

CONSOLIDATED ANNUAL REPORT



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Part 1

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1.1. ABOUT THE COMPANY

Comments by the CEO



Hans Pajoma
Board member and CEO

At the start of 2023, we all hoped that the Russian aggression which commenced in 2022 would end with Ukraine's victory over the year. Unfortunately, a different reality came to pass – the war rages on and the people of Ukraine are still forced to fight for their freedom. The war also impacts the business environment and investment climate of our region.

In addition to the war in Ukraine, interest rates that soared to entirely new heights had their own impact on the economic environment, making investing activities and the relevant funding more expensive for both companies and private persons, which in turn resulted in some new investments being postponed. However, thanks to the adaptability of Estonian companies, the economy has managed to withstand it all surprisingly well and the unemployment rate has also remained at a relatively usual level.

In an ever-changing world, we also adapt our group on the go in such a way as to be as capable as possible to execute our strategic goals. Due to this, we carried out a restructuring of the group in 2023, during which AVH Grupp AS obtained 100% shareholding in Aktsiaselts Bestnet and OmaKoduMaja AS from the affiliate B2G Grupp OÜ. AVH Grupp AS transferred 100% shareholding in Kerogen OÜ and 50% shareholding in AB Bunkering OÜ to the affiliate B2G Grupp OÜ. 50% shareholding in Nord Aviation OÜ was transferred to Kasperwiki Laevaomanikud OÜ.

The energy market is also continually changing and the energy system, which has been functional for decades, is undergoing a pan-European development of renewable energy replacing fossil-controlled power generating facilities. This in turn will involve large price fluctuations and the planning and management of energy consumption will gain a much larger role than before.

AS Alexela, the subsidiary of AVH Grupp, has assumed the role of an innovator in this changing world and has been both promoting the adopting of new types of energy among customers as well as actively investing in the energy storage company Energiasalv for years now.

AVH Grupp AS aims to be a reliable partner for its current and future customers via its subsidiary AS Alexela and supply electricity exactly where and when the customers need it. Moreover, using the best energy carrier and price. This concept of service is novel worldwide and few companies are able to provide a similar energy service

solution to their customers. This concept has been the cornerstone for Alexela for the entirety of its operations and investments in 2023.

The preparations to bring AS Alexela into the public stock market, which began in 2022, continued in 2023 and in 2024, we will continue to improve internal reorganizing and strategy. We have reached the understanding that regardless of internal readiness, we must consider the overall situation on capital markets and at present, we have a feeling that the near future is not advantageous to involving capital. This due to the geopolitical situation in Europe which has made foreign investors exceedingly cautious, as well as the fact that the pension reform has decreased the willingness, interest and capability of Estonian pension funds to invest in the shares of local companies. This, in turn, makes it difficult to list a considerable amount of shares on the stock exchange. However, we hope that the market situation will improve in the coming years and the prerequisites for executing the intended stock exchange debut will come to pass.

The year 2023 was complicated for Aktsiaselts Bestnet, the other larger company in AVH Grupp, but nevertheless very successful, all things considered. As the primary target market of the products of Aktsiaselts Bestnet is Scandinavia, the demand and competition on the target markets have a very sizable impact on our results. Unfortunately, the customers are more wary and less prepared to make

purchases due to increased interest rates, which has decreased our sales in turn. At the same time, the team of Aktsiaselts Bestnet has been managing costs in an operative manner and the final result of the year was thus still positive for us.

It bears noting that while Estonian industrial facilities had a certain advantage on Scandinavian markets due to lower production costs in previous years, we have slowly been losing this competitive edge in recent years. Our wage level is catching up with Scandinavian wages, while innovation is becoming increasingly important in production and robotics are taking over a large share of manual work. This, in turn, means that energy consumption is increasing in production. Unfortunately, the long-term energy policy of the Estonian state has landed us in a situation where our energy prices are significantly higher than those in Scandinavia, which in turn inhibits the competitiveness of Estonian companies.

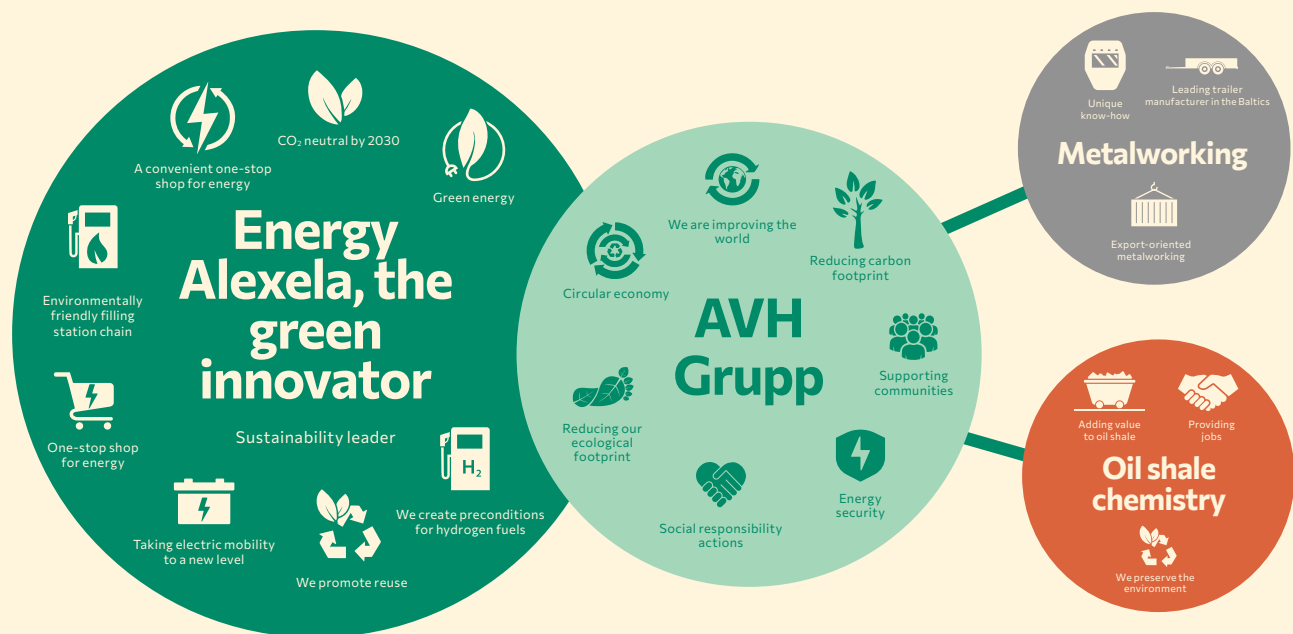
However, the year can be summed up with the statement that despite various challenges, AVH Grupp has done very well, the managers and employees of our companies have been extremely active and always tried to stay one step ahead of events, adapting their activities according to the market situation and our values, which are:

I am a force
We have power
We change the world

Have a powerful 2024!



AVH Group in brief



AVH Grupp AS is an Estonian holding company, the consolidation group of which comprises three primary areas of activity: the majority of activities take place in the subsidiaries of AVH Grupp AS, via AS Alexela in the field of energy and via Aktsiaselts Bestnet in the metal industry.

In addition to subsidiaries, AVH Grupp AS has 46.94% shareholding in B2G Grupp OÜ. This is not part of the consolidation group of AVH Grupp AS but the group contributes to the development of oil shale chemistry via this shareholding.

We are the Estonian leaders in the field of sustainable energy: we promote environmentally friendly initiatives and provide energy as a service adapted to the needs of customers. Our group includes companies which produce biomethane, develop solar and wind farms and provide electricity charging for both private and cor-

porate customers. We also provide a wide selection of metal coatings and are able to provide metal products based on the needs of customers.

We constantly attempt to stay at least one step ahead of the times and invest in solutions that take the needs of the changing world into account. Via innovation, Alexela consistently contributes to the mitigation of the negative impact of its operations in business and development. The focal topics of the sustainable development of Alexela are developing environmentally friendly refuelling solutions, development of circular economy, contributing to energy security, empowering communities and supporting culture, sports and charity. Alexela is also operating in Finland and Latvia as a gas, e-mobility and electricity provider. Alexela is also participating in large-scale projects such as the Energiasalv pumped hydroelectric

energy storage in Pakrineeme and a peak load biogas power plant. The Alexela portfolio contains over 100 refuelling stations and 43 shops with cafés (incl. the top chef restaurant in Sauga) which provide a wide selection of energy products, including electricity, natural gas and various fuels. The company is also working on creating a network of electrical vehicle charging stations and hydrogen and biomethane refuelling stations, in order to support the transition to sustainable mobility.

Through Kerogen OÜ, a subsidiary of B2G Grupp OÜ, which is an affiliate of AVH

Grupp AS, we contribute to the adding of value to oil shale in an environmentally friendly and sustainable manner. We can see that Estonia's largest and most highly valued natural resource – oil shale – can be used in an environmentally friendly manner. At the same time, we consider it important to contribute to energy security, therefore, B2G Grupp OÜ owns Kiviõli Keemiatööstus with over 100 years of history, which adds value to oil shale, producing shale oil from it, while the residual heat from oil production is used to heat the city of Kiviõli. Our aim is to reach carbon neutrality in Kiviõli Keemiatööstus by 2050.



Summary of 2023

The year can be summed up with the statement that this was a year of focusing on quality. This both in terms of organising the structure of the group and the level of companies of the group.

In 2023, we continue to organise the structure, aiming to prepare the stock exchange launch of the energy trading sector of the group (AS Alexela and its subsidiaries and affiliates) and the supporting business. However, we did learn in 2023 that the current situation on the capital markets is not advantageous to large capital involvements in the near future, therefore we have considered that public listing of shares on the stock exchange must wait for better times. Still, this does not mean suspending the preparation process; on the contrary.

Reorganising the structure of the group is a way to simplify and distinguish between activities of different fields. As a result, we changed our name in early 2023 and instead of the former Alexela Varahalduse AS, we are named AVH Grupp AS starting from 17 January 2023. The broader aim of this step is to match the form to the contents.

During the restructuring of the group, AVH Grupp AS obtained 100% shareholding in Aktsiaselts Bestnet and OmaKoduMaja AS from the affiliate B2G Grupp OÜ. AVH Grupp AS transferred 100% shareholding in Kerogen OÜ and 50% shareholding in AB Bunkering OÜ to the affiliate B2G Grupp OÜ. 50% shareholding in Nord Aviation OÜ was transferred to Kasperwiki Laevaomanikud OÜ.

In 2023, the council of the group also re-

solved that we would exit the business of designing metal structures, construction and assembly. As a result of this resolution, we began to wind down the operations of AS Kohimo on a large scale and by the end of the year, the activities of the company had essentially ceased. Kohimo continues as part of Bestnet and has been reprofiled as an engineering office.

This decision was based on the changing economic environment and structure where the sites and orders that corresponded to the operating profile of the company had all but dried up and at the same time under a great price pressure. Due to this, we resolved to terminate this area of operations and focus on other strategic areas.

The management of AVH Grupp also saw some changes.

Toomas Virro, a long-time board member of AVH Grupp and a beloved colleague passed suddenly.

Marti Hääl, the chairman of the board of AVH Grupp and the chairman of the council of AS Alexela transferred from the management of the Group and the council of Alexela to the position of chairman of the board of Alexela.

The current board of AVH Grupp consists of two people, the CEO of the Group Hans Pajoma and the CFO of the Group Mikhail Kazarin.

As a result of the restructuring, the number of employees of companies in the AVH Grupp AS consolidation group grew from 560 to 808 people.

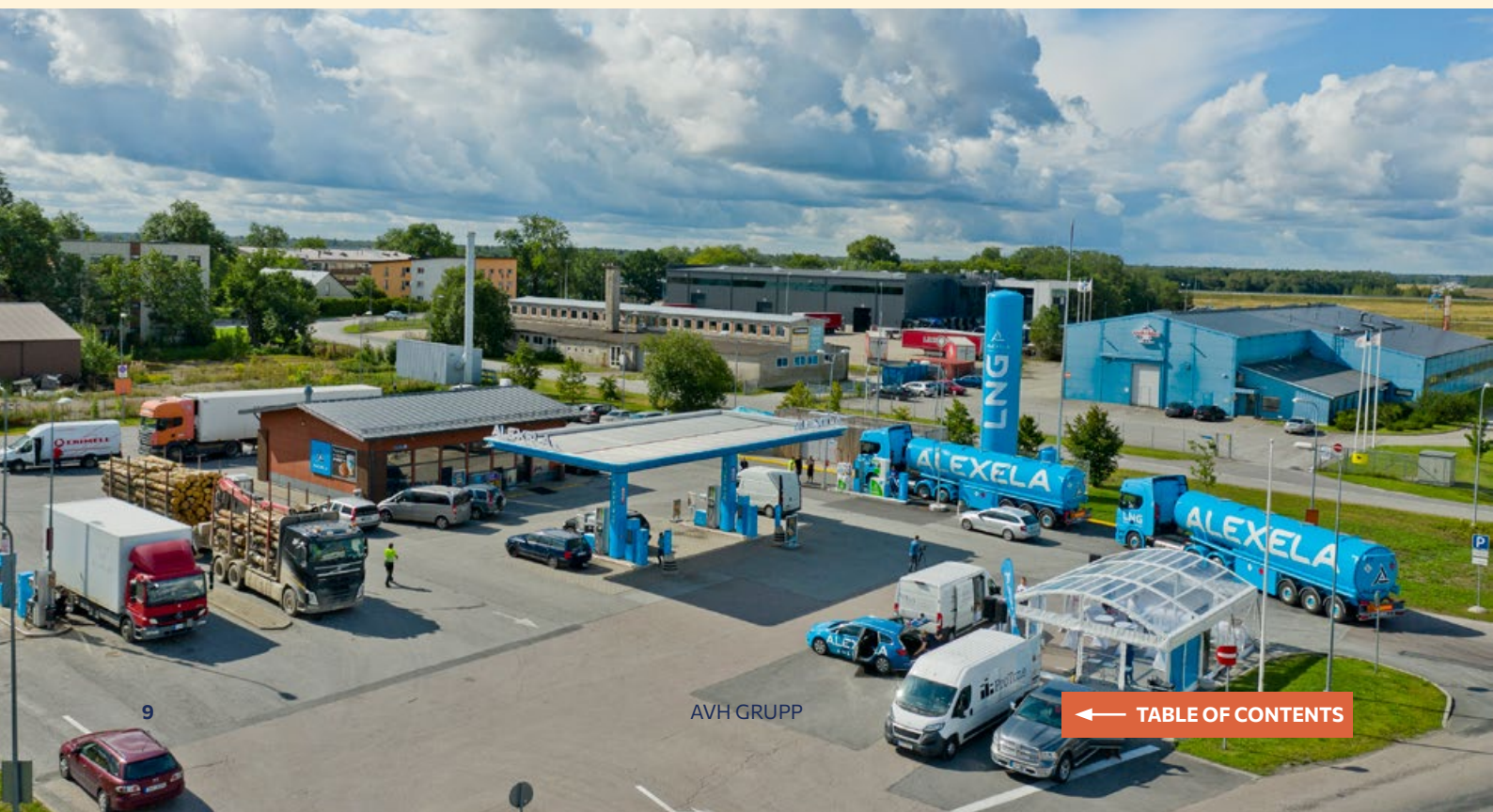
THE YEAR FOR ALEXELA AS, LARGEST COMPANY IN THE GROUP

2023 was clearly a year of quality growth for Alexela. The implementation of the Energy as Service concept continued at speed. As a result, Alexela significantly grew the number of energy carriers it mediates, also attracting a record number of new customers in 2023. Operations on the Finnish and Latvian markets increased in intensity.

Most significant events of note:

- Obtaining the building permit for the Energiasalv hydrostorage under construction by an affiliate of AS Alexela.
 - New Stressless electricity package launched, which is cheaper than the universal service while carrying a lower risk than the public package.
 - AS Eesti Varude Keskus and Pakrineeme Sadama OÜ concluded a contract with which the state obtained an LNG hauling quay in Paldiski, built in cooperation between Alexela and Infotart.
- Alexela obtained 100% shareholding in Rohe Solutions OY.
 - Alexela opened a new restaurant and store Tākupoiss with a brand-new concept. The rest stop stands out from the competitors with both Estonia's most powerful electric charger as well as a restaurant run by a top chef with Michelin experience. Alexela Tākupoiss has its own 120 kW solar park, a restaurant with nearly 100 seats and Estonia's first (and the second in Baltic states by a narrow margin) electric charger with 400 kW capacity.
 - The Environmental Investment Centre decided to fund green hydrogen projects with 40.5 million euros and Alexela will build hydrogen refuelling stations in this scope.

