

Consolidated Annual Report 2025 of AS Alexela

Beginning of financial year: **01.01.2025**

End of financial year: **31.12.2025**

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ALEXELA

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Address by the Chairman of the Management Board



Marti Hääl
Chairman
of the
Management
Board, AS
Alexela

For Alexela, 2025 was the year when responding to external unexpected events became a daily way of working. Our ambition to grow to become the region's preferred energy partner means moving away from traditional products towards complete solutions at home, on the road and at the destination. This requires consistent investment, discipline and the ability to act when market conditions are volatile and the regulatory framework changes faster than the weather.

Energy markets in 2025 were shaped by geopolitical risks, a volatile economic environment and the low purchasing power of consumers. The price war in the fuel market started in the autumn, highlighting the vulnerability of a small market and the risks of international vertical consolidation. While a short-term price advantage may seem tempting, the good health of the fuel market, fair competition and giving preference to national economic interests are values on which the well-being of the Estonian consumer also depends in the longer term.

Security of energy supply also came into focus in a very practical way in 2025 with the desynchronisation of the electricity grid from Russia. Alexela contributed to preparedness through the development of its crisis preparedness capabilities: we have the largest network of autonomous fuel stations in Estonia to ensure fuel availability in case of power outages, exceeding the minimum required by the state for the provision of essential services by more than two times. Last May, we launched the first stage of the Baltic region's only

liquefied gas import terminal at the Port of Riga, which ensures security of supply of high-quality, affordable and ethically sourced fuel to both Alexela's domestic customers as well as business customers in food industry, agriculture and many other sectors vital to society.

Business continuity is also supported by a network of smart lockers for gas cylinders across Estonia, which operate 24/7 even in the event of power cuts. The Hamina LNG terminal, in turn, provides our customers with both the flexibility required for emergency situations and the production capacity needed to meet the rapidly growing demand for bioLNG in both road transport and shipping.

Alexela's distinctive strength lies in its broad-based energy portfolio and its ability to integrate infrastructure, services and the customer experience into a single, cohesive whole. We are developing local and forward-looking energy solutions that reduce dependence on imports, strengthen security of supply and give consumers more opportunities to manage their energy consumption and costs in an informed manner. In 2025, we succeeded in significantly expanding our presence in both the Finnish and Latvian energy markets, and the foundations for further growth have been laid, as supply chains and prices have long since ceased to move according to national borders.

In 2025, customer experience and trust have been just as important to us as investments. For the second year running, Alexela was the 'top-of-mind' energy company both in the filling station business as well as among all other energy companies, and customer satisfaction remained high. It is also telling that our customer base in Estonia grew despite the turbulent times in both the electricity and fuel markets. This reflects the fact that consumers recognise the value of Estonian capital and understand that their everyday choices have an impact on the stability of the local energy sector.

Along the way, work continued on developing the service infrastructure to ensure it meets tomorrow's expectations in terms of mobility. In 2025, we opened a new-generation service station at Jalaka 75 in Tartu, combining refuelling, green technology and a community stopping place, including a café and shop, LPG, CNG, and charging points with a capacity of up to 400 kW, even for heavy goods vehicles and road trains, alongside which a solar-powered energy solution also supports the station's energy requirements. We have set up a convenient electric car charging area with 32 charging points at Tallinn Airport to make e-mobility easier for customers, even during longer journeys. A total of 600 charging plugs were installed throughout Estonia during the year. In response to the community's needs, we opened a new self-service filling station in Kuusalu.

Retail concepts and food service have been key areas of development. We see food as a part of energy: high-quality service and a reliable experience are just as important as fuel or charging when you're on the road. Täkupoiss is our flagship in this regard, the quality of our family restaurant is confirmed by very strong customer feedback, including a high rating on Google (4.7) as well as recognition as a family-friendly eatery by the Estonian Association of Large Families for the second year running. In 2025, we also piloted new service solutions, such as the 24/7 self-service concept at the Sauga café-shop. The quality of the service is also confirmed by smaller but telling signs, such as the best cappuccino as rated in a blind test carried out at filling stations by a coffee expert.

We made steady progress in the areas of future technologies and environmental impact management. Our carbon footprint has decreased significantly over the last five years, and we are continuing on this path with the aim of becoming increasingly efficient and responsible within the scope of our operations. At the same time, we are developing solutions based on local resources and take new technologies further.

In the field of hydrogen, 2025 marked a significant milestone: as part of a cooperation project, we opened Estonia's first hydrogen filling station in Vão (for business customers) and launched a pilot project for a public hydrogen filling station on Peterburi Road.

Alexela's values go beyond commercial objectives. In 2025, we took a significant step forward in terms of our community contribution: we shifted the focus of our community programme towards supporting national defence and are contributing to the Reserve Forces Fund. Our consistent contribution to supporting the reserve forces was also recognised by the Ministry of Defence with the Supporter of Defenders of the State award. As an organisation, we also strengthened our internal resilience; Alexela was awarded the Health Promoting Workplace label, and we signed up to the Diversity Charter of the Human Rights Centre, because we believe that a strong company is built on a safe and respectful working environment.

We have also been a partner to Estonian society and the economy in a broader sense: supporting culture, education, science and sport, as well as cooperation projects, is part of our DNA. Our ongoing contribution to the Estonian music scene – ranging from large institutions and concert venues to festivals and events throughout Estonia – was further recognised by EMEA's award for Most Music-Friendly Company of the Year.

Looking ahead to 2026 and beyond, our goal is becoming increasingly clear: to be the region's best energy partner, preferred because of the trust, quality and values we embody. Alexela continues to invest in solutions that improve people's lives and make Estonia stronger.

Marti Hääl

Chairman of the Management Board

Alexela at a glance

Alexela is an energy company based on Estonian capital operating in Estonia, Latvia and Finland, offering complete energy services for home, on the road and at the destination. Alexela's portfolio includes electricity and gas solutions, traditional liquid fuels, complemented by alternative fuels such as gaseous fuels, e-mobility and hydrogen, as well as developments in energy generation and storage that support system balancing and security of supply. Digital solutions aimed at customers make it easy to use the services and provide an up-to-date overview.

Alexela develops and manages infrastructure and supply chains that strengthen energy security. The company invests in the value chain for biomethane and bio-LNG produced in accordance with the circular economy principle, in renewable energy solutions and the development of energy storage, whilst also preparing for growth in new technologies, including hydrogen.

On the road, the core of Alexela's services is a nationwide network of filling stations offering additional services, as well as charging facilities for electric vehicles.

As part of its retail concept, Alexela operates café-shops and is developing its food service division, including a family restaurant, a catering service and mobile food service solutions. In 2025, Tākupoiss was recognised as a family-friendly eatery by the Estonian Association of Large Families for the second

year running, which confirms that the service and the environment really meet the expectations of families.

Alexela constantly develops its services in the direction of automation in order to improve accessibility and convenience.

Alexela contributes systematically to business continuity and crisis preparedness. The company has filling stations with autonomous power supply, which ensure the availability of fuel even during power cuts, and a nationwide network of smart lockers for cylinder gas, which can also be used during power cuts.

Together with its customers, Alexela consistently supports Estonian society by promoting culture, education and sport, and by contributing to community initiatives. In 2025, Alexela shifted the focus of its community programme towards supporting national defence and is contributing to the Reserve Forces Fund. Alexela has been awarded the title of Friend of Culture by the Ministry of Culture, the title of Most Music-Friendly Company of the Year at the Estonian Music Industry Awards, which reflects our long-term contribution to the music scene, and recognition from the Ministry of Defence as a supporter of defenders of the state. The development of the company's working environment is confirmed by the accolades and initiatives that support the wellbeing of our employees and customers, as well as a diverse and inclusive organisational culture.

Key events in 2025

Markets, customers and trust

- In 2025, the energy market was still influenced by the Estonian and global economic environment, political decisions and pressure on consumer purchasing power.
- The price pressures on the fuel market that emerged in the autumn put the risks of market consolidation under the limelight, alongside the question of how sustainable short-term price gains are in the longer term.
- Despite market volatility, Alexela's customer base grew; the importance of value-based consumer choice and local capital became more apparent.

Security of supply and crisis preparedness (desynchronisation)

- In relation to the desynchronisation, we invested in developing our crisis preparedness capabilities: we ensured the availability of fuel at filling stations with autonomous power supply and expanded our preparedness beyond the minimum required by the state.

Infrastructure, e-mobility and digital solutions

- We opened a new-generation service station on Jalaka Street in Tartu, where we offer both traditional fuels and ultra-fast (400 kW) charging facilities, as well as a varied menu in our café-shop.
- We established a large and convenient electric car charging area at Tallinn Airport (stage 1: 32 public charging plugs).
- We opened the extension to the area of charging points at the DPD depot and strengthened the charging network at destinations and logistics hubs.
- We expanded and developed our self-service and automation initiatives (service availability, efficiency).

Future technologies and environmental impact

We developed solutions based on local resources (the biomethane and bio-LNG value chain) and are taking forward new technologies, including the direction of hydrogen. Important milestones:

- Estonia's first hydrogen filling station in Vão (for business customers)
- Pilot project for a public hydrogen filling station on Peterburi Road.

Retail concepts and food service

- Food service clearly developed into a separate area of activity: café-shops, Tākupoiss (family restaurant, catering, mobile food service solution).
- In 2025, Tākupoiss was recognised as a family-friendly eatery by the Estonian Association of Large Families for the second year running.
- The quality of the service is confirmed by customer feedback and its reputation (including a Google rating of 4.7 in the context of roadside restaurants).
- We launched a catering service, introduced an automated ordering system, and in 2025, the mobile kitchen of Tākupoiss catered for events with over 200 participants in Estonia.
- As a pilot, we opened the Sauga café-shop 24/7: a self-service model during the night, with an emphasis on trust and accessibility.
- As a mark of quality, Alexela's filling station coffee won the recognition of an independent coffee expert in a blind taste test at filling stations (best cappuccino).



Contribution to society and accolades 2025

- In June 2025, we shifted the focus of our community programme towards supporting national defence and contribute to the Reserve Forces Fund (strengthening drone capabilities). In 2025, we raised over €15,000 for the Reserve Forces Fund through sales of digital camo products and donations from our community programme.
- Alexela received:
 - the title of Most Music-Friendly Company of the Year (Estonian National Opera, Alexela Concert Hall, festivals and event partnerships across Estonia) at the Estonian Music Industry Awards (EMEA).
 - The Supporter of Defenders of the State award of the Ministry of Defence.
- In the area of organisational culture and wellbeing:
 - The Health Promoting Workplace label (National Institute for Health Development + Labour Inspectorate).
 - We signed the Diversity Charter of the Human Rights Centre.
 - Employer's reputation: Top employer in the trade sector (CV.ee).

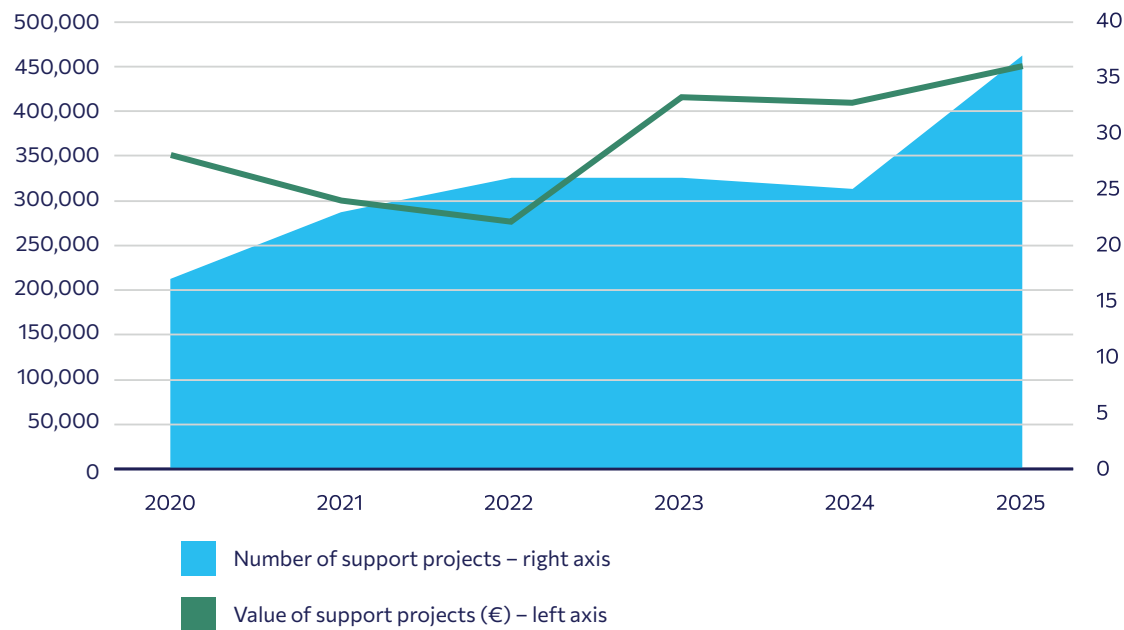
Outlook for 2026

In the energy sector, the start of 2026 has been challenging and volatile. This was caused by the exceptionally cold January and February at the start of the year, when we experienced the lowest temperatures of the last 15 years. This, in turn, led to a significant increase in electricity consumption and greater pressure to ensure energy supply. At the same time, active hostilities have continued in the Middle East, and the military conflict that has broken out between the US, Israel and Iran has had a direct impact on the energy markets, pushing up the purchase prices of liquid fuels and increasing market volatility. Such an environment clearly stresses that operating in the energy sector requires systematic and high-quality risk management, which includes both securing supply chains, hedging against price risks and maintaining operational readiness in rapidly changing circumstances.

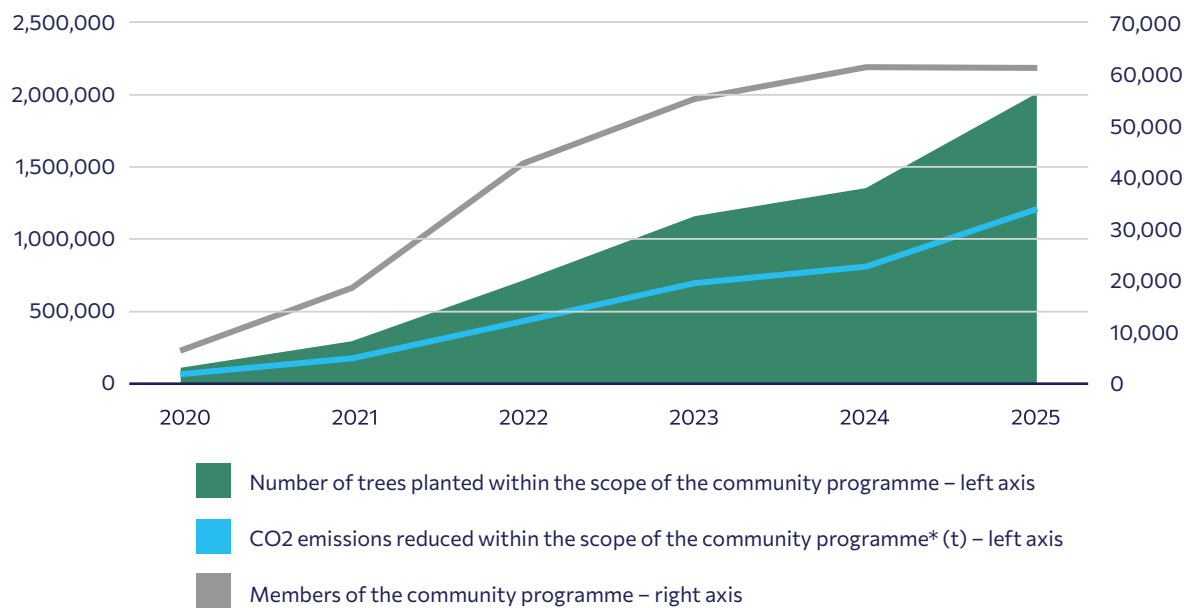


How we make the world a better place

SOCIAL – SUPPORT PROJECTS

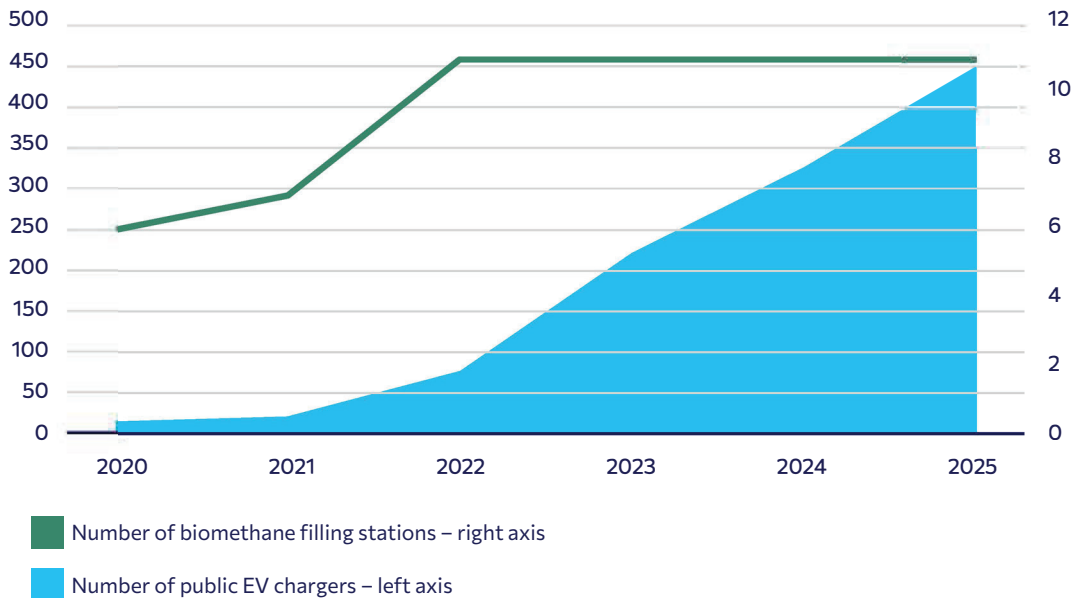


COMMUNITY PROGRAMME

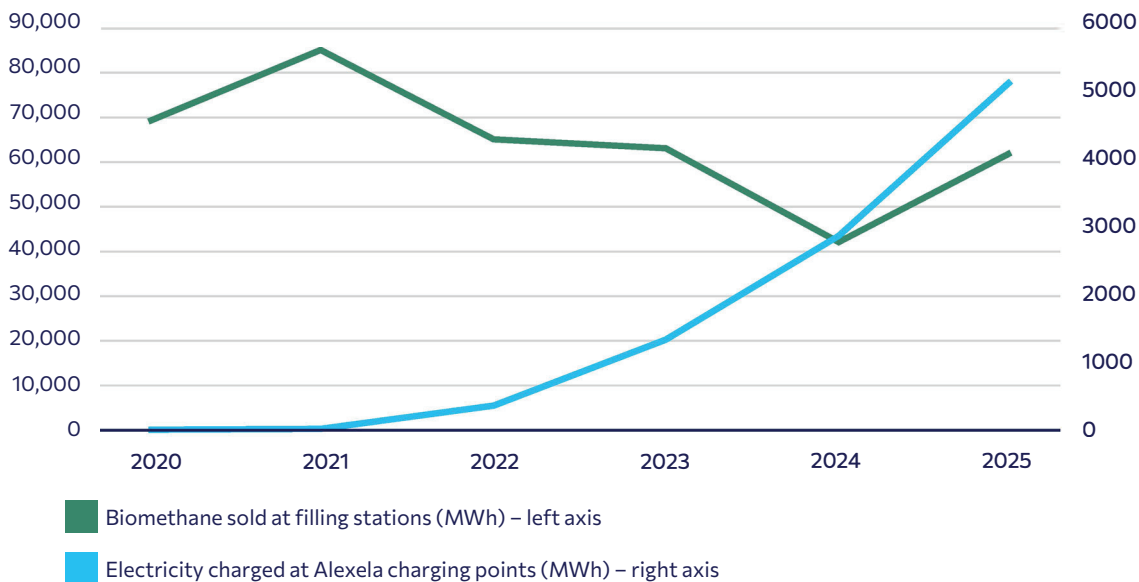


* Planted during the lifetime of the trees

CREATING REFUELLING OPTIONS THAT PLACE LESS STRESS ON THE ENVIRONMENT



DEVELOPMENT OF ENVIRONMENTALLY SUSTAINABLE REFUELLING SOLUTIONS



Strategy and direction

Alexela's strategic goal is to become the region's preferred partner for energy services, moving away from traditional product-based business towards comprehensive solutions for the home, on the road and at the destination. Our strength lies in our broad-based portfolio and its ability to integrate infrastructure, services and the customer experience into a single, cohesive whole, so that the customer gets simple choices and the system becomes more resilient. In a volatile economic environment and a rapidly developing regulatory framework, this requires consistent investment, strong discipline and the ability to maintain a simultaneous focus on security of supply, affordability and environmental impact.

Alexela's decisions and investments are guided by the following principles:

- **Security of supply and increased independence:** we are developing infrastructure and supply chains that reduce dependence on external sources and support westward supply channels.
- **Building flexibility:** we are developing flexibility solutions for business and consumption management that help balance the electricity system and enable customers to manage their consumption and costs more effectively.
- **Customer focus and simplicity:** we are digitising and automating our services to ensure that energy consumption, billing and service management are transparent and convenient.
- **Reducing environmental impact:** we are consistently promoting solutions based on local resources and future technologies to support the environment whilst ensuring energy security.
- **Focus and discipline in the portfolio:** whilst pursuing multiple business lines, it is crucial that investments have a clear profitability logic, scalability and risk management, and that they support the common strategic direction.

In the coming years, we will focus primarily on the following priorities:

- Developing and scaling flexibility services and consumption management solutions to strengthen the system's balancing capacity and improve the customer experience.
- The constant development of refuelling and charging infrastructure and digital services to make energy services accessible and convenient throughout the customer's journey.
- Development of the biomethane/bio-LNG value chain, storage capacities and new technologies, including hydrogen, based on market developments and regulatory certainty.
- Strengthening business continuity and crisis preparedness capabilities to ensure the reliability and availability of services even in emergency situations.
- Developing service quality, retail concepts and food service in a way that supports the holistic nature of the 'on the road' experience and adds value to customers' everyday choices.
- Strengthening our position in the neighbouring region, based on the logic of energy security, the development of supply chains and customer needs.

Alexela's strategy combines a long-term vision with practical action: we invest in solutions that make people's lives easier, the company's services more reliable, and the energy system in Estonia and the wider region more resilient.





SUSTAINABILITY AND GOVERNANCE

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Sustainability

Alexela is the energy company with the widest product range in Estonia. We want to actively support every household and company. The share of renewable energy in Alexela's energy portfolio is growing and its goal is to offset the impact of fossil fuels in households (at home), transport (on the road) and business (at the destination).

The company's development is based on maintaining a consistent focus on the environmental, social and governance (ESG) principles. Tackling climate change is important, but social and governance aspects are also crucial to ensuring sustainable development.

