizes fixed assets at fair value, the fair value of investments in associates is also assessed and the change in fair value is recognized as a change in profit or loss of previous periods.

### Shares and stakes in associated companies, general information:

Name of associate	31.12.2023	Acquisition	Profit (loss) using the equity method; profit (loss) on sale of associate	Other changes	Sale/reclassification	31.12.2024
Hamina LNG OY (Associate of Hamina LNG Investeeringud)	15 192	0	-1 313	1 080	0	14 959
Eesti Biogaas OÜ	11 580	0	296	-1 919	0	9 957
Pakrineeme Sadama OÜ	4 159	0	28	0	0	4 187
<b>Total shares and interests in associated companies</b>	<b>30 931</b>	<b>0</b>	<b>-989</b>	<b>-839</b>	<b>0</b>	<b>29 103</b>

Associates in which the investment is assessed as a financial investment are recognized at fair value and the change in fair value is recognized in profit or loss for the period.

### Shares and interests in associated companies as a financial investment, detailed information:

Name of associate	31.12.2023	Acquisition/reclassification	Profit (loss) from change in fair value	Sale/reclassification	31.12.2024
Zero Terrain OÜ*	13 370	0	0	0	13 370
<b>Total shares and interests in the associated company as a financial investment</b>	<b>13 370</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 370</b>

\* Name change, previously known as Energiasalv Valdus OÜ

## Hamina LNG OY

The fair value of Hamina LNG OY as of 31.12.24 was determined using the FCFF principle and was based on future cash flows over 12 years together with the amount of continuing cash flows. The valuation used a discount rate of 8.66% and an increase of 1% per year. As a result of the valuation, the investment in the associated company Hamina LNG OY was valued upwards by 1,080 thousand euros. The loss for 2024 using the equity method was 1,313 thousand euros.

### Sensitivity analysis of the impact of changes in key inputs on fair value (in thousands of euros):

Discount rate change	Volume reservation -10%	Volume reservation base	Volume reservation +10%
+1%	6	10	14
Base	10	15	20
-1%	15	21	27

The fair value of Hamina LNG OY as of 31.12.23 was determined using the FCFF principle and based on future cash flows over 12 years together with the amount of continuing cash flow. The valuation used a discount rate of 8.45% and an increase of 1% per year. As a result of the valuation, the investment in the associated company Hamina LNG OY was valued downwards by 778 thousand euros. The loss for 2023 using the equity method was 14 thousand euros.

### Hamina LNG OY financial information (in case of 100% ownership) converted to comply with IFRS:

	31.12.2024	31.12.2023
Current assets	11 900	20 384
Fixed assets	103 120	99 370
Current liabilities	16 016	15 056
Non-current liabilities	66 836	72 028
Equity	32 168	32 670

	2024	2023
Sales revenue	20 213	26 117
Profit (loss) for the reporting year	-2 824	-29

## Eesti Biogaas OÜ

The FCFF principle was used to assess the value of the stake in Eesti Biogaas as of 31.12.2024, based on the forecast of the financial results for the coming years with a discount rate of 8.74% per year and an increase of -2% per year. As a result of the valuation, the investment was valued downwards by 1,919 thousand euros and the profit from the equity investment was 296 thousand euros.

The FCFF principle was used to assess the value of the stake in Eesti Biogaas as of 31.12.2023, based on the forecast of the financial results for the coming years with a discount rate of 9.84% per year and an increase of -1% per year. Until January 2024, biomethane plants operated by Eesti Biogaas had the right to participate in the distribution of biomethane subsidies managed by Elering.

### Eesti Biogaas OÜ financial information (in case of 100% ownership) converted to comply with IFRS:

	31.12.2024	31.12.2023
Current assets	2 805	3 893
Fixed assets	34 604	39 413
Current liabilities	3 260	4 405
Non-current liabilities	12 876	14 741
Equity	21 273	24 160
including parent company owned by shareholders equity	19 913	23 160

	2024	2023
Sales revenue	12 961	5 456
Profit (loss) for the reporting year	953	-1045
including profit attributable to shareholders of the parent company	593	-1238

## Pakrineeme Sadama OÜ

In 2024, the equity method generated a profit of 28 thousand euros from the stake in Pakrineeme Sadama OÜ.

In 2023, the equity method resulted in a loss of 633 thousand euros from the stake in Pakrineeme Sadama OÜ, and the impairment due to other changes in equity was 158 thousand.

	31.12.2024	31.12.2023
Current assets	473	514
Fixed assets	8 356	8 244
Current liabilities	0	17
Non-current liabilities	454	422
Equity	8 375	8 319

	2024	2023
Sales revenue	112	206
Profit (loss) for the reporting year	56	-1266

## Zero Terrain OÜ (formerly known as Energiasalv Valdus OÜ)

When testing the recoverable value of Zero Terrain OÜ's investment in 2024, the value at which new funds are intended to be raised during the ongoing additional capital raising was taken as the basis, and the stake was not undervalued in 2024.

The fair value is recorded in the net amount, i.e. the value of the stake has been reduced by the loans granted by Alexela AS.

The fair value of Zero Terrain OÜ's investment in 2023 was assessed based on the ratio of capital and equity invested by parties unrelated to the existing owners during the additional capital injection and Alexela's shareholding in the equity after the expansion.

### Zero Terrain OÜ financial information (in case of 100% ownership) converted to comply with IFRS:

	31.12.2024	31.12.2023
Current assets	5 919	9 264
Fixed assets	10 250	8 268
Current liabilities	595	298
Non-current liabilities	2 183	2 012
Equity	13 391	15 222

	2024	2023
Sales revenue	27	5
Profit (loss) for the reporting year	-1 954	-1 963

## NOTE 8 TANGIBLE FIXED ASSETS (in thousands of euros)

	Land	Buildings	Vehicles	Other machinery and equipment	Machinery and equipment	Other tangible fixed assets	Unfinished projects	Advance payments	Unfinished projects and advance payments	Total
<b>31.12.2022</b>										
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
<b>Residual value</b>	<b>58 322</b>	<b>55 054</b>	<b>2 814</b>	<b>16 210</b>	<b>19 024</b>	<b>3 422</b>	<b>3 758</b>	<b>1 913</b>	<b>5 671</b>	<b>141 493</b>
Purchases and improvements	1 574	1 513	1 657	1 436	3 093	330	10 560	704	11 264	17 774
Purchase of land and previously used buildings	1 574	408	0	0	0	0	0	0	0	1 982
Purchase of new buildings, new construction, improvements	0	282	0	0	0	0	9 784	0	9 784	10 066
Other purchases and improvements	0	823	1 657	1 436	3 093	330	776	704	1 480	5 726
Changes through business connections	0	213	0	82	82	0	38	202	240	535
Depreciation expense	0	-5 470	-724	-1 971	-2 695	-705	0	0	0	-8 870
Impairment allowances	-620	-1 583	0	0	0	0	-1 098	0	-1 098	-3 301
Write-offs (at residual value)	0	0	0	-32	-32	-28	-29	0	-29	-89
Sales (at residual value)	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
Reclassifications from advance payments	0	22	0	85	85	14	1 447	-1 568	-121	0
Reclassifications 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
<b>31.12.2023</b>										
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
<b>Residual value</b>	<b>59 105</b>	<b>64 217</b>	<b>3 685</b>	<b>14 085</b>	<b>17 770</b>	<b>5 410</b>	<b>2 602</b>	<b>1 238</b>	<b>3 840</b>	<b>150 342</b>
Purchases and improvements	0	2 341	2 013	783	2 796	367	3 030	911	3 941	9 445
Purchase of new buildings, new construction, improvements	0	751	0	0	0	0	3 030	738	3 768	4 519
Other purchases and improvements	0	1 590	2 013	783	2 796	367	0	173	173	4 926
Depreciation expense	0	-6 074	-1 022	-2 157	-3 179	-983	0	0	0	-10 236
Impairment allowances	-18	-151	0	0	0	0	0	0	0	-169
Cancellations of previous discounts	0	49	0	0	0	0	0	0	0	49
Write-offs (at residual value)	0	0	0	-25	-25	-7	-11	0	-11	-43
Sales (at residual value)	0	12	-68	-252	-320	-10	0	0	0	-318
Reclassifications	0	1 032	329	1 212	1 541	818	-3 044	-401	-3 445	-54
Reclassifications from advance payments	0	0	329	65	394	0	7	-401	-394	0
Reclassifications from unfinished projects	0	1 032	0	1 147	1 147	818	-3 277	0	-3 277	-280
Other reclassifications	0	0	0	0	0	0	226	0	226	226
Other changes	4 949	7 395	102	-82	20	-19	1	0	1	12 346
<b>31.12.2024</b>										
Acquisition cost	64 036	69 167	7 971	25 341	33 312	10 062	2 578	1 748	4 326	180 903
Accumulated depreciation	0	-346	-2 932	-11 777	-14 709	-4 486	0	0	0	-19 541
<b>Residual value</b>	<b>64 036</b>	<b>68 821</b>	<b>5 039</b>	<b>13 564</b>	<b>18 603</b>	<b>5 576</b>	<b>2 578</b>	<b>1 748</b>	<b>4 326</b>	<b>161 362</b>