Alexela has made a notable contribution to the development of Estonian communities. One of our most successful projects to support the community and the environment has been planting trees; nearly 57,000 customers of Alexela have



now joined this initiative and over 1.3 million trees have been planted. The company's plan is to move forward with community projects and increase the number of members in all areas of activity which have a significant positive impact on the development of the Estonian society.

THE YEAR OF BESTNET, SECOND LARGEST COMPANY IN THE GROUP

In 2023, the two main areas of activity of Bestnet were manufacture of trailers with full weight of up to 3,500 kg and their sale on various markets, and provision of various coating services for metal structures.

The largest influencing factor on the trailer market of 2023 was the economic slump in Scandinavia, resulting in decreased demand for trailers and other products of the Bestnet group; decreased demand was also visible on the Estonian market. The war between Russia and Ukraine continued to be the largest factor impacting the market of coating services. Raw produce prices appreciated fast at the start of this war, having stabilized at a somewhat lower level during 2023.

Bestnet has also been actively involved in adopting green energy, aiming to increase efficiency of its operations and decrease its carbon footprint.

A 100 kW solar farm was completed and adopted in 2023, the construction of a 300 kW solar farm commenced at the end of 2023, expected to be completed in the first half of 2024. The manufacture of Bestnet group consumes a lot of electricity regardless of season, but a posi-

tive impact can be expected particularly in the sunnier spring and summer season. A broader adoption of solar energy helps decrease the carbon footprint of the Bestnet group.

Other companies in the consolidation group of AVH Grupp have a smaller impact in terms of business. Our primary field of activity is the management and development of properties owned by the group. No larger events occurred in our operations and we intend to continue similar activities in the same field in 2024.

The following significant events took place after the balance sheet date:

We find it necessary to remark that the year 2024 is an important year for Kiviõli Keemiatööstus, a subsidiary of B2G, which is an affiliate of AVH Grupp, in order to reach an agreement with the state regarding the performance of environmental requirements. The aim is to reach a new agreement in air emission limits for sulphur compounds. At present, the state has set a limit of 35 mg/nm³ on Kiviõli Keemiatööstus as at 1 January 2025, which is extremely complex and expensive to achieve and is not economically viable.

Due to this, we are petitioning for equal treatment and aim to achieve an agreement for the same limits to be applied to Kiviõli Keemiatööstus as to other manufacturers of shale oil, which is 800-1000 mg/nm³. We believe that we will be able to reach an agreement with the state in this matter and the company will not face a situation of needing to shut down production in 2025.

Our Values

The values of AVH Group have been worded by our own employees from various companies and positions in the group. They characterise our joint base values and what we strive towards. They are written down entirely by our own people as a result of teamwork and guide our everyday work from recruiting to achieving our goals.

The values of AVH Grupp

I am a force

- I do my job well and with pride and celebrate success.
- I am honest, bold and forward-thinking.
- I share information knowingly, value my and everyone else's time.
- I contribute to everyone's safety, wellbeing and success.
- An agreement is an agreement!

We have power

- We are powerful and look after one another.
- We share our experiences, involve and learn from one another.
- We notice and appreciate.
- We are open, listen and trust one another.
- Never forget to have some fun too!

We change the world

- We are pioneers in our fields and promote the adoption of new solutions.
- We achieve our goals in a responsible and environmentally friendly manner.
- We give the power to support Estonian development.
- We have a lot to offer – we improve the lives of our employees, customers and partners.
- It can always be done!





1.2. SUSTAINABILITY

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1.2. SUSTAINABILITY

In its business and development, AVH Grupp has consistently been contributing to decreasing the negative impacts of its operations via innovation – incentivised by global aims in slowing down climate change, including the Paris Agreement and the Green Turn.

The results of the carbon footprint measurement first conducted in 2020 showed us the most urgent areas, helping us to better direct our focus and take measures to decrease our environmental impact.

The focal topics of AVH Grupp are developing environmentally friendly refuelling solutions, development of circular econ-

omy, contributing to energy security, empowering communities and supporting culture, sports and charity.

The focal topics have been determined according to the areas of the company that have the largest impact, taking into account the input of largest stakeholders. In the scope of the focal topics, we monitor our activities with utmost care and also impact the eight Sustainable Development Goals of the UN through them. In 2023, an assessment of important points of influence and ESG risks and opportunities was carried out in the Alexela energy group.

Focal topics of AVH Grupp



We have commenced the preparation of our sustainability strategy which is in line with both national and European norms and rules. We consider the stakeholders who may be impacted by our activities.

The present sustainable activity is supported by several certified control systems of third parties which are some of our most important tools in everyday work.

Sustainability ESG in AVH Grupp

ESG is short for Environmental, Social and Corporate Governance, meaning a sustainable and responsible approach to business management guided by those principles.

ESG may also be treated as a purposeful, measurable and controllable sustainability. With enough data about the E, S and G aspects, the impact of the organisation is formed into a clearer picture, which in turn allows for making relevant changes in the business processes. Climate change caused by human activity has brought more attention to managing environmental impacts in particular, but addressing the aspects of social and governance aspects are, in fact, of equal importance for a sustainable and balanced development.



In AVH, the management of the holding company AVH Grupp is responsible for the ESG strategy. At the level of subsidiaries of AVH Grupp, the management and area managers are responsible for ESG. Each department manager is responsible for the coverage of necessary ESG topics in their area of responsibility at the level of each department.

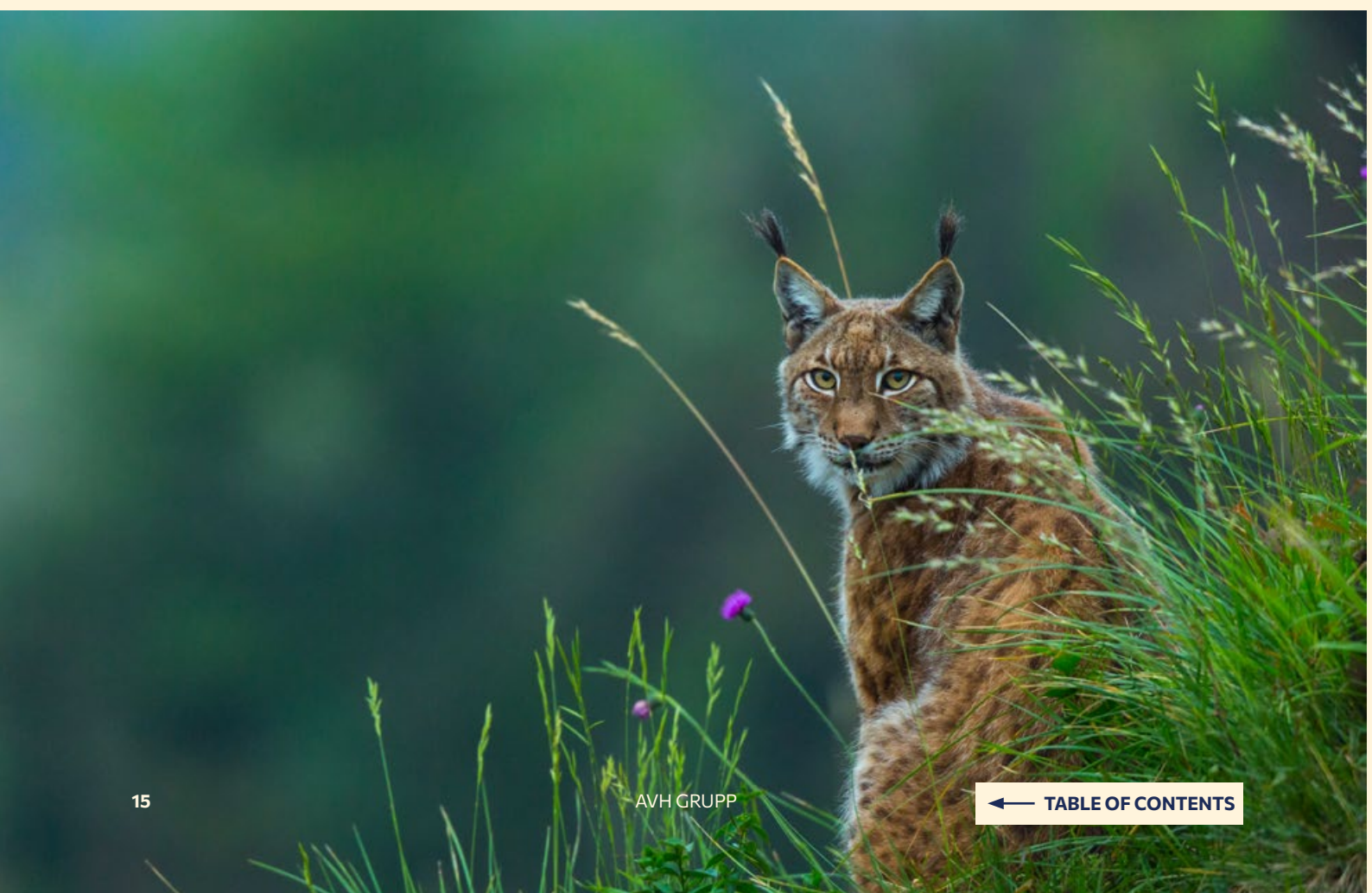
The environment

In December 2015, 195 countries adopted a global, legally binding treaty to slow down global warming at the Climate Change Conference in Paris. The treaty entered into force on 4 November 2016. The primary goals of the treaty are mitigating climate change and decreasing emissions in order to keep the average global temperature growth significantly below 2°C in comparison with the time preceding the Industrial Revolution.

AVH Grupp is operating in line with the goals of the Paris treaty, seeking for opportunities to decrease its negative environmental impacts and increase positive environmental impacts, and has also brought these goals to the centre of its strategy. Specific activities are briefly described above and will also be discussed

later as we focus on the companies on AVH Grupp in more depth. In addition, we have set the goal of achieving carbon neutrality by 2030 in the Alexela energy group.

We have been measuring the carbon footprint of our primary companies since 2020, which has also been set as our benchmark year. In 2022, we carried out the verification of the benchmark year calculations for AS Alexela in the AVH Grupp in cooperation with Sustinere, which is one of the most competent service providers in its area in our region. The ESG report and carbon footprint measurement results of AS Alexela are disclosed in the annual report 2023 for AS Alexela, which is available on the company website at <https://www.alexela.ee/et/rohenovaator>.



Our people and community

The average number of employees in the AVH Grupp consolidation group by main areas of activity

Number of employees by main areas of activity	2021	2022	2023
Energy	379	439	529
Metal	104	112	256
Other operations	19	9	23
Total	502	560	808

* In 2023, AVH Grupp added Aktsiaselts Bestnet and OmaKoduMaja AS, which was formerly in the consolidation group of B2G Grupp OÜ, an affiliate of AVH.

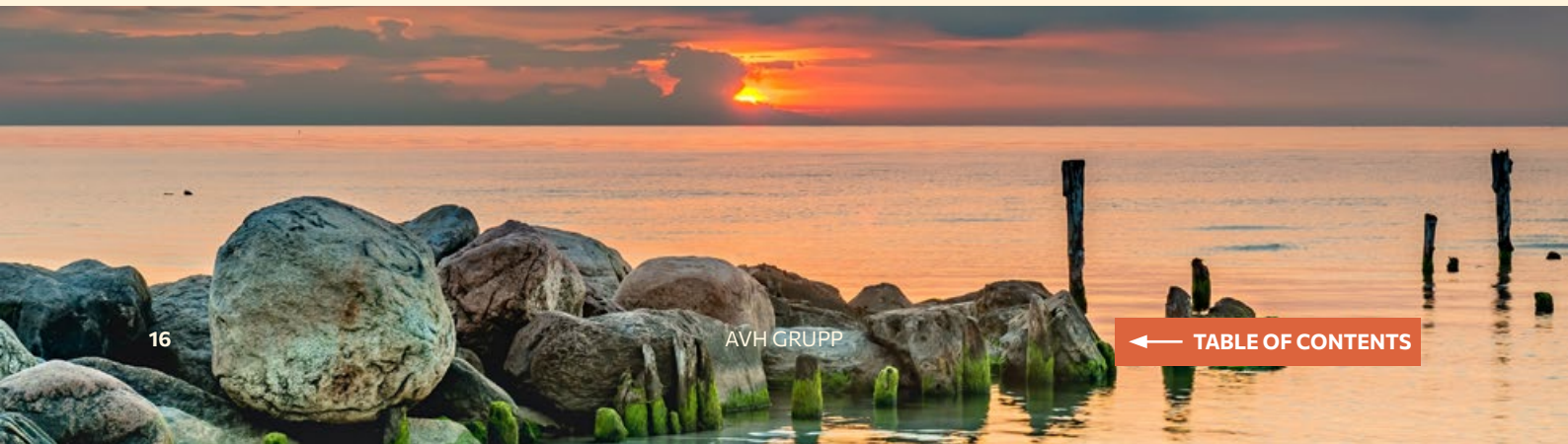
We value our people at every position. We appreciate both long-time employees who share their experiences, as well as new employees who bring fresh knowledge into the company. Recruitment and human resource management is based on our corporate values.

The greatest value of AVH Grupp is its employees and every day we strive towards each of our employees feeling that a lot depends on them. We notice and acknowledge the best. In the interests of better talent management, we have annual "We give power!" interviews with existing employees, as well as joint trainings and events that support people's development and break everyday routine.

AVH Grupp values self-improvement and lifelong development. We offer our employees the opportunity to improve themselves at specialised and vocational trainings, in

order to grow as professionals. We also encourage the employees to take part in trainings that support personal development. In order to mitigate the risk of employees, customers and the company of falling victim to cyberattacks, we carry out trainings on those topics. The data protection manager also carries out annual training on the subject of data storage and exchange, and we also have relevant codes of conduct in place.

The employees are who create and shape the image of the company, which is why their welfare and health are of great importance to us. We give power to our employees and their families with various benefits, including, for example, sports benefit and health insurance. A team-based movement challenge in the YuMuuv app, which involves the entire staff, has by now become a tradition. We also host an employee tennis tournament at the start of summer, which has also become a tradition already.



Management

THE MANAGEMENT

In 2023, the operations of AVH Grupp AS were managed by a two-member board which comprised:



HANS PAJOMA



MIKHAIL KAZARIN

The board of the company adopts all important decisions concerning the everyday business of AVH Grupp. Board mem-

bers are represented as council members in directing and controlling the business activities of all subsidiaries.

THE SUPERVISORY COUNCIL

The supervisory council of AVH Grupp consist of six members: Heiti Hääl (chairman of the council), Marti Hääl, Mati Sökk, Andreas Laane, Maria Helbling and Aarto Eipre.