The company's management board and sustainability manager are responsible for ESG at Alexela. Each area manager is responsible for ensuring that ESG issues are integrated into the achievement of the area's objectives within their area of responsibility.

In order to map and better manage key ESG issues, we have carried out a Double Materiality Assessment, in which we involved the company's main stakeholders. We have identified our impact on the environment and society, as well as the sustainability-related risks we are exposed to. Alexela's most significant areas of impact concern climate change, its workforce, consumers and end-users, and business conduct, as well as pollution, the circular economy and affected communities.

Environmental impacts and risks are directly linked to our strategic activities as we transition from a business model based primarily on fossil fuels to smart renewable energy, decentralised generation, storage, distribution and sales.

The introduction of new renewable energy solutions will mitigate the climate impact, but at the same time it requires significant investments in a new business sector whose effectiveness we cannot yet assess realistically. On the other hand, we are threatened by less favourable funding conditions should our sustainability performance be poor, as well as a decline in competitiveness if we fall behind in research, development and innovation.

The transition to a more sustainable business model also affects our employees, customers and end-users. We focus on ensuring that the change process is inclusive and communicated clearly and responsibly, and that the safety and security of our products and services – including data protection – are guaranteed for our own employees, partners and customers.

All of this is supported by a responsible corporate culture, value-based behaviour, cooperation with organisations that share the same values, and contributing to the quality of legislative drafting through professional organisations.

Focus topics	Impacted SDG	2020	2021	2022	2023	2024	2025
1. Development of environmentally sustainable refuelling solutions	Employment and economic growth Industry, innovation and infrastructure Sustainable energy Sustainable cities and neighbourhoods Sustainable production and consumption Climate action						
Development of CNG and LNG filling stations, which will enable us to supply the market with 100 per cent renewable biomethane. We are installing fast and ultra-fast chargers at key locations. We offer a comprehensive EV charging service for private and business customers.	Total number of CNG/LCNG filling stations	6	7	11	11	11	11
	Biomethane sold at filling stations (GWh)	69	85	65	63	42	62
	EV charging points	15	21	53 (with 77 charging plugs that can be used at the same time)	222	326	450
	Electricity charged at Alexela charging points (GWh)	0.02	0.04	0.11	1.86	2.90	5
2. Development of the circular economy	Employment and economic growth Industry, innovation and infrastructure Sustainable energy Sustainable cities and neighbourhoods Sustainable production and consumption Climate action						
Eesti Biogaas, an associate of Alexela, produces biomethane primarily from agricultural waste, which allows us to make a significant contribution to the development of Estonia's circular economy and the creation of jobs in rural areas.	Biomethane production units	1	3	3	3	3	2
	Biomethane produced (GWh)	28	82	94.6	107.1	126.1	131.7
We offer incentives for using our reusable cups when selling takeaway hot drinks, thereby reducing the use of single-use cups and the amount of waste generated.	Share of takeaway hot drinks sold with customers' own cups out of all hot drinks sold (%)	2	4.2	6	10	14	18
3. Contributing to energy security	Employment and economic growth Industry, innovation and infrastructure Sustainable energy Sustainable cities and neighbourhoods Sustainable production and consumption Climate action						

Focus topics	Impacted SDG	2020	2021	2022	2023	2024	2025
An associate of Alexela is building a pumped hydro energy storage facility in Paldiski, which will help solve the challenge of storing renewable energy. Over the course of eight years, the construction of this natural battery will account for seven per cent of Estonia's total infrastructure construction volume, creating approximately 700 direct and indirect jobs and generating tax revenue of €200 million for the state. The launch of the facility will reduce Estonia's carbon emissions by 8.5 million tons.	Energy storage status	Geological surveys	Disclosure	Building permit	Design, attracting investors	Planning, design, construction, negotiations with partners and technology suppliers	Development of a model for cooperation with the state and a support measure. (required before work on the funding package begins)
We are developing a peak-load power station to compensate for the non-controllability of renewable energy generation and to establish climate-neutral, controllable electricity generation capacity to replace oil shale-fired power stations once they are decommissioned.	Power station status			Preparation of a business plan	Feasibility analysis, selection of a technical solution	The decision on the best technology for the peak-load power station has been made; we are now awaiting clarification of the market design situation before proceeding (Elering's procurement)	Adapting to the new situation (failure to win the procurement for frequency reserves), validating the new business plan with the LNG terminal
Alexela's subsidiary, Alexela rePower, is building solar parks for Alexela's own use. In addition, the company offers sustainable energy solutions as a service, providing business customers with comprehensive solutions to ensure that their energy supply is as cost-effective, low-impact and hassle-free as possible.	Number of solar parks*	0	2	4	7	7	13
	Capacity of solar parks (kW)	0	122	1473	4416	4416	4612
	Output of solar parks (kWh)	0	104	1,324,035	1,460,050	3,606,206	2,854,000

Focus topics	Impacted SDG	2020	2021	2022	2023	2024	2025
4. Supporting communities	Sustainable cities and neighbourhoods Sustainable production and consumption Climate action Terrestrial ecosystems						
We believe that the people and communities of Estonia have the power to change the world. The best way to change the world is for a large number of people to take small but positive actions. That is why, in June 2020, we launched the Alexela Community Programme, the core project of which – the tree-planting programme – aims to plant one tree for every resident of Estonia with the help of our customers. A tree with a trunk volume of one tm neutralises 917 kg of carbon dioxide over its lifetime – this is the amount of CO2 emitted by an average car travelling approximately 7,900 km.	Number of trees planted within the scope of the community programme	108,820	293,238	714,415	1,160,785	1,353,626	2,008,247
	CO2 emissions reduced within the scope of the community programme*** (t)	65,292	175,943	430,006	696,471	812,176	1 208 764
	Members of the community programme	6411	18,589	42,700	55,125	61,359	61,188
5. Support for culture, sport and charity	Health and wellbeing						
We recognise that, as a major company, we play an important role both in the Estonian economy and in the lives of the people here. That is why we support a number of local initiatives in the fields of education, culture, sport and charity. Alexela has been awarded the title of Culture Friend of the Year, presented by the Ministry of Culture.	Number of support projects	17	23	26	26	25	37
	Support projects (€)	175,180	300,142	276,266	415,117	409,292	450,000
6. Development and support of own employees							
Employee satisfaction	Referral rate (%)			92	not measured	eNPS 21 (change in methodology)	not measured
Employee development	Passed training (%)			48	63	65	70
Flow	(%)			34	32	54***	52 2****
Occupational health and safety	Number of incidents			7	3	3	3

* Parks located on the territory of Alexela

** Planted during the lifetime of the trees

*** Office turnover 3.2 per cent; turnover was high in the Tallinn and Harju County region, reaching 96 per cent, which increased Alexela's overall turnover. In terms of shops, Roseni, Jüri, Põrguvälja and Raudalu were the ones with the highest turnover. In some of these shops, more than 100 per cent of the staff were replaced. The high turnover of staff in this region is due to the fact that it serves as a 'stepping stone' for young people.

**** Office turnover 4.2%. Staff turnover remains high mainly amongst service staff. The regions with the highest turnover are Harju and North-East Estonia. There is a significant degree of mobility in the under-30 age group, which suggests that customer service jobs are favoured both as a stepping stone and as temporary jobs. In Harju County, we are essentially competing for the same workforce with all employers and percentage-wise, there are more of them here than in other regions.

Environment

Achieving environmental objectives through innovation

Alexela is constantly changing its business and development practices to reduce environmental impact and implement the principles of circular economy. Our objectives are in line with the Paris Climate Agreement and the Green Transition Action Plan. We focus on reducing our carbon footprint and give preference to suppliers whose environmental policies are in line with our own. All Alexela employees must respect the environment and act in accordance with the code of conduct.

Alexela's goal is to achieve carbon neutrality in its operations (Scopes 1 and 2) by 2030. We have been measuring our carbon footprint since 2020 and have verified the results for the base year. Under the GHG Protocol, calculations for Scopes 1 and 2 are mandatory, whilst Scope 3 is voluntary. Companies can therefore begin by mapping out the most immediate impacts. For Scope 3, we use a tiered approach, incorporating various relevant impact categories depending on the availability of data and the options available. Work and activities in this area are continuing.



Transition plan for climate change mitigation

Alexela's main environmental impact stems from our energy portfolio. Environmental principles form part of our strategy to mitigate climate change. We monitor and measure the achievement of our environmental targets.

Our activities focus on reducing emissions, and we have set ourselves the target of achieving carbon neutrality in our operations by 2030 (Scopes 1–2). In order to achieve this, we use 100% green electricity ourselves; in addition, we generate, purchase and offer renewable energy to our customers. In addition, we have converted nearly half of our fleet of cars and lorries to electric, bio-LNG and bio-CNG.

As Alexela's most significant impact areas to climate change, a significant part of the company's business activities is focused on developing more environmentally friendly solutions and ensuring sustainability, thereby contributing to both the natural environment and local communities:

- the development of less polluting re-fuelling solutions, such as biomethane and hydrogen filling stations, and e-mobility.
- Biomethane production based on the principles of the local circular economy.
- The development of solar and wind farms, including storage facilities.
- Developing renewable energy storage capacity, such as Zero Terrain's pumped hydro storage facility in Paldiski.
- The Rohesärts green electricity package.
- Alexela also engages its customers through community and national defence initiatives, enabling them to contribute both to environmental activities (such as tree planting) and to Estonia's national defence via the Reserve Forces Fund.
- Promoting biodiversity, for example through the insect drive-in project in the green areas at Alexela filling stations.
- Rewarding reuse in retail, for example, hot drinks at a reduced price when using a reusable cup, and Alexela water packaged in recycled plastic bottles.

Impact of the regulatory environment

The year 2025 confirmed that a constantly and rapidly changing regulatory environment is the new reality in the energy sector, resulting in reduced predictability and heightened risks within the sector. This new situation calls for more effective cooperation than before, readiness to adapt more quickly, and a stronger call for high-quality legislative drafting.

The Omnibus Package, adopted in late 2025, will have a significant impact on sustainability reporting in Estonia, as it reduces the number of companies subject to reporting requirements by approximately 80%, leaving only companies with more than 1,000 employees in the mandatory CSRD reporting framework. As a result of this change, Alexela is no longer required to report on sustainability. In addition, the implementation of sustainability reporting is being postponed by two years, which means that many Estonian companies will not have to submit their first reports before 2028. The Omnibus also restricts the right of large companies to require extensive sustainability information from smaller Estonian suppliers.

Russia's ongoing aggression in Ukraine has kept the energy policy of the European Union focused on achieving greater independence from aggressor states than before. We played an active role in refining the sanctions policy of the Estonian Tax and Customs Board and the Ministry of Foreign Affairs, and in strengthening supervision of the LPG and LNG markets. We also drew the legislator's attention to the need to remove national market barriers to liquefied biomethane that are incompatible with EU law, which would mean lower fuel prices for consumers.

The synchronisation of the electricity systems of the Baltic States with the Continental European frequency zone, which took place in early 2025, is a landmark step towards enhancing Estonia's energy security. However, this necessary transition was an economic shock to market participants due to the activities of Elering, as costs in both the capacity market and the energy market turned out to be significantly higher than forecast. Although, under pressure from market participants, political decisions were made to extend the application of the capacity reserve procurement charge (also referred to as the frequency reserve charge or balancing capacity charge) to consumers and producers was postponed until 2026, legal clarity regarding such a charge has not yet been established. It is also unclear whether the application of such a charge is proportionate in relation to consumers and producers.

Now that the European Union's Fit for 55 package has reached the transposition and implementation phase, it has become clear that the current, overly slogan-driven policy needs to be adapted. In light of this, our focus is primarily on preparations for the reform of the Emissions Trading System (ETS) and the implementation of the new Emissions Trading System for road transport and buildings (ETS2). The entry into force of the ETS2, which is expected to have a significant impact (with the addition of a CO₂-based excise duty) on consumption decisions in the fuel and gas markets and related investment decisions, has been postponed, and the directive is caught in a political crosswind.

With regard to the Renewable Energy Directive, we waited for the government's decision on what would serve as the benchmark for meeting renewable energy targets in the transport sector where, from a statesman's perspective, a GHG reduction target would clearly be preferable, as this would allow to simultaneously reduce fuel costs for consumers (including transport operators and local authorities), send a strong investment signal to domestic biomethane producers in the agricultural sector, and enable the Estonian agricultural sector to meet its own GHG reduction targets. Regrettably, the government postponed making these decisions.

In addition, work on developing a regulatory framework for hydrogen and other new energy carriers of non-biological origin has gathered pace; however, this progress remains too slow in comparison with the state's obligations. Even under these circumstances, we opened a public H₂ filling station. However, in order to meet expectations for future developments, the state must, in cooperation with market participants, draw up and implement a plan that would provide greater legal clarity and certainty than at present, so that the investment decisions necessary for the development of the Estonian economy do not remain merely on paper. The Renewable Energy Directive is expected to be transposed into Estonian law in 2026, which in our view would provide the necessary legal certainty.

We are convinced that only trust-based cooperation between the public and private sectors can create a stable regulatory environment that supports both Estonia's energy security, the achievement of climate targets and the competitiveness of Estonian companies. As a domestic family-run business, we continue – despite the regulatory uncertainty – to invest in solutions that strengthen Estonia's energy independence and create long-term value for Estonian society.

Our people

Our people – our strength

Alexela employs over 500 professionals who contribute to making the world a better place every day. Our employees interact with Estonian people both at filling stations and cafés, where they provide rest breaks and a selection of food, and via digital channels, where we offer round-the-clock customer service. Whether people need advice on finding the best electricity tariff or quick help with various issues – we're always here for them.

We value our people in every role. We value both our long-serving staff, who share their valuable experience and help ensure the company's continuity, and our new recruits, who bring fresh ideas and knowledge. The recruitment and management of employees are based on

the values developed in 2019, which support value-based management.

Value-based management and culture

Every one of our employees shares and upholds our core values: 'I am a force – and my work is valuable', 'There is strength in us – and we support one another', 'We are changing the world – by ensuring that life in Estonia gets better'. These values are not just words – they are brought to life in our day-to-day work. We believe that creating a value-based culture requires the involvement of all employees at every level; that is why our employees were involved in the process of developing our values right from the start. Only by working together can we create a company where our values truly come to life and evolve.

Employees of AS Alexela and its subsidiaries

As at 31.12.2025

Year	2023	2024	2025
Number of employees	524	538	520
Members of the management board	10	10	6
Managers and specialists	189	210	200
Service staff and workers	325	318	314
Supervisory board and management board	14	14	13
Women	0	0	1
Men	14	14	12
30-49 years	11	10	5
Over 50 years	3	4	6

Year	2023	2024	2025
New employees*	165	181	312
Women	118	136	248
Men	47	45	64
Under 30 years	62	84	187
30-49 years	72	67	91
Over 50 years	31	30	34
Employees who left*	333	303	328
Women	237	212	231
Men	96	91	97
Under 30 years	217	175	171
30-49 years	63	86	98
Over 50 years	53	42	59

* Includes seasonal employees

Employee well-being and development

At Alexela, we regularly measure staff satisfaction through surveys and use the feedback we receive to develop our working environment in a targeted manner. In order to strengthen our employer brand, we carried out an employer survey last year, which helped us to better understand Alexela's strengths as an employer and to guide our recruitment and employee experience development initiatives. Each year, based on the results and discussions, we select three key areas for development in order to create an even more supportive and motivating working environment.

Our day-to-day work is based on our values and our code of conduct, which sets out the principles of health and safety, equal treatment and respect for human rights. The safety and wellbeing of our staff are our top priority – we comply with all legal requirements and expect the same from our partners to ensure a safe and healthy working environment. Alexela does not tolerate bullying, violence or harassment, and our recruitment is based on the principle of equality, with people being assessed on the basis of their professional qualities.

In order to support our employees' health and wellbeing, we carried out a health promotion survey, and we are using the results of this survey to develop a health promotion strategy. This helps to set clear objectives and focus our efforts where they will have the greatest impact. Our consistent contribution is also recognised by the Health Promoting Workplace label.

We offer our staff opportunities for development through discussions and training sessions, including 360-degree appraisals for managers, and we support their professional development through vocational and specialist training. We also offer a competitive salary; we regularly monitor the labour market when setting our pay rates and pay above the average. In addition, we value a healthy and active lifestyle through sports allowance, health insurance and joint events.

Valuing our employees is at the heart of Alexela's culture – our people are the ones who shape the company's reputation and our shared way of working. Traditional joint events, such as Alexela Energy Day and Power Day, also help to maintain and strengthen the team spirit.



Our community

Social responsibility and community support

Alexela is aware of its impact on local communities and regards social responsibility as an integral part of its operations. We are therefore committed to supporting sports, culture, charity and education, in order to contribute to the development of society and a sustainable future.

In 2025, Alexela was awarded the title of Culture Friend of the Year by the Ministry of Culture. Culture is the foundation of society, and its sustainable development requires strong partners. Alexela supports culture not only as a sponsor, but also as a long-term partner, helping to organise meaningful and value-creating events. Culture brings different generations together and strengthens community cohesion, whilst also playing a significant role in the creative economy and international recognition.

The projects we support:

- Alexela Concert Hall
- Black Nights Film Festival
- Lottemaa Theme Park
- Estonian National Opera
- Beach Grind Festival
- Treski Festival

Community sports promote healthy lifestyles, strengthen social cohesion and help to create a healthier society.

The projects we support:

- Moonsund Regatta
- Estonian Equestrian Federation
- Le Glaive Fencing Club
- TalTech ALEXELA
- Tallinn International Horse Show
- Estonian Biathlon Federation
- Estonian Ski Association/Youth Alpine Series
- Estonian Basketball Association



Contributing to education creates the conditions for new ideas, technologies and innovation to emerge. Education provides young people with the necessary skills and knowledge that contribute to both personal and social development. By supporting education, we are building a stronger and more informed society that is able to adapt successfully to the challenges of a changing world.

The projects we support:

- Enerhack Foundation winter camps for girls and summer camps for children
- Good Role Model Awards Competition
- Junior Achievement Estonia
- Student Days
- Ylisport (Estonian Academic Sports Federation)

Charity work is important for providing support to the most vulnerable members of society and to those who need help in difficult situations. Through our charitable initiatives, we help to improve quality of life, reduce inequality and offer hope and opportunities to those who need them most.

The projects we support:

- Foundation Maarja Village
- Estonian-Dutch Charity Foundation Food Bank
- Tartu University Hospital Children's Foundation
- Estonian Association of Parents of Children with Hearing Impairments
- Estonian Association of People with Disabilities
- Agrenska Foundation, Tammistu Family House



Community programme: basketball and tree planting

Between 2020 and 2025, the centrepiece of Alexela's overall programme was a tree-planting initiative aimed at planting at least one tree for every person in Estonia. It was an ambitious goal which, thanks to the active contribution of community members, became a reality.

By the end of the programme on 21 October 2025, the funds raised with the support of 61,188 community members were sufficient to plant 2,008,247 trees. Because of this, we achieved and exceeded our initial target by a considerable margin. The funds raised up to 26 October 2025 will be used in full to plant trees, with the final plantings taking place in the spring of 2026.

Every tree planted is a step towards cleaner air, a more biodiverse natural environment and a greener living environment. Together, we have reduced the environmental impact of our consumption and demonstrated that consistent, collective action has a measurable positive impact.

In addition to the broad-based environmental initiative, specific thematic communities have also been established as part of the community programme. For example, the Alexela basketball community programme, which was launched in 2023, has given members the opportunity to contribute to the development of basketball in Estonia. As of 2025, a total of €4,871 had been raised in support of Estonian basketball through the combined contributions of 722 members.

This initiative also shows that the community programme makes it possible to channel everyday consumption choices towards supporting objectives with a specific and measurable impact.

We would like to thank all members of the Alexela community whose contributions have helped us to achieve and exceed these goals.

New direction: contributing to national defence

Having achieved its tree-planting objective, the Alexela community programme entered a new phase in June 2025, channelling its collective efforts towards supporting Estonia's national defence.

Supporting the Reserve Forces Fund became the new focus of the community programme. The Fund's goal is to enhance the defence and operational capabilities of Estonia's reserve forces, enabling the faster implementation of modern training methods and technological solutions in Estonia's national defence. The top priority is the acquisition of drones, followed by trials of new technologies and training for reserve officers. The new direction has already been well received by the community, and the programme has grown rapidly since its launch on 17 November 2025.

The Alexela community programme thus continues to fulfil its role as a champion of social responsibility – linking the everyday choices of its members to broader objectives that strengthen both our living environment and Estonia's security.



Governance

At Alexela, our decisions are guided by value-based management: we operate honestly, transparently and responsibly, focusing on customer trust, employee safety and the continuity of critical infrastructure. Our management practices are based on our code of conduct, our strategic objectives and the applicable legislation.

Zero tolerance and clear rules

We have zero-tolerance towards corruption and bribery, and we do not accept dishonest business practices, including conflicts of interest, fraud or breaches of competition rules. Decisions and transactions are made in the best interests of the company, and internal control and approval rounds are used to mitigate risks.

Data protection and cyber security

We protect the data of our customers, employees and partners, and we are constantly improving our information security. The role of digital solutions is growing, which is why we are paying particular attention to data protection, access control and the prevention of cyber risks.

Whistleblowing and fair practices

A fair and safe working environment requires that problems are identified at an

early stage. For this reason, Alexela has set up a whistleblowing channel, which can be used to report suspected unethical behaviour, conflicts of interest, fraud or other breaches. Reports are treated confidentially, and the aim is to prevent harm and introduce improvements.

Role of managers and staff awareness

The strength of leadership culture depends on the example set on a day-to-day basis. The induction of new employees includes an introduction to the company's values and code of conduct, supplemented by regular training sessions (including on data protection and cyber security). The organisation's openness is supported by regular internal communication and joint information sessions, where developments are shared and changes are discussed.

We strengthened the practical pillars of our management culture

We fostered open dialogue in the organisation, supported the development of a more inclusive working culture, and contributed to the systematic development of the working environment and wellbeing. Our goal is for Alexela to be a workplace where high standards are clear, where people feel safe to raise concerns, and where management supports both results and sustainability.