**Cash flow adjustment for the purchase of tangible and intangible fixed assets paid for (in thousands of euros):**

<b>2023</b>	<b>Tangible fixed assets</b>	<b>Intangible fixed assets</b>	<b>Total</b>
Acquisition of fixed assets in 2023	17 776	684	18 460
Acquired with finance lease	-1 471	0	-1 471
New usage agreements	-841	0	-841
Payables to suppliers balance 31.12.22 excluding VAT	4 912	17	4 929
Payables to suppliers balance 31.12.23 excluding VAT	-388	-160	-548
Paid upon acquisition of fixed assets in 2023	19 988	541	20 529
<b>2024</b>	<b>Tangible fixed assets</b>	<b>Intangible fixed assets</b>	<b>Total</b>
Acquisition of fixed assets in 2024	9 445	2811	12 256
Acquired with finance lease	-1 400	0	-1 400
New usage agreements	-1 602	0	-1 602
Payables to suppliers balance 31.12.23 excluding VAT	388	160	548
Payables to suppliers balance 31.12.24 excluding VAT	-718	-342	-1 060
Paid upon acquisition of fixed assets in 2024	6 113	2 629	8 742

**The share of right-of-use assets in fixed assets is as follows (in thousands of euros):**

	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>31.12.2022</b>			
Acquisition cost	10 094	297	10 391
Accumulated depreciation	-14	-83	-97
<b>Residual value</b>	<b>10 080</b>	<b>214</b>	<b>10 294</b>
Purchases and improvements	823	0	823
Depreciation expense	-1 038	-142	-1 180
Impairment allowances	-74	0	-74
Other changes	-159	0	-159
<b>31.12.2023</b>			
Acquisition cost	9 781	297	10 078
Accumulated depreciation	-149	-225	-374
<b>Residual value</b>	<b>9 632</b>	<b>72</b>	<b>9 704</b>
Purchases and improvements	1 602	0	1 602
Depreciation expense	-1 156	-72	-1 228
Impairment allowances	-38	0	-38
Other changes	1 502	0	1 502
<b>31.12.2024</b>			
Acquisition cost	11 851	0	11 851
Accumulated depreciation	-309	0	-309
<b>Residual value</b>	<b>11 542</b>	<b>0</b>	<b>11 542</b>

### The share of assets under finance lease in fixed assets is as follows:

	31.12.2024	31.12.2023
Machinery and equipment	4 201	4 457
<b>Total</b>	<b>4 201</b>	<b>4 457</b>

### Sold tangible fixed assets at selling price (in euros):

	2024	2023
Unfinished buildings	0	99
Machinery and equipment	534	288
Means of transport	71	26
Other machinery and equipment	463	262
Other tangible fixed assets	10	1
<b>Total</b>	<b>544</b>	<b>388</b>

The liquefied natural gas terminal in Vana-Kuuste, fixed assets at filling stations and solar park infrastructure are recorded at fair value.

As of 31.12.24, the value of the assets of the LNG terminal was determined based on future cash flows over six years together with the amount of continuing cash flows (terminal value). The valuation used a discount rate of 8.54%, an operating profit margin of 17.12%, an increase of 3%, and a future growth rate of -2% per year. The operating profit and growth rates used are conservative and are based on management's experience and assessment of the competitive situation in the business segment. As a result of the assessment, the value of the fixed assets of the LNG terminal as of 31.12.24 is 6,922 thousand euros, with an appreciation of 1,301 thousand euros. The increase resulting from revaluation is recorded as an increase in the equity reserve and in the line "Other changes" in the table of fixed assets.

As of 31.12.23, the value of the assets of the LNG terminal was determined based on future cash flows over six years together with the amount of continuing cash flows (terminal value). The valuation used a discount rate of 10.39%, an operating profit margin of 15.90%, an increase of 4%, and a future growth rate of -2% per

year. The operating profit and growth rates used are conservative and are based on management's experience and assessment of the competitive situation in the business segment. As a result of the assessment, the value of the fixed assets of the LNG terminal has been increased by 1,624 thousand euros as of 31.12.23, which is recorded as an increase in the equity reserve and in the line "Other changes" in the fixed assets table.

The value of fixed assets located at filling stations was assessed at the end of 2024 and the fixed assets were revalued to fair value. The fair values were determined by management. The discounted cash flow method was used to determine fair value, based on actual and budgeted data from the filling stations. The valuation used a discount rate of 8.54% and the growth rates set out in the table below. A growth rate of -5% was used to estimate the final value. For some filling stations, other assumptions were used as well, which, in the opinion of the management board, best reflect the changes at the respective filling station (stations being launched, regional changes, etc.). In order to eliminate the impact of Alexela as a complete chain from the actual and budgeted data of the filling stations used in determining the fair value of the fixed asset, the fuel sales margin was reduced by 0.01275 euros per litre. In addition, a risk margin of 2 cents per liter was used, reducing the difference between the long-term average and current period margins, which has been caused by the tightened bio-commitment requirement, the general situation of competition, and the general economic environment affected by COVID-19 and the energy crisis. Due to the revaluation, the value of fixed assets increased by a total of 11,006 thousand euros. Of this, 14,259 thousand euros were the increase in the value of assets and 3,120 thousand euros were the write-down of previous revaluations, which are recorded as an increase in the equity reserve and in the line "Other changes" in the table of fixed assets. 133 thousand euros constituted the write-down of assets, which is reflected in the income statement under the item "Depreciation and impairment of fixed assets" and in the line "Impairment allowances" in the table of fixed assets.

Assumptions used in 2024	2025	2026	2027	2028	2029	2030+
Increase in the volume of filling station fuels	2,00%	2,00%	3,00%	2,00%	0,00%	-2,00%
Increase in sales turnover of goods	5,00%	3,00%	3,00%	3,00%	3,00%	1,00%
Increase in the margin of goods	1,00%	1,00%	0,00%	0,00%	0,00%	0,00%

The value of fixed assets located at Alexela filling stations was assessed at the end of 2023 and the fixed

assets were revalued to fair value. The fair values were determined by management.

The discounted cash flow method was used to determine fair value, based on actual and budgeted data from the filling stations. The valuation used a discount rate of 10.39% and the growth rates set out in the table below. A growth rate of -5% was used to estimate the final value. For some filling stations, other assumptions were used as well, which, in the opinion of the management board, best reflect the changes at the respective filling station (stations being launched, regional changes, etc.). In order to eliminate the impact of Alexela as a complete chain from the actual and budgeted data of the filling stations used in determining the fair value of the fixed asset, the fuel sales margin was reduced by 0.01275 euros per litre. In addition, a risk margin of 0,03 cents per liter was used, reducing the difference between the long-term average and current pe-

riod margins, which has been caused by the tightened bio-commitment requirement, the general situation of competition, and the general economic environment affected by the energy crisis. Due to the revaluation, the value of fixed assets decreased by a total of 165 thousand euros. Of this, 10,310 thousand euros were the increase in the value of assets and 8,903 thousand euros were the write-down of previous revaluations, which are recorded as an increase in the equity reserve and in the line "Other changes" in the table of fixed assets. 1,572 thousand euros constituted the write-down of assets, which is reflected in the income statement under the item "Depreciation and impairment of fixed assets" and in the line "Impairment allowances" in the table of fixed assets.