HEITI HÄÄL
Chairman of the council



MARIA HELBLING



AARTO EIPRE



ANDREAS LAANE



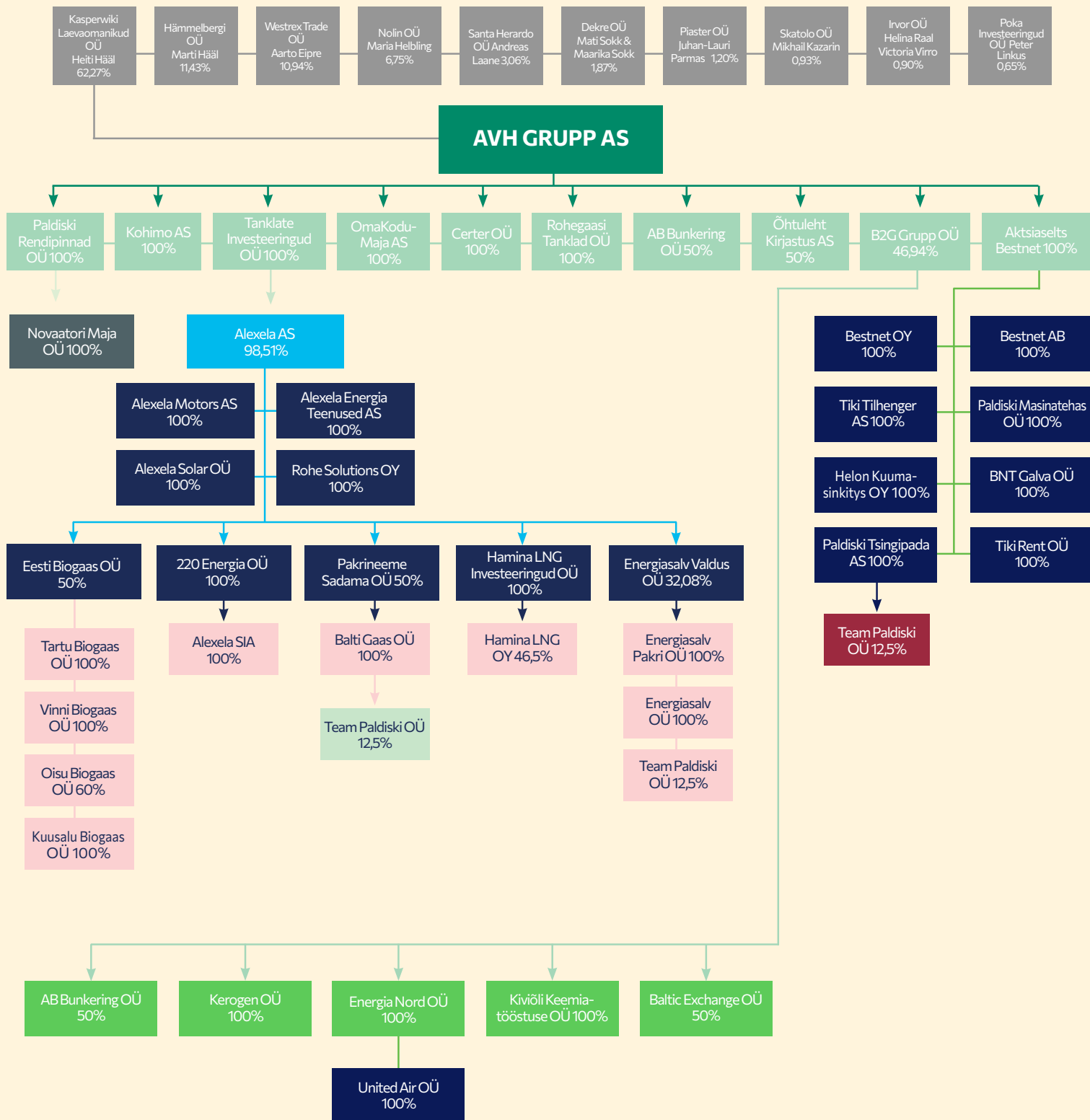
MATI SÖKK



MARTI HÄÄL

The opinion of the management is that the company is able to continue as a going concern and the risks of the company are sufficiently hedged.

STRUCTURE





1.3. FINANCIAL RESULTS

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1.3. FINANCIAL RESULTS

Development of the company

Once again, the year 2023 can be characterised as a year of great challenges, impacted also by the continuing war in Ukraine, and increased interest rates made investing and business activities more expensive for both companies and private persons.

The subsidiaries and affiliates of the group managed the challenges of 2023 well. Alexela, the largest company of the

group, continued strong expansion and achieved the best results of its history in both the energy units sold as well as new customers gained. Bestnet, the second largest company in the group, made a very decent result in its sector despite decreased demand.

The main indicators characterising the operations of the group and its affiliates are listed in the table below.

AVH Grupp AS						
Volumes	2018	2019	2020	2021	2022	2023
Alexela						
Fuel sold (B, D, LPG) thousand L	160 500	175 250	206 730	224 092	223 947	225 593
Number of refuelling stations	115	116	116	118	121	123
Number of stores	35	35	34	38	39	43
Electricity sold (MWh) in Estonia	422 744	562 816	649 967	778 130	713 178	1 226 644
Liquid gas sold (t)	21900	9 080	8 200	7 800	10 300	15 026
Natural gas sold (MWh) without trading	265 471	385 600	684 858	761 454	738 262	969 131
Consolidated indicators of AVH Grupp AS	2018	2019	2020	2021	2022	2023
Turnover thousand EUR	276 242	228 398	320 426	378 318	629 654	646 759
EBITDA = operating profit (loss), depreciation and impairment of fixed assets Profit/loss from changes in currency exchange rates (buyers, suppliers) thou EUR	12 424	9 496	16 179	22 228	27 260	25 825
Net profit thou EUR	9 347	3 835	-3 071	14 545	5 404	6 608
Investments thousand EUR	36 778	4 099	5 970	23 568	26 969	21 115
Balance sheet volume thousands EUR	149 547	165 654	246 497	318 570	394 115	375 860
Equity thousand EUR	49 335	51 660	83 142	99 039	118 560	126 461
Equity level (%)	33%	31%	34%	31%	30%	34%
EBITDA margin %	4%	4%	5%	6%	4%	4%
Average number of employees	141	161	431	502	560	808

Overview of the primary subsidiaries and affiliates of AVH Grupp in 2023

Energy portfolio

AS ALEXELA

Alexela is the Estonian leader in sustainable energy which promotes environmentally friendly initiatives, providing energy as a service adjusted to the needs of the customer and the urban environment. Alexela is a unique and important company on the local market, which provides all energy services to both private and corporate customers from the same place. As a hybrid energy company, we have achieved the reputation of an expert via various experiences, bold decisions and the trust of customers, and we guide the development of the energy sector not only in Estonia, but also in Finland and Latvia. Our aim is to help customers choose energy services smarter than before and thereby decrease negative impact on the surrounding environment. A smart and reliably energy partner helps overcome the feelings of insecurity regarding the future in the society as a whole and grants a broader view on the functioning of the energy sector for customers. The smarter the customer, the more successful our green transition and the stronger our energy security.

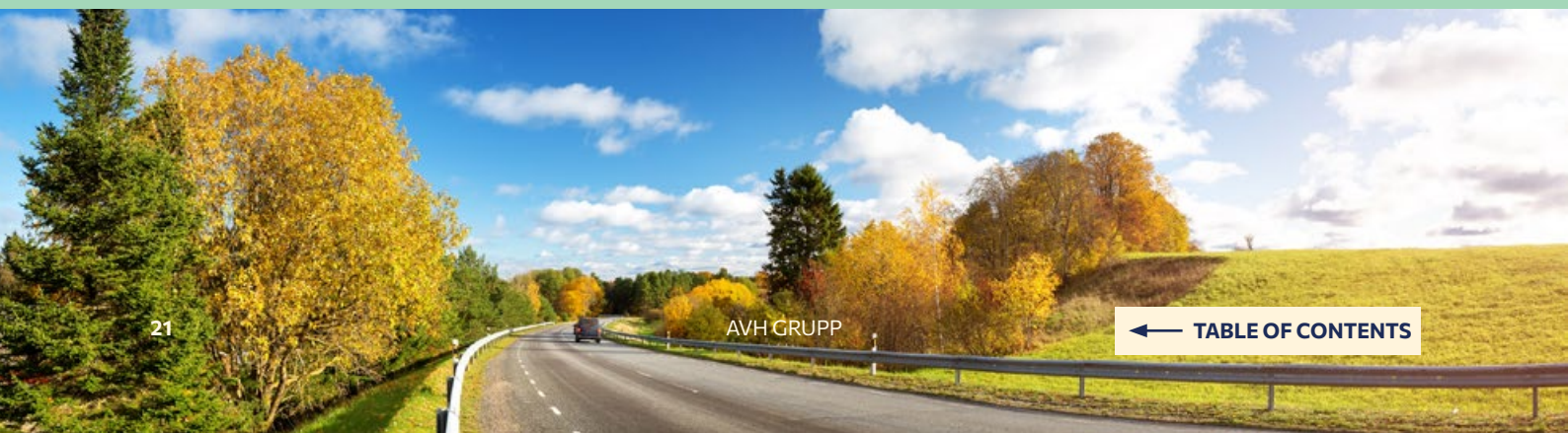
Alexela is also operating in Finland and Latvia as a gas, e-mobility and electricity provider. In addition, Alexela is partici-

pating in large-scale projects such as the Energiasalv pumped hydroelectric energy storage and a peak load biogas power plant. The company provides a wide selection of energy products, quality food, electricity, natural gas and various fuels with pleasant service and a convenient stopping point when on the road, using over 123 refuelling stations and 43 cafés and stores (incl. the restaurant Alexela Täkupoiss, run by a top chef).

The company is also working on creating a network of electrical vehicle charging stations and hydrogen and biomethane refuelling stations, supporting the transition to sustainable mobility.

Alexela has made a notable contribution to the development of Estonian communities. One of our most successful projects to support the community and the environment has been planting trees; nearly 57,000 customers of Alexela have now joined this initiative and over 1.3 million trees have been planted. The company's plan is to move forward with community projects and increase the number of members in all areas of activity which have a significant positive impact on the development of the Estonian society.

As Alexela is a company that has grown from a gas station chain to an extensive energy group over the years, we have also



divided our business between four segments:

- the segment of liquid fuels;
- the segment of gaseous fuels;
- electricity and e-mobility;
- catering and commerce.

LIQUID FUELS

The Estonian retail and wholesale market of liquid fuels did not grow in 2023 in comparison with 2022.

The European market adjusted to the generation of new supply chains faster than expected, bringing prices into a decline in comparison with the year before. Prices on the global market were influenced by the more optimistic outlook of the global economy and continued crude oil production cuts of OPEC+ countries. World market prices were volatile, which also showed in the greater fluctuation of prices on the Estonian market in the second half of the year.

Market participants reacted more strongly to closing prices and price jumps were deeper. Granted, in terms of the entire Estonian market, the prices of liquid fuels have generally decreased compared to the year before. Liquid fuels were and still are purchased from our European main suppliers. Fossil fuels, such as diesel and petrol, were primarily supplied from the Orlen refinement plant in Mažeikiai even before the sanctions were imposed.

In 2023, we continued to provide hybrid energy and cross-sales within the customer base, increasing the active customer base of liquid fuels by over 5,000 customers.

We continued to add cafés and shops to previously automated refuelling stations,

providing the customers with the opportunity to buy nourishing food and drink. New cafés and shops were added to the Viljandi UKU and Tallinn Haabersti refuelling stations. We built a refuelling station and restaurant in Sauga, Pärnu County, which will become a new landmark on Via Baltica.

GASEOUS FUELS

LPG and CNG fuels, used as engine fuel, have been most impacted by the continuing war in Ukraine in recent years.

While Europe saw a record height of prices of natural gas in 2022, the prices normalised in 2023 and also impacted the price and volumes of CNG used as transportation fuel. We were glad to see that the amounts sold in 2023 exceeded the volumes of the year before the war by more than 7%. Biomethane used as CNG continues to be the most environmentally friendly transportation fuel. The rising excise duty on diesel fuel in the following years and the CO₂ tax on transport fuels that will be implemented in 2027 will further increase the competitiveness of biomethane.

In the wake of high petrol and diesel fuel prices in 2022, the installation of LPG equipment on cars increased in Estonia, also continuing in 2023. LPG market volumes continue to grow year after year, being a fuel with low investment costs in equipment and the cheapest price per kilometre. Volumes grew by 14% over the year.

Natural gas and LPG are used as fuel in industry and buildings, where Alexela provides hybrid solutions to customers for using natural gas and LPG depending on the price fluctuations on the global market for either energy source. Customer





investments in LPG equipment continued in 2023. This both in regards to replacing heating oil systems and as an alternative solution for natural gas equipment, which guarantees customers both the most affordable energy and security of supply.

Sales volumes for natural gas were in a slight decline in Estonia in 2023, as customers switched to LPG as a replacement source of energy. LPG volumes grew by 25% over the year, being an important energy source in industrial facilities and agriculture.

In the first half of 2023, Alexela was the only company capable of replacing Russian LPG. We continue to work towards building new supply chains and ensuring energy supply security for customers.

ELECTRICITY AND E-MOBILITY

The year 2023 began in a situation where 75% of private customers used the universal service created by the state. At the same time, the stock exchange price for January dropped below that of the universal service. Private customers still remembered the high prices of 2022 and had no trust in stock packages or fixed-price packages.

In February, Alexela launched the Stressless package with a price fixed for one month, taking into account fluctuations of the market price of electricity while protecting the customers with a price cap equal to the cost of the universal service. The customers received the new package very well and the customer base of Alexela grew by 44%. In the segment of corporate customers, we increased our sales and customer management teams, the number of customers grew by more than 25% and we doubled the volume of electricity sales.

The market share of Alexela on the market of electricity sales grew to 19.3% over the year.

The year 2023 was another successful year for e-mobility, during which e-mobility was increasingly intertwined with the vision of Alexela as an energy mall. We significantly expanded the charging infrastructure and developed the charging services we provide. We continued to focus on providing charging opportunities to customers both at home and at work, on the road and at the destination, depending on their needs. We opened several new charging points in infrastructure hubs, taking into account various charging capacities for both longer and shorter stops. We also opened Estonia's first 400 kW charging point in Sauga Tākupoiss, able to charge passenger cars with trailers, vans as well as trucks.

In addition to building the charging infrastructure, we also placed great importance on developing charging software and services. The use of public charging points was merged with the Alexela app and we focused increasingly on introducing the option of charging the corporate car at home.

In cooperation with real estate developers, we finished the first charging solutions for apartment and office buildings, providing a comprehensive and sustainable solution, which calculate the power load consumed by the building using automated processes and direct available capacity to the charging infrastructure. This way, chargers can be conveniently and quickly added to apartment buildings and the owner of the plot does not have to make additional investments to increase the connection capacity. Alexela manages the entire settlement process.

In 2023, we underwent a powerful growth of nearly three times: from 77 charging points in 2022 we reached 220 charging points by the end of 2023 (quadruple growth for semi-rapid chargers, double growth for rapid chargers).

COMMERCE

The share of commerce as value added continues to grow year after year. Our goal is to provide a convenient service and excellent customer service to the customers, while adhering to the goals of sustainability.

The retail network of Alexela included 43 cafés and stores by the end of 2023. The increasing number of electric cars means that people increasingly prefer refuelling stations that offer not only the option to refuel or charge the car but also delicious food and a convenience store selection. Based on that, we will continue to renovate and develop our cafés and stores in upcoming years, in order to keep and value our customers. We are constantly developing the business processes of the cafés and stores, in order to meet both the customers' expectations and our business goals. We consistently invest in product development and improvement of the competence and service skills of our service personnel at the café-stores. Our goal is to increase the proportion of loyal customers, continue the growth of business in the segment of commerce and catering, and to increase the market share of Alexela in the sector of refuelling station commerce. The year 2023 was successful in the category of fast food and we will continue with the concept that stands out from the competition in the next year as well.

Environmental friendliness continues to be very important for us and maintain-

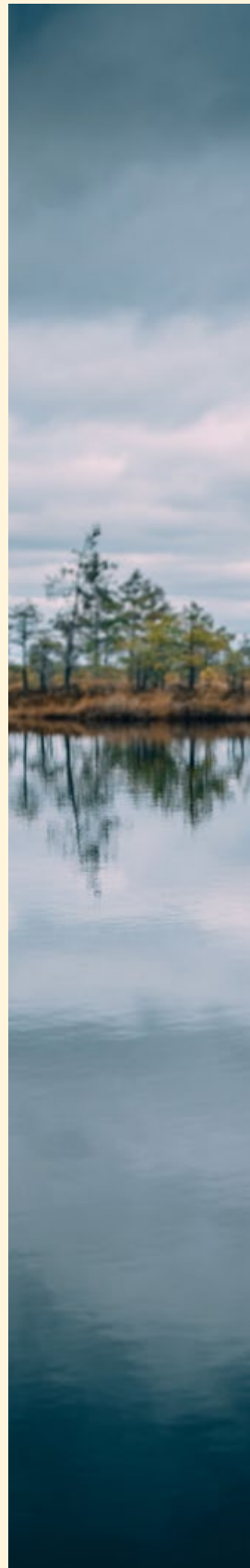
ing focus on reusable coffee cups continues to be one of our priorities in the following years as well. We increased the share of purchasing hot beverages with the customer's own cup to 10%, which is 4% more than in 2022. We have done a lot of work in terms of the quality of coffee and this work will continue in the coming years. Alexela uses an arabica coffee bean roasted specifically for Alexela, in order to be certain of the quality of the coffee.