Management board

In 2025, AS Alexela was managed by a two-member management board with the following members:



Marti Hääl
Chairman of the Management Board



Karmo Piikmann
Member of the Management Board
(until August 2025)

Supervisory board

In 2025, the supervisory board of AS Alexela consisted of five members:



Veiko Rääm
Chairman of the
Supervisory Board



Heiti Hääl
Member of the
Supervisory Board



Mikhail Kazarin
Member of the
Supervisory Board

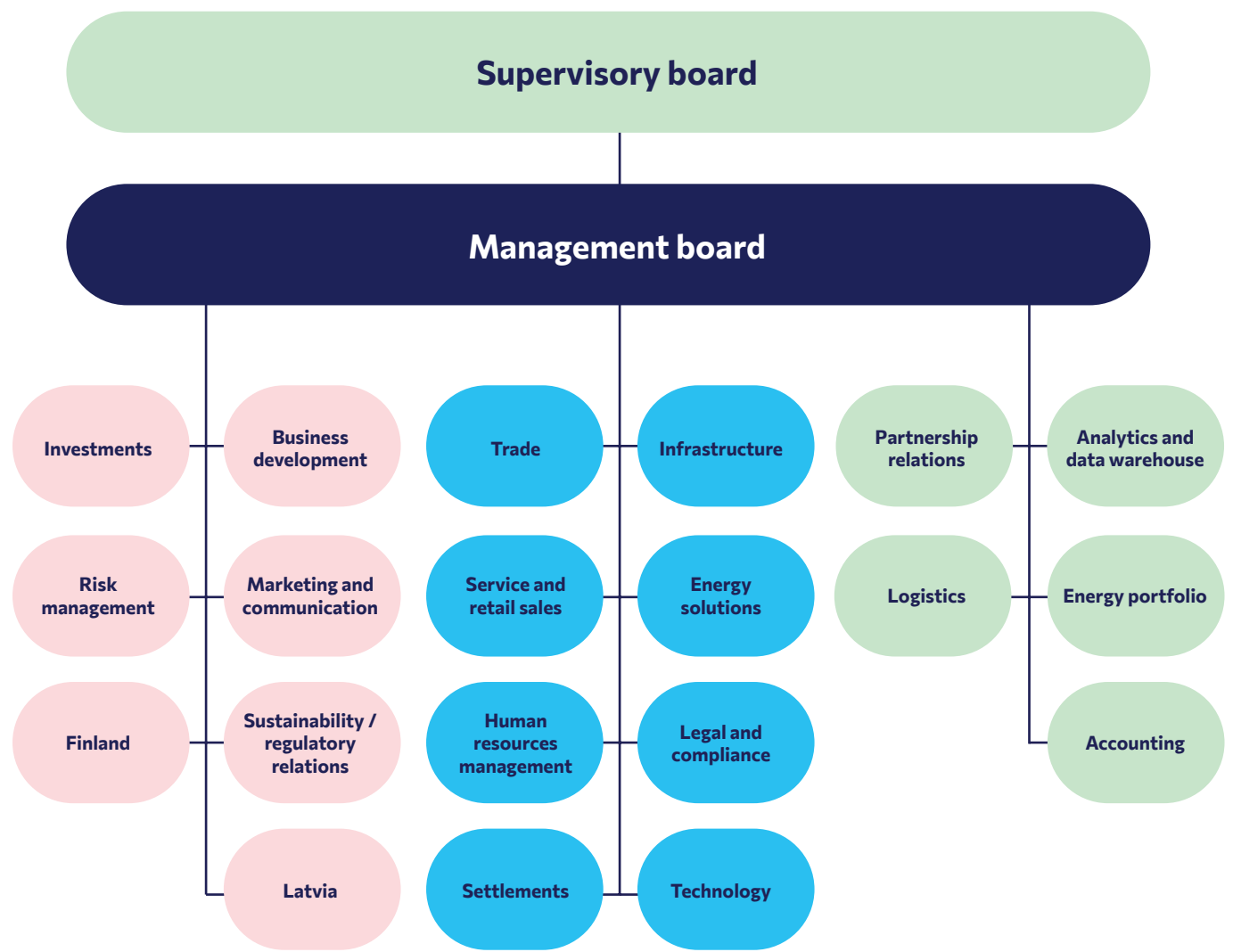


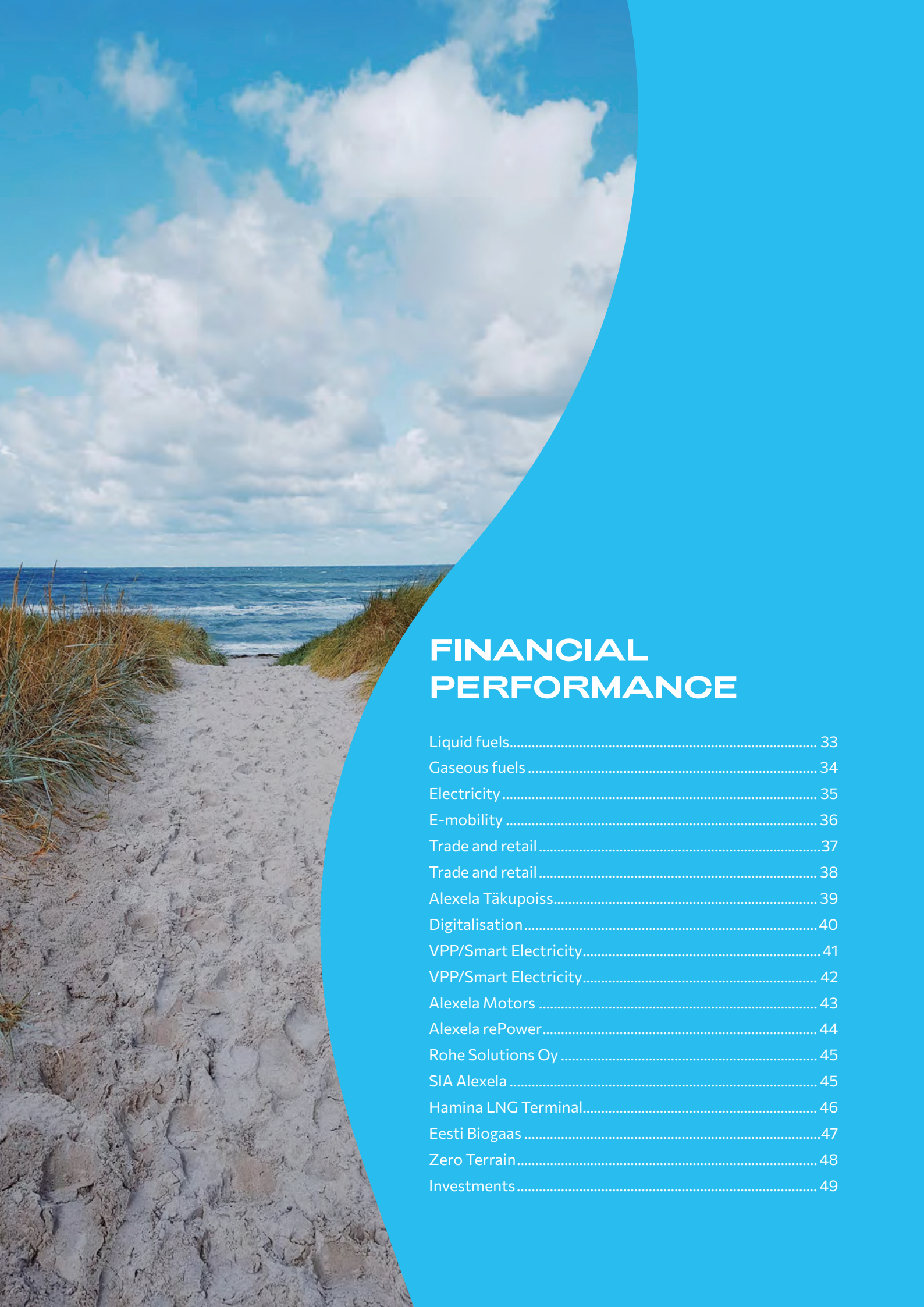
Andreas Laane
Member of the
Supervisory Board



Priit Penjam
Member of the
Supervisory Board

Structure





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Liquid fuels

Liquid fuels market in 2025: challenges and adaptation

In 2025, the main factors influencing the liquid fuels market were once again the events related to the ongoing war in Ukraine and other conflicts, as well as the decisions made by OPEC+ member states, underlining the need to be prepared for the unexpected and to respond swiftly to events affecting the market. The European market has now adapted to the new supply chains, and over the course of the year we saw less volatility than in previous years.

Alexela continues to purchase liquid fuels from European suppliers.

Domestic consumption remained at the previous year's level. The 2.7 per cent growth in the retail market was driven by an increase in refuelling by transit customers, which was caused by a sharp rise in excise duty in Lithuania. The wholesale market, however, remained at the same level.

The rise in excise duties on diesel and petrol had an impact on fuel prices.

The minimal market growth intensified competition in the local market, which was reflected in the fierce price competition that started in the autumn, altering market dynamics and resulting in regional price differences and constant weekly price fluctuations. Market participants reviewed their existing customer offers and updated their loyalty programmes. Alexela focused on providing its customers with complete energy solutions, combining fuel and electricity offers.

Gaseous fuels

Gas market developments

The year 2025 brought a noticeable stabilisation to the natural gas market: record-high gas prices are now a thing of the past, LNG production on the global market has increased, and gas prices in Western Europe and the Baltic States were on a downward trend throughout the year.

The use of natural gas and LPG as a heating source in industry and buildings has continued. Alexela offers its customers hybrid solutions that are dependent on fluctuations in global market prices for natural gas and LPG. In 2025, investment in LPG equipment continued, mainly to replace heating oil systems.

In the future, the market for gaseous fuels will be influenced by excise duties and taxes. For example, biomethane used as CNG is still a more environmentally friendly transport fuel.

In the coming years, rising excise duty on diesel fuel, the CO₂ tax on transport fuels that will become applicable in 2028, and new renewable fuel obligations will significantly boost the competitiveness of biomethane as a transport fuel.

On 20 December 2024, the European Union imposed sanctions on Russian propane. Opening new supply channels was the main focus in 2025, to ensure customer service and security of supply. At the start of the year, the market was influenced by stockpiled gas of Russian origin and attempts by some market participants to circumvent sanctions. The first delivery of propane from the US took place in Q2, introducing a new quality to the market. Stable supplies ensured security of supply for customers.

Electricity

Continued growth in Alexela's market share in electricity sales

The Estonian electricity market had a turbulent start in 2025, as Estlink 2 – Estonia's largest electricity interconnector with Finland – was broken in the early hours of 25 December 2024 by a ship's dragging anchor. In addition, synchronisation with the continental European electricity grid took place on 8 February. These two events affected Estonian electricity consumers throughout the year, resulting in higher costs for electricity suppliers and higher electricity prices for consumers.

For private customers, 2025 was a landmark year, as Alexela launched four new electricity packages to meet the needs of consumers: Flexible Fix, Choose Yourself, Virtual Battery and the Fixed Plan. Similar to 2024, customers continued to pre-

fer fixed-price solutions over electricity at market rates. The alexela.ee website has also been updated, and customers can now easily find the right electricity package for them by answering just three questions.

As an energy company with a broad product portfolio, Alexela offers a range of permanent discounts and limited-time offers, providing added value to customers who use several services at once. The loyalty programme, under which Alexela offers a discount of -3c/l on all fuels exclusively to electricity and natural gas customers, was updated in autumn.

Alexela has entered into a number of long-term electricity purchase agreements with renewable energy producers in order to bring renewable electricity to the market, which it can then offer to customers at fixed prices.

E-mobility

2025 was a busy year for Alexela's e-mobility division and, in many respects, a record-breaking one. Our previous experience has enabled us to set more significant focus points than before, both in terms of expanding the charging infrastructure and service development. We continued on our path to creating solutions for people – whether at home, on the road or at the destinations. In addition to chargers intended for the personal use of private and business customers, our public charging infrastructure also grew significantly, becoming one of the largest in Estonia with nearly 450 public charging plugs. We opened nearly 100 new charging points at destinations and installed 10 new ultra-fast chargers at Alexela filling stations with convenience shops along the motorways. We gave particular attention to the accessibility of the chargers at filling stations, taking into account the charging needs of larger vehicles.

We continued to develop popular services such as “Charging the Electric Company Car at Home” and “Home Electricity on the Road”, making them even more flexible than before. In order to showcase Alexela's charging solutions to people, we started installing VOOL home chargers in large car showrooms and filling stations with convenience stores, so that people could actually try out the chargers and leave their vehicles to charge for longer periods.

A number of turnkey projects for both large business customers and in housing development were completed in late 2025.



Trade and retail

Development of trade at filling stations

The importance of trade at filling stations has increased year on year, allowing us to offer our customers a convenient service and excellent customer care while respecting the principles of sustainability. By late 2025, Alexela's retail network included 42 café-shops and one franchise shop in Paia, offering delicious food and groceries in addition to car refuelling and charging options.

The increase in the number of electric vehicles will lead to an increased demand for filling stations offering additional services. The business processes in our café-shops are constantly developing to meet our customers' needs and achieve our financial objectives.

We continuously invest in product development and service skills to increase the number of new customers and make them loyal. The fast food category continued to grow in 2025 and in 2026, we will introduce new products to the menu to ensure that the growth trend continues.

Environmental protection is an important priority for us. We'll continue to promote reusable coffee cups, whose share in the hot drinks category grew to 18%, a 4% increase compared to 2024. The hot drinks category is very important and we're constantly working to improve the quality of coffee.



Trade and retail

My Alexela loyalty programme

The My Alexela loyalty programme offers loyal customers convenience, discounts and new opportunities, combining every-day energy products (electricity, natural gas and vehicle fuels) with the product range of our café-shops to create a comprehensive customer experience. Customers can enjoy a range of benefits and personalised offers across all products and services.

In 2025, we took a significant step towards personalising the customer experience by adding digital special offers – or vouchers – to the Minu Alexela app.

The new solution allows us to offer customers more tailored and personalised offers than before, taking into account their consumption habits and preferences. This creates an opportunity to move away from universal campaigns towards data-driven, targeted offers, and to increase the value exchange between the customer and Alexela.

The updated terms and conditions of the loyalty programme entered into force in October 2025. The objective of the changes was to ensure that pricing remained

clear and transparent for customers and to respond to rapid price fluctuations in the fuel market.

We have brought retail fuel prices down to a more competitive level directly at the filling station, as a result of which the general fixed discount no longer applies to all customers – the lower price is now factored into the retail price.

At the same time, we continue valuing the customers who use several services. Private customers with an Alexela electricity and/or natural gas contract get a permanent fuel discount of -3 c/l. In addition, we offer private customers who have joined our loyalty programme a birthday discount of 5 c/l on their birthday and on the five days immediately before and after it. As part of the loyalty programme, it is also possible to share benefits with one's family, thereby strengthening family- and relationship-based customer relationships.

The My Alexela programme continues to evolve, focusing on personalisation, competitive pricing and strengthening long-term customer relationships to increase both customer satisfaction and loyalty.



Alexela Tākupoiss

Development of the Alexela Tākupoiss energy station concept continued

In 2025, we continued to develop the innovative energy station concept of Alexela Tākupoiss, which includes a café-shop, a 100-seat roadside restaurant serving top-quality cuisine, various refuelling options and additional services such as gas cabinets, a trailer hire service, a waste disposal point and a water supply point for campervans. In addition, we offer shower facilities for long-distance lorry drivers, summer market stalls stocked with products from local small businesses for tourists, and special offers for tour guides, coach drivers and event organisers.

We continued to raise awareness of the Tākupoiss roadside restaurant, which offers top-quality cuisine, fast and friendly service, locally sourced ingredients and avoids the use of semi-processed products. Everything has been designed to meet the needs of people on the road

and provide them with energy. In 2025, we launched Tākupoiss Catering, where the mobile kitchen of Tākupoiss has a key role, enabling us to provide restaurant-standard catering at the customer's request.

My Alexela customers accounted for 49 per cent of purchases made by restaurant guests.

We invested in the development of our service staff, as a result of which our guests rated the service very highly: the NPS for 2025 was 72 and the average rating on Google Reviews was 4.7.

In community cooperation, we took part in the following events and partnerships:

- Lottemaa
- Beach Grind Festival
- Opening of the motorsports season
- Pärnu Restaurant Week
- Pernova Father's Day



Digitalisation

Technology and digitalisation

Technology and digitalisation were important cornerstones of AS Alexela's development strategy in 2025. The investments made in them exceeded the five-million-euro mark. Our goal is to implement innovative solutions that make the lives of our customers easier and more convenient, optimise the company's internal resources, and make processes more clearly data-driven and transparent. This approach makes it possible to provide a faster and higher-quality service, whilst reducing red tape and saving time. The technological advantage resulting from these investments is critical to remaining at the forefront of the market and adapting swiftly to both new regulations and changing customer preferences.

Investments in technology were realised through a number of major projects. We developed innovative electricity products (virtual power plant, fixed plan, flexible fix), implemented a new energy portfolio risk management solution (ETRM) and rolled out a new automatic ordering system in our shops. We continued to develop e-mobility and to further develop digital solutions for cylinder gas.

As an important step towards enhancing the customer experience and our marketing capabilities, we selected a new CRM and marketing automation platform for Alexela and began implementing it. This lays the foundation for more targeted and timely customer communication,

more consistent customer journey management, and more data-driven sales and service processes.

Training courses on artificial intelligence (AI) also played a significant role. Over the course of the year, the use of AI became commonplace across all business sectors, primarily for automating routine tasks and speeding up work. We also prepared the 'Alexela Guide to Generative AI', which helps people use AI safely and responsibly. AI tools are increasingly being used in almost all of Alexela's IT solutions.

In the context of Smart Electricity, we continued to develop the functionalities of the virtual power plant designed for business customers and established the capability to participate in the newly opened frequency markets.

In addition, we launched preparations to apply for ISO 27001 certification and continued with the programme to upgrade Alexela's IT systems to take our technological capabilities to a new level. This paves the way for the provision of more flexible services and the development of more efficient internal work processes. Digitalisation provides a solid foundation for further innovation and helps to keep Alexela competitive in the rapidly evolving energy sector.

We will continue to develop our technology in order to remain at the forefront of innovation, create long-term value, save time and work with our customers to shape a more sustainable future.

VPP / Smart Electricity

Smart Electricity – an innovative service for small-scale producers and storage providers

In March 2024, we launched a new platform called Smart Electricity, which is designed for small-scale electricity producers and storage providers. The service helps manage electricity generation and storage, maximising benefits and helping to reduce electricity bills.

Smart Electricity is a service that forecasts the following day's consumption based on individual usage history and monitors the Nord Pool market price. The service automatically carries out useful transactions, managing electricity generation and storage, taking into account the customer's consumption, generation forecasts, electricity prices

and grid charges. The system optimises energy use as a whole – energy is purchased and stored during periods when prices are lower, and during peak-price hours, the energy is either sold or used for self-consumption, thereby reducing the amount of electricity purchased from the grid at peak times. The solution is suitable for both batteries connected to the point of consumption and stand-alone solar parks, where the focus is on maximising sales revenue based on generation forecasts and market prices.

Active development of the service continued in 2025. Over the course of the year, we expanded our device support and refined our optimisation algorithms to offer our customers even greater value, which in turn helped to grow our customer base.



VPP / Smart Electricity

VPP (Virtual Power Plant)

In 2025, we developed our VPP (Virtual Power Plant) service, which enables participation in frequency markets and the consolidation of various generation and storage resources into a single, centrally managed portfolio.

The VPP service enables the management of both batteries and solar farms, optimising their operation in line with market conditions and the system operator's requirements. In 2025, the first business customers were also connected to the platform; their portfolios included both solar parks and battery parks, allowing them to participate in frequency markets and generate additional revenue by offering flexibility.

The goal for 2026 is to increase the size of the VPP portfolio, on-board additional customers and enhance interoperability with equipment from various inverter manufacturers. There are also plans to develop the technical and commercial capacity to participate in all frequency markets, offering customers new revenue opportunities and increasing the role of flexibility within the electricity system.

Alexela Motors

Supporting Alexela's core business

AS Alexela Motors is a subsidiary of AS Alexela which provides logistics and transport services for liquid fuels, including LPG, LNG and cylinder gas. Rohe Solutions Oy, to whom it provides LNG transport services in Finland, and OÜ Oisu Biogaas, to whom it provides CNG logistics and transport services in Estonia, remain the company's main external contractual partners.

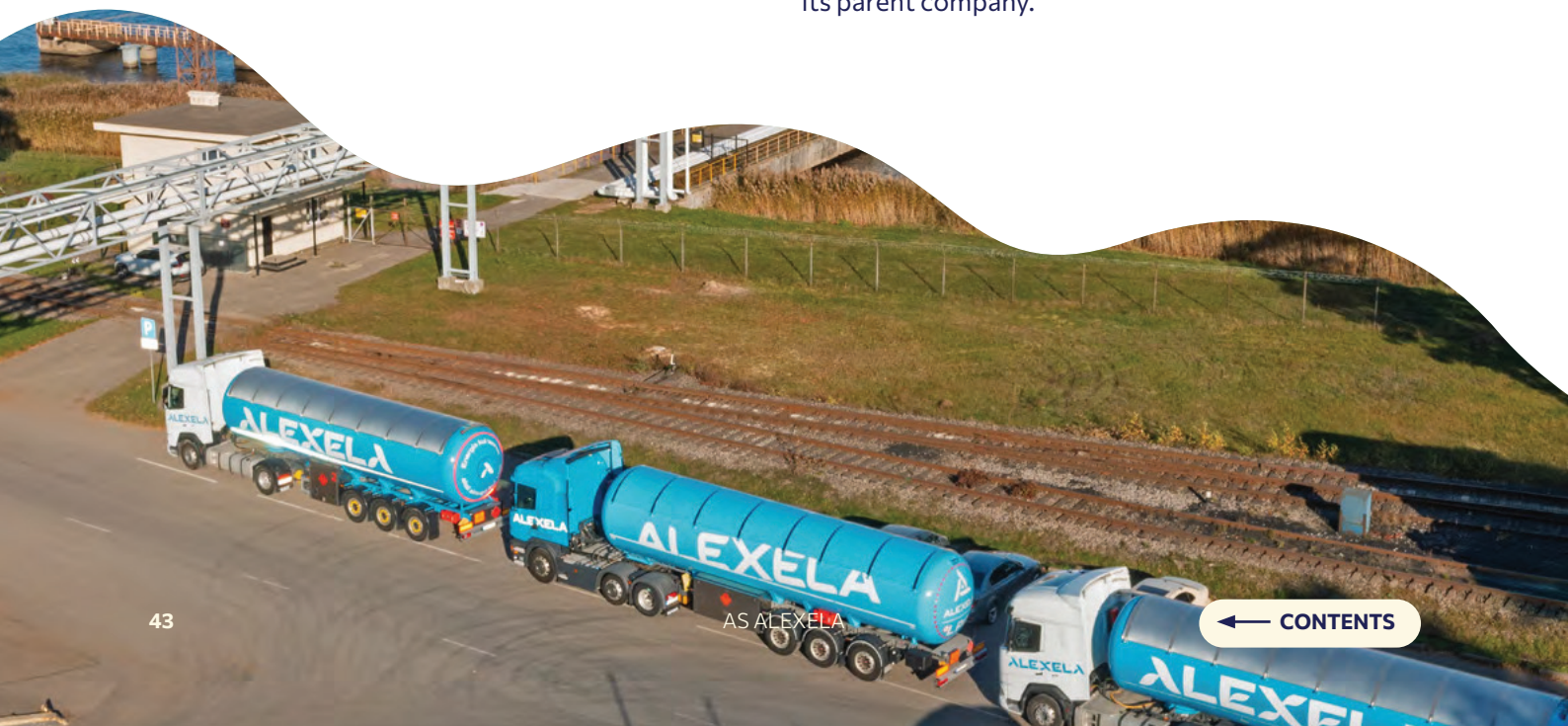
In light of the changes to Alexela's liquefied natural gas supply chain, the biggest challenge in 2025 was ensuring the smooth organisation of liquefied natural gas supplies from the terminal in Latvia. During the financial year, a total of 14,642 tons of liquefied gas were supplied from the terminal, ensuring a consistent and high-quality service for Alexela's customers.