Assumptions used in 2023	2024	2025	2026	2027	2028	2029	2030	2031
Increase in the volume of filling station fuels	3,00%	3,00%	3,00%	2,00%	0,00%	-2,00%	-2,00%	-2,00%
Increase in sales turnover of goods	5,00%	3,00%	3,00%	3,00%	3,00%	1,00%	1,00%	1,00%
Increase in the margin of goods	1,00%	1,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

The value of fixed assets of solar parks was assessed at the end of 2024 and the fixed assets were revalued to fair value. The fair values were determined by management. The discounted cash flow method was used to determine fair value, based on future period forecasts for the objects and valid contracts. The valuation used a discount rate of 8.93% and a growth rate of -0.8%. Due to the revaluation, the value of fixed assets decreased by a total of 81 thousand euros. Of this, 93 thousand euros is a reduction of previous overvaluations, which is recorded as an increase in the equity reserve and in the line "Other changes" in the table of fixed assets. 49 thousand euros constituted the reversal of previous impairments and 36 thousand euros constituted asset impairments, which are reflected in the income statement under the item "Depreciation and impairment of fixed assets" and in the line "Impairment allowances" in the table of fixed assets.

euros were an increase in the value of assets, which is recorded as a decrease in the equity reserve and in the line "Other changes" in the table of fixed assets. 1,729 thousand euros constituted the write-down of assets, which is reflected in the income statement under the item "Depreciation and impairment of fixed assets" and in the line "Impairment allowances" in the table of fixed assets.

The following is an analysis of fixed assets (real estate) carried at fair value by the method of value assessment. The different levels are defined as follows:

- quoted prices for identical assets (unadjusted) in active markets (Level 1);
- inputs other than quoted prices classified within Level 1 that are observable for the asset, either directly or indirectly (Level 2);
- asset valuation using unobservable inputs (Level 3).

The value of fixed assets of solar parks was assessed at the end of 2023 and the fixed assets were revalued to fair value. The fair values were determined by management. The discounted cash flow method was used to determine fair value, based on future period forecasts for the objects and valid contracts. The valuation used a discount rate of 8.77% and a growth rate of -1%. Due to the revaluation, the value of fixed assets decreased by a total of 1,359 thousand euros. Of this, 370 thousand

Considering the nature of the company's assets, the company's fixed assets (real estate) are classified as Level 3. Therefore, the management has relied on its own assessments to determine the fair value of land and buildings. The valuation is based on the discounted cash flows of the cash-generating unit related to the fixed assets. They are based on actual and budgeted data from filling stations, from which the positive impact of Alexela as a complete retail chain on the ex-

pected sales results and thus on the value of the property has been eliminated. As a result of the reassessment, the increase in the value of the asset is recognized based on management's assessment only as an increase in the value of the land and group of buildings.

### Level 3 inputs used to measure fair value and their sensitivity to the outcome of the fair value measurement:

Unobservable inputs	Estimate used	Sensitivity
Discount rate	8,54%	1% higher reduces the value by 9. mEUR
		1% lower increases value by 10.8 mEUR
Increase in the volume of filling station fuels	According to the table (final value remains the same)	1% higher growth increases the value by 8.2 mEUR
		1% lower growth reduces value by 7.8 mEUR
Growth in sales turnover and margin of goods	According to the table (final value remains the same)	1% higher growth increases the value by 14.0 mEUR
		1% lower growth reduces the value by 13.0 mEUR
Final value growth rate	-5%	-4% growth increases the value by 4.1 mEUR
		-6% growth reduces the value by 3.5 mEUR

When reassessing assets at fair value, the acquisition cost before revaluation is reduced by the accumulated depreciation of the fixed assets. The revaluation amounts have been added to the net value and the new acquisition cost has been obtained.

### Values of assets recorded at fair value by fixed asset group (in thousands of euros):

	Land	Buildings	Machinery and equipment	Total	Including right-of-use assets
31.12.2023	59 105	63 347	12 727	135 179	9 069
31.12.2024	64 036	68 805	9 935	142 776	10 638

### The residual value of the same assets after eliminating the effect of revaluation:

	Land	Buildings	Machinery and equipment	Total	Including right-of-use assets
31.12.2023	22 163	30 441	12 727	65 331	4 182
31.12.2024	22 145	31 577	9 935	63 657	4 809

### Movements in the revaluation reserve for fixed assets (in thousands of euros):

	Land	Buildings	Total	Including right-of-use assets
<b>Reserve balance 31.12.2022</b>	<b>38 436</b>	<b>30 991</b>	<b>69 427</b>	<b>5 688</b>
Revaluation	-469	3 870	3 401	-178
Depreciation adjustment	0	-2 749	-2 749	-511
Reclassification	-1 025	794	-231	-112
<b>Reserve balance 31.12.2023</b>	<b>36 942</b>	<b>32 906</b>	<b>69 848</b>	<b>4 887</b>
Revaluation	4 949	7 397	12 346	1 503
Depreciation adjustment	0	-3 075	-3 075	-561
<b>Reserve balance 31.12.2024</b>	<b>41 891</b>	<b>37 228</b>	<b>79 119</b>	<b>5 829</b>

### Changes in reserves are recorded in equity as follows (in thousands of euros):

2023	Other reserves	Retained profit (loss)	Total
Revaluation	3 170	0	3 170
Depreciation adjustment	-2 749	2 749	0
<b>Total changes in reserves</b>	<b>421</b>	<b>2 749</b>	<b>3 170</b>
2024	Other reserves	Retained profit (loss)	Total
Revaluation	12 346	0	12 346
Depreciation adjustment	-3 075	3 075	0
<b>Total changes in reserves</b>	<b>9 271</b>	<b>3 075</b>	<b>12 346</b>

## NOTE 9 TANGIBLE FIXED ASSETS (in thousands of euros)

	Goodwill	Other intangible fixed assets	Unfinished projects and advance payments	Total
<b>31.12.2022</b>				
Acquisition cost	1 008	4 605	0	5 613
Accumulated depreciation	0	-2 399	0	-2 399
<b>Residual value</b>	<b>1 008</b>	<b>2 206</b>	<b>0</b>	<b>3 214</b>
Purchases and improvements	0	1 085	684	1 769
Additions through business connections	0	27	0	27
Depreciation expense	0	-758	0	-758
Write-offs	0	-6	0	-6
Reclassifications	0	762	-517	245
<b>31.12.2023</b>				
Acquisition cost	1 008	6 491	167	7 666
Accumulated depreciation	0	-3 175	0	-3 175
<b>Residual value</b>	<b>1 008</b>	<b>3 316</b>	<b>167</b>	<b>4 491</b>
Purchases and improvements	0	2 628	182	2 810
Depreciation expense	0	-1 178	0	-1 178
Write-offs	0	-27	0	-27
Reclassifications	0	283	378	661
<b>31.12.2024</b>				
<b>Acquisition cost</b>	<b>1 008</b>	<b>9 322</b>	<b>727</b>	<b>11 057</b>
Accumulated depreciation	0	-4 300	0	-4 300
<b>Residual value</b>	<b>1 008</b>	<b>5 022</b>	<b>727</b>	<b>6 757</b>

The reclassifications also include capitalized labour and project management costs in the amount of 455 thousand euros for the creation of new programs and work environments in 2024.

In 2023, labour costs were not capitalized.

In 2018, shares of OÜ 220 Energia were acquired for 1,831 thousand euros. In 2024, OÜ 220 Energia was merged with AS Alexela and the pre-merger goodwill value was 1,008 thousand euros.

As of 31.12.24, the recoverable amount of assets was determined based on the future cash flows of AS Alexela over five years together with the amount of continuing cash flows (terminal value).

The discount rates reflect the risks associated with the respective business segment. The operating profit and growth rates are conservative and are based on management's experience and assessment of the competitive situation in the business segment. The present value of cash flows calculated based on the test performed covered the value of the company's assets, and goodwill was not impaired in 2024 (goodwill was not impaired in 2023 either).

**The following assumptions were used to calculate the recoverable amount:**

	<b>31.12.2024</b>
Average operating profit margin over the next 5 years	4,53%
Discount rate	8,54%
Average sales growth over the next 5 years	1,12%
Future growth rate	1,00%

**Sensitivity of recoverable amount to changes in inputs used in the test:**

Variable	Sensitivity
Discount rate	1% higher reduces the value by 23,426 thousand euros
	1% lower increases the value by 31,317 thousand euros
Future growth rate	1% higher increases the value by 18,275 thousand euros
	1% lower reduces the value by 13,995 thousand euros
Operating profit growth in 2025	1% higher increases the value by 4,882 thousand euros
	1% lower reduces the value by 4,882 thousand euros



## NOTE 10 FINANCE LEASE

### REPORTING ENTITY AS A LESSOR (in thousands of euros):

		Breakdown by remaining term		Interest rate	Base currency	Maturity
		Within 12 months	Within 1–5 years			
Finance lease receivables 31.12.2024	25	13	12	5,0–15,0%	€	2025–2027
Finance lease receivables 31.12.2023	42	16	26	5,0–15,0%	€	2024–2027

### Impact of finance leases on the income statement (in thousands of euros):

	2024	2023
Sales profit or loss	0	0
Financial income from finance leases	3	4

### REPORTING ENTITY AS A LESSEE

With the adoption of IFRS 16 from 01.01.2019, the present value of lease payments for long-term and significant assets are also recognized in lease liabilities.