At the end of 2022, we launched the customer programme called My Alexela, which not only allows for discounts from fuel, electricity and goods, but also to earn digital stamps with a monetary value that can be used to pay for services and products, even for paying one's electricity and gas bills.

Our loyalty programme is a valuable energy source for loyal customers, which stimulates them, offers the joy of discovery and makes their world more convenient and cheaper. Such a loyalty programme, which offers everyday energy products (electricity, natural gas and tank and container gas), fuel in over a hundred stations all over Estonia, discounts in 43 café-stores as well as cashback options for trailer rent or grill/household gas, can only be found in the domestic energy company Alexela.

ALEXELA SOLAR OÜ

Alexela Solar OÜ, the subsidiary of the energy company Alexela, focuses on consulting, planning and building renewable energy projects. In Alexela Solar, we have adopted an innovative business model which means the decrease of electricity costs and the CO₂ footprint for customers without investing in the design and technology of a solar station.



Several solar farms with a total capacity of 3 MW were under active development and construction in the financial year 2023. The largest projects were the solar power station in the territory of Kiviõli Keemiatööstus (1.93 MW) and the Paldiski solar power station (0.9 MW). In addition, several refuelling stations of Alexela AS are equipped with solar power stations as roof installations, the largest of which (with the capacity of 0.12 MW) is in the Alexela Sauga refuelling station.

In 2022, the company initiated several connection processes with distribution network companies in order to build new solar power stations. However, these were paused in 2023 as the connection offers of distribution network companies turned out to be too expensive. We will keep an eye on the market situation and once this becomes more economically viable, we will revive the suspended connection processes.

Several energy solution programmes to optimize the work processes of renewable energy infrastructures are being developed in cooperation with AS Alexela. These solutions also help improve the performance of solar parks and the cost of sold electricity. As the economic activities of solar energy are seasonal and largely depend on the weather, the majority of production occurs from spring to autumn and all but stops in winter. Alexela Solar intends to adopt storage devices in order to improve the cost and extend the period of the sold electricity. The results will be clearer in 2024.

ALEXELA MOTORS AS

In 2023, Alexela Motors was involved in the provision of logistics and transport services of liquid fuels, LPG and LNG and cylinder gas to AS Alexela. AS Alexela is the primary partner of Alexela Motors AS in ordering gaseous and liquid fuels to refuelling stations and end customers. In 2023, Rohe Solutions OY in Finland, also part of the AVH Grupp, was added to the contractual partners. 14 new or lightly used vehicles were added to the fleet used by Alexela Motors AS over the course of 2023. Over half of them, 4 semi-trailer trucks and 4 tanker semi-trailers were acquired and adopted for the purpose of meeting the needs of increasing transportation volumes of LPG container gas.

In the transportation fleet for cylinder gas, we replaced two platform trucks with new ones and also acquired some new vans and a trailer. Since January 2023, we are using six trucks fuelled by LNG or CNG in the transportation group for petrol and diesel fuels. We expanded our operations in Finland which supplies all of the LNG necessary for our customers and the Alexela refuelling stations. In addition, we provide transport services to Rohe Solutions OY in Finland on the basis of a transportation contract. These operations continue and hopefully also expand in 2024.

Business revenue grew by 20% since 2022 and the year ended with a loss of 331,647 euros. The financial results of 2023 reflect the impact of investments and increasing operating costs. As at December 2023, Alexela Motors AS employed 42 people.

Sales revenue was 3,990,388 euros.



ROHE SOLUTIONS AND HAMINA LNG

Rohe Solutions Oy, created as a joint company of Hamina Energia and Alexela, operates on the Finnish market as a seller of natural gas and LNG. In 2023, Alexela obtained 100% shareholding in Rohe Solutions Oy and continues to focus on the sales of LNG on the Finnish market. The first LNG bunkering services for ships were carried out. 325 GWh of natural gas and 80 GWh of LNG were sold to customers in 2023.

With the start-up of the Hamina LNG terminal in autumn 2022, the option was created by the Gulf of Finland with the help of Alexela to offer LNG delivered from outside of Russia to the customers of Southern Finland and Estonia at the most favourable logistical cost. This is the first LNG terminal in Finland that is connected to the Finnish gas transmission network. The capacity of the terminal is 30 000 m³ of LNG and the throughput capacity up to 1.8 TWh per year. The Hamina LNG terminal operates on the principle of third party open-access and the operations and tariffs are supervised by the Finnish Energiavirasto.

Over the course of 2023, the Hamina LNG terminal unloaded 26 ships with LNG, the entire supplied LNG originated from outside of Russia. 820 GWh of regasified gas was directed into the transmission network of Finland and the distribu-

tion network of Hamina during 2023, and LNG was loaded into tank trailers of 1,217 trucks for off-grid customers. The largest customer and user of the Hamina LNG terminal is Alexela.

EESTI BIOGAAS OÜ (AFFILIATE)

Eesti Biogaas, a 50% held affiliate of Alexela, continued manufacturing in three existing biogas plants (Oisu, Vinni, Tartu), where biogas is manufactured first and foremost from agricultural waste – solid and liquid manure or slurry and silo waste. Firstly, raw materials are collected all across Estonia with the help of partners. The entire raw produce originates in Estonia, the majority from agricultural producers. Manure, especially liquid manure holds the largest share, but in essence, anything of plant origin and biodegradable will do. The common factor of the above is that it cannot be used anywhere else any more. For some, this is waste, but for us, it is raw produce.

The year 2023 saw the largest production volume and all three production plants created a record amount of biomethane, the average growth was 13%. The company also met its EBITDA goal of 4,453,127 euros. In spring 2023, the project of expanding the secondary fermenters of Tartu and Oisu began and will continue in 2024. The aim for 2024 is to increase production volume by another 10%.

GWh	2022	2023	Change
Tartu Biogaas	34,067	36,119	6%
Vinni Biogaas	31,808	37,701	19%
Oisu Biogaas	28,737	33,305	16%
Total Eesti Biogaas	94,612	107,125	13%

ENERGIASALV VALDUS OÜ (AFFILIATE)

The PHS device of Energiasalv is the only energy storage project in the Northern Baltic region that is part of the European Union Projects of Common Interest. In 2023, Energiasalv focused on the active development of the Paldiski PHS project. After the issuance of building permits in December 2022, Energiasalv focused on the design of the PHS and development of the electricity storage framework in Estonia. The aim is for the FID to be adopted by the end of summer 2024, which is when the construction of the PHS should also commence. According to the plan, the PHS will be ready to store the first electrons in 2029.

Over the course of 2023, Energiasalv involved a total of 11 million euros from both existing (incl. Alexela) and new Estonian investors according to plan, which confirmed for us that external parties also believe in the success of the project. The capital is used to complete the designing process and develop technical details with global leading hydroenergy and mining corporations.

PAKRINEEME SADAMA OÜ (AFFILIATE)

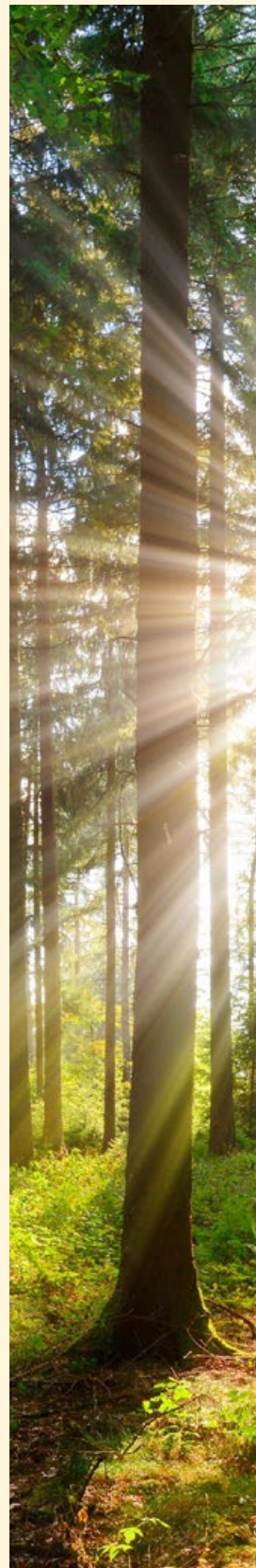
Today, the preparatory period of the industrial area of the Pakrineeme area has ended, and the purposeful land use has also begun in the form of the Balticconnector compressor station and fish meal plant. The plan for the next phase is to build the infrastructure for the handling of gaseous fuels (natural gas, LNG, hydrogen, other synthetic gases) necessary to achieve the EU's climate goals.

In spring 2022, the company started the construction of the hauling quay at Pakrineem. The quay received the authorisation for use by the end of October of the same year. In March 2023, the quay together with the plot necessary for servicing it was sold to Eesti Varude Keskus AS and due to the sales process, the remaining business operations of the company as at March 2023 comprise investment management.

BALTI GAAS OÜ (AFFILIATE)

Due to the energy crisis that flared up in the world in 2022, countries are paying increasing attention to energy security. For this reason, the parent company of Balti Gaas OÜ built and started Pakrineeme Sadam (port code EE PAK) in six months in order to receive LNG ships and the Competition Authority issued Balti Gaas OÜ the first LNG terminal manager registration in Estonia. In the early spring of 2023, the LNG quay in Pakrineeme port was sold to Eesti Varude Keskus and the company changed direction. While previous years were focused on the efforts to build the LNG terminal, the company is now centred on preparing the development project of a top load biogas power plant since 2023. For this purpose, a feasibility study was commissioned in 2023 and investments were made amounting to about 100,000 euros during the last financial year.

In 2024, the company intends to continue these activities, planning to invest in the same amount as in 2023.



Metal portfolio

The operations of the field of metal are carried out via Aktsiaselts Bestnet, a subsidiary of AVH Grupp AS, and the primary subsidiaries of the former, Paldiski Tsingipada AS, BNT Galva OÜ and Helon Kuumasinkitys Oy.

In 2023, the two main areas of activity of the Bestnet group were manufacture of trailers with full weight of up to 3,500 kg and their sale on various markets, and provision of various coating services for metal structures. The year 2023 was complicated for Aktsiaselts Bestnet, but nevertheless very successful, all things considered. As the primary target market of the products of Aktsiaselts Bestnet is Scandinavia, the demand and competition on the target markets have a very sizable impact on our results. Unfortunately, the customers are more wary and less prepared to make purchases due to increased interest rates, which has decreased our sales in turn. At the same time, the team of Aktsiaselts Bestnet has been managing costs in an operative manner and the final result of the year was thus still positive for us.

It bears noting that while Estonian industrial facilities had a certain advantage on Scandinavian markets due to lower production costs in previous years, we have

slowly been losing this competitive edge in recent years. Our wage level is catching up with Scandinavian wages, while innovation is becoming increasingly important in production and robotics are taking over a large share of manual work. This, in turn, means that energy consumption is increasing in production. Unfortunately, the long-term energy policy of the Estonian state has landed us in a situation where our energy prices are significantly higher than those in Scandinavia, which in turn inhibits the competitiveness of Estonian companies.

BNT GALVA OÜ

BNT Galva OÜ is Estonia's largest service provider of galvanized/electrochemical coating, covering various coatings such as zinc plating, nickel plating, chrome plating, tin plating, aluminium chromating, etc. Galvanic processes are constantly modernised and new processes implemented based on the needs of the customers. Vibratory finishing is also offered to customers for the purpose of providing comprehensive solutions. The mission of the company is to provide various coating services to companies operating in the Baltic region, increasing competitiveness of the companies of the region on domestic and export markets. The company has received the international quality and



environmental certificates ISO 9001 and ISO 14001.

We ensure that our footprint is as small as possible. In 2023, one of the largest investments of BNT Galva OÜ was the complete replacement of sewerage pipes of the tubs of four production lines. This involved the removal of old pipes, cleaning the channels underneath the lines and installation of new pipes. Over 500 metres of pipes were replaced in total. In addition, tubs are equipped with magnetic valves that open when details are in the tub. This investment helps optimize the water use. These activities will save approx. 42% of clean drinking water per year.

We are glad to see that sustainability is becoming an important principle for an increasing number of customers.

The cooling of the economy in Estonia as well as in the entire Scandinavia and Europe also impacted the order volumes of our primary customers, which decreased by 21% compared to 2022. The decrease in volume is also reflected in sales results and profitability. Despite the decrease in turnover, all intended investments were completed.

The aim of the company is to be the leading specialised coating service provider in Estonia and in the neighbouring region. One of the goals for 2024 is to expand the coating options provided (such as: sulfate free semi-gloss nickel plating). The company has the technical capacity and know-how for this. We have found the strategic partner to provide the critical volume for

the investment to also pay off.

PALDISKI TSINGIPADA OÜ

In 2023, the demand of the local market for hot-dip galvanising service dropped significantly. The majority of the drop was compensated by the growth of the share of export from 15% to 31% (2022 vs 2023). The sales turnover of the company was less than forecast in the budget, but the profit exceeded the expectation.

As galvanising is energy-heavy, it was decided to invest in solar energy. A 100 kW park was built in 2023. A 316 kW solar park will be built in 2024 with a 20% support by Enterprise Estonia.

In 2023, we applied for and received 275 thousand EUR from the Life Fit for Reach 2 programme, in order to increase the environmental friendliness of the company's activities and decrease our carbon footprint. All investments require a 50% own contribution.

HELON KUUMASINKITYS OY

The Finnish construction market hit a steep decline in 2023. The difficult economic situation and decrease of construction volumes also impacted the financial results of 2023 of Helon Kuumasinkitys Oy. One of our largest customers wound up its activities, causing us to lose 200,000 kilogrammes of volume in the second half of the year. The largest change occurred in powder coating, where volumes decreased by 30%.

Despite changes in the construction sector due to the complicated economic environment, it can still be stated that the financial results of 2023 were nevertheless good for Helon Kuumasinkitys Oy despite the economic recession. Sales revenue increased by 8% from the year before.

Finnish companies have begun to search for new outlets on the local market for their products and services, which has brought new customers to us. The galvanising volumes did decrease for Helon in 2023 by 40,000 kilograms compared to 2022, but we have compensated this difference with a small price increase. While the Finnish residential construction saw a steep decline, the Finnish ship construction is doing well. Thanks to that, Helon has been able to compensate the decrease of galvanisation volumes in other sectors with the increased order volume from the shipbuilding sector. Thanks to brand awareness of Helon and greater advertising on the Finnish market, the sale of trailers increased by 22% in 2023 compared to 2022.

The company intends to continue in these areas of activity in 2024. We intend to increase the sale of trailers by 5%.

KOHIMO AS

In 2023, AS Kohimo was forced to prematurely exit a large assembly and installation contract without bearing additional costs, due to the default of the counterparty. The majority of the employees involved in the project were laid off during 2023.

The complete restructuring of the operations of AS Kohimo commenced in the second half of 2023, nevertheless remaining in the same area of activity. We cut off all directions of operations that were generating a loss and AS Kohimo will be restructured into an engineering office that will provide technical solutions to the other metalworking companies of the group. AS Kohimo has the necessary competence for this purpose.

Other operations

OMAKODUMAJA AS

Due to the restructuring of the group, AVH Grupp AS obtained the 100% shareholding in OmaKoduMaja AS, a company involved in real estate development and rent, from its affiliate B2G Grupp OÜ.



The main activity of OmaKoduMaja AS was the development, management and sale of existing real estate projects in 2023. We intend to continue operations in this area and also rent out residential and commercial real estate owned by the company.

In 2023, active business continued in planning, developing and building the connections to plots in the vicinity of Tallinn owned by the company. The company is also hoping to sell or rent some of the plots in Harjumaa towards the east of Tallinn in the near future.

NOVAATORI MAJA AS AND PALDISKI RENDIPINNAD AS

Novaatori Maja and Paldiski Rendipinnad continued their usual operations, leasing out the properties owned by the company.

AS ÕHTULEHT KIRJASTUS (AFFILIATE)

The portfolio of Õhtuleht Kirjastus include Estonia's largest daily newspaper Õhtuleht, the third largest online portal with 432 thousand monthly users (12.2023, Gemius, real users), including the largest recipe site toidutare.ee and several physical and online magazines valued highly by readers, such as Naisteleht (and its publications), Tiiu, Kalale!, Looduses, Teleleht, Eesti Mets and a portfolio of crossword magazines consisting of ten publications.