Hydrogen transport was added as a new service in 2025. Alexela Motors carries out container transport to the Alexela hydrogen refuelling station on Peterburi Road, thereby supporting the company's development of alternative fuels and their availability on the market.

In 2025, the company's lorries covered a total of 2.69 million kilometres, which is 340,000 kilometres more than in 2024 and 640,000 kilometres more than in 2023.

As at the end of the reporting year, there were 16 road tractors, 8 lorries and 2 vans in the company's fleet for carrying out transport operations.

As at the end of 2025, Alexela Motors employed 48 people, the majority of whom were lorry drivers. The professionalism, experience and dedication of our employees form the basis for the company's provision of high-quality and reliable services. In late 2025, AS Alexela decided to merge Alexela Motors with its parent company.



Alexela rePower

Alexela rePower OÜ – sustainable energy and innovation solutions

OÜ Alexela rePower is a subsidiary of AS Alexela, which brings together all future technology development projects under one roof. The company, which was restructured in 2024, has been operating under a new name since 2025, with the aim of managing new developments and development ideas.

Main activities and projects:

- the development of biomethane and hydrogen refuelling stations
- biomethane production based on the principles of the circular economy
- development of solar and wind farms.
- managing e-fuel projects

In early 2025, we launched and integrated a 2 MW battery, alongside the solar power station on the Kiviõli Keemi-atööstus site – a project that had started in 2024 – in order to participate in the aFRR and mFRR markets.

In 2025, we continued to build solar parks on AS Alexela's land, marking a significant step towards achieving the company's goal of more sustainable and environmentally friendly energy use.

Energy sector solutions

Solutions developed by Alexela, such as Alexela and Alexela rePower, continue to develop a range of energy sector solutions, such as VPP (Virtual Power Plant) and Smart Electricity, which optimise the operational processes of renewable energy infrastructure. These solutions help customers increase their revenue and improve the efficiency of their solar parks, ensuring a more favourable price for the electricity they sell. Similarly, there are new battery projects at various stages of development.

The methanol bunkering project is continuing, as is the mapping of potential e-fuel production sites.

Rohe Solutions Oy

Solutions of Rohe Solutions OY – LNG and bio-LNG – on the Finnish market

Rohe Solutions Oy is a subsidiary of AS Alexela, operating on the Finnish market as a supplier of natural gas and LNG. From 2024, the company's main focus has been on providing LNG solutions to industrial customers and bunkering LNG vessels. In 2025, 300 GWh of natural gas and 265 GWh of LNG were sold in Finland.

The main focus in 2025 was on increasing LNG volumes, which was supported by new bunkering contracts.

In 2024, a bio-LNG offer was launched, which makes it possible to withdraw the output of biomethane producers connected to the gas network as bio-LNG, helps valorise biomethane as bio-LNG and gives industrial companies and the transport sector the option to make progress towards meeting their sustainability targets, supporting the transition towards more environmentally friendly energy production options.

In 2025, the first contracts were signed with clients in the transport and maritime sectors for the supply of bio-LNG.

SIA Alexela

SIA Alexela – sale of electricity and natural gas in Latvia

SIA Alexela is a subsidiary of AS Alexela which operates on the Latvian market, selling electricity and natural gas to business and private customers. In 2025, the portfolio's volume more than doubled compared with the previous year, reaching 292 GWh for natural gas and 342 GWh for electricity.

In 2025, the private customer base continued to grow, ending the year with a 27 per cent increase in the number of customers.

We launched Elastic, an electricity package with a fresh approach, which was well received by our customers. We continued to invest in upgrading our IT and settlement systems, thereby laying the foundations for the development of our services.

Hamina LNG Terminal

Hamina LNG Terminal – serving customers in Finland and Estonia

The launch of the Hamina LNG terminal in the autumn and winter of 2022 allowed Alexela to supply customers in Finland and Estonia with LNG sourced from outside Russia at the most competitive logistics costs. At the time, it was the first LNG terminal in Finland to be connected to the Finnish gas transmission network. To date, it is the only LNG terminal in Finland that is connected to the Finnish gas transmission network and which, at the same time, can store up to 30,000 m³ of LNG in its terminal tank for long periods.

The Hamina LNG terminal operates on the principle of third party open-access, with its operations and tariffs being supervised by the Finnish Energy Authority.

2025 was the third year of operation for Hamina LNG. During 2025, the terminal

received LNG from 11 vessels, with all supplies originating from outside Russia. A total of 600 GWh of LNG passed through the terminal. A total of 238 GWh of regasified gas was fed from the terminal into the Finnish transmission network and the distribution network in the Hamina region, whilst LNG was loaded in the tank trailers of 1,463 lorries and then delivered to customers in Estonia and Finland as a cleaner fuel alternative.

In 2025, the projects launched the previous year in cooperation with Rohe Solutions OY gained momentum. A total of 109 GWh of bio-LNG storage and handling capacity, which makes it possible to take the output of biogas stations connected to the gas network from the terminal as bio-LNG, was used during the year. A total of 19 vessels were bunkered, with the majority of these bunkering operations carried out with bio-LNG.

AS Alexela is the largest customer and user of Hamina LNG.



Eesti Biogaas

Eesti Biogaas – growth in biomethane production

Production at Eesti Biogaas, an associate in which Alexela holds a 50 per cent stake, grew by 4.4 per cent in 2025, reaching 131.71 GWh, which accounted for approximately 43 per cent of all biomethane produced in Estonia.

In 2025, the extensions to the Tartu and Oisu biogas plants – which had been completed in the previous year – were in operation for their first full year, helping to increase the output of both plants. All the biogas plants operated by Eesti Biogaas are now built to the same design, consisting of two primary digesters and two secondary digesters.

The improvement in processing efficiency is largely down to the experience and expertise of the Eesti Biogaas team. By optimising production, it is possible to produce more biomethane all year round using animal manure, biomass and food industry waste.

This is an important step towards environmental protection, as it helps to reduce the amount of methane that would otherwise be released into the atmosphere. Most of the biomethane produced is used as transport fuel.

At the end of the year, Eesti Biogaas sold its 60% holding in Oisu Biogaas to Infotar Agro, a co-shareholder of Eesti Biogaas. As Infotar had also become a 40% shareholder in Oisu Biogaas through its acquisition of Estonia Farmland, it was only natural that Infotar wished to fully consolidate Oisu Biogaas into its group. As a result of the transaction, nothing has changed in terms of the sale of Oisu's biomethane output, and Alexela continues to transport all of Oisu's biomethane output to the gas injection point in Tartu, where this biogas is used primarily to refuel buses in Tartu.

In 2026, the plan is to continue producing biomethane at the existing production plants; no capital investment is planned at any of the plants.

	2024	2025	Change
Tartu Biogaas	41,660 MWh	47,131 MWh	13.1%
Vinni Biogaas	43,359 MWh	44,175 MWh	1.9%
Oisu Biogaas*	41,112 MWh	40,404 MWh	-1.7%
Total EBG Grupp	126,131 MWh	131,710 MWh	4.4%

Biomethane production volumes in 2025 compared with 2024.

**The output of Oisu Biogas is calculated up to 20 November 2025, when Eesti Biogaas sold its 60% stake in Oisu Biogaas and no longer holds any equity interest in Oisu Biogaas. Eesti Biogaas will continue to provide plant management services to Oisu Biogaas on market terms.*

Zero Terrain

Underground 500 MW pumped hydro storage facility to be built in Paldiski

The 500 MW Paldiski pumped hydro storage facility to be built on Pakri Peninsula is Estonia's largest private-sector investment ready for construction. It is estimated that, over the course of the project, around €13 billion will flow into the Estonian economy. As a strategic energy infrastructure project, it will provide Estonia with additional controllable capacity, strengthens security of supply even in the event of temporary restrictions or disruptions to external connections, and helps to reduce dependence on third countries and critical raw materials.

In 2025, the company presented to the public a socio-economic analysis prepared by the international audit firm KPMG. According to the analysis, the

project is expected to enable consumers to save an estimated €131 million a year on electricity costs, increase tax revenue by approximately €80 million, and add an average of €253 million in value added to the economy each year.

In 2025, the focus was on developing a model for cooperation with the state. The activities included technical preparations, the development of partnerships and the design of a funding structure. The goal is to establish a clear framework for balancing the risks associated with long-term investments and to increase investment confidence.

The pumped hydro storage facility project Zero Terrain in Paldiski is a Project of Common Interest (PCI) of the European Union. As a strategic infrastructure project, the preparatory work has been supported by the European Union's Connecting Europe Facility.

Investments

2025 was a year of investments

In 2025, the Alexela Group invested nearly €9 million in various projects and IT solutions, which do not include assets recognised under lease agreements.

Investment in the field of e-mobility continued, resulting in a record number of charging plugs being installed and improvements to the service design.

Alexela rePower completed its investment in the Kiviõli battery park, which cost €1.3 million in total and was completed by the end of summer 2025.



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (€ thousand)

	31.12.2025	31.12.2024	Note No
Assets			
Current assets			
Cash	2,177	1,105	2
Receivables and prepayments	77,181	74,376	3, 5
Inventories	18,035	38,513	4
Total current assets	97,393	113,994	
Fixed assets			
Long-term investments	46,491	42,473	7
Receivables and prepayments	10,072	14,377	3
Property, plant and equipment	166,624	161,362	8
Intangible assets	8,745	6,757	9
Total fixed assets	231,931	224,969	
Total assets	329,325	338,963	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	104,908	50,625	10, 12
Payables and prepayments	54,566	65,593	5, 13, 14
Provisions	2	1	15
Government grants	237	292	16
Total current liabilities	159,713	116,511	
Long-term liabilities			
Loan liabilities	10,768	77,495	10, 12
Payables and prepayments	5	4	13
Deferred income tax payable	1,391	914	5
Provisions	5	5	15
Government grants	2,865	1,511	16
Total long-term liabilities	15,034	79,929	
Total liabilities	174,747	196,440	
Equity			
Equity held by shareholders of parent company			
Share capital at nominal value	1,644	1,644	17
Share premium	1,435	1,435	
Legal reserve	162	162	
Other reserves	95,812	86,385	8, 17, 35
Retained earnings	58,870	58,155	
Profit (loss) for financial year	-3,345	-5,258	
Total equity held by shareholders of parent company	154,578	142,523	
Total equity	154,578	142,523	
Total liabilities and equity	329,325	338,963	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (€ thousand)

	2025	2024	Note No
Sales revenue	621,313	594,166	18
Other operating revenue	2,819	1,271	19
Change in inventories of finished goods and work in progress	-9	30	4
Capitalised costs in manufacture of fixed assets for internal use	85	455	9
Goods, raw materials and services	-580,146	-550,967	20
Other operating expenses	-7,282	-8,061	21
Staff costs	-19,341	-19,377	22
Depreciation and impairment of fixed assets	-13,093	-11,604	8, 9
Other operating expenses	-509	-873	23
Operating profit (loss)	3,837	5,040	
Profit (loss) from subsidiaries and associates	995	-989	6, 7
Interest income	388	502	24
Interest expenses	-7,745	-8,417	25
Other financial income and expenses	-293	-1,043	26
Profit (loss) before income tax	-2,818	-4,907	
Income tax	-527	-351	5
Profit (loss) for financial year	-3,345	-5,258	
Share of profit attributable to shareholder of parent company	-3,345	-5,258	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ thousand)

	2025	2024	Note No
Profit (loss) for financial year	-3,345	-5,258	
Other comprehensive income (loss)			
Other comprehensive income (loss)	12,799	6,452	8, 17, 35
Total other comprehensive income (loss)	12,799	6,452	
Comprehensive income (loss) for financial year	9,454	1,194	
Share of comprehensive income (loss) attributable to shareholder of parent company	9,454	1,194	

CONSOLIDATED CASH FLOW STATEMENT (€ thousand)

	2025	2024	Note No
Cash flow from operating activities			
Operating profit (loss)	3,837	5,040	
Adjustments			
Depreciation and impairment of fixed assets	13,093	11,604	8, 9
Profit (loss) on sales of non-current assets	-25	-230	8, 9, 19
Other adjustments	-290	-253	15, 16
Total adjustments	12,778	11,121	
Change in receivables and prepayments related to operating activities	632	-3,515	
Change in inventories	20,478	-15,720	4
Change in liabilities and advances relating to operating activities	-10,157	6,183	
Total cash flow from operating activities	27,568	3,109	
Cash flow from investing activities			
Paid on acquisition of property, plant and equipment and intangible assets	-8,488	-8,742	8, 9
Received from sales of tangible and intangible assets	186	320	8
Loans granted	-64	-300	3
Repayments of loans granted	4,000	16	3
Interest received	21	46	
Total cash flow from investing activities	-4,345	-8,660	
Cash flow from financing activities			
Loans received	193,074	197,375	12
Repayments of loans received	-212,715	-184,646	12
Change in overdraft balance	4,655	-1,768	12
Finance lease principal repayment	-1,944	-1,986	10
Interest paid	-6,812	-7,230	
Received from targeted financing	1,591	614	16
Total cash flow from financing activities	-22,151	2,359	
Total cash flow	1,072	-3,192	
Cash and cash equivalents at beginning of period	1,105	4,297	2
Net change in cash and cash equivalents	1,072	-3,192	
Cash and cash equivalents at end of period	2,177	1,105	2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (€ thousand)

	Equity held by shareholders of parent company					Total
	Share capital at nominal value	Share premium	Legal reserve	Other reserves	Retained earnings (loss)	
31.12.2023	1,644	1,435	162	83,008	55,920	142,169
Profit (loss) for financial year	0	0	0	0	-5,258	-5,258
Changes in reserves	0	0	0	3,377	3,075	6,452
Other changes in equity	0	0	0		-840	-840
31.12.2024	1,644	1,435	162	86,385	52,897	142,523
Profit (loss) for financial year	0	0	0	0	-3,345	-3,345
Changes in reserves	0	0	0	9,427	3,372	12,799
Other changes in equity	0	0	0		2,601	2,601
31.12.2025	1,644	1,435	162	95,812	55,525	154,578

The revaluation reserve for fixed assets and the hedging reserves for natural gas and electricity are recognised under other reserves in equity. Further information on changes to the revaluation reserve for fixed assets can be found in Note 8, and on hedging reserves in Note 35.

More detailed information about share capital and other equity entries is given in Note 17.

Notes to financial statements

NOTE 1. ACCOUNTING POLICIES

General information

AS Alexela is a public limited company registered in Estonia and operating in Estonia, whose main area of 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 financial indicators of AS Alexela (parent company) and its subsidiaries are recognised in the consolidated financial statements for 2025. Subsidiaries Alexela SIA, Alexela Energia Teenused AS, Alexela Motors AS, Alexela rePower OÜ, Hamina LNG Investeeringud OÜ and Rohe Solutions OY, as well as associates Hamina LNG OY, Eesti Biogaas OÜ and Zero Terrain OÜ, and their subsidiaries and associates belong to the Group (the Group's structure is set out in Note 6).

These consolidated financial statements were signed by the management board on 7 May 2026.

In accordance with the requirements of the Estonian Commercial Code, the annual report prepared by the management board (which also includes the consolidated financial statements) must be approved by the supervisory board and approved by the general meeting of shareholders. The shareholders have the right not to approve the annual report prepared and presented by the management board and demand that a new report be prepared.

Accounting principles

The consolidated financial statements of AS Alexela for 2025 have been prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.

The functional and presentation currency of AS Alexela and its subsidiaries is the euro, and the figures in

the consolidated financial statements are presented in thousands of euros.

The financial statements have been prepared using the cost principle unless otherwise described in the accounting policies below. The main accounting policies used in preparing the financial statements are described below.

Adoption of new or revised standards and interpretations

In the preparation of the Group's consolidated financial statements for 2025, the Group has applied the new and revised standards and amendments and interpretations of standards issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IRFIC) that are relevant to the company's operations and effective for the reporting period that started on 1 January 2025.

Lack of Exchangeability – Amendments to IAS 21

Effective for annual periods beginning on or after 1 January 2025, earlier application is permitted.

IAS 21 The Effects of Changes in Foreign Exchange Rates describes accounting for foreign currency transactions and their impact on financial statements. The amendments clarify when currencies are exchangeable for one another and how a company determines the estimated spot rate in cases where a currency cannot be exchanged. In addition, the amendments include further disclosure requirements that help users understand the impact of the estimated exchange rate on the financial statements.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

New standards, interpretations and amendments about to enter into force

New standards, amendments or interpretations have been adopted, the application of which is mandatory from 1 January 2026 or later and which the Group has not applied early:

Amendments to Classification and Measurement of Financial Instruments – amendments to IFRS 9 and IFRS 7

Effective for annual periods beginning on or after 1 January 2026.

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 via electronic payments. The aim is to reduce the variety of accounting practices and improve the comparability of financial statements.

In the Group's view, it is not possible to assess the impact of the standard's implementation at this stage.

Contracts Referencing Nature-dependent Electricity – amendments to IFRS 9 and IFRS 7

Effective for annual periods beginning on or after 1 January 2026.

The amendments relate to contracts that refer to electricity generated from renewable sources, such as power purchase agreements for wind and solar energy. It is specified how such contracts should be accounted for and what disclosures are required in order to improve the clarity and comparability of financial statements.

In the Group's view, it is not possible to assess the impact of the standard's implementation at this stage.

Annual Improvements to IFRS Accounting Standards – amendments to a number of standards

Effective for annual periods beginning on or after 1 January 2026.

Annual improvements include minor amendments to a number of standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, with the aim of improving the clarity of the guidelines and harmonising accounting practices.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

Presentation and Disclosure in Financial Statements – IFRS 18

Effective for annual periods beginning on or after 1 January 2027.

The new standard replaces IAS 1 and sets out new requirements for the presentation and disclosure of financial statements, with the aim of improving the transparency and comparability of financial statements.

The Group has not yet carried out a detailed impact assessment, and it is not yet possible to assess the impact of implementing the standard. According to the preliminary assessment, the standard is not expected to have a material impact on the company's total result or equity, but it may affect the classification of individual income and expense items, the presentation of subtotals, and the scope of information disclosed in the notes.

Subsidiaries without Public Accountability: Disclosures – IFRS 19

Effective for annual periods beginning on or after 1 January 2027, not endorsed by the European Union yet.

The new standard allows subsidiaries that are not subject to public accountability to apply simplified disclosure requirements, thereby reducing the reporting burden whilst maintaining the reliability of financial statements.

The Group does not expect the amendments to have a material impact on its financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – amendments to IFRS 10 and IAS 28

The date of entry into force has been postponed indefinitely; the European Union has not endorsed these amendments.

Full application of the amendments in accordance with International Financial Reporting Standards (IFRS) is voluntary and may take place at the company's discretion.

The European Commission has decided to postpone the endorsement of the amendments indefinitely, and it is unlikely that the European Union will endorse them in the near future.

The amendments clarify that the extent to which profit or loss is recognised in the case of a transaction involving an associate or a joint venture depends on whether the assets sold or transferred constitute a business:

When a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets that constitute a business, the profit or loss is recognised in full. This applies regardless of whether these assets are held in a subsidiary or not.

When a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, the profit or loss is recognised in part. This applies even if these assets are held in a subsidiary.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

Requirements for accounting policies arising from other legislation

Pursuant to § 17 (3) of the Electricity Market Act, an electricity undertaking files, as annexes to its financial statements, a report including a balance sheet

and a profit and loss account for each area of activity, as well as the accounting principles based on which these have been compiled.

Compliance with the Electricity Market Act and the legislation established on the basis of this Act is supervised by the Competition Authority.

Pursuant to § 8 of the Natural Gas Act, a gas undertaking must, in its internal accounting rules, establish principles which require the accounts for transmission, distribution and sale of gas and for any activity area unrelated to these activities to be kept in the manner that separate undertakings operating in these areas of activity would be obligated to comply with the Natural Gas Act and the legislation established on the basis of this Act is supervised by the Competition Authority.

Correction of errors

Errors may arise in relation to the recognition, measurement, presentation or disclosure of components of financial statements.

Errors from previous periods are adjusted retrospectively, except for the extent where the period-specific or cumulative impact of the error cannot be determined.

Significant errors relating to prior periods are corrected retrospectively in the first financial statements approved after the errors are discovered:

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

Preparation of consolidated financial statements

The financial indicators of all subsidiaries (except for subsidiaries acquired for resale) controlled by the parent company are consolidated on a line-by-line basis in the consolidated statements. All intra-group receivables and payables, transactions between the group companies and the unrealised profits and losses, which have arisen because of them, have been eliminated. Minority shareholding in the performance result and equity of the companies under the control of the parent company is recognised on the consolidated balance sheet under equity separately from equity owned by the owners of the parent company and under a separate entry in the consolidated profit and loss account. Where necessary, the accounting policies of subsidiaries are adjusted to ensure consistency with those adopted by the Group.

Subsidiaries

A subsidiary is deemed to be a company which is under the control of the parent company. A subsidiary is deemed to be controlled by the parent company if the group holds, either directly or indirectly, 50% or more of the voting shares of the subsidiary or is otherwise capable of controlling the operating or financial policies of the subsidiary.

The acquisition of a subsidiary is recognised pursuant to the purchase method (except for business combinations subject to joint control, which are recognised pursuant to the adjusted purchase method). According to the purchase method, the assets, liabilities and contingent liabilities of an acquired subsidiary (i.e. the acquired net assets) are recognised at their fair value. Any difference between the cost of the holding acquired and the fair value of the net assets acquired is recognised as positive or negative goodwill.

The Group's share in the assets, liabilities and contingent liabilities of the acquired company is recognised as of the date of acquisition, the accrued goodwill is recognised in the consolidated balance sheet and the share in the revenue and expenses of the acquired company is recognised in the consolidated profit and

loss account. Positive goodwill is recognised in the consolidated balance sheet as intangible assets.

If a subsidiary is sold in the financial year, the revenue and expenditure of the subsidiary sold are recognised in the consolidated profit and loss account until the sales date. The difference between the selling price and the carrying amount of the subsidiary's net assets in the Group's balance sheet (including goodwill) as of the date of sale is recognised as profit/loss from sales of the subsidiary.

In the case of partial sale of a subsidiary, which results in the group's control of the company decreasing to less than 50% without it losing its influence over the subsidiary completely, consolidation of the subsidiary will be terminated as of the date of sale and the remaining share in the subsidiary's assets, liabilities and goodwill is recorded as an associate, joint venture or other financial investment. The carrying amount of the remaining part of the investment on the date of sale is considered to be its new cost.

Where a decision is made to sell a subsidiary, the subsidiary is classified as an asset held for sale and recognised as a financial investment until the sale process is completed.

Associates

An associate is an entity over which the group exercises significant influence but does not exercise control. Generally speaking, an associate is a company in which the Group holds a 20–50% stake in its voting shares or units.