### The lease agreements included in the items in this note are divided as follows:

	31.12.2024	Breakdown by remaining term			Interest rate	Base currency	Maturity
		Within 12 months	Within 1–5 years	Over 5 years			
Finance lease	907	169	630	108	3-month Euribor +2,45–3,85%	€	2026–2031
Finance lease	1949	559	1362	28	6-month Euribor +1,45–5,5%	€	2025–2030
Finance lease	60	20	40	0	7,50%	€	2026–2028
Finance lease	241	85	156	0	5,50%	€	2026–2029
Right of use including contracts with related parties	4 117	373	1 434	2 310	5,50%	€	2025–2053
Right of use including contracts with related parties	631	148	397	86	5,50%	€	2028–2033
Right of use including contracts with related parties	1 512	164	540	808	6,75%	€	2026–2054
Right of use including contracts with related parties	405	111	208	86	6,75%	€	2028
Right of use including contracts with related parties	870	117	277	476	7,50%	€	2025–2061
Right of use including contracts with related parties	140	33	21	86	7,50%	€	2028
<b>Total finance lease liabilities</b>	<b>9 656</b>	<b>1 487</b>	<b>4 439</b>	<b>3 730</b>			

	31.12.2023	Breakdown by remaining term			Interest rate	Base currency	Maturity
		Within 12 months	Within 1-5 years	Over 5 years			
Finance lease	451	168	283	0	3-month Euribor +1,99-3,35%	€	2024-2028
Finance lease	2 231	692	1 424	115	6-month 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 contracts with related parties	771	140	528	103	5,50%	€	2028
Right of use	1 204	334	366	504	7,50%	€	2024-2033
including contracts with related parties	166	25	38	103	7,50%	€	2033
<b>Total finance lease liabilities</b>	<b>8 438</b>	<b>1 569</b>	<b>3 647</b>	<b>3 222</b>			

The carrying amount of leased assets and right-of-use assets is shown in Note 8.

## NOTE 11 OPERATING LEASE (in thousands of euros)

### REPORTING ENTITY AS A LESSOR

Buildings and premises, trailers, tanks, cylinder cabinets and cylinders are leased under operating lease terms.

#### Operating lease income is divided as follows:

	2024	2023
Buildings and premises	80	83
Vehicles	408	342
Machinery and equipment	501	417
Other assets	7	5
<b>Total</b>	<b>996</b>	<b>847</b>

#### Carrying amount of assets leased or rented:

	2024	2023
Machinery and equipment	1 502	1 297
<b>Total</b>	<b>1 502</b>	<b>1 297</b>

All operating lease agreements are cancellable.

## REPORTING ENTITY AS A LESSEE

From 01.01.2019, leases are recognized in accordance with IFRS 16. In the case of long-term leases of assets with significant value, right-of-use objects are recognized as assets and the present value of the lease payments as a lease liability (see Notes 8 and 10). Leases of short-term and immaterial assets are recognized in the income statement as operating lease expense.

The operating lease expenses are divided by assets as follows:

	2024	2023
Buildings and premises	50	3
Other assets	150	22
<b>Total</b>	<b>200</b>	<b>25</b>

## NOTE 12 LOAN LIABILITIES (in thousands of euros)

The total overdraft limits as of 31.12.2024 were 8,000 thousand euros (8,000 thousand euros as of 31.12.2023).

In addition to loans, as of 31.12.2024, the Group had bank guarantees in the total amount of 8,615 thousand euros, which secured debts to suppliers (as of 31.12.2023, bank guarantees were 13,286 thousand euros).



	31.12.2024	Breakdown by remaining term			Interest rate	Base currency	Maturity	Note No.
		Within 12 months	Within 1-5 years	Over 5 years				
<b>Short-term loans</b>								
Overdraft	1	1	0	0	6-month Euribor 3,25%	€	2025	
Short-term bank loans	42 724	42 724	0	0	6-month Euribor 3,75%	€	2025	
<b>Total short-term loans</b>	<b>42 725</b>	<b>42 725</b>	<b>0</b>	<b>0</b>				
<b>Long-term loans</b>								
Long-term bank loans	57 829	6 311	51 518	0	6-month Euribor 3,75%	€	2026	
Long-term loans from a related party	17 376	0	17 376	0	6,00%	€	2026	
Long-term bank loans	534	102	407	25	3-month Euribor 1,25%	€	2030	
<b>Total long-term loans</b>	<b>75 739</b>	<b>6 413</b>	<b>69 301</b>	<b>25</b>				
Total finance lease liabilities	9 656	1 487	4 439	3 730				10
<b>Total loan liabilities</b>	<b>128 120</b>	<b>50 625</b>	<b>73 740</b>	<b>3 755</b>				

	31.12.2023	Breakdown by remaining term			Interest rate	Base currency	Maturity	Note No.
		Within 12 months	Within 1-5 years	Over 5 years				
<b>Short-term loans</b>								
Overdraft	1 769	1 769	0	0	6-month Euribor 3,25%	€	2024	
Short-term bank loans	29 180	29 180	0	0	6-month Euribor 3,25%	€	2023	
<b>Total short-term loans</b>	<b>30 949</b>	<b>30 949</b>	<b>0</b>	<b>0</b>				
<b>Long-term loans</b>								
Long-term bank loans	35 410	3 757	31 653	0	6-month Euribor 3,25%	€	2026	
Long-term bank loans	23 468	1 622	21 846	0	6-month Euribor 3,60%	€	2026	
Long-term loans from a related party	17 676	0	17 676	0	6,00%	€	2026	
<b>Total long-term loans</b>	<b>76 554</b>	<b>5 379</b>	<b>71 175</b>	<b>0</b>				
Total finance lease liabilities	8 438	1 569	3 647	3 222				10
<b>Total loan liabilities</b>	<b>115 941</b>	<b>37 897</b>	<b>74 822</b>	<b>3 222</b>				

Mortgages and commercial pledges are used as collateral for loans, and pledged inventories are used as collateral for merchandise loans. As of 31.12.2024, other assets pledged as collateral included security deposits and guarantee deposits in the amount of 1,461 thousand euros (as of 31.12.2023: 2,864 thousand euros) and inventories in the amount of 38,339 thousand euros (as of 31.12.2023: 22,647 thousand euros). Additional information on loan collateral and pledges is provided in Notes 36 and 8.

**Change in net debt (in thousands of euros):**

	Cash and cash equivalents	Overdraft	Debt liabilities	Lease liabilities	Net debt
<b>31.12.2022</b>	<b>1 002</b>	<b>-2 576</b>	<b>-120 808</b>	<b>-7 648</b>	<b>-130 030</b>
Cash flow	3 295	807	15 074	1 687	20 863
Added lease liabilities	0	0	0	-2 477	-2 477
<b>31.12.2023</b>	<b>4 297</b>	<b>-1 769</b>	<b>-105 734</b>	<b>-8 438</b>	<b>-111 644</b>
Cash flow	-3 192	1 768	-12 729	1 986	-12 167
Added lease liabilities	0	0	0	-3 204	-3 204
<b>31.12.2024</b>	<b>1 105</b>	<b>-1</b>	<b>-118 463</b>	<b>-9 656</b>	<b>-127 015</b>

**NOTE 13 DEBTS AND ADVANCES (in thousands of euros)**

	31.12.2024	Breakdown by remaining term		Note No.
		Within 12 months	Within 1–5 years	
Accounts payable to suppliers	44 832	44 832	0	
Accounts payable to contractors	1 369	1 369	0	14
Tax arrears	11 713	11 713	0	5
Other debts	5 068	5 064	4	
Interest debts	3 351	3 347	4	
Other accrued liabilities	1 717	1 717	0	
Advance payments received	1 118	1 118	0	
Deposits received	153	153	0	
Derivatives liabilities	1 314	1 314	0	35
Other liabilities	30	30	0	
<b>Total debts and advances</b>	<b>65 597</b>	<b>65 593</b>	<b>4</b>	

	31.12.2023	Breakdown by remaining term		Note No.
		Within 12 months	Within 1–5 years	
Payables to suppliers	37 625	37 625	0	
Payables to contractors	1 332	1 332	0	14
Tax arrears	9 905	9 905	0	5
Other debts	3 766	3 762	4	
Interest debts	2 165	2 161	4	
Other accrued liabilities	1 601	1 601	0	
Advance payments received	1 341	1 341	0	
Deposits received	161	161	0	
Derivatives liabilities	96	0	96	35
Other liabilities	837	837	0	
<b>Total debts and advances</b>	<b>55 063</b>	<b>54 963</b>	<b>100</b>	

The item "Payables to suppliers" reflects liabilities to related parties as of 31.12.2024 in the amount of 939 thousand euros (690 thousand euros as of 31.12.2023).