In 2023, the revenue of Õhtuleht Kirjastus dropped by 4.3%, EBITDA by 38% and net profit by 81%. These results were due to the extraordinary revenue earned in the comparative 2022 due to the sales of Kodukiri, Käsitöö and Nipiraamat and the increase of expenses in 2023 primarily in

the printing segment, the overall wage pressure and the increased volume of investments, which impacted the costs of 2023, but not yet the revenue. EBITDA of 2023 was 745,644 euros.

AREAS OF ACTIVITY OF B2G GRUPP OÜ, AN AFFILIATE OF THE AVH CONSOLIDATION GROUP

The consolidation group of AVH Grupp AS has 46.94% holding in B2G Grupp OÜ, which comprises the field of oil shale chemistry and trading various fuels. In 2023, the primary keywords to characterise the operations of B2G Grupp OÜ were continued group restructuring due to the desire to keep activities that essentially overlap in B2G Grupp and remove companies with a different business logic and area of operations from the group. Historically, oil shale chemistry has been an important part of the development of AVH Grupp AS and due to this, the primary focus of B2G Grupp OÜ became the improvement and development of the oil shale production potential in 2023.

Oil shale chemistry KIVIÕLI KEEMIA TÖÖSTUSE OSAÜHING

The year 2023 was a year of great investments for Kiviõli Keemiatööstuse Osahing (hereinafter KKT). A new device for purifying heavy-grade oil was completed, significantly increasing the environmental friendliness and efficiency of the oil production quality of KKT. Another large investment involved the building of a new modern cooling device to replace the old cooling tower. In addition, investments were made in new modern quarry equipment. In total, Kiviõli Keemiatööstus

invested 13.84 million euros in 2023, all of which came from its own funds.

The year 2023 also marks a record of oil shale mining – over 1.4 million tonnes – and high oil shale sales. While the beginning of 2023 was complicated due to both production volumes and low global market prices, the team of KKT managed to bring production volumes up in the second quarter and the oil price hike also aided the company to one of the best financial results of its history by the end of the year.

KEROGEN OÜ

Kerogen OÜ creates oil shale valuation technology operating on the principle of circular economy in cooperation with the scientists of TalTech. The KEROX technology that we are creating allows for complete use of oil shale without waste. The production process results in valuable dicarboxylic acids, which are the base

substances for polyurethanes and several other industrial chemicals. The mission of the company is to develop and launch a new technology, allowing to significantly increase the price of the final product per one tonne of raw produce (the oil shale).

The production process pollutes the environment less compared to manufacturing oil from oil shale and the value of produce significantly higher on the global market. Starting from 2017, Alexela has successfully completed two projects in the industrial chemistry lab of TalTech: KEROX I (2017–2019) and KEROX II (2020–2022) “New technological platform for value added to oil shale kerogen,” wherein the lab technology was created for directly converting oil shale into valuable base chemicals for the chemical industry (dicarboxylic acids).

In 2022, the Kerogen project reached the first benchmark where dicarboxylic acids were successfully separated. The project



continued in 2022 with the implementation of the next step, which took place from November 2022 until February 2023, continuing the investigation of the two-step oxidation process of oil shale and the improvement and specification of various phases. The projects were funded in the scope of the Archimedes grant programme. On 22 September 2022, phase 3 of the Kerox project was approved by Enterprise Estonia.

ENERGIA NORD

The main activity of Energia Nord OÜ is the sale of various liquid fuels in the excise and customs warehouse. 100,630 tonnes of various liquid fuels were sold in the last financial year for a total cost of 41.4 million euros.

Due to the nature of the company's operations, the company does not need any

significant fixed assets; all important services (road and sea transport, terminal services etc) are outsourced from companies of the group or third parties.

AB BUNKERING

Alexela Bunkering OÜ commenced activities in August 2015. The main area of activities of Alexela Bunkering OÜ is bunkering ships and wholesale of crude oil products. The company continues its main activity on the bunkering market in 2024, but is also seeking for opportunities for providing additional services.

Due to the nature of the company's operations, the company does not need any significant fixed assets; all important services (road and sea transport, terminal services etc) are outsourced from third parties.



Investing

The investment volume of 2023 decreased somewhat in the AVH group in comparison with 2022.

While companies of the group invested 27.0 million euros in 2022, the investment level remained at 21.1 million euros in 2023.

The main reason for the decrease of investments was that in 2023, the group did not have a large investment like the hauling quays developed in Pakrineeme in Paldiski in 2022.

Despite this, the investment volume remained large compared to the previous years and we primarily invested in the development of the refuelling station network, the largest of which was the construction of the new full service station Täkupoiss. In addition, we invested in building solar parks, the charging infrastructure in the scope of the e-mobility project, as well as in more environmentally friendly means of transport, and also in production processes in the field of metal.



Financing

All companies of the AVH group operate in areas of activity with a large need for capital and having great financial partners is therefore very important for us. We are glad to state that our cooperation with banks has been very constructive and we have been able to implement a large number of important projects as a result of this cooperation.

AVH Grupp has three largest financing partners:

Swedbank – the LHV syndicate finances the business of Alexela. Coop Bank is the financial partner of Bestnet Grupp and our partner at the level of AVH Grupp AS is Kredex. We also use the services of oth-

er banks and leases for smaller projects and lease financing.

Due to the large need for financing, the availability and cost of financing is a significant risk for the group. Indeed in 2023, our financial costs grew from 6.7 million euros to 11.9 million euros due to the high level of Euribor.

However, as our main business and strategy has paid off on the market, the increased expenses did not cause us any issues due to the cash flows generated from business, but we do foresee the profitability of the group improving in the future as Euribor decreases.



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CONSOLIDATED BALANCE SHEET (in thousands EUR)

	31.12.2023	31.12.2022	Note no
Assets			
Current assets			
Cash	7 038	1 255	
Receivables and prepayments	80 843	99 821	2,13
Inventories	28 352	46 530	3
Total current assets	116 233	147 606	
Fixed assets			
Investments in subsidiaries and affiliates	75 868	66 502	4,5,6
Financial investments	4	0	
Receivables and prepayments	46 115	66 087	2
Investment properties	14 481	9 790	7
Tangible fixed assets	118 918	98 769	8
Intangible fixed assets	4 241	5 361	9
Total fixed assets	259 627	246 509	
Total assets	375 860	394 115	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	52 786	68 454	11
Payables and prepayments	56 000	81 742	12,13
Appropriations	929	650	
Targeted financing	195	121	15
Total current liabilities	109 910	150 967	
Non-current liabilities			
Loan liabilities	135 072	117 635	11
Payables and prepayments	2 936	4 470	12
Appropriations	6	8	
Targeted financing	1 475	2 475	15
Total non-current liabilities	139 489	124 588	
Total liabilities	249 399	275 555	
Equity			
Equity attributable to shareholders of parent company			
Share capital in nominal value	442	442	16
Legal reserve	80	80	
Other reserves	13 160	13 974	17
Retained differences in exchange rates	-40	0	
Retained profit from previous periods	103 848	96 984	
Profit for financial year	6 402	4 690	
Total equity attributable to shareholders of parent company	123 892	116 170	
Minority holding	2 569	2 390	
Total equity	126 461	118 560	
Total liabilities and equity	375 860	394 115	

CONSOLIDATED INCOME STATEMENT (in thousands EUR)

	2023	2022	Note no.
Sales revenue	646 759	629 654	18
Other operating income	1 421	640	19
Change in retained inventories of completed and unfinished production	-451	0	
Capitalized costs for own use in creating fixed assets	885	84	
Goods, raw goods, materials and services	-585 070	-578 286	20
Various operating expenses	-9 738	-7 188	21
Staff expenses	-26 911	-16 805	22
Depreciation and amortization of fixed assets	-14 278	-11 449	8,9
Other operating expenses	-1 160	-779	
Operating profit (loss)	11 457	15 871	
Profit (loss) from subsidiaries	0	-807	5
Profit (loss) from affiliates	4 708	-5 095	6
Interest revenue	3 203	2 071	
Interest expenses	-11 914	-6 699	
Other financial revenue and expenses	-846	63	
Profit before income tax	6 608	5 404	
Income tax	-27	0	
Profit for financial year	6 581	5 404	
Part of shareholder of parent company in profit	6 402	4 690	
Part of minority shareholding in profit	179	714	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (in thousands EUR)

	2023	2022
Profit for financial year	6 581	5 404
Other comprehensive income (loss)		
Retained differences in exchange rates	-40	0
Total other comprehensive income (loss)	-40	0
Comprehensive income for the financial year	6 541	5 404
incl. share of shareholder of parent company in comprehensive income	6 362	4 690
incl. share of minority shareholding in comprehensive income	179	714

CONSOLIDATED CASH FLOW STATEMENT (in thousands EUR)

	2023	2022	Note no.
Cash flow from operating activities			
Operating profit (loss)	11 457	15 871	
Adjustments			
Depreciation and amortization of fixed assets	14 278	11 449	8,9
Profit (loss) from sale of fixed assets	-266	-32	19
Other adjustments	5 520	521	
Total adjustments	19 532	11 938	
Change in receivables and prepayments related to operating activities	19 563	-26 398	
Change in inventories	18 178	-29 873	3
Change in receivables and prepayments related to operating activities	-26 920	35 541	
Interest received	1	0	
Total cash flow from operating activities	41 811	7 079	
Cash flow from investment activities			
Paid upon acquisition of tangible and intangible fixed assets	-21 894	-18 907	
Received from sale of tangible and intangible fixed assets	810	67	
Paid upon acquisition of real estate investments	-171	-230	7
Net cash flow from acquisition of subsidiaries and business operations	2 204	0	
Net cash flow from sale of subsidiaries and business operations	-47	-606	
Paid upon acquisition of other financial investments	-81	0	
Received from sale of other financial investments	81	0	
Paid upon acquisition of subsidiaries	0	-2 657	5
Received from sales of subsidiaries	5 299	3 386	
Received from sale of affiliates	5	0	
Paid upon acquisition of affiliates	-1 651	-658	
Loans granted	-9 508	-14 892	
Repayments of loans granted	22 001	12 479	
Interest received	2 572	1 881	
Dividends received	275	240	
Other payments from investment activities	5	0	
Total cash flow from investment activities	500	-19 897	
Cash flow from financing activities			
Loans received	196 533	183 096	
Repayments of loans received	-219 791	-159 307	
Change in overdraft balance	984	-4 914	
Repayments of main part of financial lease	-2 328	-1 827	
Interest paid	-12 297	-5 635	
Income from targeted financing	1 140	488	
Corporate income tax paid	-51	0	
Other payments from financing activities	-110	-77	
Total cash flow from financing activities	-35 920	11 824	
Total cash flow	5 791	-994	
Cash and cash equivalents at the beginning of period	1 255	2 249	
Change in cash and cash equivalents	5 791	-994	
Influence of changes in currency exchange rates	-8	0	
Cash and cash equivalents at the end of period	7 038	1 255	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in thousands EUR)

	Equity attributable to shareholders of parent company					Minority holding	Total
	Share capital in nominal value	Legal reserve	Other reserves	Retained differences in exchange rates	Retained profit		
31.12.2021	442	80	0	0	97 171	1 345	99 038
Profit for financial year	0	0	0	0	4 690	714	5 404
Other reserves	0	0	13 974	0	-208	208	13 974
Other changes in equity	0	0	0	0	21	123	144
31.12.2022	442	80	13 974	0	101 674	2 390	118 560
Profit (loss) for financial year	0	0	0	-40	6 402	179	6 541
Other reserves	0	0	-814	0	12	-12	-814
Other changes in equity	0	0	0	0	2174	0	2 174
31.12.2023	442	80	13 160	-40	110 262	2 557	126 461

“Other reserves” in equity covers the hedging reserve for natural gas and electricity. In 2023, “Other changes in equity” comprises the following sums:

- Change in results of previous periods of Kerogen OÜ 1,465 thousand EUR
- Impact of merge of Alexela AS and Alexela Tanklate OÜ 231 thousand EUR
- Impact of purchasing minority shareholding in Rohe Solutions Oy 360 thousand EUR
- Impact of changes in accounting policy of Novaatori Maja OÜ -85 thousand EUR
- changes in minority shareholding 197 thousand EUR
- other changes 6 thousand EUR

The change in fair value of derivative instruments defined as effective hedging instruments is stated as a decrease of the hedging reserve of equity by 814 thousand euros in 2023, including a decrease of 1,120 thousand euros in the part of electricity instruments and an increase of 306 thousand euros in the part of natural gas instruments.

In 2022, derivatives were designated as effective hedging instruments and their fair values stated in receivables and liabilities and the equity hedging reserve increased by 13,974 thousand euros, including 11,221 thousand euros under electricity instruments and 2,753 thousand euros under natural gas instruments.

More information about hedging reserves is in note 17. “Other changes in equity” states changes from impact of minority shareholding.

Notes on annual accounts

NOTE 1 ACCOUNTING PRINCIPLES, GENERAL INFORMATION

The annual report of AVH Grupp AS has been prepared in accordance with the financial reporting standards of Estonia. The main requirements of the Estonian financial reporting standard are established in the Accounting Act of Estonia and complemented by instructions issued by the Estonian Accounting Standards Board.

The preparation of the annual accounts is based on the principle of acquisition cost, except in cases described in the following accounting principles.

The annual report is prepared in thousands of euros.

PREPARING THE CONSOLIDATED REPORT

The financial indicators of the parent company and subsidiaries are consolidated line-by-line in the annual report of the group. Receivables, liabilities, income, expenses and retained profits and losses resulting from transactions between the parent company and subsidiaries have been eliminated.

Minority shareholding in the results and equity of companies controlled by the parent company are stated separately in the consolidated annual accounts.

The consolidated annual report 2023 states the financial indicators of AVH Grupp AS (the parent) and the financial indicators of the subsidiaries. (Note 29)

The accounting principles of subsidiaries have been harmonized with the accounting principles of the group where necessary. The average foreign currency exchange rate of the year is used in converting the income statements and cash flows of foreign economic entities into euros.

Assets and liabilities stated in a foreign currency are converted into euros on the basis of the official exchange rate of the European Central Bank which was valid on the 31st of December. Differences in currency exchange rate incurred from converting accounts are

stated in owners' equity. Investments into subsidiaries are stated using the acquisition cost method and investments in affiliates using the fair value method in the report of the parent company.

SUBSIDIARIES

A subsidiary is a company which the parent company controls. A subsidiary is controlled by the parent company if the parent company directly or indirectly owns over 50% of the voting shares of the subsidiary or is otherwise able to control the operating and financial policies of the subsidiary.

The activity of subsidiaries is stated in the annual accounts from the moment of obtaining control to its cessation.

Acquisition of a subsidiary is stated in the purchase method (except for business association operating under joint control). With the purchase method, the assets and liabilities of the acquired subsidiary are stated in their fair value and the difference between the acquisition cost of the acquired shareholding and the fair value of acquired net assets is stated as goodwill.

AFFILIATES

An affiliate is a company which the group has a significant influence over, but does not control. Significant influence is generally expected to be present when the group owns 20% to 50% of voting shares in the company.

Investments into affiliates are stated in the balance sheet using the fair value method.

With the fair value method, the investment is initially stated in acquisition cost (except for transaction costs which are stated immediately in the income statement) and thereafter stated at fair value through profit or loss. When using the fair value method, all objects of investment belonging to the same class are stated in fair value, except for assets, the fair value of which cannot be measured reliably with reasonable costs and effort. Such objects of investment are stated using the method of acquisition cost.

CASH

Stated as cash and cash equivalents in the cash flow statement are cash on hand, demand deposits in banks, term deposits with a term of up to 3 months, and shares of the money market fund.

TRANSACTIONS IN FOREIGN CURRENCY AND FINANCIAL ASSETS AND LIABILITIES STATED IN FOREIGN CURRENCY

Transactions stated in foreign currency are based on the currency exchange rates of the European Central Bank which were officially valid on the date of transaction. Monetary financial assets and liabilities recorded in foreign currency and non-monetary financial assets and liabilities stated in the fair value method are converted into euros on the balance sheet date on the basis of the officially valid exchange rate of the European Central Bank. Profits and losses from foreign currency transactions are stated as revenue and expenses of the period in the income statement.