The Group recognises investments in associates using the equity method. Under the equity method, an investment is initially recognised at cost and is subsequently adjusted for the associate's profit or loss.

If the Group's investment in an associate according to the equity method is less than the associate's carrying amount, the associate's carrying amount is written down to zero and any further losses are not recognised unless the Group guarantees to cover them.

Associates as financial investments

Associates in the case of which the company does not regard its holding as strategic and where it is foreseeable that, as a result of further capital raising, the size of the holding will fall below 20% of the associate's voting shares or units are classified as an investment agreement, and the holding in the company is recognised at fair value.

Changes in fair value of such an investment are recognised as changes through profit and loss.

Business combinations between companies under common control

Business combinations between entities under joint control are recognised using the adjusted purchase method, according to which the holding acquired in the other entity is recognised at the carrying amount of the net assets acquired in the other company (i.e. like the acquired assets and liabilities were recognised in the balance sheet of the acquired entity). The difference between the cost of the acquired holding and the carrying amount of the acquired net assets is recognised as a reduction or increase in the equity of the acquiring company.

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

According to the Accounting Act of Estonia, the primary unconsolidated statements of the consolidating entity (parent company) must be separately disclosed in the notes to the consolidated financial statements. The primary financial statements of the parent company have been prepared using the same accounting policies as applied in preparing the consolidated financial statements, except for investments in subsidiaries that have been recognised in the unconsolidated financial statements at cost.

Subsidiaries are later consolidated line by line for recognition in consolidated reports and recognised at cost in unconsolidated statements.

Transactions increasing or decreasing the parent company's holding in a subsidiary (transactions with minority holding) already under its control are recognised

as transactions between owners without any goodwill or profit or loss created. Possible differences between the purchase or sale price and the changed carrying amount of the minority holding are recognised directly in equity (similar to the differences that emerged when own shares were purchased and sold).

Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- financial assets measured at fair value (either through other comprehensive income or through profit or loss);
- financial assets recognised at amortised cost.

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

Recognition and derecognition

Purchases and sales of financial assets made under normal market conditions are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to the cash flows from the financial asset expire or are transferred and the Group substantially transfers all the risks and rewards of ownership.

Measurement

A financial asset (unless it is a trade receivable that does not have a material financing component and is initially measured at the transaction price) is initially recognised at its fair value. In the case of a financial asset not recognised at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing financial assets and the contractual cash flows of the financial assets.

Assets that are held for collection of contractual cash flows and whose cash flows solely represent payments of principal and interest on outstanding principal are measured at amortised cost, using the effective interest method. Amortised cost is reduced by impairment losses. Interest revenue, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss.

Equity instruments

The Group has no investments in equity instruments.

Impairment of financial assets

The impairment model is applied to financial assets carried at amortised cost. Financial assets at amortised cost include trade receivables, cash and cash equivalents.

Expected credit losses (ECL) are probability-weighted estimated credit losses. Credit loss is the difference between the contractual cash flows that are due to the Group and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The measurement of ECL reflects:

- unbiased and probability-weighted amounts, determined on the basis of a number of possible outcomes;
- time value of money;
- reasonable and justified information on past events, current conditions and forecasts of future economic conditions, available at the end of the reporting period without excessive cost or effort.

The Group measures impairment as follows:

- for trade receivables – at an amount equal to lifetime ECLs;
- for cash and cash equivalents that are determined to have low credit risk in the reporting period at an amount equal to 12-month expected credit losses; • for all other financial assets at an amount of 12-month ECLs, if the credit risk (i.e. the risk of default

occurring over the expected life of the financial asset) has not increased significantly since initial recognition. If the risk has increased significantly, the credit loss is measured at an amount equal to lifetime ECLs.

Cash

Cash in hand and bank, term deposits and short-term bank deposits, which can be changed into a known amount of money within three months proceeding from the actual deadline of the transaction and whereby the risk of a significant change in market value is insignificant, are recognised as cash and cash equivalents. Overdraft is recognised on the balance sheet under short-term loan liabilities.

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

Foreign currency transactions, financial assets and liabilities denominated in foreign currencies

The Group's foreign currency transactions are recognised using the official exchange rates quoted by the European Central Bank on the date of the transaction. Monetary financial assets and liabilities denominated in foreign currency are revalued in euros on the balance sheet date using the official exchange rates quoted by the European Central Bank.

Gains and losses arising from foreign currency transactions are recognised in the profit and loss account as income for the period, offset against the corresponding expenses, whilst exchange rate gains and losses relating to settlements with suppliers and customers are recognised in operating income and expenses. Other gains and losses on foreign exchange transactions are recognised as financial income and expenses in the profit and loss account.

Receivables and prepayments

Receivables and prepayments are recognised as current assets, except if they fall due later than within 12 month of the balance sheet date. Such assets are recognised as non-current assets. Trade receivables comprise short-term receivables that have emerged in the course of the everyday business activities of the Group. Trade receivables are recognised at the adjusted cost (i.e. nominal value less repayments and write-downs, if any).

Receivables are valued at less than 50% if they are 90–180 days past due, and at 100% if they are more than 180 days past due. At the end of the reporting period, outstanding receivables are reviewed and, if there is objective evidence or circumstances indicating that the receivable is unlikely to be recovered, the receivables are written off from the balance sheet.

The collection of doubtful receivables that have previously been written down is recognised as a decrease in the expenses of doubtful receivables.

Inventories

Inventories are initially registered at their cost which comprises costs of purchase, production costs and other costs incurred in bringing the inventories to their present location and condition.

The purchase costs of inventories contain, in addition to the purchase price, customs duties related to the purchase, other non-refundable taxes and transportation expenses directly related to the acquisition of inventories, less discounts and subsidies.

Production expenses of inventories include the direct costs attributable to the products: the price of raw materials. As produced inventories are turned over very quickly and their balance at the balance sheet date is immaterial, other direct and indirect costs relating to production are recognised on an accrual basis in the cost of goods sold and other operating expenses for the period.

Inventories are recognised under expenses and their carrying amount is calculated using the weighted average cost method. Inventories are evaluated in the balance sheet at the lower of their cost or net realisable value.

Gas cylinders acquired for use in the company's core operations over the long term, which are written off as an expense over their useful life, are also recognised under inventories.

Property, plant and equipment, and intangible assets

Property, plant and equipment

Property, plant and equipment are assets with a useful life of more than one year whose cost starts from €1,000 and which are used in the economic activities of the Group. Items of little value are written off at acquisition.

Property, plant and equipment are registered at cost that consists of the cost of the assets and expenses allowing for use. Property, plant and equipment leased under a finance lease and right-of-use assets are accounted for similarly to purchased fixed assets.

The revenue-generating land and buildings belonging to the Group are recognised at their revalued amount and other assets at their cost less accumulated depreciation and impairment write-downs. On the revaluation date the current cost of revalued assets is replaced with their fair value as of the revaluation date and the current accumulated depreciation is annulled. If the carrying amount of an asset increases as a result of revaluation, the difference between the new and old carrying amount is recognised under other comprehensive income and accumulated to the revaluation reserve. If the carrying amount of an asset decreases as a result of revaluation, the difference between the old and new value is recognised in the profit and loss account as loss from write-down of fixed assets, excluding the part of the write-down that cancels the previously recognised write-up and

which is recognised in equity as a change in the revaluation reserve. Each year, the difference between the depreciation based on the asset's revalued carrying amount and the depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Repair and maintenance expenses of fixed assets are recognised under the expenses of the accounting period when incurred. The costs of renovation of fixed assets that correspond to the definition of tangible fixed assets and the criterion of recognition in the balance sheet are added to the cost of the fixed assets. Renovation costs are depreciated during the remaining useful life of the relevant asset.

Tangible fixed assets are derecognised upon disposal or when economic benefits are no longer expected from their use or disposal. Gains and losses from the transfer of property, plant and equipment are recognised in the profit and loss account under other operating income or other operating charges. Depreciation is calculated using the straight-line method. Depreciation rates are established separately for each item of non-current assets on the basis of their useful lives. In the event of asset items of significant residual value, only the depreciable difference between the cost and the residual value is depreciated as expenses during the useful life.

If an item of tangible fixed assets consists of separable components of different useful lives, those components are registered in the accounting as separate asset items and separate depreciation rates are assigned to them according to their useful lives.

The calculation of depreciation starts at the moment that the asset is usable according to the purpose planned by the management and stops when the asset's final value exceeds its carrying amount, until the asset is removed from use for good or when it is reclassified as fixed assets held for sale.

Intangible assets

Long-term licences, patents and computer software that are not linked to a specific item of property, plant and equipment are recognised as intangible assets.

Computer software development expenses are recognised as intangible assets if they are directly associated with the development of such software objects that can be differentiated, controlled by the company and the use of which will yield economic benefits in the future for a period longer than one year.

Software embedded in an item of property, plant and equipment is recognised as an item of property, plant and equipment.

Acquired intangible assets are recognised at cost. The cost of intangible assets acquired through a business combination is deemed to be the fair value of the assets as of the moment of acquisition. Intangible assets are recognised in the balance sheet at cost less accumulated depreciation and losses from impairment of assets.

Intangible assets are depreciated using the straight-line method proceeding from their useful life:

Goodwill

Goodwill is the positive difference between the cost of the holding acquired and the fair value of the net assets acquired in the course of the business combination. This reflects the part of the cost that was paid for such acquired assets of the company that cannot be differentiated and registered separately. On the acquisition date, goodwill is recognised in the statement of financial position at its cost as an intangible asset.

Following the registration, goodwill is recognised at its cost less any possible write-downs resulting from

impairment. Goodwill is not a depreciable asset. An impairment test is carried out instead at least once a year (or more frequently if an event or a change in circumstances implies impairment of goodwill). For the purpose of impairment testing, goodwill is allocated to the cash generating units (CGUs) or groups of CGUs that are expected to benefit from the particular business combination. An independent CGU (or group of CGUs) is defined as the smallest identifiable group of assets that is no larger than a business segment used for segment reporting. Impairment is

determined by assessing the recoverable amount of the CGU, to which the goodwill relates.

Where the recoverable amount of the CGU is less than the carrying amount (including goodwill), an impairment loss of goodwill is recognised as well as the proportionate write-down of other assets, which is related to the CGU. Write-downs of goodwill are not cancelled.

The threshold for recognising fixed assets is €1,000.

USEFUL LIFE BY FIXED ASSET GROUPS (years)

Name of fixed asset group	Useful life
Buildings and structures	10–25 years
Machinery and equipment	5–10 years
Filling station fixtures and fittings	5–10 years
Computer equipment	5 years
Office furniture	5 years
Fixtures, fittings and tools	3–10 years
Computer software	3–5 years
Licences, patents	3 years

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



Leases

Group as lessor

A finance lease is a lease that transfers all the significant risks and rewards incidental to ownership of an asset to the lessee. Other lease contracts are recognised as operating leases.

The Group recognises the assets given on operating lease by the adjusted cost (cost minus depreciation) method.

Income from operating leases is recognised on a straight-line basis or on an accrual basis. Rental income with irregular payment periods (e.g. bicycle or trailer rental at filling stations) is recognised on an accrual basis. Expenditure incurred in generating rental income is recognised as an expense.

Assets given on finance lease are recognised by the Group in its statement of financial position as receivables in the amount of the net investment made in the finance lease.

Group as lessee

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

For all other leases, the right-of-use asset and the lease liabilities are recognised as at the start of the lease term.

The initial value of the right-of-use asset includes the present value of lease payments outstanding at the start of the lease term, the lessee's initial direct costs and the estimated costs of restoring the underlying asset to its condition as specified in the lease terms. The initial value of a lease liability is equal to the present value of the lease payments, which is calculated by discounting the lease payments at the lease's internal rate of return or the lessee's alternative borrowing rate.

Right-of-use assets are recognised further:

- at cost less accumulated depreciation and write-downs resulting from impairment, and which are adjusted with the amount of revaluation of lease liabilities when the terms and conditions of the lease change;
- at fair value, using the revaluation method, if the right-of-use asset belongs to a class of property, plant and equipment for which the entity uses the revaluation method.

The carrying amount of lease liabilities is increased by the interest on the lease liabilities and reduced by the lease payments made. When a lease is amended, the carrying amount of the lease liability is revalued.

Financial liabilities

All financial liabilities (trade creditors, loans raised, accrued expenses, bonds issued and other short-term and long-term payables) are recognised at the adjusted cost.

The adjusted cost of current financial liabilities is generally equal to the nominal value of the financial liabilities, and therefore short-term financial liabilities are recognised in the statement of financial position in the amounts subject to payment. To calculate the amortised cost of long-term financial liabilities, they are initially registered at the fair value of the consideration received (less any transaction costs), charging interest expenses on the liabilities in subsequent periods, using the effective interest method. A financial liability is classified as short-term if it is due to be settled within 12 months of the reporting date or if the company does not have an unconditional right to defer settlement of the liability for more than 12 months after the reporting date.

Loans payable which are due within 12 months after the reporting date, but which are refinanced as non-current after the reporting date, but before the approval of the annual report, are recognised as current liabilities. Loans payable that the lender had the right to recall on the reporting date due to a breach of the terms and conditions specified in the loan agreement are also recognised as current.

Derivatives as hedging instruments

The derivative instruments arising from the agreements entered into for risk management purposes, which reflect future settlements (forwards, futures, swaps, options), are recognised in the statement of financial position at their fair value from the moment the contract is signed.

The Group has entered into derivative financial instruments designated as cash flow hedging instruments to hedge its exposure to changes in the price of natural gas and electricity.

The Group documents the economic relationship between the hedging instruments and the hedged items, the objectives of the hedge and the strategy for entering into the transaction. In addition, changes in the cash flows of the hedged items are also documented.

Where a derivative is designated as a cash flow hedge, the effective portion of the change in its fair value is recognised in other comprehensive income through the hedging reserve. The fair values of hedging instruments are classified as long-term receivables or payables if the remaining maturity of the hedged item is longer than 12 months and as short-term receivables or payables if the remaining maturity is shorter than 12 months. The fair values and changes in the hedging reserve of such derivatives are disclosed in Note 35. Derivatives for which an effectiveness analysis has not been performed are classified as ineffective. In

the case of agreements entered into to hedge price risk, gains and losses arising from ineffective hedging instruments are recognised in the profit and loss account under goods, raw materials and services, in other cases, in financial income and/or expenses.

Amounts recognised 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.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is transferred to the statement of profit and loss immediately as other operating revenue or other operating charge.

Provisions and contingent liabilities

A provision is recognised if the group has a legal or factual liability arising from an obligating event that occurred prior to the reporting date, the realisation of the liability is probable, and the amount thereof can be reliably measured. A provision is recognised in the statement of financial position in the amount that is required, in the opinion of the management, for satisfying the provision-related liability or transferring it to a third party as of the reporting date.

A provision is recognised at discounted value (the sum of the present value of the pay-outs relating to the provision) if it is likely to be realised more than 12 months after the reporting date, unless the impact of discounting is insignificant.

Contingent liabilities are not recognised as liabilities if they are:

- any potential liabilities arising from past events, the existence of which is contingent solely on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the entity's control, or
- there are liabilities arising from past events, but these have not been recognised because:
- it is unlikely that resources including economic benefits will have to be relinquished in order to settle the liability, or
- the amount of the liability cannot be measured with sufficient reliability.

Government grants

The received government grants whereby the conditions for recognition as revenue are not met is recognised as a liability in the statement of financial position. Government grants not recognised until there is adequate certainty that the grant recipient meets the criteria for the government grant and the government grant is actually received.

Government grants are recognised using the gross method. The assets acquired using government grants are registered in the statement of financial position at their cost.

The government grants received are recognised as a liability in the statement of financial position and recognised as income in the periods in which the company recognises the expenses relating to the asset acquired with the government grant.

Income relating to targeted financing is recognised under other operating revenue in the profit and loss account.

Legal reserve

The parent company has formed a legal reserve pursuant to the Commercial Code of the Republic of Estonia. Each financial year, at least 5% of the net profit must be entered in the reserve until the reserve forms at least 10% of the share capital. The legal reserve may be used to cover a loss or increase the share capital. No payouts to shareholders may be made from the legal reserve.

Revenue

Sales revenue is an economic gain that emerges during the Group's usual operating activities. Sales revenue is recognised in the amount of the transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange of transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties.

Sale of goods and services in retail chain

Revenue from the sale of goods and services sold through the retail chain is recognised at the moment the customer purchases the goods or services and pays for them in cash, by bank card or with an Alexela payment card. The price of a product or service varies and depends on the price at the point of sale and on discounts granted on the basis of various loyalty cards or depending on the customer's consumption volumes. The discounts granted are fixed at the time of recognising revenue, and variable consideration is not revalued subsequently. The likelihood of goods being returned is low, and no provisions are set aside for this purpose.

Wholesale

Wholesale comprises the sale of motor fuels and tank fuels to resellers, domestic consumers and for industrial use. Sales are recognised when control of the products has been transferred, i.e. when the products have been delivered to the customer, the customer has the power to determine the marketing and price of the products and there are no outstand-

ing commitments that could affect the customer's acceptance of the products. The products have been delivered when they have been dispatched to the agreed location, the risk of damage to or destruction of the products has 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 recognises the receivable when the goods have been delivered, as this is the moment when the company becomes unconditionally entitled to receive a fee, the payment of which only depends on the time that passes. The likelihood of goods being returned is considered to be minimal, and no provisions are set aside for this purpose.

Sale of electricity and natural gas

The Group sells electricity and natural gas to private and business customers at fixed or variable prices. Sales revenue is recognised in the period in which the goods are sold, based on the number of units sold and the transaction price. Where a customer is invoiced on the basis of actual consumption, the price is final when recognising revenue from variable-price transactions, and the consideration received is not subsequently revalued.

In addition to fixing the price, customers can also fix their monthly payments, meaning that they will receive bills for the same amount every month throughout the pricing period, regardless of their actual consumption. In the case of such contracts, the company's sales revenue is adjusted in line with actual consumption, and the difference between this and the invoices issued is recognised as a contractual liability or receivable from the customer.

Funding component

In the Group's customer contracts, the payment terms do not affect the transaction price; consequently, they do not contain a significant financing component, and the effect of the time value of money is not recognised.

Taxation

Income tax on dividends

Pursuant to the Income Tax Act in force in Estonia, the profit of a company earned in a financial year is not taxed in Estonia. Corporate income tax is paid on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business expenses and transfer price adjustments.

The tax rate on profits distributed as dividends in Estonia is 22/78 on the net amount distributed. In Latvia, profits are taxed at a rate of 20/80 on the distribution of profits. Income tax is withheld at a rate of 5% on dividends paid from a subsidiary in Finland to an Estonian resident company, provided that the shareholding is at least 10% and proof of residence and an application for a tax treaty are submitted.

Under certain conditions, it is possible to redistribute dividends received without incurring additional income tax charges. The corporate income tax payable on dividends is recognised as a liability and as an income tax expense in the statement of profit and loss in the same period as when the dividends are declared, regardless of the period for which the dividends are declared or when they are actually paid out. The income tax liability emerges on the 10th day of the month following the month when the dividends were paid out.

Deferred income tax

Due to the specific nature of the taxation system, there are no differences between the carrying amounts and tax bases of the assets of companies registered in Estonia that could result in deferred tax receivables or payables. The contingent income tax liability which would arise on the payout of dividends from the retained earnings of the parent company is not recognised in the statement of financial position. The maximum income tax liability that would arise if retained earnings were paid out as dividends is presented in the notes to the annual report.

The Group has subsidiaries in Estonia, Latvia and Finland. In accordance with the interpretation of IAS 12, deferred tax expense and liability arising from the payment of dividends, if any, on the retained earnings of subsidiaries and related undertakings at the reporting date is recognised.

A deferred tax liability should not be recognised if the profits of a subsidiary or related undertaking are not expected to be distributed in the foreseeable future and the distribution is controlled by the parent.

Related parties

Parties have been deemed to be related parties upon the preparation of the annual report if one of the parties controls the other party or exercises a significant influence over the other party's business decisions. The related parties of the Group are:

- owners (the parent company and persons who control or exercise a significant influence over the parent company);
- other companies belonging to the same consolidation group (incl. the other subsidiaries of the parent company);
- executive and senior management;
- close family members of the persons listed above, and companies under their control or significant influence.

Important accounting estimates

The preparation of financial statements in conformity with IFRS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and recognise assets and liabilities, and income and expenses. Estimates and underlying assumptions are based on historical experience and a number of other facts that are believed to be relevant under the circumstances and form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily available from other sources. The actual results may differ from the estimates. Estimates and underlying assumptions are reviewed periodically. The effect arising from the review of the accounting estimates is recognised during the period, when the estimates change, if this concerns only the specific period or in reviewed and future periods, if the change affects both the present as well as future periods.

The following are key management estimates that may have an impact on the financial statements:



Determining the useful lives of property, plant and equipment (Note 8)

Management has assessed the useful life of property, plant and equipment. It has done so on the basis of its historic experience and taken into account the volume and future outlook of the use of the assets;

Determination of the revalued amount of land and buildings (Note 8)

The company recognises land and buildings using the revaluation method. For this purpose, the company's management regularly assesses whether the fair value of revalued fixed assets differs significantly from their carrying value. The following is an analysis of fixed assets (properties) recognised at fair value, broken down by valuation method. Different levels are defined as follows:

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

Given the nature of the company's assets, its fixed assets (properties) are classified as Level 3; consequently, in determining the fair value of land and buildings, management has relied on its own estimates. Valuation is based on the discounted cash flows of the CGU associated with the fixed assets. These are based on actual and budgeted data, from which the positive impact of Alexela as a comprehensive retail chain on the expected sales results and through this on the value of the assets has been eliminated in the valuation of filling stations. As a result of the revaluation, the increase in the value of the assets is recognised, based on management's estimates, solely as an increase in the value of the land and buildings group.

Valuation of inventories (Note 4)

When assessing inventories, management relies on the best information available, taking into account experience, the general background information and possible assumptions and conditions of future periods. The impairment of inventories is determined

based on both the sales potential as well as the net realisable value of the goods for resale. The company purchases most of its goods for resale. Foodstuffs are written down at regular intervals before the end of their shelf life and written off once they have exceeded their expiry date

Valuation of doubtful receivables (Note 3)

Receivables from customers are reviewed once a month and a provision is set aside for invoices that are unlikely to be collected. Receivables that are more than 180 days past due are included in the provision to the extent of 100%, and receivables that are between 90 and 180 days past due are included to the extent of 50%. At year end, outstanding receivables are assessed on a case-by-case basis, and bad debts are written off from the statement of financial position. If the receivable has previously been included in the provision for doubtful receivables, the provision is reduced accordingly. If the receivable has not been transferred to the reserve, it is recognised as an expense. The carrying amount of receivables is reduced by the write-down amount of doubtful receivables and the loss from the write-down is normally recognised in the profit and loss account under other operating expenses. The collection of doubtful receivables that have previously been written down is recognised as a decrease in the expenses of doubtful receivables.