The item "Interest debts" reflects liabilities to related parties as of 31.12.2024 in the amount of 2,826 thousand euros (1,758 thousand euros as of 31.12.2023).

See Note 27 for settlements with related parties.

## NOTE 14 PAYABLES TO CONTRACTORS

Payables to contractors are divided as follows (in thousands of euros):

	31.12.2024	31.12.2023
Salary liabilities	821	803
Holiday pay liabilities	548	529
<b>Total payables to contractors</b>	<b>1 369</b>	<b>1 332</b>

## NOTE 15 PROVISIONS

Provisions have been established to compensate for health damage and to pay bonuses.

When calculating health compensation, the increase in the consumer price index published by Statistics Estonia for the previous year and the discount rate are considered equal.

As of 31.12.2024, the health compensation amounts to 6 thousand euros, of which the short-term liability is 1 thousand euros and the long-term liability is 5 thousand euros.

As of 31.12.2023, the compensation provision was 7 thousand euros, of which the long-term liability was 7 thousand euros.

The bonus provision is the bonuses to be paid in the next period for the performance of the previous period. Decisions on the payment of bonuses are made after the annual results are approved. No bonus reserve was formed in 2024.

in thousands of euros	31.12.2023	Formation/adjustment	Use	31.12.2024
Compensation for health damage	7	0	-1	6
Bonus provision	706	42	-748	0
<b>Total provisions</b>	<b>713</b>	<b>42</b>	<b>-749</b>	<b>6</b>
Including:				
Short-term provisions	706	44	-749	1
Long-term provisions	7	-2	0	5
in thousands of euros	31.12.2022	Formation/adjustment	Use	31.12.2023
Compensation for health damage	9	-1	-1	7
Bonus provision	612	792	-698	706
<b>Total provisions</b>	<b>621</b>	<b>791</b>	<b>-699</b>	<b>713</b>
Including:				
Short-term provisions	613	792	-699	706
Long-term provisions	8	-1	0	7

## NOTE 16 GRANTS

Grants include targeted subsidies received for the acquisition of fixed assets from the Environmental Investment Centre, Klaipėdos Nafta AB, and the European Commission's executive agencies CINEA and EISMEA.

Assets acquired with grants are recognized at cost and the targeted funding is recognized in income over the useful life of the asset.

in thousands of euros	31.12.2023 liabilities	Received	Recognized in the income statement	31.12.2024 liabilities	including long-term	short-term
Grants for the acquisition of fixed assets	1484	614	-295	1803	1511	292
<b>Total grants</b>	<b>1484</b>	<b>614</b>	<b>-295</b>	<b>1803</b>	<b>1511</b>	<b>292</b>

in thousands of euros	31.12.2022 liabilities	Received	Recognized in the income statement	31.12.2023 liabilities	including long-term	short-term
Grants for the acquisition of fixed assets	946	795	-257	1484	1192	292
<b>Total grants</b>	<b>946</b>	<b>795</b>	<b>-257</b>	<b>1484</b>	<b>1192</b>	<b>292</b>

### Important conditions of grant agreements for the construction of LNG plants:

- Self-financing is required to receive the grant.
- The recipient of the grant ensures the preservation and intended use of the assets necessary to achieve the project objective for at least five years after the final payment is made.
- The recipient of the grant shall provide biomethane for sale to the public using the biomethane supply capacity established with the grant for at least five years, starting from the final payment of the grant. If the recipient of the support is unable to provide biomethane for sale, it must provide access to the refuelling infrastructure on a uniform and fair basis to the person providing biomethane for sale.
- The annual amount of biomethane (ktoe) produced as a result of projects and used in transport: 0.01-0.07, depending on the project.

### Important conditions of grant agreements for the installation of electric chargers:

- The main objective of the project is to create a network of publicly accessible charging stations for light vehicles and heavy goods vehicles to enable electric charging on the TEN-T road network in Estonia and to install the required number of chargers.

- The recipient of the grant ensures the preservation and intended use of the assets necessary to achieve the project objective for at least five years after the final payment is made.

### Important conditions of grant agreements for the H2Value (hydrogen station) project:

- The main goal of the project is to create a cross-border green hydrogen value chain in Southern Estonia and Northern Latvia. High-readiness technologies will be deployed across the entire value chain (infrastructure, production, storage and transport development). In addition to the wider dissemination of hydrogen technologies and capabilities in the two regions, H2Value also offers a model suitable for the creation of green hydrogen ecosystems in other smaller regions, especially in the new EU Member States (EU-13), thereby supporting the idea of creating interregional green hydrogen value chains.
- The project will last 3 years and will be implemented by 9 partners, and Alexela will build a green hydrogen filling station as part of this project.
- The project must include a communication and dissemination plan to raise awareness of hydrogen technologies and engage target groups.

## NOTE 17 SHARE CAPITAL (in thousands of euros)

	31.12.2024	31.12.2023
Share capital	1 644	1 644
Number of shares (in thousands)	1 644	1 644
Nominal value of shares	1	1

### Changes in equity in 2023

At the end of 2023, the fixed assets were revalued to fair value. The fair values were determined by management. The discounted cash flow method was used to determine fair value, based on actual and budgeted data from the filling stations. The rates used in the assessment are shown in Note 8. Due to the revaluation, the value of fixed assets increased by 3,401 thousand euros, which is recorded as an increase in the equity reserve and under the item "Other changes" in the table of fixed assets, and decreased by 3,301 thousand euros, which is recorded under the item "Depreciation and impairment of fixed assets" in the income statement.

The change in the fair value of derivatives designated as effective hedging instruments in 2023 has been recognized as a decrease in the equity hedging reserve by 814 thousand euros, including a decrease of 1,120 thousand euros for electricity instruments and an increase of 306 thousand euros for natural gas instruments.

### Changes in equity in 2024

At the end of 2024, the fixed assets were revalued to fair value. The fair values were determined by management. The discounted cash flow method was used to determine fair value, based on actual and budgeted data for the assets being valued. The rates used in the assessment are shown in Note 8. Due to the revaluation, the value of fixed assets increased by 12,346 thousand euros, which is recorded as an increase in the equity reserve and under the item "Other changes" in the table of fixed assets, and decreased by 120 thousand euros, which is recorded under the item "Depreciation and impairment of fixed assets" in the income statement.

The change in the fair value of derivatives designated as effective hedging instruments in 2024 has been recognized as a decrease in the equity hedging reserve by 5,894 thousand euros, including a decrease of 2,457 thousand euros for electricity instruments and a decrease of 3,437 thousand euros for natural gas instruments.

### Earnings per share

To calculate basic earnings per share, the net profit for the year attributable to the company's shareholders is divided by the weighted average number of ordinary shares outstanding during the year. Since the company has no potential ordinary shares, diluted earnings per share equals basic earnings per share.

In 2024, Alexela AS's net loss was 5,257 thousand euros and basic and diluted net loss per share was 3.20 euros.

In 2023, Alexela AS's net profit was 8,697 thousand euros and basic and diluted net profit per share was 5.29 euros.

### Maximum income tax liability

As of 31.12.2024, Alexela AS's retained earnings were 52,897 thousand euros (as of 31.12.2023: 55,920 thousand euros). The payment of dividends would result in income tax expense at a rate of 22/78. As of 31.12.2024, it is possible to pay out 41,260 thousand euros in dividends from retained earnings to owners (44,735 thousand euros as of 31.12.2023) and the associated maximum possible income tax liability at the standard rate on dividends would be 11,637 thousand euros (11,184 thousand euros as of 31.12.2023).