FINANCIAL INVESTMENTS

Short-term shares and other securities include securities held for short-term trading purposes and securities with a fixed maturity date, the maturity date of which is within 12 months from the balance sheet date. Other long-term shares and securities include securities that are unlikely to be sold within the next 12 months (except for such shareholding in subsidiaries and affiliates that are accounted for using the consolidation or equity method) and securities with a fixed maturity date, the maturity date of which is later than 12 months after the balance sheet date.

Current and non-current financial investments in shares and other equity instruments are stated in fair value if this can be reliably assessed. Shares and other equity instruments which cannot be reliably assessed for fair value are stated in restated cost (i.e., initial acquisition cost minus possible write-downs if the recoverable value of the investment has dropped below book value).

Held-to-maturity bonds are stated in restated cost using the effective interest rate. Bonds acquired for trading purposes are stated in fair value.

RECEIVABLES AND PREPAYMENTS

RECEIVABLES FROM BUYERS

Stated as receivables from buyers are current receivables incurred during regular business activities of the company, except for receivables from other companies in the group and from affiliates. Receivables from buyers are stated in restated cost (i.e., nominal value minus necessary discounts).

The doubtfulness of a receivable is assessed separately for each buyer when necessary. If the individual assessment of receivables is impossible due to the number of receivables, then only important receivables are assessed individually. The remaining receivables are assessed in aggregate, taking into account the experience of previous years regarding uncollected receivables. The receipt of doubtful receivables previously written down is stated as the decrease of expenses of doubtful receivables.

OTHER RECEIVABLES

All other receivables (accrual income, loans granted and other current and non-current receivables), except for receivables obtained for sale, are stated in restated cost.

The restated cost of current receivables generally equals to their nominal value (minus possible write-downs), therefore current receivables are stated in the amount likely to be received in the balance sheet. In order to calculate the restated cost of non-current receivables, they are initially stated in the fair value of the consideration receivable, calculating interest revenue from the receivable during the following periods using the effective interest rate method. Receivables acquired for sale are stated using the fair value method.

FACTORING

Factoring is a sale of receivables, wherein depending on the type of the factoring agreement, the purchaser has the right to resell the receivable to the seller (factoring with right of recourse) or there is no right of resale and all risks and revenue connected to the receivable are also factually transferred from the seller to the purchaser (factoring without right of recourse).

Factoring with right of recourse is stated as a financing transaction (i.e., loan secured by a receivable) and the receivable is stated in the balance sheet until the receivable has been received or the right of recourse expired. The factoring liability incurred with the factoring agreement is stated in the same manner as other debt liabilities.

Factoring without right of recourse is stated as a sale of receivable. The costs involved in sales of receivables are stated as financial costs or write-down costs of receivables, depending on whether the transaction was conducted for the purpose of managing cash flows or hedging bad receivables.

INVENTORIES

Inventories are initially stated in their acquisition cost, consisting of purchase expenses, production expenses and other expenses necessary to transport the inventories to their existing location and state.

In addition to purchase price, the purchase expenses of inventories contain customs tax incurred in the purchase of assets, other non-returnable taxes and transport expenses directly related to acquiring the assets, with discounts and subsidies deducted from them. Production expenses of inventories contain both expenses directly involved in products (cost of raw produce, materials and packing materials, unavoidable expenses related to storage of incomplete production, wages of workers) as well as a proportional share of the production overhead (depreciation of production facilities and equipment, repair costs, wages of management related to production).

The weighted average price method is used when calculating the acquisition cost of inventories.

Inventories are assessed in the balance sheet on the basis of the smaller of acquisition cost or net realization cost.

INVESTMENT PROPERTIES

Stated as investment properties are real estate (land, buildings) which the group keeps (as an owner or rented as financial lease) for the purpose of earning rent

revenue or increase of market value and which is not used in the company's business activities. A real estate investment is initially stated in its acquisition cost, which also includes direct transaction fees related to acquisition (i.e. notary fees, state fees, fees paid to consultants and other expenses without which the purchase transaction was unlikely to occur).

Thereafter, real estate investments are stated in fair value based on a market price designated annually by an independent appraiser. Changes in fair value are stated separately in the income statement under profit/loss from revaluation of investment properties and either in other operating expenses or other operating income depending on the outcome. Investment properties, the fair value of which cannot be reliably assessed, are stated the same way as tangible fixed assets (acquisition cost less depreciation and potential write-downs due to impairment).

TANGIBLE AND INTANGIBLE FIXED ASSETS

Tangible fixed assets are assets used for the business operations of the company with a useful life exceeding one year and cost starting from 1,000 euros.

Tangible fixed assets are initially stated in acquisition cost, consisting of the purchase price (incl. customs fees and other non-refundable taxes) and expenses related directly to acquisition which are necessary for bringing the asset to its working condition and location. Tangible fixed assets are stated in the balance sheet in the acquisition cost, from which are deducted accumulated depreciation and possible write-downs due to impairment.

Improvement expenses of fixed assets which increase the productivity of a fixed asset past the initial expected level and are likely to take part in incurring addition revenue in the future are capitalized as fixed assets in the balance sheet. Expenses made with the purpose of ensuring and preserving revenue earned from an asset in the future are stated upon accrual of those expenses in the expenses of the accounting period.

Depreciation is assessed on a linear basis, taking into account the following expected useful lives.

LOWER LIMIT OF STATING A FIXED ASSET 1000 EUROS

If the tangible fixed asset consists of separate components with different useful lives, then these components are initially stated in accounting as separate assets, with separate depreciation norms established on the basis of their useful lives.

USEFUL LIFE BY GROUPS OF FIXED ASSETS (IN YEARS)

Name of group of fixed asset	Useful life
Buildings and facilities	10-25 years
Machinery and equipment	5-10 years
Other tangible fixed assets	3-10 years
Goodwill	10 years
Other intangible fixed assets	3-5 years

If the recoverable value of a fixed asset (i.e. the higher of net sales price of the asset or the use value of the asset) is less than its carrying amount, then the tangible fixed assets are written down to their recoverable value.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are divided into assets with a definite useful life and assets with indefinite useful life. Intangible fixed assets with indefinite useful lives (goodwill incurred during a business combination) are generally depreciated over 10 years and a value test is conducted to inspect their value in case of doubt, and if their recoverable value turns out to be less than the balance sheet value, then the asset is written down to its recoverable value.

Intangible fixed assets with definite useful lives are depreciated using the linear method based on the expected useful life of the asset. The validity of depreciation periods and method of assets are assessed every balance sheet date.

The depreciation rates for groups of intangible fixed assets are as follows:

- goodwill 10 years;
- other intangible assets 5 years.

In the case of assets with a definite useful life, impairment is assessed upon circumstances indicating a possible impairment. Purchased computer software which is not an integral part of the related hardware

is stated as intangible fixed assets. Software development costs are stated as intangible assets if directly related to the development of software which are distinguishable, controllable by the company, and provide future economic benefits for more than one year.

Goodwill is the positive difference between the acquisition cost of shareholding acquired during a business combination and the fair value of the acquired net assets, reflecting the part of acquisition cost paid for the assets of the acquired company that cannot be separately distinguished and stated. Goodwill is stated in the balance sheet in acquisition cost as intangible assets on the date of acquisition.

In future statements, goodwill is measured in acquisition cost less any impairment write-downs and depreciation. In general, goodwill is depreciated over the course of 10 years and the value of goodwill is checked with a test of recoverable value in case of any doubts. If the residual value of goodwill turns out to exceed the rest result then the difference is written as costs.

LEASES FINANCIAL AND OPERATING LEASES

Financial lease is a lease contract with which all important risks and benefits related to ownership of an asset are transferred to the company. Other lease contracts are stated as operating lease.

THE COMPANY AS LESSEE

Financial lease is stated in the balance sheet as an asset and liability in the sum of fair value of the leased asset, or in the current value of the minimum amount of lease payments if this is smaller. Lease payments are divided into financial expenses (interest expenses) and decrease of carrying value of a liability. Financial expenses are distributed over the lease period with consideration that the interest rate is the same for the carrying value of the liability at any time.

Assets leased under financial lease are depreciated in the same manner as acquired fixed assets, wherein the depreciation period is the shorter of the expected useful life of the asset or the validity period of the lease relationship.

Operating lease payments are stated using the straight-line method as expenses in the income statement.

THE COMPANY AS LESSOR

Assets leased out under financial lease are stated in the balance sheet as receivables in the amount of net investment made in financial lease (equal to the current value of available lease payments plus the unsecured retained value of the leased asset by the end of the lease period). Lease payments received from the lessee are divided into repayments of the main part of financial lease receivable and financial revenue. Financial revenue is distributed over the lease period with the consideration that the rate of return of the lessor is the same for the remaining net investment of financial lease at any given time.

Assets leased out under operating lease are stated in the balance sheet as usual, similar to fixed assets. Assets leased out are depreciated on the basis of regular depreciation principles applied to the same time of assets in the company. Operating lease payments are stated using the straight-line method as revenue during the lease period.

FINANCIAL LIABILITIES

All financial liabilities (payables to suppliers, loans taken, accruals, bonds issued and other current and non-current debt liabilities) are initially stated in acquisition cost, including all direct expenses involved in acquisition. Further stating takes place using the method of restated cost.

The restated cost of current financial liabilities generally equals to their nominal value, therefore current financial liabilities are stated in the balance sheet in the sum payable. Restated cost of non-current financial liabilities is stated using the effective interest rate method.

DERIVATIVES AS HEDGING INSTRUMENTS

Derivatives based on agreements concluded for the purpose of hedging which reflect future settlements (forwards, futures, swaps, options) are stated in the balance sheet in fair value as at the moment of concluding the agreement. The group has adopted derivatives designated as cash flow hedging instruments and aimed towards mitigating the risks of fluctuations in the prices of natural gas and electricity. When concluding a transaction, the group documents the economic

relationship between the hedging instruments and the items to be hedged, the aims of hedging, and the strategy of transactions. Changes in cash flow of the hedged items are also documented. When a derivative has been designated as a cash flow hedging instrument, then the effective part of changes in its fair value are stated in other comprehensive income through the hedging reserve.

Fair values of hedging instruments are classified into non-current receivables or liabilities when the maturity of the hedged item is more than 12 months, and current receivables or liabilities when the remaining maturity is less than 12 months. The fair values of such derivatives and changes in the hedging reserve are stated in note 17. Amounts stated in the equity hedging reserve are reclassified into profit or loss in the same period when the cash flows of the hedged item affect profit or loss. When a hedging instrument expires or is sold or if the hedging no longer meets the criteria for hedge accounting, then the cumulative profit or loss contained in equity remains in equity and is stated upon the final statement of the expected future event in the income statement. When a forecasted transaction is no longer expected to occur, then the profit or loss of a hedging instrument contained in equity is stated in the income statement immediately credited as other operating income or expenses. Hedging instruments without an efficiency analysis are stated as ineffective. Profits and losses generated by ineffective hedging instruments are stated in the income statement under Goods, raw goods, materials and services, if the agreements have been concluded for the purpose of hedging price risks, otherwise in financial revenue and/or expenses. The statement of the IFRS 9 standard is also permitted in RTJ reports.

REVENUE

Revenue from sale of goods is stated when all material risks related to ownership have transferred to the buyer, the sales revenue and transaction expenses can be reliably determined and the receipt of transaction fees is likely. Revenue from sale of services is stated after the service is provided, or based on the method of the level of completion if the service is provided over a longer period of time.

Interest revenue and dividend revenue are stated when the revenue is likely to be received and the amount of

revenue can be assessed reliably. Interest revenue is stated with the use of effective interest rate of assets, except in cases when receiving interest is doubtful. In these cases, interest revenue is stated on cash basis.

TAXATION

According to the Income Tax Act in force in Estonia, corporate profit for the financial year is not taxed. Income tax is paid on dividends, special benefits, gifts, donations, hosting expenses, payments not related to entrepreneurship, and adjustments of transfer price. The amount of tax liability of profit distributed as dividends depends on whether and when the company pays dividends.

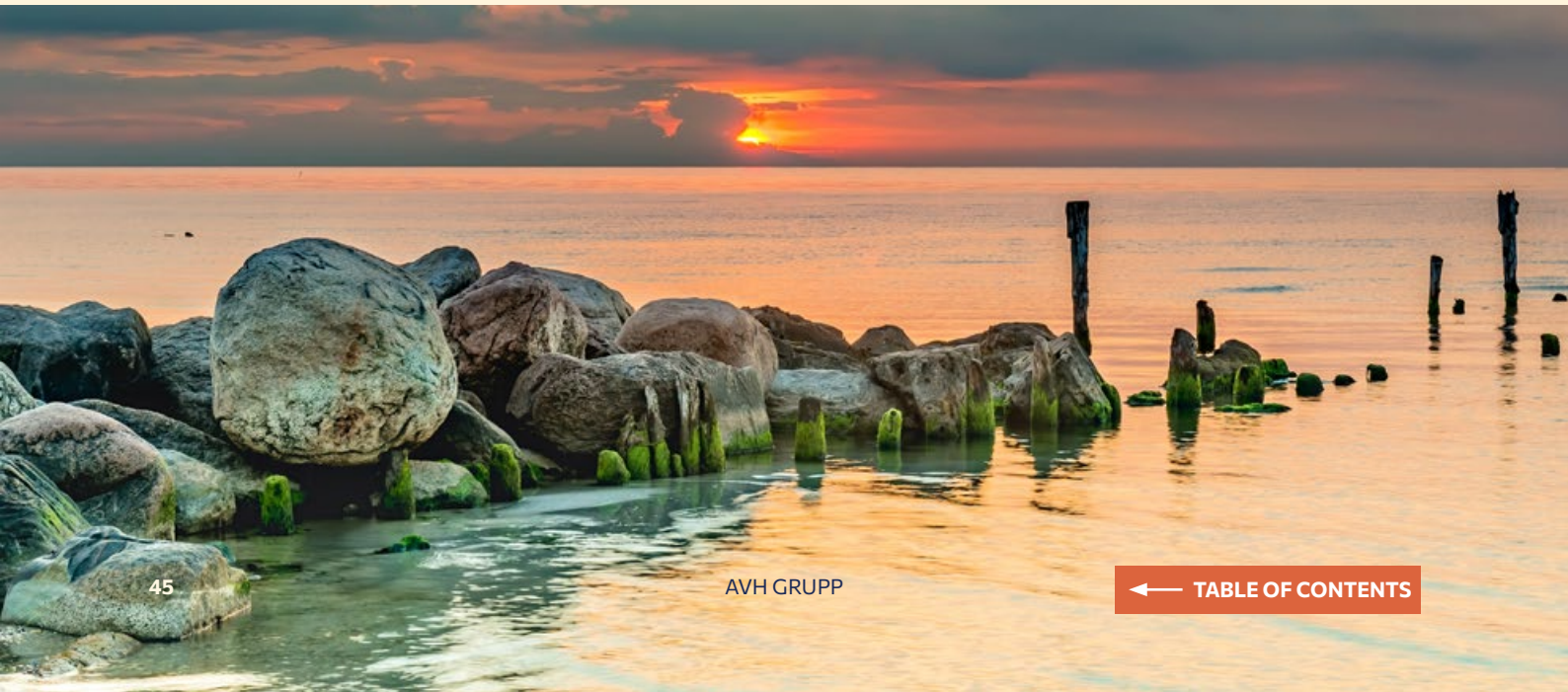
Dividends paid out of retained earnings are generally taxed at an income tax rate of 20/80 of the net amount of distributed dividends, but dividends paid regularly are taxed at a tax rate of 14/86 since 2019. Dividend payments are considered regular if the amount of distributed profit does not exceed the company's average distributed profit of the last three years, on which income tax has been paid in Estonia. Before 2021, the 14/86 tax rate can be applied as follows: in 2019, it can be applied

to one third of profit distributed in 2018 of which income tax has been paid in Estonia and in 2020, it can be applied to one third of profit distributed in 2018 and 2019 of which income tax has been paid. Under certain conditions, the dividends received can be redistributed without additional income tax expenses. According to law currently in force, the company has the right to deduct the income tax for dividends received from the income tax payable upon the payment of its dividends. Corporate income tax payable on dividends is stated as a liability and income tax expenses in the income statement in the period of declaring dividends, regardless of the period for which dividends are declared or when dividends are paid. The duty to pay income tax is generated on the 10th date of the month following the payment of dividends. Due to the specificity of the taxation system, companies registered in Estonia do not incur differences between retained values in accounting for taxation purposes and in balance sheet, and thus also no deferred income tax claims or liabilities. The balance sheet does not reflect the conditional income tax liability that would be incurred upon payment of dividends from retained profit. The maximum income tax liability that would be incurred if all retained profit were to be paid as dividends is stated in note 14 of the annual report.