Other reserves

Other reserves include the revaluation reserve for fixed assets and the hedging reserve for derivative instruments. These reserves are linked to equity and are not distributed to shareholders.

The revaluation reserve for fixed assets is reduced each year by the amount of depreciation calculated on the basis of the cost added during the year. The said decrease of the revaluation reserve is added to retained profit. The hedging reserve for derivative instruments recognises changes in the fair value of hedging instruments, which are reclassified to profit or loss in the period in which the cash flows from the hedged transactions affect profit or loss.

Net profit per share

Net profit per share are calculated by dividing the net profit for the financial year by the weighted average number of shares in issue.

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

Events after the reporting date

The financial statements set out the material circumstances that have an impact on the evaluation of assets and liabilities and emerged between the reporting date and the date of preparation of the statements, but are related to the transactions conducted in the reporting period or in earlier periods.

Events after the reporting date that have not been taken into account in the evaluation of assets and liabilities, but which considerably affect the result of the following financial year, are disclosed in the notes to the financial statements.

NOTE 2. CASH (€ thousand)

	31.12.2025	31.12.2024
Cash in hand	271	304
Current accounts	1,827	716
Cash in transit	79	85
Total cash	2,177	1,105

Funds in debt collection are recognised under cash in transit.



NOTE 3. RECEIVABLES AND PREPAYMENTS (€ thousand)

	31.12.2025	Breakdown by remaining maturity		Note No
		within 12 months	within 1–5 years	
Trade receivables	59,333	59,333	0	
Accounts receivable	59,480	59,480	0	
Doubtful receivables	-147	-147	0	
Prepaid and deferred taxes	54	54	0	5
Other receivables	7,157	214	6,943	
Loans receivable	6,670	64	6,606	
Interest receivable	487	150	337	
Prepayments	1,414	1,414	0	
Other prepayments made	1,414	1,414	0	
Security deposits and deposits	1,602	1,585	17	
Finance lease receivables	13	5	8	10
Derivatives	14,953	11,855	3,098	35
Other receivables	2,727	2,721	6	
Total receivables and prepayments	87,253	77,181	10,072	

	31.12.2024	Breakdown by remaining maturity		Note No
		within 12 months	within 1–5 years	
Trade receivables	56,784	56,784	0	
Accounts receivable	56,912	56,912	0	
Doubtful receivables	-128	-128	0	
Prepaid and deferred taxes	82	82	0	5
Other receivables	10,743	108	10,635	
Loans receivable	10,381	0	10,381	
Interest receivable	345	91	254	
Accrued income	17	17	0	
Prepayments	2,660	2,660	0	
Other prepayments made	2,660	2,660	0	
Security deposits 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	
Total receivables and prepayments	88,753	74,376	14,377	

Deposits serve as security for tax liabilities under the Value Added Tax and the Liquid Fuel Act, as well as for letters of guarantee and participation in public procurement.

Change in doubtful receivables (€ thousand):

	2025	2024
Doubtful receivables at beginning of period	-128	-85
Receivables declared doubtful	-446	-292
Doubtful receivables received	47	20
Receivables declared irrecoverable	380	229
Doubtful receivables at end of period	-147	-128

The company's management considers the write-down of receivables to be sufficient to cover any potential losses arising over the life of the receivables, and considers the impact of expected credit losses on the financial statements to be immaterial. No additional reserve has been formed.

Due dates of accounts receivable:

	Total	Not overdue	Overdue up to 30 days	Overdue 31–90 days	Overdue 91–180 days	Overdue by more than 180 days
31.12.2025	59,480	53,034	1,481	1,689	2,345	931
Incl. related companies	7,825	2,311	715	1,548	2,388	863
31.12.2024	56,912	51,937	1,422	1,260	2,176	117
Incl. related companies	6,368	2,483	631	1,170	2,084	0

The remaining receivables are not overdue.

Due dates of loan receivables and interest rates:

31.12.2025	Amount (€ thousand)	Interest rate	Underlying currency	Year
Loans granted	64	6.00%	€	2026
Loans granted	680	6.00%	€	2027
Loans granted	822	7.00%	€	2027
Loans granted	244	7.11%	€	2028
Loans granted	1,144	2.00%	€	2035
Loans granted	3,216	2.00%	€	2036
Loans granted	500	2.00%	€	2037
Total	6,670			
31.12.2024	Amount	Interest rate	Underlying 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
Total	10,381			

As at 31.12.2025, loan receivables included receivables from related parties amounting to €6,670 thousand (€10,381 thousand as at 31.12.2024).

Interest receivables include receivables from related parties amounting to €569 thousand as at 31.12.2025 (31.12.2024: €413 thousand).

As at 31.12.2025, accounts receivable include receivables from related parties amounting to €7,825 thousand (31.12.2024: €6,368 thousand).

NOTE 4. INVENTORIES (€ thousand)

	31.12.2025	31.12.2024
Raw materials and consumables	3,068	488
Goods for resale	13,511	32,999
Prepayments for inventories	1,456	5,026
Total inventories	18,035	38,513

During the reporting period, inventories were written down by €32 thousand (2024: €39 thousand).

All inventories are pledged as collateral for financial liabilities under a receivables pledge and a commercial pledge (see Note 12). Information on pledged inventories is given in Note 36.

NOTE 5. TAX PREPAYMENTS AND PAYABLES (€ thousand)

	31.12.2025		31.12.2024	
	Prepaid	Payable	Prepaid	Payable
Corporate income tax	0	0	0	0
Value added tax in Estonia	4	7,424	40	8,870
Personal income tax	0	362	0	390
Income tax on fringe benefits	0	5	0	8
Social security contribution	0	676	0	713
Mandatory funded pension	0	35	0	29
Unemployment insurance premium	0	48	0	49
Excise duty	0	184	0	184
Other tax prepayments and payables	0	1	0	1
Prepayment account balance	50	0	30	0
Foreign VAT	0	2,194	12	1,229
Other tax prepayments and payables abroad	0	74	0	240
Total tax prepayments and payables	54	11,003	82	11,713

Tax prepayments are recognised in Note 3 and tax payables in Note 13.

As at 31.12.2024 and 31.12.2025, the amount calculated on the basis of the tax return for December, but still being verified on the balance sheet date, is recognised as a VAT prepayment.

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

	2025	2024
Income tax expenses	50	19
Deferred income tax expenses	477	332
	31.12.2025	31.12.2024
Deferred income tax liability	1,391	914

NOTE 6. SHARES OF SUBSIDIARIES (€ thousand)

Shares in subsidiaries, general information:

Registry code of subsidiary	Name of subsidiary	Country of location	Principal activity	Holding (%)	
				31.12.2024	31.12.2025
14185894	Alexela Energia Teenused AS	Estonia	Trade of electricity	100	100
LV-4010375297	Alexela SIA	Latvia	Sale of electricity and natural gas	100	100
14387534	Hamina LNG Investeeringud OÜ	Estonia	Investments	100	100
14128985	Alexela Motors AS	Estonia	Transport 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

No subsidiaries were acquired or sold in 2024 and 2025.



NOTE 7. SHARES OF ASSOCIATES (€ thousand)

Shares of associates, general information:

Registry code of associate	Name of associate	Country of location	Principal activity	Holding (%)	
				31.12.2024	31.12.2025
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	Purchase and sale of real estate	50	50
14010321	Zero Terrain OÜ	Estonia	Energy	32.082	32.082

Profits and losses of associates are recognised in the profit and loss account using the equity method. As the company recognises its fixed assets at fair value, the fair value of its investments in associates is also measured, and any change in fair value is recognised as a change in profit or loss from previous periods.



Shares of associates, detailed information:

Name of associate	31.12.2024	Acquisition	Profit (loss) by equity method	Other changes	Sale/reclassification	31.12.2025
Hamina LNG OY (associate of Hamina LNG Investeeringud)	14,959	0	0	0	0	14,959
Eesti Biogaas OÜ	9,957	0	1,050	2,601	0	13,608
Pakrineeme Sadama OÜ	4,187	0	-55	0	0	4,132
Total shares of associates	29,103	0	995	2,601	0	32,699

Associates the investment in which is classified as a financial investment are recognised at fair value, and changes in fair value are recognised in profit or loss for the period.

Shares of associates as financial investment, detailed information:

Name of associate	31.12.2024	Acquisition/reclassification	Profit (loss) from change in fair value	Sale/reclassification	31.12.2025
Zero Terrain OÜ	13,370	0	0	0	13,370
Total shares of associates as financial investment	13,370	0	0	0	13,370

Hamina LNG OY

The fair value of Hamina LNG OY as at 31.12.25 has been determined on the basis of the FCFF principle and based on future cash flows over 12 years together with the amount of continuing cash flows. The valuation was based on a discount rate of 8.77% and an annual growth rate of 1%. As a result of the valuation, the investment in the associate Hamina LNG OY was not revalued.

Sensitivity analysis of the impact of changes in key inputs on fair value (€ thousand):

Change in discount rate	Volume reservation -10%	Volume reservation base	Volume reservation +10%
+1%	15,046	20,460	25,874
base	10,277	14,971	19,664
-1%	6,480	10,619	14,758

The fair value of Hamina LNG OY as at 31.12.24 has been determined on the basis of the FCFF principle and based on future cash flows over 12 years together with the amount of continuing cash flows. The valuation was based on a discount rate of 8.66% and an annual growth rate of 1%. As a result of the valuation, the investment in the associate Hamina LNG OY was revalued upwards by €1,080 thousand. The loss for 2024 under the equity method was €1,313 thousand.

It was not possible for the company to obtain the 2025 financial statements of the associate by the date of the report. The availability of data was affected by the reorganisation process and the change of ownership concerning the other owner of the associate. Consequently, the 2025 financial information of the associate is not disclosed in the notes.

**Financial information of Hamina LNG OY
(in the case of 100% holding), restated in
accordance with IFRS rules:**

	31.12.2024
Current assets	11,900
Fixed assets	103,120
Current liabilities	16,016
Long-term liabilities	66,836
Equity	32,168

	2024
Sales revenue	20,213
Profit (loss) for financial year	-2,824

Eesti Biogaas OÜ

The valuation of the holding in Eesti Biogaas as at 31.12.2025 was based on the FCFF principle, assuming a forecast of financial performance for the following years at a discount rate of 9.04% per year and a growth rate of -2% per year. As a result of the valuation, the investment was revalued upwards by €2,601 thousand and the profit from participating interest was €1,050 thousand.

The valuation of the holding in Eesti Biogaas as at 31.12.2024 was based on the FCFF principle, assuming a forecast of financial performance for the following years at a discount rate of 8.74% per year and a growth rate of -2% per year. As a result of the valuation, the investment was revalued downwards by €1,919 thousand and the profit from participating interest was €296 thousand.

**Financial information of Eesti Biogaas OÜ
(in the case of 100% holding), restated in
accordance with IFRS rules:**

	31.12.2025	31.12.2024
Current assets	1,691	2,805
Fixed assets	30,663	34,604
Current liabilities	2,387	3,260
Long-term liabilities	2,751	12,876
Equity	27,216	21,273
incl. equity held by shareholders of parent company	27,216	19,913

	2025	2024
Sales revenue	11,618	12,961
Profit (loss) for financial year	2,302	953
incl. profit attributable to shareholders of parent company	2,100	593

Pakrineeme Sadama OÜ

A loss of €55 thousand on the holding in Pakrineeme Sadama OÜ was earned in 2025 using the equity method.

A profit of €28 thousand on the holding in Pakrineeme Sadama OÜ was earned in 2024 using the equity method.

Financial information of Pakrineeme Sadama OÜ (in the case of 100% holding), restated in accordance with IFRS rules:

	31.12.2025	31.12.2024
Current assets	469	473
Fixed assets	8,349	8,356
Current liabilities	65	0
Long-term liabilities	487	454
Equity	8,266	8,375

	2025	2024
Sales revenue	55	112
Profit (loss) for financial year	-110	56

The fair value has been recognised at net amount, i.e. the value of the holding has been reduced by the value of the loans granted by Alexela AS.

For the purpose of testing the recoverable amount of the investment in Zero Terrain OÜ in 2024, the value at which it is proposed to raise new funds in the ongoing additional capital raising was used as the basis and the 2024 shareholding was not written down.

Financial information of Zero Terrain OÜ (in the case of 100% holding), restated in accordance with IFRS rules:

	31.12.2025	31.12.2024
Current assets	3,510	5,919
Fixed assets	11,499	10,250
Current liabilities	573	595
Long-term liabilities	2,012	2,183
Equity	12,424	13,391

	2025	2024
Sales revenue	15	27
Profit (loss) for financial year	-1,140	-1,954

Zero Terrain OÜ (formerly Energiasalv Valdus OÜ)

When testing the recoverable amount of the investment in Zero Terrain OÜ in 2025, the management assessed that the measurement basis used in the previous reporting period continues to provide the best estimate of the investment's fair value, and the value of the investment was not revalued. This was supported by the fact that there were no new market-based inputs or independent capital transactions, nor were there any objective indications of a significant fall or rise in the value of the investment.

In addition to its associates, the company has a 3.31% holding in Multicharge OÜ, which is recognised as a financial investment with a value of €422 thousand.

As at the reporting date, management has assessed the value of the investment in MultiCharge OÜ and concluded that the carrying amount of the investment corresponds to its fair value. In the management's view, there is no need to recognise an impairment loss on the investment.

NOTE 8. PROPERTY, PLANT AND EQUIPMENT (€ thousand)

	Land	Buildings			Machinery and equipment	Other property, plant and equipment			Projects in progress and prepayments	Total
			Means of transport	Other machinery and equipment			Projects in progress	Prepayments		
31.12.2023										
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
Carrying amount	59,105	64,217	3,685	14,085	17,770	5,410	2,602	1,238	3,840	150,342
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 expenses	0	-6,074	-1,022	-2,157	-3,179	-983	0	0	0	-10,236
Write-offs due to impairment	-18	-151	0	0	0	0	0	0	0	-169
Cancellation of previous write-downs	0	49	0	0	0	0	0	0	0	49
Write-offs (at carrying amount)	0	0	0	-25	-25	-7	-11	0	-11	-43
Sales (at carrying amount)	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
Reclassification from prepayments	0	0	329	65	394	0	7	-401	-394	0
Reclassifications from projects in progress	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
31.12.2024										
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
Carrying amount	64,036	68,821	5,039	13,564	18,603	5,576	2,578	1,748	4,326	161,362
Purchases and improvements	2	4,772	312	625	937	183	3,670	41	3,711	9,605
Purchase of new buildings, new construction, improvements	2	0	0	0	0	0	0	0	0	2
Other purchases and improvements	0	897	0	0	0	0	3,670	0	3,670	4,567
Depreciation expenses	0	3,875	312	625	937	183	0	41	41	5,036
Write-offs due to impairment	0	-6,681	-977	-2,239	-3,216	-1,084	0	0	0	-10,981
Cancellation of previous write-downs	-40	-409	0	0	0	-5	-3	0	-3	-457
Write-offs (at carrying amount)	0	-6	0	-6	-6	-13	-28	0	-28	-53
Sales (at carrying amount)	0	-1,210	-27	-93	-120	0	-69	0	-69	-1,399
Reclassifications	0	1,844	0	1,845	1,845	217	-3,671	-812	-4,483	-577
Reclassification from prepayments	0	0	0	23	23	0	775	-798	-23	0
Reclassifications from projects in progress	0	1,844	0	1,682	1,682	217	-4,426	0	-4,426	-683
Other reclassifications	0	0	0	140	140	0	-20	-14	-34	106
Other changes	346	8,777	0	0	0	1	0	0	0	9,124
31.12.2025										
Cost	64,344	76,738	7,922	27,563	35,485	10,279	2,477	977	3,454	190,300
Accumulated depreciation	0	-830	-3,575	-13,867	-17,442	-5,404	0	0	0	-23,676
Carrying amount	64,344	75,908	4,347	13,696	18,043	4,875	2,477	977	3,454	166,624

Cash flow correction on acquisition of paid property, plant and equipment and intangible assets (€ thousand):

2024	Property, plant and equipment	Intangible assets	Total
Acquisition of fixed assets 2024	9,445	2,811	12,256
Acquired under finance leases	-1,400	0	-1,400
New right-of-use contracts	-1,602	0	-1,602
Trade payables as at 31.12.23 excl. VAT	388	160	548
Trade payables as at 31.12.24 excl. VAT	-718	-342	-1,060
Paid upon acquisition of fixed assets in 2024	6,113	2,629	8,742
2025	Property, plant and equipment	Intangible assets	Total
Acquisition of fixed assets 2025	9,605	2823	12,428
Acquired under finance leases	-615	0	-615
New right-of-use contracts	-3,871	0	-3,871
Trade payables as at 31.12.24 excl. VAT	717	342	1,059
Trade payables as at 31.12.25 excl. VAT	-291	-222	-513
Paid upon acquisition of fixed assets in 2025	5,545	2,943	8,488

Share of right-of-use assets in fixed asset entries is as follows (€ thousand):

	Buildings	Machinery and equipment	Total
31.12.2023			
Cost	9,781	297	10,078
Accumulated depreciation	-149	-225	-374
Carrying amount	9,632	72	9,704
Purchases and improvements	1,602	0	1,602
Depreciation expenses	-1,156	-72	-1,228
Write-offs due to impairment	-38	0	-38
Other changes	1,502	0	1,502
31.12.2024			
Cost	11,851	0	11,851
Accumulated depreciation	-309	0	-309
Carrying amount	11,542	0	11,542
Purchases and improvements	3,875	0	3,875
Depreciation expenses	-1,575	0	-1,575
Sales (at carrying amount)	-607	0	-607
Reclassifications	11	0	11
Other changes	2,738	0	2,738
31.12.2025			
Cost	16,730	0	16,730
Accumulated depreciation	-746	0	-746
Carrying amount	15,984	0	15,984

The share of right-of-use assets on finance lease in fixed asset entries is as follows:

	31.12.2025	31.12.2024
Machinery and equipment	3,997	4,201
Total	3,997	4,201

Property, plant and equipment sold, at selling price (€):

	2025	2024
Buildings	214	0
Machinery and equipment	157	534
Means of transport	19	71
Other machinery and equipment	138	463
Other property, plant and equipment	7	10
Total	378	544

The liquefied gas terminal in Vana-Kuuste, the fixed assets at the filling stations and the infrastructure of the solar parks are recognised at fair value.

As at 31.12.2025, the value of the liquefied gas terminal's assets was determined on the basis of future cash flows over a six-year period, together with the amount of ongoing cash flow (terminal value). The valuation was based on a discount rate of 8.18%, an operating profit margin of 10.97%, a growth rate of 4% and a future growth rate of -2% per year. The operating profit and growth rates used are conservative and are based on the management's experience and its assessment of the competitive environment in the business segment. As a result of the valuation, the value of the liquefied gas terminal's fixed assets as at 31.12.2025 is €5,888 thousand, and the write-down arising from previous revaluations was €796 thousand. The decrease in value resulting from the write-down is recognised as a reduction in equity reserves and under other changes in the table of fixed assets.

As at 31.12.2024, the value of the liquefied gas terminal's assets was determined on the basis of future cash flows over

a six-year period, together with the amount of ongoing cash flow (terminal value). The valuation was based on a discount rate of 8.54%, an operating profit margin of 17.12%, a growth rate of 3% and a future growth rate of -2% per year. The operating profit and growth rates used are conservative and are based on the management's experience and its assessment of the competitive environment in the business segment. As a result of the valuation, the value of the liquefied gas terminal's fixed assets as at 31.12.2024 is €6,922 thousand, and the upward valuation was €1301 thousand. The increase resulting from the revaluation is recognised as an increase in equity reserves and under other changes in the table of fixed assets.

Fixed assets in filling stations were assessed at the end of 2025 and fixed assets reassessed to fair value. Fair values were determined by the management. Fair value was determined using the discounted cash flow method, which was based on the actual and budgeted data of the filling stations. The discount rate used for the valuation is 8.18% and the growth rates used are shown in the table below. A growth rate of -5% was used to estimate the terminal value. For some filling stations, other assumptions were also used which, in the opinion of the management board, best reflect the changes at the respective filling station (newly opened filling stations, regional changes, etc.). In order to eliminate the impact of Alexela as a comprehensive chain on the actual and budgeted data of filling stations used to determine the fair value of fixed assets, the fuel sales margin was reduced by €0.01275 per litre. The risk margin effect was estimated at 0 cents per litre, as the risks have materialised due to the general competitive environment and the economic climate affected by the energy crisis. As a result of the revaluation, the value of fixed assets increased by €7,396 thousand in total. €14,801 thousand of this amount represented an upward revaluation of assets and €7,236 thousand represented a write-down of previous revaluations, which have been recognised as an increase in the equity reserve and under other changes. The impairment of assets amounted to €169 thousand and is recognised in the profit and loss account under depreciation and impairment of fixed assets and in the fixed assets table under write-downs from impairment.

Assumptions used in 2025	2026	2027	2028	2029	2030	2031	2032+
Increase in volume of filling station fuel	0.00%	1.00%	1.00%	0.00%	0.00%	-0.50%	-1.00%
Increase in sales turnover of goods	5.00%	3.00%	3.00%	3.00%	3.00%	1.00%	1.00%
Increase in margin on goods	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%

At the end of 2024, fixed assets were revalued to fair value using the same methodology. The discount rate used for the valuation is 8.54% and the growth rates used are shown in the table below. A growth rate of -5% was used to estimate the terminal value.

For some filling stations, other assumptions were also used which, in the opinion of the management board, best reflect the changes at the respective filling station (newly opened filling stations, regional changes, etc.). In order to eliminate the impact of Alexela as a comprehensive chain on the ac-

tual and budgeted data of filling stations used to determine the fair value of fixed assets, the fuel sales margin was reduced by €0.01275 per litre. In addition, a risk margin of 0.02 cents per litre was applied, thereby reducing the difference between the long-term average and current-period margins caused by the stricter biofuel obligation, the general competitive landscape and the overall economic environment affected by the energy crisis. As a result of the revaluation, the value of fixed assets increased by €11,006 thousand in total.

Assumptions used in 2024	2025	2026	2027	2028	2029	2030+
Increase in volume of filling station fuel	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 margin on goods	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%

The value of the fixed assets of solar parks was assessed at the end of 2025 and the fixed assets were reassessed to fair value. Fair values were determined by the management. Fair value was determined using the discounted cash flow method, which was based on forecasts for future periods and existing contracts. The valuation was based on a discount rate of 7.76% and a growth rate of 0.0%. As a result of the revaluation, the value of fixed assets increased by €2,069 thousand in total. €2,372 thousand of this amount represented an upward revaluation of assets and €18 thousand represented a reduction of previous upward revaluations, which have been recognised as an increase in the equity reserve and under other changes. The write-down of assets amounted to €285 thousand and is recognised in the profit and loss account under depreciation and impairment of fixed assets and in the fixed assets table under write-downs from impairment.