## NOTE 18 SALES REVENUE (in thousands of euros)

	2024	2023
Sales revenue by geographical region		
Sales to European Union countries		
Estonia	518 495	518 720
Sales to European Union countries, other	73 872	86 906
<b>Sales to European Union countries, total</b>	<b>592 367</b>	<b>605 626</b>
Sales outside the European Union		
Sales outside the European Union, other	1 799	12 283
<b>Sales outside the European Union, total</b>	<b>1 799</b>	<b>12 283</b>
<b>Total sales revenue</b>	<b>594 166</b>	<b>617 909</b>
Sales revenue by business area		
Retail sale of motor fuels	256 144	252 402
Wholesale of motor fuels	16 778	32 076
Electricity sales	185 132	149 255
Other sales of liquefied gas and gas fuels	104 667	151 850
Retail sale of other goods and services	27 949	25 047
Other sales revenue	3 496	7 279
<b>Total sales revenue</b>	<b>594 166</b>	<b>617 909</b>

Natural gas sales to household consumers in 2024 amounted to 2,132 thousand euros (2,888 thousand euros in 2023) and to eligible consumers to 22,956 thousand euros (31,137 thousand euros in 2023).

## NOTE 19 OTHER Operating INCOME (in thousands of euros)

	2024	2023	Note No.
Profit from sale of tangible fixed assets	230	4	8
Income from grants	295	257	16
Fines, late payment interest and compensation	453	454	
Other	293	517	
<b>Total other operating income</b>	<b>1 271</b>	<b>1 232</b>	

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

	2024	2023
Costs of goods sold	523 637	537 772
Costs of services sold	6 698	1 789
Transportation costs of finished products	64	69
Cargo losses	1 341	1 464
Lease costs	179	27
Other sales costs	69	3 875
Other goods costs	19 579	21 407
Effects of derivative transactions	-600	1 231
<b>Total goods, raw materials, materials and services</b>	<b>550 967</b>	<b>567 634</b>

## NOTE 21 MISCELLANEOUS OPERATING EXPENSES (in thousands of euros)

	2024	2023
Rent and lease	382	153
Miscellaneous office expenses	2 703	2 391
Expense for doubtful receivables	265	187
Consultations	1 261	1 691
Audit costs	85	77
Marketing expenses	2 307	2 013
Taxes and fees	163	203
Other operating expenses	895	856
<b>Total miscellaneous operating expenses</b>	<b>8 061</b>	<b>7 571</b>

## NOTE 22 LABOUR COSTS (in thousands of euros)

	2024	2023
Salary expense	14 950	12 934
Social taxes	4 427	3 701
<b>Total labour costs</b>	<b>19 377</b>	<b>16 635</b>
Average number of employees in full-time equivalents	518	460
Average number of employees by type of employment:		
Persons working under an employment contract	561	511
Persons providing a service under a contract under the law of obligations, except for sole proprietors	2	4
Members of the management or supervisory body of a legal person	12	13

Labour costs include a reserve for holiday and bonus payments that has been formed in the reporting year but has not yet been used.

The formation of the bonus reserve is decided by the company's management board and supervisory board. No bonus reserve was formed in 2024 due to negative financial results.

See Note 15 for the balance and use of the bonus reserve.

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

	2024	2023
Loss from exchange rate changes	91	90
Other operating expenses	782	961
<b>Total other operating expenses</b>	<b>873</b>	<b>1 051</b>

## NOTE 24 INTEREST INCOME (in thousands of euros)

	2024	2023
Interest income from loans	499	440
Interest income from finance lease	3	6
<b>Total interest income</b>	<b>502</b>	<b>446</b>

The item "Interest income from loans" includes income from related parties of 435 thousand euros as of 31.12.2024 (326 thousand euros as of 31.12.2023).

## NOTE 25 INTEREST EXPENSES (in thousands of euros)

	2024	2023
Interest expense on loans	7 824	6 818
Interest expense on lease agreements	593	493
<b>Total interest expenses</b>	<b>8 417</b>	<b>7 311</b>

## NOTE 26 OTHER FINANCIAL INCOME AND EXPENSES (in thousands of euros)

	2024	2023
Gain (loss) from exchange rate changes	-11	-4
Other financial income and expenses	-1 032	-552
<b>Total other financial income and expenses</b>	<b>-1 043</b>	<b>-556</b>



## NOTE 27 RELATED PARTIES

Name of the reporting entity's parent company	Tanklate Investeeringud OÜ
Country where the reporting entity's parent company is registered	Estonia
Name of the group to which the parent company belongs	AVH Grupp AS
Country where the parent company of the group is registered	Eesti

The group's parent company, Alexela Varahalduse AS, is named AVH Grupp AS from January 2023.

Transactions between related parties are classified based on the date of the transaction, and balances are presented based on the relations that existed at the reporting date.

### Balances with related parties by group (in thousands of euros):

	31.12.2024		31.12.2023	
	Receivables	Liabilities	Receivables	Liabilities
Associates	15 231	787	11 950	513
Other companies belonging to the same consolidation group	90	21 241	97	20 393
Executive and senior management, as well as significant private owners and undertakings under their control or significant influence	263	11	274	20
Owners of legal entities with significant holdings and undertakings under their control or significant influence	6 578	121	1 518	136



## FLOW OF LOANS (in thousands of euros)

2024	Loans granted	Repayments of loans granted	Interest received	Loans received	Repayments of loans received	Interest paid	Interest rate	Base currency	Maturity
<b>Other companies belonging to the same consolidation group</b>									
Long-term loan	0	0	0	0	300	0	6,00%	€	2026
<b>2023</b>									
2023	Loans granted	Repayments of loans granted	Interest received	Loans received	Repayments of loans received	Interest paid	Interest rate	Base currency	Maturity
<b>Associates</b>									
Short-term loan	1 000		0	0	0	0	7,00%	€	2023
Short-term loan	1 370	1 902	3	0	0	0	7,11%	€	2023
<b>Other companies belonging to the same consolidation group</b>									
Long-term loan	0	0	0	0	900	0	6,00%	€	2026

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

	2024		2023	
	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Sales of goods and services
Associates	6 901	6 722	13 523	29 203
Other companies belonging to the same consolidation group	835	1 105	1 032	1 056
Executive and senior management, as well as significant private owners and undertakings under their control or significant influence	184	2 188	2 266	2 789
Owners of legal entities with significant holdings and undertakings under their control or significant influence	1 994	5 526	1 838	10 380

## PURCHASES AND SALES OF FIXED ASSETS (in thousands of euros)

	2024		2023	
	Purchased fixed assets	Sold fixed assets	Purchased fixed assets	Sold fixed assets
Other companies belonging to the same consolidation group	85	0	100	99
Executive and senior management, as well as significant private owners and undertakings under their control or significant influence	32	0	65	0
Owners of legal entities with significant holdings and undertakings under their control or significant influence	1	0	4	0

In 2024, the company brokered the sale of CO<sub>2</sub> to a related party in the amount of 3,856 thousand euros.

**Remuneration and other significant benefits for executive and senior management (in thousands of euros)**

	2024	2023
Calculated remuneration	666	813

Based on management contracts and the employment contracts of some key personnel, the company may impose a non-compete clause for 6 or 12 months upon the employee's departure. If it is imposed, the company undertakes to pay 50% of the salary during the period of validity of the non-compete. The company has the right to revoke the non-compete agreement and terminate the payment at any time. No compensation is provided for non-compete and no provision has been formed.

The item "Owners of legal entities with significant holdings and undertakings under their control or significant influence" also includes right-of-use liabilities recognized in accordance with IFRS 16 in the amount of 1,181 thousand euros as of 31.12.24, of which interest liabilities are 4 thousand euros, and the principal short-term liabilities are 293 thousand euros and long-term liabilities are 884 thousand euros (as of 31.12.23: 941 thousand euros, of which interest liabilities were 5 thousand euros, principal short-term liabilities were 165 thousand euros and long-term liabilities were 771 thousand euros).

The balances of receivables and liabilities and interest income/expenses from settlements with related parties are disclosed in Notes 3, 13, 24 and 25, respectively.