RELATED PARTIES

Related parties for the preparation of the consolidated annual report of AVH Grupp AS are:

- owners (persons who control or have significant influence over the parent company);
- a subsidiary not consolidated on a line-by-line basis;
- affiliates;
- executive and higher management;
- close family members of the above persons and companies controlled by them or under their significant influence.



NOTE 2 RECEIVABLES AND PREPAYMENTS (in thousands EUR)

	31.12.2023	Distribution by remaining term	
		During 12 months	Within 1-5 years
Receivables from buyers	58 761	58 761	0
Invoices not received from buyers	58 867	58 867	0
Doubtful receivables	-106	-106	0
Tax prepayments and tax receivables	90	90	0
Loan receivables	43 107	8 818	34 289
Other receivables	1 136	911	225
Interest claims	1 136	911	225
Prepayments	1 778	1 761	17
Other paid prepayments	1 778	1 761	17
Security deposits and guarantee deposits	2 943	2 943	0
Derivative instruments	15 915	4 737	11 178
Other receivables	3 228	2 822	406
Total receivables and prepayments	126 958	80 843	46 115

	31.12.2022	Distribution by remaining term	
		During 12 months	Within 1-5 years
Receivables from buyers	59 247	59 247	0
Invoices not received from buyers	59 632	59 632	0
Doubtful receivables	-385	-385	0
Tax prepayments and tax receivables	706	706	0
Loan receivables	62 734	7 607	55 127
Other receivables	897	769	128
Interest claims	897	769	128
Prepayments	1 155	1 138	17
Other paid prepayments	1 155	1 138	17
Security deposits and guarantee deposits	222	222	0
Derivative instruments	28 217	17 416	10 801
Other receivables	12 730	12 716	14
Total receivables and prepayments	165 908	99 821	66 087

A non-current loan receivable of 42,745 thousand euros (2022: 62,644 thousand euros) is a receivable from affiliates (note 23). Non-current loan receivables have interest rates varying between 2-7%, 6 months EUR + 3.5% with maturities up until the year 2037 (2022: 2-7%, 6month EUR +2% and 12month EUR +2%)

Current loan receivables have an interest rate of 6% (2022: 6-7%) and with maturity in 2024. The base currency of loan receivables is generally EUR, in some cases also USD.

Information about derivatives is provided in note 17.

Information on tax prepayments and tax receivables in note 13.

NOTE 3 INVENTORIES (in thousands EUR)

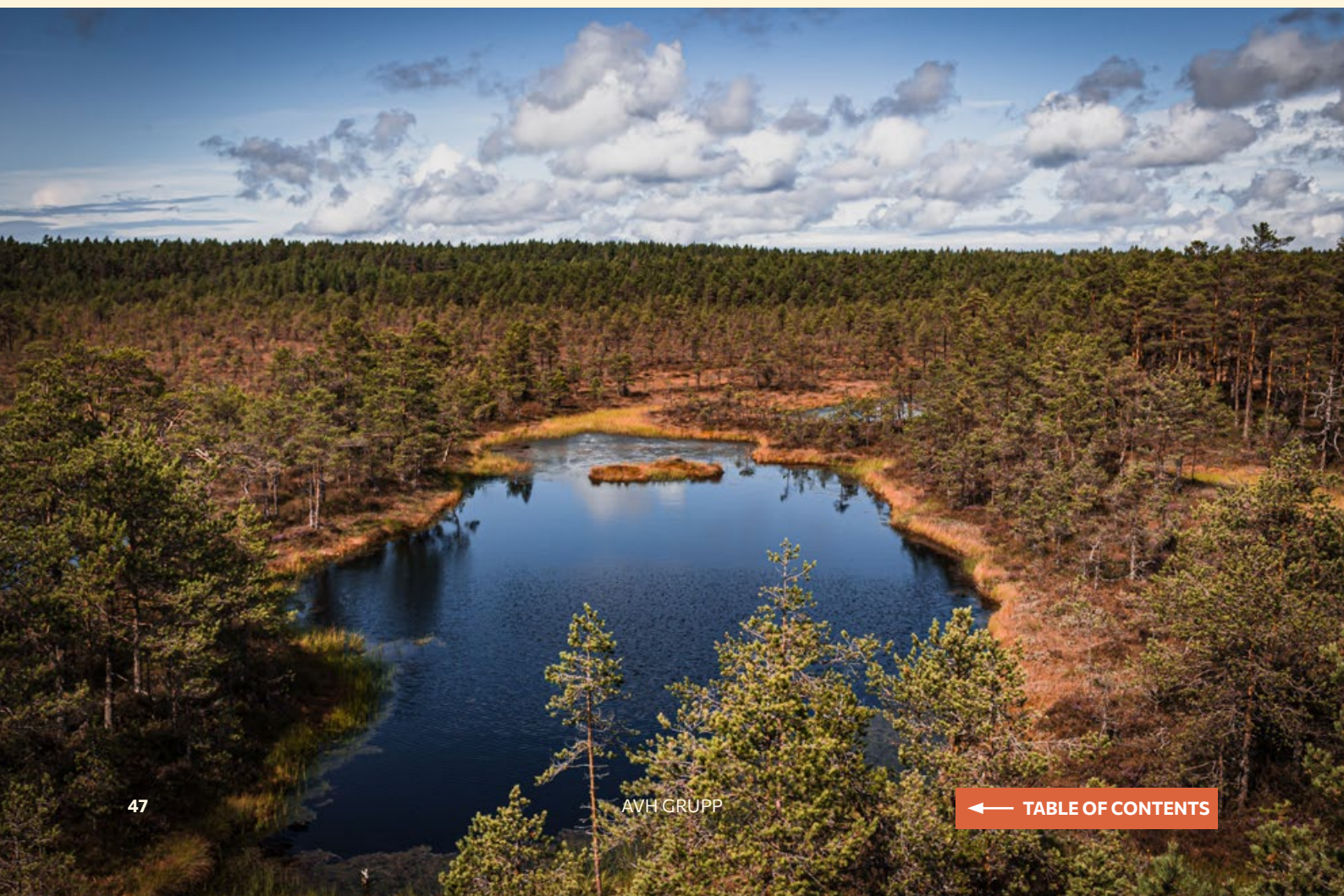
	31.12.2023	31.12.2022
Raw goods and materials	3 259	461
Unfinished production	674	0
Completed production	1 950	0
Goods purchased for sale	21 665	40 363
Prepayments for inventories	804	5 706
Total inventories	28 352	46 530

Inventories have been written down by 63 thousand euros during the reporting period (2022: 26 thousand euros). Warehouse inventories have been pledged under a pledge of claim and commercial pledge to cover financial liabilities (note 11).

NOTE 4 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES (in thousands EUR)

	31.12.2023	31.12.2022	Note no.
Shares of affiliates	75 868	66 502	6
Total investments in subsidiaries and affiliates	75 868	66 502	

Detailed information regarding subsidiaries consolidated line-by-line is in note 5.



NOTE 5 SHARES OF SUBSIDIARIES (in thousands EUR)**Shares of subsidiaries, general information:**

Registry code of subsidiary	Name of subsidiary	Country of location	Main area of activity	Shareholding (%)	
				31.12.2022	31.12.2023
Subsidiaries of AVH Grupp AS					
14874731	Tanklate Investeeringud OÜ	Estonia	Keeping petrol stations	100	100
12504651	Paldiski Rendipinnad OÜ	Estonia	Real estate	100	100
14793665	Certer OÜ	Estonia	Manufacture	100	100
10048137	Kohimo AS	Estonia	Manufacture	100	100
14779277	Rohegaasi Tanklad OÜ	Estonia	Keeping petrol stations	100	100
14010700	Kerogen OÜ	Estonia	Research	100	0
10261109	Bestnet AS	Estonia	Manufacture	0	100
10843432	Omakodumaja AS	Estonia	Real estate development	0	100
Subsidiary of Paldiski Rendipinnad					
12615391	Novaatori Maja OÜ	Estonia	Real estate	100	100
Subsidiary of Tanklate Investeeringud OÜ					
10015238	Alexela AS	Estonia	Keeping petrol stations	98,51	98,51
Subsidiaries of Alexela AS					
14185894	Alexela Energia Teenused OÜ	Estonia	Energy	100	100
12271081	220 Energia OÜ	Estonia	Energy	100	100
12817083	Alexela Solar OÜ	Estonia	Energy	100	100
14387534	Hamina LNG Investeeringud OÜ	Estonia	Investments	100	100
14128985	Alexela Motors AS	Estonia	Transport	100	100
12935931	Alexela Tanklad OÜ	Estonia	Keeping petrol stations	100	0
FI-2948219-7	Rohe Solutions Oy	Finland	Wholesale of liquid and gaseous fuels	0	100
Subsidiary of 220 Energia OÜ					
LV-40103752971	Alexela SIA	Latvia	Energy	100	100
Subsidiaries of Bestnet AS					
11309048	Paldiski Tsingipada AS	Estonia	Hot galvanizing	0	100
11882925	Paldiski Masinatehas OÜ	Estonia	Manufacture	0	100
10570129	BNT Galva OÜ	Estonia	Coating of metal surfaces	0	100
14597220	Tiki Rent OÜ	Estonia	Operating lease of trailers	0	100
FI-15142159	Bestnet OY	Finland	Sale of trailers	0	100
FI-05934400	Helon Kuumasinkitys OY	Finland	Hot galvanizing	0	100
NO-988848492	Tiki Tilhenger AS	Norway	Sale of trailers	0	100
SE-556582-4439	Bestnet AB	Sweden	Sale of trailers	0	100

Acquired shareholding			
Name of subsidiary	% of acquired shareholding	Date of acquisition	Acquisition cost of acquired shareholding
Bestnet AS	100	01.01.2023	18 723
Omakodumaja AS	100	01.01.2023	2 037

Acquired shareholding		
	Bestnet AS	Omakodumaja AS
Current assets	16 555	11
Non-current assets	21 066	11 299
Total assets	37 621	11 310
Current liabilities	3 853	9 273
Non-current liabilities	15 045	0
Equity	18 723	2 037
Total liabilities	37 621	11 310

Sold shareholding				
Name of subsidiary	% of sold shareholding %	Sold shareholding in sales price	Sales profit (loss) of sold shareholding in parent company	Sales profit (loss) of sold shareholding, consolidated
Kerogen OÜ	100	1 502	1 323	-125

Sold shareholding	
	Kerogen OÜ
Current assets	57
Non-current assets	3 043
Total assets	3 100
Current liabilities	1 254
Non-current liabilities	344
Equity	1 502
Total liabilities	3 100

The shares of the subsidiary Tanklate Investeeringud OÜ, Alexela AS, 220 Energia OÜ, Alexela Motors AS, Alexela Solar OÜ and Hamina LNG Investeeringud OÜ are pledged (note 11).

Transactions with subsidiaries in 2023:

- 100% shareholding together with the subsidiary was purchased from the related party Bestnet AS during the restructuring of the group
- 100% shareholding was purchased from the related party Omakodumaja AS during the restructuring of the group.
- 100% shareholding was sold to the related party Kerogen OÜ during the restructuring of the group.
- 50% of the shareholding of Rohe Solutions Oy was purchased in 2023, with which shareholding in Rohe Solutions Oy reached 100% and the shareholding is stated as a subsidiary as at 31 August 2023.* Affiliate as at 31 December 2022, shareholding information stated in note 6.

Transactions with subsidiaries in 2022:

- Share capital of Alexela Solar OÜ was increased by 30 thousand euros and issue premium by 221 thousand euros in April 2022.
- 12% shareholding was purchased in subsidiary Pakrineeme Sadama OÜ in 2022, bringing shareholding to 100% after the transaction. An external shareholder increased the share capital of Pakrineeme Sadama OÜ and as a result, the shareholding decreased to 50% and the shares of Pakrineeme Sadama OÜ are stated as an affiliate starting from 30 June 2022. The transaction loss of -721 thousand euros is stated in the income statement under Profit (loss) from subsidiaries and affiliates.
- 10% shareholding was purchased in subsidiary Balti Gaas OÜ in 2022, bringing shareholding to 100% after the transaction. A division of Balti Gaas OÜ resulted in the addition of the subsidiary Hamina Consult OÜ. Both subsidiaries were sold in 2022. The profits/

losses for those transactions are stated in the income statement under Profit (loss) from subsidiaries and affiliates, in 4 thousand euros for Balti Gaas OÜ and -86 thousand euros for Hamina Consult, respectively.

- The subsidiary Tiki Rent OÜ was sold in July 2022. The sales price was the fair value of net assets.
- 120 thousand euros were paid into the voluntary reserve of Kohimo AS in December 2022.
- Considering the fact that the investments of AVH Grupp AS into the subsidiary Kohimo AS amounted to 387 thousand euros and the goodwill of 561 thousand euros were in the consolidated level and the equity of subsidiaries was negative, the management of AVH Grupp AS resolved to decrease the value of investment of Kohimo AS in the balance sheet of AVH Grupp AS by 387 thousand euros and deem the fair value of the investment at 0 euros as at 31 December 2022 and write off the goodwill of Kohimo AS in the retained value of 561 thousand euros.

NOTE 6 SHARES OF AFFILIATES (in thousands EUR)

Shares of affiliates, general information:

Registry code of affiliate	Name of affiliate	Country of location	Main area of activity	Shareholding (%)	
				31.12.2022	31.12.2023
12332902	B2G Grupp OÜ	Estonia	Holding company	46.94	46.94
12890677	AB Bunkering OÜ	Estonia	Trading	50	0
10678223	Õhtuleht Kirjastus AS	Estonia	Media	50	50
14468921	Nord Aviation OÜ	Estonia	Trading	50	0
FI-2948219-7	Rohe Solutions Oy (affiliate of Alexela AS)	Finland	Wholesale of liquid and gaseous fuels	50	0
UZ-301595952	OOO Tiki Treiler Uzbekistan	Uzbekistan	Sale of trailers	0	50
14754903	Eesti Biogaas OÜ (affiliate of Alexela AS)	Estonia	Energy	50	50
14010321	Energiasalv Valdus OÜ (affiliate of Alexela AS)	Estonia	Energy	35,52	32,082
2696139-5	Hamina LNG Oy (affiliate of Hamina LNG Investeeringud OÜ, which is a subsidiary of Alexela AS)	Finland	Energy	46.50	46.50
11162912	Pakrineeme Sadama OÜ (affiliate of Alexela AS)	Estonia	Purchase and sale of real estate	50	50

Shares of affiliates, detailed information:

Name of affiliate	31.12.2022	Acquisition	Sale/reclassification	Other changes	31.12.2023
B2G Grupp OÜ	19 495	8 500	0	877	28 872
AB Bunkering OÜ	5 566	0	-5 566	0	0
Õhtuleht Kirjastus AS	1 263	0	0	1 431	2 694
Nord Aviation OÜ	5	0	-5	0	0
Rohe Solutions Oy (affiliate of Alexela AS)	1 754	0	-1 400	-354	0
Eesti Biogaas OÜ (affiliate of Alexela AS)	12 005	0	0	-425	11 580
Energiasalv Valdus OÜ (affiliate of Alexela AS)	5 795	3 089	0	4 486	13 370
Hamina LNG Oy (affiliate of Hamina LNG Investing OÜ, which is a subsidiary of Alexela AS)	15 984	0	0	-792	15 192
Pakrineeme Sadama OÜ (affiliate of Alexela Tanklad OÜ, which is a subsidiary of Alexela AS)	4 635	315	0	-790	4 160
Total shares of affiliates at the end of previous period	66 502	11 904	-6 971	4 433	75 868

Acquired shareholding			
Name of affiliate	% of acquired shareholding	Date of acquisition	Acquisition cost of acquired shareholding
Rohe Solutions Oy	50	30.08.2023	1 400

Acquired shareholding	
	Rohe Solutions Oy
Current assets	4 901
Non-current assets	562
Total assets	5 463
Current liabilities	2 466
Non-current liabilities	0
Equity	2 997
Total liabilities	5 463

Negative goodwill of -197 thousand euros from the acquisition is transferred into profit for previous periods.