The value of the fixed assets of solar parks was assessed at the end of 2024 using the same methodology. The valuation was based on a discount rate of 8.93% and a growth rate of -0.8%. As a result of the revaluation, the value of fixed assets decreased by €81 thousand in total. €93 thousand of this amount represented a reduction of previous upward revaluations, which is recognised as an increase in the equity reserve and under other changes. €49 thousand represented the cancellation of earlier write-downs and the write-down of assets amounted to €36 thousand, which is recognised in the profit and loss account under depreciation and impairment of fixed assets and in the fixed assets table under write-downs from impairment.

€14,259 thousand of this amount represented an upward revaluation of assets and €3,120 thousand represented a write-down of previous revaluations, which have been recognised as an increase in the equity reserve and under other changes. The impairment of assets amounted to €133 thousand and is recognised in the profit and loss account under depreciation and impairment of fixed assets and in the fixed assets table under write-downs from impairment.

The following is an analysis of fixed assets (properties) recognised at fair value, broken down by valuation method. Different levels are defined as follows:

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

Given the nature of the company's assets, its fixed assets (properties) are classified as Level 3. Therefore, in determining the fair value of land and buildings, management has relied on its own estimates. Valuation is based on the discounted cash flows of the CGU associated with the fixed assets. These are based on actual and budgeted data of filling stations, from which the positive impact of Alexela as a comprehensive retail chain on the expected sales results and through this on the value of the assets has been eliminated. As a result of the revaluation, the increase in the value of the assets is recognised, based on management's estimates, solely as an increase in the value of the land and buildings group.

Level 3 inputs used to measure fair value and their sensitivity to the fair value measurement result:

Unobservable inputs	Judgement applied	Sensitivity
Discount rate	8.18%	1% higher decreases value by €9.7 million 1% lower increases value by €10.9 million
Increase in volume of filling station fuel	According to the table (terminal value remains the same)	1% higher growth increases value by €7.4 million 1% lower growth decreases value by €7.2 million
Increase in sales revenue and margin of goods	According to the table (terminal value remains the same)	1% higher growth increases value by €14.3 million 1% lower growth decreases value by €13.9 million
Terminal value growth rate	-5%	-4% growth increases value by €4.3 million -6% growth decreases value by €3.8 million

When revaluing assets at fair value, the cost before the revaluation is reduced by the accumulated depreciation of the fixed assets. The revaluation amounts have been added to the net value, resulting in a new cost.

Fair values of assets recognised at fair value by fixed asset group (€ thousand):

	Land	Buildings	Machinery and equipment	Total	Incl. right-of-use assets
31.12.2024	64,036	68,805	9,935	142,776	10,638
31.12.2025	62,055	72,351	9,730	144,136	15,005

The residual value of the same assets, eliminating the impact of revaluation:

	Land	Buildings	Machinery and equipment	Total	Incl. right-of-use assets
31.12.2024	22,145	31,577	9,935	63,657	4,809
31.12.2025	19,818	30,683	9,730	60,231	7,542

Movements in fixed asset revaluation reserve (€ thousand):

	Land	Buildings	Total	Incl. right-of-use assets
Reserve balance 31.12.2023	36,942	32,906	69,848	4,887
Revaluation	4,949	7,397	12,346	1,503
Depreciation adjustment	0	-3,075	-3,075	-561
Reserve balance 31.12.2024	41,891	37,228	79,119	5,829
Revaluation	346	8,778	9,124	2,738
Depreciation adjustment	0	-3,372	-3,372	-698
Fixed assets sold	0	-966	-966	-406
Reserve balance 31.12.2025	42,237	41,668	83,905	7,463

Changes in reserves are recognised in equity as follows (€ thousand):

2024	Other reserves	Retained earnings (loss)	Total
Revaluation	12,346	0	12,346
Depreciation adjustment	-3,075	3,075	0
Total changes in reserves	9,271	3,075	12,346
2025	Other reserves	Retained earnings (loss)	Total
Revaluation	9,124	0	9,124
Depreciation adjustment	-3,372	3,372	0
Fixed assets sold	-966	0	-966
Total changes in reserves	4,786	3,372	8,158

NOTE 9. INTANGIBLE ASSETS (€ thousand):

	Goodwill	Other intangible assets	Projects in progress and prepayments	Total
31.12.2023				
Cost	1,008	6,491	167	7,666
Accumulated depreciation	0	-3,175	0	-3,175
Carrying amount	1,008	3,316	167	4,491
Purchases and improvements	0	2,628	182	2,810
Depreciation expenses	0	-1,178	0	-1,178
Write-offs	0	-27	0	-27
Reclassifications	0	283	378	661
31.12.2024				
Cost	1,008	9,322	727	11,057
Accumulated depreciation	0	-4,300	0	-4,300
Carrying amount	1,008	5,022	727	6,757
Purchases and improvements	0	2,569	254	2,823
Depreciation expenses	0	-1,602	0	-1,602
Reclassifications	0	1,490	-723	767
31.12.2025				
Cost	1,008	13,328	258	14,594
Accumulated depreciation	0	-5,849	0	-5,849
Carrying amount	1,008	7,479	258	8,745

Reclassifications also include €85 thousand of capitalised staff and project management costs for the creation of new programmes and working environments in 2025.

In 2024, labour costs amounting to €455 thousand were capitalised.

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

Following the merger, it is not possible to distinguish the cash flows from the previous operations of 220 Energia AS from the parent company's other operating cash flows, and goodwill is treated as part of the parent company's CGU for the purposes of impairment testing and consequently, the recoverable amount of goodwill is valued at the level of the entire CGU of the parent company.

As at 31.12.2025, the recoverable amount of the assets was determined on the basis of the projected cash flows of AS Alexela over a five-year period, together with the amount of ongoing cash flow (terminal value).

The discount rates used show the risks associated with the relevant business segment. The operating profit and growth rates recognised are conservative and are based on the management's experience and its assessment of the competitive environment in the business segment. The present value of cash flows calculated on the basis of the test carried out covered the value of the company's assets, and goodwill was not written down in 2025 (nor was it written down in 2024).

The recoverable amount was calculated on the basis of the following assumptions:

	31.12.2025
Average profit margin in the next 5 years	3.85%
Discount rate	8.54%
Average sales growth in the next 5 years	2.56%
Future growth rate	2.24%

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

Variable	Sensitivity
Discount rate	1% higher decreases value by €31,818 thousand
	1% lower increases value by €43,814 thousand
Future growth rate	1% higher increases value by €34,473 thousand
	1% lower decreases value by €25,030 thousand
Increase in operating profit in 2026	1% higher increases value by €4,883 thousand
	1% lower decreases value by €4,929 thousand



NOTE 10. FINANCE LEASE

ACCOUNTING ENTITY AS LESSOR (€ thousand):

		Breakdown by remaining maturity		Interest rate	Underlying currency	Maturity
		within 12 months	within 1–5 years			
Finance lease receivables 31.12.2025	13	5	8	5.0-15.0%	€	2027
Finance lease receivables 31.12.2024	25	13	12	5.0-15.0%	€	2025-2027

Impact of finance lease in profit and loss account (€ thousand):

	2025	2024
Financial income on finance lease	1	3

ACCOUNTING ENTITY AS LESSEE

With the adoption of IFRS 16 as of 01.01.2019, the present value of lease payments for the right to use long-term assets and assets of significant value is now also recognised in lease liabilities.

The leases included in the entries in this note divide as follows:

	31.12.2025	Breakdown by remaining maturity			Interest rate	Underlying currency	Maturity
		within 12 months	within 1–5 years	over 5 years			
Finance lease	734	202	514	18	3 months' Euribor + 2.55–3.85%	€	2026-2031
Finance lease	1,816	567	1,200	49	6 months' EURIBOR + 1.45-5.5%	€	2026-2031
Finance lease	41	21	20	0	7.50%	€	2026-2028
Finance lease	244	83	161	0	5.50%	€	2026-2030
Right of use	3,670	234	996	2,440	6.00%	€	2029-2053
incl. contracts with related parties	375	81	266	28	6.00%	€	2029-2044
Right of use	3,550	363	1,174	2,013	5.50%	€	2026-2053
incl. contracts with related parties	482	157	258	67	5.50%	€	2028-2033
Right of use	1,391	179	447	765	6.75%	€	2028-2054
incl. contracts with related parties	294	123	171	0	6.75%	€	2028
Right of use	752	111	202	439	7.50%	€	2027-2061
incl. contracts with related parties	108	42	66	0	7.50%	€	2028
Total finance lease payables	12,198	1,760	4,714	5,724			

	31.12.2024	Breakdown by remaining maturity			Interest rate	Underlying currency	Maturity
		within 12 months	within 1–5 years	over 5 years			
Finance lease	907	169	630	108	3 months' Euribor + 2.45–3.85%	€	2026–2031
Finance lease	1,949	559	1,362	28	6 months' 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	4,117	373	1,434	2,310	5.50%	€	2025–2053
incl. contracts with related parties	631	148	397	86	5.50%	€	2028–2033
Right of use	1,512	164	540	808	6.75%	€	2026–2054
incl. contracts with related parties	405	111	208	86	6.75%	€	2028
Right of use	870	117	277	476	7.50%	€	2025–2061
incl. contracts with related parties	140	33	21	86	7.50%	€	2028
Total finance lease payables	9,656	1,487	4,439	3,730			

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

NOTE 11. OPERATING LEASE (€ thousand)

ACCOUNTING ENTITY AS LESSOR

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

Operating lease income divides as follows:

	2025	2024
Buildings and premises	145	80
Vehicles	405	408
Machinery and equipment	541	501
Other assets	7	7
Total	1,098	996

Carrying amount of assets given on rent or lease:

	2025	2024
Machinery and equipment	1,371	1,502
Total	1,371	1,502

All operating lease agreements can be cancelled.

ACCOUNTING ENTITY AS LESSEE

Leases are recognised in accordance with IFRS 16 as of 01.01.2019. In the case of leases of long-term assets and assets of significant value, the right-of-use items are recognised as assets and the present value of the lease payments is recognised as a lease liability (see Notes 8 and 10). Leases of short-term assets and assets of insignificant value are recognised in the profit and loss account as operating lease expenses.

Operating lease expenses divide as follows by asset:

	2025	2024
Buildings and premises	53	50
Vehicles	7	8
Other assets	257	150
Total	317	208

NOTE 12. LOAN LIABILITIES (€ thousand)

As at 31.12.2025, the total overdraft limits amounted to €9,000,000 (31.12.2024: €8,000).

In addition to loans, the Group had bank guarantees totalling €9,135 thousand as at 31.12.2025, which secured debts to suppliers (as at 31.12.2024, bank guarantees amounted to €8,615 thousand).



	31.12.2025	Breakdown by remaining maturity			Interest rate	Under-lying currency	Maturity	Note No
		within 12 months	within 1–5 years	over 5 years				
Short-term loans								
Overdraft	4,656	4,656	0	0	6 months' EURIBOR 4.50%	€	2026	
Short-term bank loan	29,482	29,482	0	0	6 months' EURIBOR 3.75%-4,50%	€	2026	
Total short-term loans	34,138	34,138	0	0				
Long-term loans								
Long-term bank loans	51,532	51,532	0	0	6 months' EURIBOR 4.50%	€	2026	
Long-term loan from related party	17,376	17,376	0	0	6.00%	€	2026	
Long-term bank loans	432	102	330	0	3 months' EURIBOR 1.25%	€	2030	
Total long-term loans	69,340	69,010	330	0				
Total finance lease payables	12,198	1,760	4,714	5,724				10
Total loans payable	115,676	104,908	5,044	5,724				

	31.12.2024	Breakdown by remaining maturity			Interest rate	Under-lying currency	Maturity	Note No
		within 12 months	within 1–5 years	over 5 years				
Short-term loans								
Overdraft	1	1	0	0	6 months' EURIBOR 3.25%	€	2025	
Short-term bank loan	42,724	42,724	0	0	6 months' EURIBOR 3.75%	€	2025	
Total short-term loans	42,725	42,725	0	0				
Long-term loans								
Long-term bank loans	57,829	6,311	51,518	0	6 months' EURIBOR 3.75%	€	2026	
Long-term bank loans	17,376	0	17,376	0	6.0%	€	2026	
Long-term loan from related party	534	102	407	25	3 months' EURIBOR 1.25%	€	2030	
Total long-term loans	75,739	6,413	69,301	25				
Total finance lease payables	9,656	1,487	4,439	3,730				10
Total loans payable	128120	50,625	73,740	3,755				

Mortgages and commercial pledges have been provided as security for the loans, and inventories have been pledged as security for the commodity loan. As at 31.12.2025, other assets pledged as collateral included security deposits and guarantee deposits totalling €1,586 thousand (31.12.2024: €1,461 thousand) and inventories amounting to €15,510 thousand as at 31.12.2025 (31.12.2024: €38,339 thousand). Further information on loan collateral and pledges is given in Notes 36 and 8.

Change in net debt (€ thousands):

	Cash and cash equivalents	Overdraft	Borrowings	Lease liabilities	Net debt
31.12.2023	4,297	-1,769	-105,734	-8,438	-111,644
Cash flow	-3,192	1,768	-12,729	1,986	-12,167
Additional lease liabilities	0	0	0	-3,204	-3,204
31.12.2024	1,105	-1	-118,463	-9,656	-127,015
Cash flow	1,072	-4,655	19,641	1,944	18,002
Additional lease liabilities	0	0	0	-4,486	-4,486
31.12.2025	2,177	-4,656	-98,822	-12,198	-113,499

NOTE 13. PAYABLES AND PREPAYMENTS (€ thousand)

	31.12.2025	Breakdown by remaining maturity		Note No
		within 12 months	within 1–5 years	
Trade creditors	36,267	36,267	0	
Payables to employees	1,417	1,417	0	14
Taxes payable	11,003	11,003	0	5
Other payables	4,882	4,877	5	
Interest payable	4,284	4,279	5	
Other accruals	598	598	0	
Prepayments received	840	840	0	
Financial securities received	11	11	0	
Derivative payables	0	0	0	35
Other payables	151	151	0	
Total payables and prepayments	54,571	54,566	5	

	31.12.2024	Breakdown by remaining maturity		Note No
		within 12 months	within 1–5 years	
Trade creditors	44,832	44,832	0	
Payables to employees	1,369	1,369	0	14
Taxes payable	11,713	11,713	0	5
Other payables	5,068	5,064	4	
Interest payable	3,351	3,347	4	
Other accruals	1,717	1,717	0	
Prepayments received	1,118	1,118	0	
Financial securities received	153	153	0	
Derivative payables	1,314	1,314	0	35
Other payables	30	30	0	
Total payables and prepayments	65,597	65,593	4	

Payables to related parties amounting to €1,516 thousand as at 31.12.2025 (31.12.2024: €939 thousand) are recognised under trade payables.

Payables to related parties amounting to €3,887 thousand as at 31.12.2025 (31.12.2024: €2826 thousand) are recognised under interest payables.

See Note 27 for details of settlements with related parties.

NOTE 14. PAYABLES TO EMPLOYEES

Employee-related payables divide as follows (€ thousand):

	31.12.2025	31.12.2024
Wages and salaries payable	883	821
Holiday pay liability	534	548
Total payables to employees	1,417	1,369

NOTE 15. PROVISIONS

Provisions have been formed to cover compensation for health damage and to pay bonuses.

Upon calculation of the compensation for damage to health, the growth in the consumer price index of previous year as published by the Estonian Statistical Office and the discount rate have been deemed as equal.

As at 31.12.2025, the provision for compensation for health damage amounted to €7 thousand, of which €2 thousand was a short-term liability and €5 thousand was a long-term liability.

As at 31.12.2024, the provision for the compensation amounted to €6 thousand, of which €1 thousand was a short-term liability and €5 thousand was a long-term liability.

The provision for bonuses comprises bonuses payable in the following period for the previous period's performance. Decisions on the payment of bonuses are made following the approval of the annual results. No bonus reserve was formed in 2024 and 2025.

€ thousand	31.12.2024	Formation/adjustment	Use	31.12.2025
Compensation for health damage	6	2	-1	7
Total provisions	6	2	-1	7
Including:				
Short-term provisions	1	2	-1	2
Long-term provisions	5	0	0	5

€ thousand	31.12.2023	Formation/adjustment	Use	31.12.2024
Compensation for health damage	7	0	-1	6
Provision for bonuses	706	42	-748	0
Total provisions	713	42	-749	6
Including:				
Short-term provisions	706	44	-749	1
Long-term provisions	7	-2	0	5

NOTE 16. GOVERNMENT GRANTS

Earmarked funding received from the Environmental Investment Centre, Klaipedos Nafta AB, and the European Commission's executive agencies CINEA and EISMEA for the acquisition of fixed assets are recognised as government grants.

Assets acquired using earmarked funding are recognised at cost, and the earmarked funding is recognised as income over the useful life of the asset.

€ thousand	31.12.2024 liabilities	Received	Recognised in profit and loss account	31.12.2025 liabilities	incl. long-term	short-term
Targeted financing for acquisition of fixed assets	1,803	1,591	-292	3,102	2,865	237
Total targeted financing	1,803	1,591	-292	3,102	2,865	237

€ thousand	31.12.2023 liabilities	Received	Recognised in profit and loss account	31.12.2024 liabilities	incl. long-term	short-term
Targeted financing for acquisition of fixed assets	1,484	614	-295	1,803	1,511	292
Total targeted financing	1,484	614	-295	1,803	1,511	292

Important terms and conditions of targeted financing agreements for the construction of LNG plants:

- Co-financing is required to receive the grant.
- The beneficiary of the grant must ensure that the assets necessary to achieve the objective of the project are maintained and used for the intended purpose for at least five years after the final payment.
- The beneficiary of the grant must provide the capacity to supply the biomethane established with the grant, using biomethane for sale to the public for at least five years from the date of the final payment of the grant. Where the beneficiary is not in a position to offer biomethane for sale, it must provide access to the refuelling site on a uniform and fair basis to the person offering biomethane for sale.
- The annual quantity of biomethane produced as a result of the projects and put into use in transport (ktoe) is 0.01–0.07, depending on the project.

Important terms and conditions of government grant agreements for installation of electric chargers:

- The main objective of the project is to establish 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 beneficiary of the grant must ensure that the assets necessary to achieve the objective of the project are maintained and used for the intended purpose for at least five years after the final payment.

Important terms and conditions of government grant agreements for the H2Value (hydrogen station) project:

- the main objective of the project is to establish a cross-border green hydrogen value chain in southern Estonia and northern Latvia. Technologies with a high level of readiness will be introduced across the entire value chain (infrastructure, production, storage and transport development). In addition to promoting the wider adoption of hydrogen technologies and capabilities across the two regions, H2Value also offers a model that can serve as an example for the creation of green hydrogen ecosystems in other smaller regions, particularly in the new EU Member States (EU-13), thereby supporting the idea of establishing interregional green hydrogen value chains.
- The project will run for three years and is being carried out by nine partners; as part of this project, Alexela will build a green hydrogen filling station.
- The project must include a communication and dissemination plan to raise awareness of hydrogen technologies and engage target groups.

Important terms and conditions of government grant agreements for the construction of green hydrogen filling station:

- Funding is provided for the development and implementation of a complete green hydrogen value chain
- The project is being carried out by three partners; Alexela is building a green hydrogen filling station within the scope of this project
- The infrastructure acquired with the grant must remain in use, as described in the application, for at least five years from the date of the final payment

NOTE 17. SHARE CAPITAL (€ thousand)

	31.12.2025	31.12.2024
Share capital	1,644	1,644
Number of shares (thousand)	1,644	1,644
Nominal value of shares	1	1

Changes in equity in 2024

At the end of 2024, fixed assets were revalued to fair value. Fair values were determined by the 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 set out in Note 8. As a result of the revaluation, the value of fixed assets increased by €12,346 thousand, which is reflected as an increase in the equity reserve and under other changes in the fixed assets table and decreased by €120 thousand, which is recognised in the profit and loss account under depreciation and impairment of fixed assets.

In 2024, the change in the fair value of derivative instruments designated as effective hedging instruments is recognised as a decrease in the hedging reserve of equity in the amount of €5,894 thousand, including a decrease of €2,457 thousand in respect of electricity instruments and a decrease of €3,437 thousand in respect of natural gas instruments.

Changes in equity in 2025

At the end of 2025, fixed assets were revalued to fair value. Fair values were determined by the 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 set out in Note 8. As a result of the revaluation, the value of fixed assets increased by €9,124 thousand, which is reflected as an increase in the equity reserve and under other changes in the fixed assets table and decreased by €454 thousand, which is recognised in the profit and loss account under depreciation and impairment of fixed assets.

In 2025, the change in the fair value of derivative instruments designated as effective hedging instruments is recognised as an increase in the hedging reserve of equity in the amount of €4,641 thousand, including an increase of €1,770 thousand in respect of electricity instruments and an increase of €2,871 thousand in respect of natural gas instruments.

Net profit per share

To calculate the basic net profit per share, the net profit for the financial year, which is attributable to shareholders of the parent company, is divided by the weighted average number of outstanding ordinary shares of the financial year. As the company has no potential ordinary shares, diluted earnings per share are equal to the normal net profit per share.

In 2025, Alexela AS reported a net loss of €3,345 thousand and a basic and diluted net loss per share of €2.03.

In 2024, Alexela AS reported a net loss of €5,257 thousand and a basic and diluted net loss per share of €3.20.

Maximum income tax liability

As at 31.12.2025, the retained earnings of Alexela AS amounted to €55,525 thousand (31.12.2024: €52,897 thousand). The payout of dividends would give rise to an income tax expense at a rate of 22/78. As at 31.12.2025, it is possible to pay out dividends to shareholders from retained earnings in the amount of €43,310 thousand (31.12.2024: €41,260 thousand), and the associated maximum income tax liability on dividends at the standard rate would be €12,216 thousand (31.12.2024: €11,637 thousand).

NOTE 18. SALES REVENUE (€ thousand):

	2025	2024
Sales revenue by geographical regions		
Sales to EU Member States		
Estonia	491,770	518,495
Sales to European Union countries, others	129,162	73,872
Total sales to EU countries	620,932	592,367
Sales to countries outside the European Union		
Sales to outside European Union Member States, others	381	1,799
Total sales outside European Union countries	381	1,799
Total sales revenue	621,313	594,166
Sales revenue by area of activity		
Retail sale of motor fuels	242,917	256,144
Wholesale of motor fuels	21,417	16,778
Sale of electricity	193,600	185,132
Sales of other liquefied gas and gaseous fuels	126,025	104,667
Sale of other goods and services	28,940	27,949
Other sales revenue	8,414	3,496
Total sales revenue	621,313	594,166

NOTE 19. OTHER OPERATING REVENUE (€ thousand):

	2025	2024	Note No
Profit from sales of property, plant and equipment	25	230	8
Revenue from targeted financing	292	295	16
Foreign exchange gain	99	0	
Fines, default interest and compensation	983	453	
Other	1,420	293	
Total other operating revenue	2,819	1,271	

NOTE 20. GOODS, RAW MATERIALS AND SERVICES (€ thousand)

	2025	2024
Cost of goods sold	541,378	523,637
Cost of services sold	16,876	6,698
Transport costs of finished goods	46	64
Stock losses	2,022	1,341
Lease expenses	533	179
Other sales expenses	1,285	69
Other costs relating to goods	17,348	19,579
Impact of transactions with derivatives	658	-600
Total goods, raw material and services	580,146	550,967

NOTE 21. OTHER OPERATING EXPENSES (€ thousand)

	2025	2024
Lease and rent	53	382
Various office costs	2,705	2,703
Costs of doubtful receivables	332	265
Consultations	1,145	1,261
Audit expenses	95	85
Marketing expenses	1,789	2,307
Taxes and fees	183	163
Other operating expenditure	980	895
Total various operating costs	7,282	8,061

NOTE 22. LABOUR COSTS (€ thousand)

	2025	2024
Wage costs	14,835	14,950
Social security contribution	4,506	4,427
Total labour costs	19,341	19,377
Average number of full-time equivalent employees	515	518
Average number of employees by types of employment:		
Person employed with an employment contract	550	561
Any person other than a self-employed person providing a service under a contract other than a contract under law of obligations	7	2
Member of managing or controlling body of legal person	10	12

Labour costs also include a holiday reserve, which has been set up in the financial year but not yet used.