## NOTE 28 UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of euros)

	31.12.2024	31.12.2023
Assets		
Current assets		
Cash	569	778
Receivables and advances	75 847	71 040
Inventory	38 339	22 647
<b>Total current assets</b>	<b>114 755</b>	<b>94 465</b>
<b>Fixed assets</b>		
Investments in subsidiaries and associates	31 748	36 080
Receivables and advances	33 866	39 048
Tangible fixed assets	153 974	144 438
Intangible fixed assets	6 432	3 151
<b>Total fixed assets</b>	<b>226 020</b>	<b>222 717</b>
<b>Total assets</b>	<b>340 775</b>	<b>317 182</b>
Liabilities and equity		
Liabilities		
Current liabilities		
Loan commitments	52 446	38 231
Debts and advances	65 629	56 820
Provisions	1	542
Grants	292	292
<b>Total current liabilities</b>	<b>118 368</b>	<b>95 885</b>
<b>Non-current liabilities</b>		
Loan commitments	75 072	76 456
Debts and advances	4	100
Provisions	5	6
Grants	1 511	1 192
<b>Total non-current liabilities</b>	<b>76 592</b>	<b>77 754</b>
<b>Total liabilities</b>	<b>194 960</b>	<b>173 639</b>
Equity		
Share capital at nominal value	1 644	1 644
Premium	1 435	1 435
Mandatory reserve capital	162	162
Other reserves	86 127	82 638
Retained earnings (losses) from previous periods	60 121	48 280
Profit (loss) for the reporting year	-3 674	9 384
<b>Total equity</b>	<b>145 815</b>	<b>143 543</b>
<b>Total liabilities and equity</b>	<b>340 775</b>	<b>317 182</b>

## NOTE 29 UNCONSOLIDATED INCOME STATEMENT (in thousands of euros)

	2024	2023
Sales revenue	548 158	595 971
Other operating income	1 180	1 222
Capitalized expenses for own-use production of fixed assets	327	0
Goods, raw materials, materials and services	-509 386	-550 841
Miscellaneous operating expenses	-7 137	-7 071
Labour costs	-16 252	-14 364
Depreciation and impairment of fixed assets	-10 639	-10 659
Other operating expenses	-758	-976
<b>Total operating profit (loss)</b>	<b>5 493</b>	<b>13 282</b>
Profit (loss) from associates	-2 368	1 743
Interest income	2 386	2 001
Interest expenses	-8 271	-7 203
Other financial income and expenses	-914	-439
<b>Profit (loss) before income tax</b>	<b>-3 674</b>	<b>9 384</b>
<b>Profit (loss) for the reporting year</b>	<b>-3 674</b>	<b>9 384</b>

## NOTE 30 UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in thousands of euros)

	2024	2023
Profit (loss) for the reporting year	-3 674	9 384
Other comprehensive income (loss):		
Other comprehensive profits (losses)	6 546	-9 590
<b>Total other comprehensive income (loss)</b>	<b>6 546</b>	<b>-9 590</b>
<b>Total comprehensive income (loss) for the reporting year</b>	<b>2 872</b>	<b>-206</b>

## NOTE 31 UNCONSOLIDATED STATEMENT OF CASH FLOWS (in thousands of euros)

	2024	2023
Cash flows from business activities		
Operating profit (loss)	5 493	13 282
Adjustments		
Depreciation and impairment of fixed assets	10 639	10 659
Profit (loss) from sale of fixed assets	-222	-25
Other adjustments	-244	-199
<b>Total adjustments</b>	<b>10 173</b>	<b>10 435</b>
Change in receivables and advances related to business activities	-1483	-1984
Change in inventory	-15 692	23 681
Change in liabilities and advances related to business activities	7 502	-5 416
<b>Total cash flows from business activities</b>	<b>5 993</b>	<b>39 998</b>
Cash flows from investing activities		
Paid for the acquisition of tangible and intangible fixed assets	-7 493	-20 174
Received from the sale of tangible and intangible assets	282	232
Net cash flow from acquisition of subsidiaries	109	0
Paid upon acquisition of subsidiaries	-600	-1 489
Paid upon acquisition of associates	0	-1 651
Received from sale of subsidiary	0	5 270
Loans granted	-3 976	-4 016
Repayments of loans granted	592	3 426
Interest received	462	187
<b>Total cash flows from investing activities</b>	<b>-10 624</b>	<b>-18 215</b>
Cash flows from financing activities		
Loans received	199 766	186 357
Repayments of loans received	-186 071	-201 431
Change in overdraft balance	-1768	-807
Finance lease principal repayments	-1 043	-759
Interest paid	-7 076	-6 029
Grant receipts	614	796
<b>Total cash flows from financing activities</b>	<b>4 422</b>	<b>-21 873</b>
<b>Total cash flows</b>	<b>-209</b>	<b>-90</b>
Cash and cash equivalents at the beginning of the period	778	868
<b>Change in cash and cash equivalents</b>	<b>-209</b>	<b>-90</b>
Cash and cash equivalents at the end of the period	569	778

## NOTE 32 UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in thousands of euros)

	Share capital at nominal value	Share premium	Statutory reserve capital	Other reserves	Retained profit (loss)	Total
<b>31.12.2022</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>94 977</b>	<b>47 654</b>	<b>145 872</b>
Carrying amount of holdings under controlling influence	0	0	0	0	-18 933	-18 933
Value of holdings under controlling influence calculated using the equity method	0	0	0	0	22 322	22 322
<b>Adjusted unconsolidated equity 31.12.2022</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>94 977</b>	<b>51 043</b>	<b>149 261</b>
Profit (loss) for the reporting year	0	0	0	0	9 384	9 384
Changes in reserves	0	0	0	-12339	2 749	-9 590
Other changes	0	0	0	0	-2 123	-2 123
<b>31.12.2023</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>82 638</b>	<b>57 664</b>	<b>143 543</b>
Carrying amount of holdings under controlling influence	0	0	0	0	-6 971	-6 971
Value of holdings under controlling influence calculated using the equity method	0	0	0	0	7 416	7 416
<b>Adjusted unconsolidated equity 31.12.2023</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>82 638</b>	<b>58 109</b>	<b>143 988</b>
Profit (loss) for the reporting year	0	0	0	0	-3 674	-3 674
Changes in reserves	0	0	0	3 489	3 057	6 546
Other changes	0	0	0	0	-600	-600
<b>31.12.2024</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>86 127</b>	<b>56 447</b>	<b>145 815</b>
Carrying amount of holdings under controlling influence	0	0	0	0	-4 234	-4 234
Value of holdings under controlling influence calculated using the equity method	0	0	0	0	4 061	4 061
<b>Adjusted unconsolidated equity 31.12.2024</b>	<b>1 644</b>	<b>1 435</b>	<b>162</b>	<b>86 127</b>	<b>56 274</b>	<b>145 642</b>

The equity item "Other reserves" includes the revaluation reserve for fixed assets and the natural gas and electricity hedging reserves. Additional information on changes in the revaluation reserve for non-current assets is provided in Note 8 and on hedging reserves in Note 35.

More detailed information on share capital and other equity items is provided in Note 17.

## NOTE 33 CAPITAL MANAGEMENT

The goal of the company's capital management is to ensure the company's sustainability and profitability, and that capital meets established requirements.

The company follows a capital structure and changes it according to changing economic conditions.

The company manages equity as capital. By law, equity must be at least 50% of the share capital. As of 31.12.2024, equity was 8,670% of the share capital and meets this requirement, as of 31.12.2023, equity was 8,648% of the share capital.

## NOTE 34 FINANCIAL RISK MANAGEMENT

The company's activities may be subject to several financial risks, the most significant of which are liquidity risk, credit risk and market risk (including exchange rate risk, interest rate risk and price risk). Financial risk management is within the competence of the company's management board and includes the definition, measurement and control of risks. The goal of financial risk management is to mitigate financial risks and reduce the volatility of financial results.

The supervisory board of the parent company supervises the measures taken by the management board to mitigate risks.

### Currency risk

Currency risk is the risk that the fair value or cash flows of financial instruments will fluctuate in the future due to changes in exchange rates. Financial assets and liabilities denominated in euros are considered to be financial assets and liabilities free of currency risk. To hedge the company's currency risk, most contracts are euro-based. Also, all loan agreements are concluded in euros, which is why they are considered as currency risk-free liabilities.

The company's currency risk in 2024 was low. Hedging instruments have been used in the past to hedge risks arising from USD transactions and are planned to be used in the future if necessary. In 2024, most transactions were in euros, while some liquefied gas purchase transactions were in foreign currency (USD).

As a result of purchase transactions in foreign currency, the company incurred a loss of 91 thousand euros (recognized in the income statement under the item "Other operating expenses").