The decision to form a bonus reserve is made by the company's management board and supervisory board. No bonus reserve was formed in 2024 and 2025 due to negative financial results.

NOTE 23. OTHER OPERATING EXPENSES (€ thousand)

	2025	2024
Foreign exchange loss	0	91
Other operating expenses	509	782
Total other operating charges	509	873

NOTE 24. INTEREST INCOME (€ thousand)

	2025	2024
Interest income on loans	387	499
Interest income from financial leases	1	3
Total interest income	388	502

Interest income on loans includes income from related parties amounting to €367 thousand as at 31.12.2025 (31.12.2024: €435 thousand).

NOTE 25. INTEREST EXPENSE (€ thousand)

	2025	2024
Interest expenses on loans	7,050	7,824
Interest on lease liabilities	695	593
Total interest expenses	7,745	8,417

NOTE 26. OTHER FINANCIAL INCOME AND EXPENSES (€ thousand)

	2025	2024
Profit (loss) on conversion of foreign currencies	67	-11
Other financial income and expenses	-360	-1,032
Total other financial income and expenses	-293	-1,043



NOTE 27. RELATED PARTIES

Name of accounting entity's parent company	Tanklate Investeeringud OÜ
Country of registration of accounting entity's parent company	Estonia
Name of group to which parent company belongs	AVH Grupp AS
Country where Group's parent company is registered	Estonia
Company with final control	Kasperwiki Laevaomanikud OÜ
Country where the company with final control is registered	Estonia

Transactions between related parties are classified according to the date on which the transaction took place; balances are presented on the basis of the relationships in force at the balance sheet date.

Balances with related parties by groups (€ thousand):

	31.12.2025		31.12.2024	
	Receivables	Payables	Receivables	Payables
Associates	14,042	1,491	15,231	787
Other undertakings belonging in same consolidation group	108	22,505	90	21,241
Executive and senior management and private owners with significant holdings and undertakings under their control or significant influence	153	34	263	11
Corporate owners with significant holdings and undertakings under their control or significant influence	2,804	8	6,578	121



MOVEMENT OF LOANS (€ thousand)

2025	Loans granted	Repayments of loans granted	Interest received	Loans received	Repayments of loans received	Interest paid	Interest rate	Underlying currency	Maturity
Associates									
Short-term loan	64	0	0	0	0	0	6.00%	€	2026
Long-term loan	0	3,987	0	0	0	0	6.00%	€	2027

2024	Loans granted	Repayments of loans granted	Interest received	Loans received	Repayments of loans received	Interest paid	Interest rate	Underlying currency	Maturity
Other undertakings belonging in same consolidation group									
Long-term loan	0	0	0	0	300	0	6.00%	€	2026

PURCHASES AND SALES OF GOODS AND SERVICES (€ thousand)

	2025		2024	
	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Sales of goods and services
Associates	11,156	8,819	6,901	6,722
Other undertakings belonging in same consolidation group	992	1,102	835	1,105
Executive and senior management and private owners with significant holdings and undertakings under their control or significant influence	104	1,512	184	2,188
Corporate owners with significant holdings and undertakings under their control or significant influence	15,251	13,544	1,994	5,526

PURCHASES AND SALES OF FIXED ASSETS (€ thousand)

	2025		2024	
	Fixed assets purchased	Fixed assets sold	Fixed assets purchased	Fixed assets sold
Other undertakings belonging in same consolidation group	0	68	86	0
Executive and senior management and private owners with significant holdings and undertakings under their control or significant influence	0	0	32	0
Corporate owners with significant holdings and undertakings under their control or significant influence	0	33	1	0

In 2025, the company brokered CO2 sales to a related party in the amount of €3,741 thousand (2024: €3,856 thousand).

Remuneration and other significant benefits calculated for executive and senior management (€ thousand):

	2025	2024
Remuneration calculated	532	666

Under the terms of the management board's contracts and the employment contracts of certain key employees, the company may impose a non-competition clause for a period of 6 or 12 months after the employee leaves. If this is imposed, the company undertakes to pay 50% of the employee's salary for the duration of the non-competition clause. The company has the right to revoke the non-competition clause and cease payment of the fee at any time. No provision has been made and no reserve has been formed for compensation relating to the non-competition clause.

As at 31.12.2025, other companies belonging to the same consolidation group include the right-of-use liabilities of the participants recognised in accordance with IFRS 16 in the amount of €1,230 thousand, of which interest payables amount to €4 thousand and the current liabilities of the principal amount to €402 thousand and non-current liabilities to €824 thousand (31.12.2024: €1,181 thousand, of which interest payables amounted to €4 thousand and the current liabilities of the principal amount to €293 thousand and non-current liabilities to €884 thousand). Corporate owners with significant holdings and undertakings under their control or significant influence includes right-of-use liabilities in the amount of €33 thousand, of which interest payables amount to €0 thousand and the current liabilities of the principal amount to €1 thousand and non-current liabilities to 32 thousand (31.12.2024: €0 thousand).

The balances of receivables and payables, as well as interest income and expense arising from settlements with related parties, are disclosed in Notes 3, 13, 24 and 25.



NOTE 28. UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (€ thousand)

	31.12.2025	31.12.2024
Assets		
Current assets		
Cash	1,212	569
Receivables and prepayments	73,188	75,847
Inventories	15,510	38,339
Total current assets	89,910	114,755
Fixed assets		
Investments in subsidiaries and associates	36,741	31,748
Other financial investments	422	0
Receivables and prepayments	29,196	33,866
Property, plant and equipment	161,001	153,974
Intangible assets	8,578	6,432
Total fixed assets	235,938	226,020
Total assets	325,848	340,775
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liabilities	105,305	52,446
Payables and prepayments	49,145	65,629
Provisions	2	1
Government grants	237	292
Total current liabilities	154,689	118,368
Long-term liabilities		
Loan liabilities	12,392	75,072
Payables and prepayments	5	4
Provisions	5	5
Government grants	2,865	1,511
Total long-term liabilities	15,267	76,592
Total liabilities	169,956	194,960
Equity		
Share capital at nominal value	1,644	1,644
Share premium	1,435	1,435
Legal reserve	162	162
Other reserves	93,213	86,127
Retained profit (loss)	62,406	60,121
Profit (loss) for financial year	-2,968	-3,674
Total equity	155,892	145,815
Total liabilities and equity	325,848	340,775

NOTE 29. UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (€ thousand)

	2025	2024
Sales revenue	555,026	548,158
Other operating revenue	2,654	1,180
Capitalised costs in manufacture of fixed assets for internal use	214	327
Goods, raw materials and services	-520,014	-509,386
Other operating expenses	-6,681	-7,137
Staff costs	-15,776	-16,252
Depreciation and impairment of fixed assets	-11,970	-10,639
Other operating expenses	-304	-758
Total operating profit (loss)	3,149	5,493
Profit (loss) from subsidiaries and associates	891	-2,368
Interest income	2,383	2,386
Interest expenses	-7,846	-8,271
Other financial income and expenses	-1,545	-914
Profit (loss) before income tax	-2,968	-3,674
Profit (loss) for financial year	-2,968	-3,674

NOTE 30. UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ thousand)

	2025	2024
Profit (loss) for financial year	-2,968	-3,674
Other comprehensive income (loss)		
Other comprehensive income (loss)	10,444	6,546
Total other comprehensive income (loss)	10,444	6,546
Total comprehensive income (loss) for financial year	7,476	2,872

NOTE 31. UNCONSOLIDATED CASH FLOW STATEMENT (€ thousand)

	2025	2024
Cash flow from operating activities		
Operating profit (loss)	3,149	5,493
Adjustments		
Depreciation and impairment of fixed assets	11,970	10,639
Profit (loss) on sales of non-current assets	-191	-222
Other adjustments	-291	-244
Total adjustments	11,488	10,173
Change in receivables and prepayments related to operating activities	5,673	-1,483
Change in inventories	22,829	-15,692
Change in liabilities and advances relating to operating activities	-15,615	7,502
Total cash flow from operating activities	27,524	5,993
Cash flow from investing activities		
Paid on acquisition of property, plant and equipment and intangible assets	-7,958	-7,493
Received from sales of tangible and intangible assets	330	282
Net cash flow on acquisition of subsidiaries	0	109
Paid on acquisition of subsidiaries	-1,500	-600
Loans granted	-3,210	-3,976
Repayments of loans granted	8,184	592
Interest received	378	462
Total cash flow from investing activities	-3,776	-10,624
Cash flow from financing activities		
Loans received	193,074	199,766
Repayments of loans received	-214,113	-186,071
Change in overdraft balance	4,655	-1,768
Finance lease principal repayment	-1,394	-1,043
Interest paid	-6,918	-7,076
Received from targeted financing	1,591	614
Total cash flow from financing activities	-23,105	4,422
Total cash flow	643	-209
Cash and cash equivalents at beginning of period	569	778
Net change in cash and cash equivalents	643	-209
Cash and cash equivalents at end of period	1,212	569

NOTE 32. UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (€ thousand)

	Share capital at nominal value	Share premium	Legal reserve	Other reserves	Retained earnings (loss)	Total
31.12.2023	1,644	1,435	162	82,638	57,664	143,543
Carrying amount of holdings under dominant and significant influence	0	0	0	0	-6,971	-6,971
Value of holdings under control and significant influence calculated by the equity method	0	0	0	0	7,416	7,416
Adjusted unconsolidated equity 31.12.2023	1,644	1,435	162	82,638	58,109	143,988
Profit (loss) for financial year	0	0	0	0	-3,674	-3,674
Changes in reserves	0	0	0	3489	3,057	6,546
Other changes	0	0	0	0	-600	-600
31.12.2024	1,644	1,435	162	86,127	56,447	145,815
Carrying amount of holdings under dominant and significant influence	0	0	0	0	-4,234	-4,234
Value of holdings under control and significant influence calculated by the equity method	0	0	0	0	4,061	4,061
Adjusted unconsolidated equity 31.12.2024	1,644	1,435	162	86,127	56,274	145,642
Profit (loss) for financial year	0	0	0	0	-2,968	-2,968
Changes in reserves	0	0	0	7,086	3,358	10,444
Other changes	0	0	0	0	2,601	2,601
31.12.2025	1,644	1,435	162	93,213	59,438	155,892
Carrying amount of holdings under dominant influence	0	0	0	0	-5,630	-5,630
Carrying amount of holdings under dominant influence calculated by the equity method	0	0	0	0	3,683	3,683
Adjusted unconsolidated equity 31.12.2025	1,644	1,435	162	93,213	57,491	153,945

NOTE 33. CAPITAL MANAGEMENT

The objective of management of the company's capital is to ensure the sustainability and profitability of the company and compliance of the capital with the established requirements.

The company monitors the capital structure and changes it according to changes in the economic conditions.

The company manages equity as capital. According to law, equity must amount to at least 50% of share capital. As at 31.12.2025, equity amounted to 9,403% of share capital and complies with requirements, as at 31.12.2024, equity amounted to 8,670% of share capital.

NOTE 34. FINANCIAL RISK MANAGEMENT

The company's business may be accompanied by exposure to several financial risks, of which the risks with the biggest impact are liquidity risk, credit risk and market risk (including foreign exchange risk, interest rate risk and price risk). Financial risk management falls within the competence of the company's management board and comprises risk identification, measurement and management. The goal of the management of financial risks is to mitigate financial risks and lower the volatility of financial performance.

The supervisory board of the company exercises supervision of the measures taken by the management board for the purpose of risk management.

Foreign exchange risk

Foreign exchange is the risk that the fair value or cash flows of financial instruments fluctuate due to the changes in exchange rates in the future. Financial assets and liabilities nominated in euros are deemed to be financial assets free of foreign exchange risk. To manage the foreign exchange risk of the company, most of the contracts are based on the euro. All loan agreements have also been entered into in euros, due to which they are regarded as liabilities free of foreign exchange risk.

The company's foreign exchange risk in 2025 was low. Hedging instruments have previously been used to hedge the risks arising from USD transactions, and there are plans to continue using them in the future where necessary. In 2025, the majority of transactions were conducted in euros; there were a few purchase transactions in foreign currency (USD), and no currency hedging transactions were carried out.

As a result of purchase transactions conducted in foreign currency, the company made a profit of €99 thousand (recognised under other operating income in the profit and loss account).

Interest rate risk

Interest rate risk is a situation where an increase in interest expenses payable on liabilities due to higher interest rates may significantly affect the performance of the company. The company's interest rate risk arises mainly from its loan liabilities. The interest rates on the company's long-term loans and leases from financial institutions are variable and are linked to either the three-month or six-month Euribor; no interest rate hedging instruments are used. Overdraft facilities from financial institutions and loans from other companies are either fixed-rate or variable-rate, with the interest rate also linked to the Euribor for various periods. In 2025, the widely used six months' Euribor decreased from 2.56% at the beginning of the year to 2.11% at the end of the year. According to the autumn economic forecast of the Bank of Estonia, Europe's most widely used reference rate, the three-month Euribor, is expected to fall to 1.9% by the end of 2026, which, in turn, may have a slight positive impact on the company's financial expenses. The company cautiously forecasts that its level of external debt in 2026 will be similar to that of 2025, meaning that interest payments do not pose a threat to the company's sustainability.

Information on the volumes and interest rates of financial liabilities has been set out in Notes 10 and 12.

Hedging price risk in the electricity and natural gas markets

Alexela sells electricity and natural gas to its customers in the retail market. Some of the customer contracts are at fixed prices. Alexela uses derivative instruments (futures, forwards and long-term electricity purchase contracts) to hedge the risk of fluctuations in electricity and gas prices. TTF forwards are used to hedge natural gas price risk; the Nord Pool system price and EPAD futures, the Estonian, Latvian and Lithuanian base electricity and fixed price electricity purchase contracts with producers are used to hedge electricity price risk.

As at 31.12.2025, the volume of hedged electricity sales transactions is as follows:

	Term	2026-2032
Nord Pool system price component	GWh	90.1
Nord Pool Estonia price	GWh	268.2
Nord Pool Finland price	GWh	-105.1
Nord Pool Latvia price	GWh	181.4
Nord Pool Lithuania price	GWh	8.8
Nord Pool SYTAL component	GWh	36.8
Nord Pool SYHEL component	GWh	-8.8
Long-term electricity purchase contracts (Estonia)	GWh	177.8
Long-term electricity purchase contracts (Latvia)	GWh	78.8
Nord Pool system price component	€/MWh	36.2
Nord Pool Estonia price	€/MWh	64.0
Nord Pool Finland price	€/MWh	-12.1
Nord Pool Latvia price	€/MWh	77.6
Nord Pool Lithuania price	€/MWh	0.0
Nord Pool SYTAL component	€/MWh	5.2
Nord Pool SYHEL component	€/MWh	2.5
Long-term electricity purchase contracts (Estonia)	€/MWh	87.5
Long-term electricity purchase contracts (Latvia)	€/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 the fixed-price contracts of sale. In addition, fixed price natural gas held in storage is hedged. Argus TTF Month Ahead futures are used to hedge transactions.

As at 31.12.2025, the volume of natural gas sales transactions settled for the period 2026–2027 natural gas sales contracts amount to 356 GWh at a weighted average price of 32.0 €/MWh, and the volume of hedged stock is 19 GWh at a weighted average price of 34.6 €/MWh.

Fuel price risk

In 2025, as in 2024, the company's fuel market risk was fairly low: most purchases were made on the local market, which made it possible to hedge against the risk of fluctuations in fuel prices.

Credit risk

The company defines credit risk is a risk of the company incurring a monetary loss that is caused by the other party to the financial instrument who is unable to perform their obligations. About 30% of settlements with customers are made in cash, by a bank card or by way of advance payment. The company's main credit risk arises from invoices with due dates against purchasers. The company does not consider the credit risk to be particularly high, as very clear internal guidelines and rules have been established regarding who is granted payment extensions and in what amounts. As the share of any single customer in total sales is small, the concentration of accounts receivable attributable to any single customer is also low, and the portfolio is highly diversified. Information about the volume and term of receivables is set out in note 3.

As at 31.12.2025, the maximum credit risk is represented by the total amount of receivables of €69,230 thousand (31.12.2024: 72,907 thousand).

The credit risk associated with cash and cash equivalents is low, as the current accounts are held with domestic banks that hold a licence to operate as required by law and have a recognised investment-grade credit rating, or with highly rated Scandinavian banks.

Liquidity risk

As the company's working capital is low (amounting to -€62,319 thousand as at 31.12.2025 and -€2,517 thousand as at 31.12.2024), the company is exposed to liquidity risk. The company's management does not consider the liquidity risk to be particularly high, as the payment terms for receivables are significantly shorter than those for liabilities. In order to manage liquidity risk, the company's cash flows are continuously planned and monitored and, where necessary, measures are taken to cover any negative cash flows.

Fair value

In the company's estimation, the fair values of the assets and liabilities recognised at adjusted cost do not differ materially from their carrying amounts as at 31.12.2025 and 31.12.2024.

The levels of financial instruments recognised at fair value, based on the valuation input, are as follows:

- Level 1 – the input consists of prices quoted on active markets
- Level 2 – the inputs are alternative metrics that can be tracked directly or indirectly and are not classified as Level 1 inputs
- Level 3 – the inputs are unobservable inputs in the case of assets or liabilities

The input used to determine the value of derivative instruments consists of the price differences between fixed and forecast electricity purchase and sale transactions. As the inputs contain components from both Level 2 and Level 3, this measurement is classified as Level 3.

NOTE 35. DERIVATIVE INSTRUMENTS (€ thousand)

The company has concluded long-term purchase contracts with energy producers for physical natural gas (biomethane) and electricity to secure the necessary volume and balance the risk, and to sell the purchased natural gas and electricity to its retail customers. The entity estimates that some of these contracts (depending on the length of the contract, termination terms and pricing arrangements) do not meet the conditions of a standard purchase contract and therefore these contracts are recognised 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 taking delivery of the energy and selling it to its own retail customers or, where appropriate, to the relevant stock exchange.

The company has signed long-term, cash-settled electricity purchase agreements with energy producers. On the value date, the derivative is settled on the basis of the difference between the fixed price and the agreed market price. The company recognises such contracts as derivatives measured at fair value through profit or loss in accordance with IFRS 9 or as cash flow hedging instruments if the particular contract is designated and qualifies as a hedging instrument.

Fair values of derivatives recognised as hedging instruments:

	31.12.2025		31.12.2024	
	Receivables	Liabilities	Receivables	Liabilities
Forwards for purchase and sale of electricity	12,460	0	10,691	0
Forwards for purchase and sale of natural gas	2,493	0	936	1,314
Total receivables and payables under forwards	14,953	0	11,627	1,314
Including:				
Short-term				
Forwards for purchase and sale of electricity	10,242	0	7,148	0
Forwards for purchase and sale of natural gas	1,613	0	796	1,314
Long-term				
Forwards for purchase and sale of electricity	2,218	0	3,543	0
Forwards for purchase and sale of natural gas	880	0	140	0

Reserve of hedging instruments in equity is divided as follows

Reserve of hedging instruments	31.12.2024	Change in reserve	31.12.2025
Hedging instruments of electricity	7,644	1,770	9,414
Hedging instruments of natural gas	-378	2,871	2,493
Total	7,266	4,641	11,907



NOTE 36. LOAN COLLATERAL AND PLEDGED ASSETS

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

Type of pledge	Value in € thousand
Mortgages in favour of AS Swedbank	103,436
Commercial pledges on the assets of AS Alexela for the benefit of Swedbank AS	55,154
Commercial pledges on the assets of Alexela Motors AS for the benefit of Swedbank AS	300

Bank guarantees total €9,135 thousand, which secure the debt owed to suppliers (see Note 13).

Shares in a subsidiary have been pledged as collateral for payables arising from loan agreements:

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

Carrying (residual) value of assets pledged as collateral for loans (€ thousand):

	31.12.2025	31.12.2024
Land	64,312	61,858
Buildings	52,574	53,294
Machinery and equipment	16,773	16,649
Other property, plant and equipment	4,729	5,415
Other assets	17,095	39,800

NOTE 37. EVENTS AFTER THE REPORTING DATE

The management board of AS Alexela has decided to merge its subsidiary, AS Alexela Motors, with AS Alexela in 2026. The merger will have taken place by the time the report is approved, and the balance sheet date for the merger is 01.01.2026.

The military conflict in the Middle East has affected energy markets after the reporting date. As a result, the purchase prices of liquid fuels have risen and market volatility has increased. Management monitors developments on an ongoing basis and assesses their potential impact on the Group's operations and financial position.

NOTE 38. GOING CONCERN

The company's management board is aware that, as at the reporting date, the company's current liabilities significantly exceed its current assets. Consolidated working capital amounted to -€62,319 thousand as at 31.12.2025 and -€2,517 thousand as at 31.12.2024 and the parent company's working capital amounted to -€64,779 as at 31.12.2025 and -€3,613 thousand as at 31.12.2024. This situation stems primarily from the balloon payments on long-term loans due in 2026 and the reclassification of the associated liabilities as short-term.

At the time of writing, negotiations regarding the long-term refinancing of loan obligations are still ongoing. The management considers refinancing unavoidable and a priority, given that the cash flows from the company's operating activities do not allow for the full and timely servicing of all loan liabilities classified as short-term.

Based on the course of the negotiations so far and the constructive dialogue between the parties, the management board is reasonably confident that the refinancing will be successfully completed in the course of the current financial year. In the unlikely event that the refinancing process does not produce the desired result, the company has alternative measures to secure its liquidity position, including the sale of selected fixed assets or strengthening the equity by raising additional share capital.

NOTE 39. DECLARATION OF MANAGEMENT BOARD TO CONSOLIDATED FINANCIAL STATEMENTS

The management board hereby approves the accuracy and completeness of the consolidated financial statements of AS Alexela for 2025, as set out on pages 51–109, and that:

- the accounting policies implemented in the preparation of the financial statements are in compliance with the International Financial Reporting Standards as endorsed by the European Union;
- the consolidated financial statements present a fair and true view of the financial status, economic performance and cash flow of the parent company and the Group;
- AS Alexela and its subsidiaries are going concerns.