### Interest rate risk

Interest rate risk is considered to be a risk where, as interest rates rise, the increase in interest expenses paid on liabilities may significantly affect the performance of the company's operations. The company's interest rate risk arises mainly from long-term loan obligations. The company's loans and leases from financial institutions are linked to Euribor and have variable interest rates, which are fixed every six months or three months. The company does not use Euribor fixing for a long period of time. Overdrafts from financial institutions and loans from other companies have fixed interest or variable interest rates linked to Euribor. In 2024, the six-month Euribor fell from 3.861% at the beginning of the year to 2.562% at the end of the year. Economic analysts expect Euribor to continue to decline to around 2.0% in 2025, which may have a slight positive impact on the company's performance. The 2023 Euribor hike was a test in a higher interest rate environment, and the company maintained its positive result. In 2024, the situation was more difficult, but the falling Euribor began to provide relief in the form of interest obligations. Looking ahead to 2025, the company will maintain its debt level at a similar level to 2023 and 2024, so interest liabilities will not threaten the company's sustainability.

Information on the amounts of financial liabilities and interest is provided in Notes 10 and 12.

### Hedging price risk in the electricity and natural gas markets

Alexela sells electricity and natural gas to its customers on the retail market. Some customer contracts are concluded at fixed prices. Alexela uses derivative instruments (futures, forwards and long-term power purchase agreements) to hedge the risk of fluctu-

ations in electricity and gas prices. TTF forwards are used to hedge natural gas price risks; Nord Pool system price and EPAD futures, Estonian, Latvian and Lithuanian base electricity, and fixed-price electricity purchase agreements with producers are used to hedge electricity price risks.

#### As of 31.12.2024, the volume of hedged electricity sales transactions is as follows:

		deadline 2025_2030
Nord Pool system price component	GWh	63.5
Nord Pool Estonia price	GWh	28.1
Nord Pool Finland price	GWh	114.4
Nord Pool Latvia price	GWh	907.8
Nord Pool Lithuania price	GWh	10.8
Nord Pool SYTAL component	GWh	147.8
Nord Pool SYHEL component	GWh	-56.4
Long-term Estonian power purchase agreements	GWh	393.4
Long-term Latvian power purchase agreements	GWh	78.8

Nord Pool system price component	EUR/MWh	43.5
Nord Pool Estonia price	EUR/MWh	106.2
Nord Pool Finland price	EUR/MWh	66.9
Nord Pool Latvia price	EUR/MWh	72.3
Nord Pool Lithuania price	EUR/MWh	92.0
Nord Pool SYTAL component	EUR/MWh	43.4
Nord Pool SYHEL component	EUR/MWh	20.8
Long-term Estonian power purchase agreements	EUR/MWh	89.1
Long-term Latvian power purchase agreements	EUR/MWh	64.5

The company also enters into fixed-price sales contracts for the sale of natural gas and hedges the risk that market prices will rise higher than in the fixed-price sales contracts. In addition, natural gas held in storage is hedged at a fixed price. Argus TTF Month Ahead futures are used to hedge transactions.

As of 31.12.2024, the volume of hedged natural gas sales transactions for 2025-2026 is 139.5 GWh at a weighted average price of 38.1 EUR/MWh and the volume of hedged inventory is 74.5 GWh at a weighted average price of 43.2 EUR/MWh.

### Fuel price risk

In 2024, as in 2023, the company's fuel market risk was quite low: most purchases were made on the local market, allowing to hedge the risk of changes in fuel prices.

### Credit risk

Credit risk is the risk that a company will incur a financial loss caused by other parties to a financial instrument because they are unable to meet their obligations. About 30% of customer settlements are made immediately in cash, with bank payment cards or by advance payment. The company's main credit risk arises from credit sales receivables from buyers. The company does not assess its credit risk as very high, as the selection of customers to whom credit is granted is based on an analysis of the customer's credit risk. In addition, there are many customers and the credits given to customers are small. Information on the volume and maturity of claims is provided in Note 3.

As of 31.12.2024, the maximum credit risk exposure is expressed in the amount of 72,907 thousand euros (as of 31.12.2023: 69,150 thousand euros).

The credit risk of cash and cash equivalents is low because the current accounts are in domestic banks that have a legally established operating license and a high international credit rating.

### Liquidity risk

Since the company's working capital is low (as of 31.12.2024, it was worth -2,517 thousand euros, and as of 31.12.2023, it was worth 1,149 thousand euros), the company is exposed to liquidity risk. The company's management does not assess the liquidity risk as very high, as the payment terms of receivables are significantly shorter than the payment terms of liabilities. To manage liquidity risk, the company's cash flows are constantly planned and monitored, and if necessary, measures are taken to cover negative cash flows.

### Fair value

The company estimates that the fair values of assets and liabilities recorded at amortized cost do not dif-

fer significantly from their carrying amounts as of 31.12.2024 and 31.12.2023.

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

- Level 1 – inputs are prices quoted in active markets
- Level 2 – inputs are directly or indirectly observable alternative metrics that are not classified as Level 1 inputs
- Level 3 – inputs are unobservable inputs for assets or liabilities

The input for determining the value of derivatives is the price spreads between fixed and forecasted electricity purchase and sale transactions. Since the inputs contain both Level 2 and Level 3 components, this measurement is classified as Level 3.

## NOTE 35 DERIVATIVES (in thousands of euros)

The company has entered into long-term physical natural gas (biomethane) and power purchase agreements with energy producers to ensure the necessary volume and balance risk, and to sell the purchased natural gas and electricity to its own retail customers. The company estimates that some of these contracts (depending on the length of the contract, cancellation terms and price agreements) do not meet the terms of standard purchase contracts, therefore these contracts are recognized as derivatives measured at fair value through profit or loss in accordance with IFRS 9. On the value date, the company settles such contracts by receiving the energy quantity and selling it to its retail customers or, if necessary, to the relevant exchange.

The company has entered into long-term cash-settled energy purchase agreements with energy producers. On the value date, the derivative is settled based on the difference between the fixed price and the agreed market price. The company accounts for such contracts as derivatives measured at fair value through profit or loss in accordance with IFRS 9 or as cash flow hedges if the specific contract is designated and qualifies as a hedging instrument.

**Fair values of derivatives designated as hedging instruments:**

	31.12.2024		31.12.2023	
	Receivables	Liabilities	Receivables	Liabilities
Forward contracts for the purchase and sale of electricity	10 691	0	12 760	0
Forward contracts for the purchase and sale of natural gas	936	1 314	3 155	96
<b>Total forward contract receivables and liabilities</b>	<b>11 627</b>	<b>1 314</b>	<b>15 915</b>	<b>96</b>
Including:				
<b>Short-term</b>				
Forward contracts for the purchase and sale of electricity	7 148	0	2 980	0
Forward contracts for the purchase and sale of natural gas	796	1 314	1 757	0
<b>Long-term</b>				
Forward contracts for the purchase and sale of electricity	3 543	0	9 780	0
Forward contracts for the purchase and sale of natural gas	140	0	1 398	96

**The hedging reserve in equity is divided as follows:**

Hedging reserve	31.12.2023	Change in reserve	31.12.2024
Electricity hedging instruments	10 101	-2 457	7 644
Natural gas hedging instruments	3 059	-3 437	-378
<b>Total</b>	<b>13 160</b>	<b>-5 894</b>	<b>7 266</b>



## NOTE 36 LOAN COLLATERAL AND PLEDGED ASSETS

The company's financial liabilities are secured by mortgages and commercial pledges.

Type of pledge	Value in thousands of euros
Mortgages in favour of AS Swedbank	102,500
Commercial pledges on the assets of AS Alexela in favour of AS Swedbank	55,154
Commercial pledges on the assets of Alexela Motors AS in favour of AS Swedbank	300

The total amount of bank guarantees is 8,615 thousand euros, which secure the debt to suppliers (see Note 13).

**The following shares of subsidiaries have been pledged to cover liabilities arising from loan agreements:**

Subsidiary	Nominal value in euros
Alexela Motors AS	110,000
Alexela rePower OÜ	32,000
Rohe Solutions OY	10,000

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

	31.12.2024	31.12.2023
Land	61,858	59,068
Buildings	53,294	51,508
Machinery and equipment	16,649	16,729
Other tangible fixed assets	5,415	5,305
Other assets	39,800	25,510

## NOTE 37 EVENTS AFTER THE REPORTING DATE

As of 01.03.2025, Aivo Adamson left the management board and a new member of the management board has not been appointed.

## NOTE 38 MANAGEMENT BOARD APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Management Board confirms the accuracy and completeness of the Consolidated Annual Financial Statements 2024 of AS Alexela set out on pages 51–108, and that:

- the accounting principles applied in the preparation of the annual financial statements are in accordance with international accounting standards as adopted by the European Union;
- the annual financial statements present fairly and accurately the financial position, financial performance and cash flows of the parent company and the Group;
- AS Alexela and its subsidiaries continue to operate.