The shares of the affiliate B2G Grupp OÜ are pledged (note 11).

Changes in assessment of fair value are stated in other changes. Values are assessed using, with a few exceptions, the discounted cash flow method, where the management of the assessed company prepares a forecast of cash flow for future periods which is assessed critically and, in some cases, also adjusted conservatively. WACC of projects is calculated with consideration for market practices and the usual risk-

based presumptions with the same characteristics as assessing companies/projects, and we assess it to be between 7.5-15%. (2022: 8.18-15%)

The fair value of investment in Energiasalv Valdus OÜ was assessed in 2023 on the basis of the ratio of capital invested in additional financing by parties not related to existing owners and shareholding, as well as the

holding of AVH Grupp in equity following the expansion. Fair value is stated in net amount, i.e., the value of holding is decreased by the amount of loans issued by Alexela AS.

In 2022, the value of Energiasalv Valdus OÜ has been determined using the discounted cash flow model with a ROE approach, as these companies are still in the development process of the business plan and the generation of cash flow has not yet commenced. Assessment is based on the modelled result of future cash flows and expected financing sources created by the teams of the companies for the purpose of investment decisions. The assessment values presented are based on expected ROE of the region characteristic to green energy. The expected ROE used in assessment is 12%.

The model of Hamina LNG OY is based on the cash flow forecast developed for the purpose of updating the financing package of Hamina LNG at the end of 2023, where cash flows have been taken into account until the end of 2035. The Hamina LNG terminal was completed and adopted for use in October 2022, turning Hamina LNG into an operating company which generates cash flow.

The fair value of Hamina LNG Oy is determined as at 31 December 2023 using the FCFF principle and on the basis of future cash flows across 12 years together with the current amount of cash flow. The assessment was based on a discount rate of 8.45% and a gain of 1% per year. The fair value of Hamina LNG Oy is determined as at 31 December 2022 using the FCFF principle and on the basis of future cash flows across 13 years together with the current amount of cash flow. The assessment was based on a discount rate of 8.18% and a gain of 1% per year.

The fair value of B2G Grupp was assessed as at 31 December 2023 on the basis of a 5-year forecast prepared by the management of the company. The model is based on the FCFF principle, a WACC of 10.42% and a long-term growth rate of 2%. The net asset method has been used in determining the fair value of shareholding in B2G Grupp as at 31 December 2022 due to internal restructuring. Assets and liabilities of B2G Grupp have been converted to fair value in assessing the fair value of shareholding.

The fair value of SL Õhtuleht OÜ was assessed on the basis of a 5-year forecast prepared by the management of the company. The model is based on the FCFF principle, a WACC of 15% (12% in 2022) and a long-term growth rate of 1% (2% in 2022).

Pakrineeme Sadama OÜ turned into a real estate development company after the sale of the hauling pier, with assets in fair value, therefore it is assessed using the net asset method.

The value of shareholding of Eesti Biogaas is assessed as at 31 December 2023 using the FCFF principle, based on the forecast of financial results of future years with a discount rate of 9.84% per year and a gain of -1% per year.

Biomethane stations operated by Eesti Biogaas have the right to participate in biomethane support distributed by Elering until January 2024. The value of shareholding of Eesti Biogaas is assessed as at 31 December 2022 using the FCFF principle, based on the forecast of financial results of future years with a discount rate of 10.27% per year.

The following significant events took place after the balance sheet date:

We find it necessary to remark that the year 2024 is an important year for Kiviõli Keemiatööstus, a subsidiary of B2G, which is an affiliate of AVH Grupp, in order to reach an agreement with the state regarding the performance of environmental requirements. The aim is to reach a new agreement in air emission limits for sulphur compounds.

At present, the state has set a limit of 35 mg/nm³ on Kiviõli Keemiatööstus as at 1 January 2025, which is extremely complex and expensive to achieve and is not economically viable.

Due to this, we are petitioning for equal treatment and aim to achieve an agreement for the same limits to be applied to Kiviõli Keemiatööstus as to other manufacturers of shale oil, which is 800-1000 mg/nm³. We believe that we will be able to reach an agreement with the state in this matter and the company will not face a situation of needing to shut down production in 2025.

NOTE 7 INVESTMENT PROPERTIES (in thousands EUR)

Method of fair value

31.12.2022	9 790
Purchases and improvements	171
Profit (loss) from changes in fair value	-56
Additions via mergers	10 839
Reclassifications	-6 104
Other changes	-159
31.12.2023	14 481

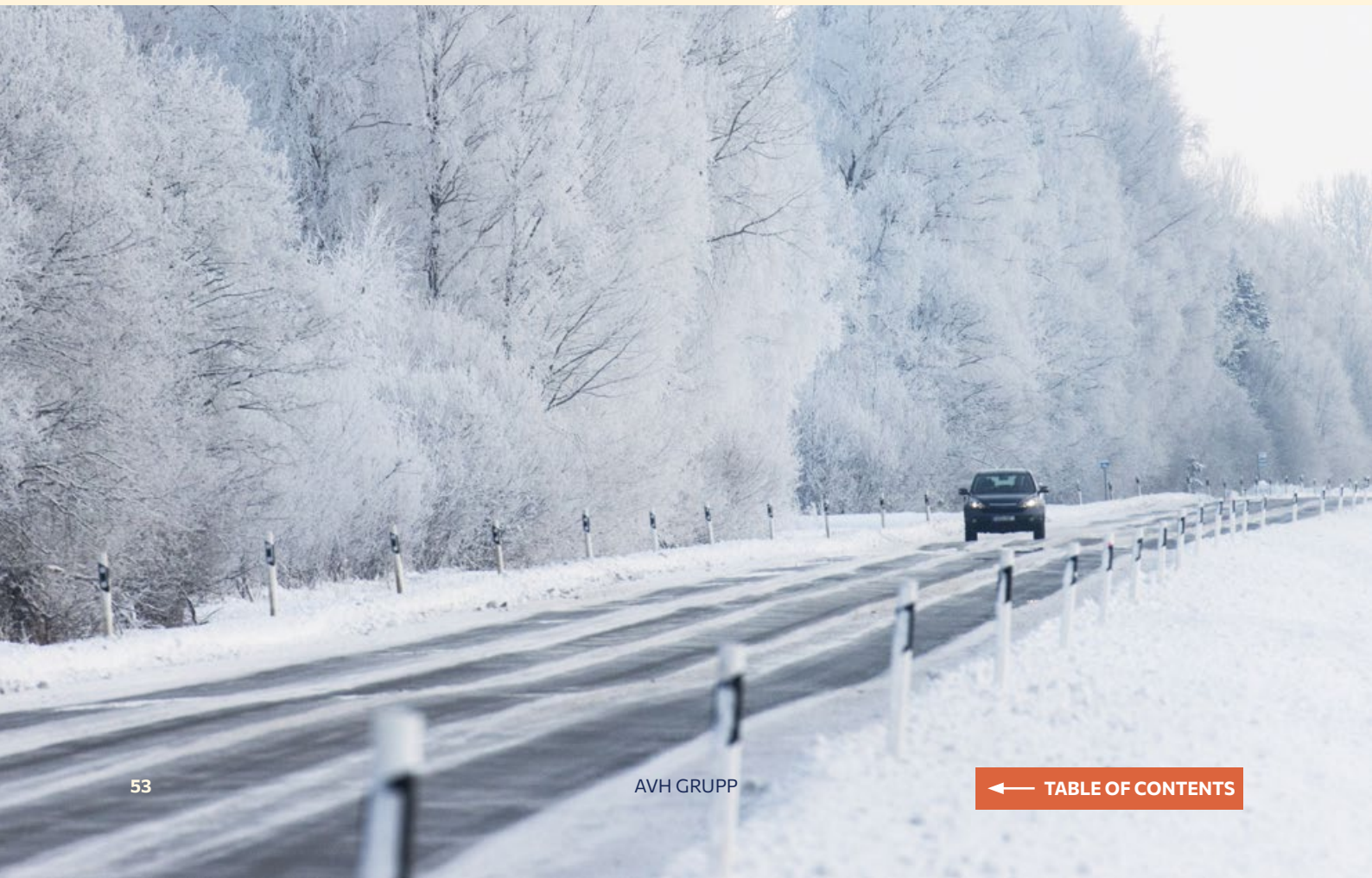
	2023	2022
Rent revenue earned from real estate investments	264	842
Direct administration expenses of real estate investments	-68	-127

Real estate is stated in fair value determined using the income method. Fair value is determined on the basis of an expert valuation carried out by an authorised appraiser at the end of 2022 as a range of value (+/-10%-20%). The real estate is stated in fair value in a range specified in the appraisal.

Valuation was carried out by an internal specialist in

2023 and the comparison method was also used. The management of the company resolved not to amend the values of investment properties, as no changes have occurred on the market in this segment.

Information on status of collateral is provided in note 11. The balance sheet value of investment properties pledged as securities is 14,481 thousand euros.



NOTE 8 TANGIBLE FIXED ASSETS (in thousands EUR)

	Land	Buildings	Means of transport	Other machinery and equipment	Machinery and equipment	Other tangible fixed assets	Uncompleted projects	Prepayments	Incomplete projects and prepayments	Total
31.12.2022										
Acquisition cost	38 882	37 703	4 927	28 773	33 700	6 402	3 758	1 913	5 671	122 358
Accumulated depreciation	0	-6 317	-2 061	-12 276	-14 337	-2 935	0	0	0	-23 589
Carrying value	38 882	31 386	2 866	16 497	19 363	3 467	3 758	1 913	5 671	98 769
Purchases and improvements	1 574	690	2 018	1 857	3 875	515	10 560	775	11 335	17 989
Additions via mergers	398	4 214	343	3 985	4 328	773	38	313	351	10 064
Depreciation expenses	0	-3 892	-928	-2 831	-3 759	-900	0	0	0	-8 551
Impairment write-downs	-1 539	-1 816	-1	-64	-65	-34	-1 127	0	-1 127	-4 581
Sales (in carrying value)	-9	0	-73	-570	-643	-7	-82	0	-82	-741
Reclassifications	3 060	14 062	67	-1 399	-1 332	2 407	-10 545	-1 682	-12 227	5 970
Reclassifications from prepayments	0	22	18	151	169	30	1 447	-1 669	-222	-1
Reclassifications from incomplete projects	0	7 307	7	2 588	2 595	1 926	-11 993	0	-11 993	-165
Reclassifications with investment properties	1 737	4 367	0	0	0	0	0	0	0	6 104
Other reclassifications	1 323	2 366	42	-4 138	-4 096	451	1	-13	-12	32
31.12.2023										
Acquisition cost	42 366	55 433	7 546	39 226	46 772	10 998	2 602	1 319	3 921	159 490
Accumulated depreciation	0	-10 789	-3 254	-21 751	-25 005	-4 777	0	0	0	-40 571
Carrying value	42 366	44 644	4 292	17 475	21 767	6 221	2 602	1 319	3 921	118 919

SOLD TANGIBLE FIXED ASSETS IN SALES PRICE

	2023
Land	96
Machinery and equipment	785
Means of transport	33
Other machinery and equipment	752
Other tangible fixed assets	8
Incomplete projects and prepayments	99
Uncompleted projects	99
Total	988

NOTE 9 INTANGIBLE FIXED ASSETS (in thousands EUR)

	Goodwill	Other intangible fixed assets	Incomplete projects and prepayments	Total
31.12.2022				
Acquisition cost	1 506	4 605	2 176	8 287
Accumulated depreciation	-527	-2 399	0	-2 926
Carrying value	979	2 206	2 176	5 361
31.12.2023				
Acquisition cost	1 921	6 763	167	8 851
Accumulated depreciation	-1 215	-3 395	0	-4 610
Carrying value	706	3 368	167	4 241

Goodwill in 220 Energia OÜ was not written down as a result of a test carried out as at 31 December 2023 and 31 December 2022.

Primary inputs used for testing:

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

NOTE 10 FINANCIAL LEASES (in thousands EUR)

PERSON REQUIRED TO REPORT AS A LESSOR

		Distribution by remaining term			Interest rate	Base currency	Final term
		During 12 months	Within 1-5 years	Over 5 years			
Equipment for companies 31.12.2023	42	16	26	0	5%-15%	EUR	2024-2027
Equipment for companies 31.12.2022	90	57	33	0	4,5%-8,5%	EUR	2023-2027

The group leases out gas appliances under financial lease. The contracts do not provide any significant additional terms.

PERSON REQUIRED TO REPORT AS A LESSEE

		Distribution by remaining term			Interest rate	Base currency	Final term
		During 12 months	Within 1-5 years	Over 5 years			
Financial leases 31.12.2023	4 230	1 391	2 721	118	7,5%+1,45- 5,5%+ 3&6EUR	EUR	2024-2029
Financial leases 31.12.2022	2 627	789	1 815	23	7,5%+1,45- 5,5%+ 3&6EUR	EUR	2023-2028

The group has acquired means of transport, equipment and passenger cars under financial lease. Expenses related to improvements of leased assets are added to their acquisition cost and not compensated by the lessor.

RESIDUAL BALANCE SHEET OF LEASED ASSETS

	31.12.2023	31.12.2022
Machinery and equipment	6 237	3 437
Total	6 237	3 437

NOTE 11 LOAN LIABILITIES (in thousands EUR)

	31.12.2023	Distribution by remaining term			Interest rate	Base currency	Final term	Note no.
		During 12 months	Within 1-5 years	Over 5 years				
Current loans								
Banking credit	1 769	1 769	0	0	3.25%+6 EUR	EUR	2024	
Bank loans	29 180	29 180	0	0	3.25%+6 EUR	EUR	2024	
Loans from persons under private law	9 491	9 491	0	0	7-12%	EUR	2024	
Total current loans	40 440	40 440	0	0				
Non-current loans								
Bank loans	79 790	7 055	72 735	0	3.25- 4.95%+6EUR	EUR	2024- 2028	
Loans from persons under private law	5 524	1 900	3 624	0	7.25-12%	EUR	2024- 2026	
Owner loans	9 880	0	9 880	0	6%	EUR	2025	
SA Kredex	47 994	2 000	45 994	0	2%+12EUR	EUR	2025	
Total non-current loans	143 188	10 955	132 233	0				
Total financial lease liabilities	4 230	1 391	2 721	118				10
Total loan liabilities	187 858	52 786	134 954	118				

	31.12.2022	Distribution by remaining term			Interest rate	Base currency	Final term	Lisa nr
		During 12 months	Within 1-5 years	Over 5 years				
Current loans								
Banking credit	2 576	2 576	0	0	3.25%+6 EUR	EUR	2023	
Bank loans	48 005	48 005	0	0	3.25%+6 EUR	EUR	2023	
Loans from persons under private law	2 000	2 000	0	0	12%	EUR	2023	
Total current loans	52 581	52 581	0	0				
Non-current loans								
Bank loans	61 401	5 218	53 352	2 831	3.25-4.95%+6 EUR	EUR	2023-2028	
Loans from persons under private law	9 606	7 866	1 740	0	7.25-10%	EUR	2023-2024	
Owner loans	9 880	0	9 880	0	6%	EUR	2025	
SA Kredex	49 994	2 000	47 994	0	2%+12 EUR	EUR	2025	
Total non-current loans	130 881	15 084	112 966	2 831				
Total financial lease liabilities	2 627	789	1 815	23				10
Total loan liabilities	186 089	68 454	114 781	2 854				

BALANCE SHEET VALUE OF ASSETS PLEDGED AS SECURITY (in thousands EUR)

	31.12.2023	31.12.2022
Land	42 366	38 882
Buildings	44 644	31 387
Machinery and equipment	21 767	19 363
Other tangible fixed assets	6 221	3 467
Total	114 998	93 099

Pledged to secure loans are also the entire real estate portfolio of the company in the amount 14,481 thousand euros (2022: 9,790 thousand euros) (Note 7) and the inventories of the group in the amount 27,548 euros (2022: 40,363 thousand euros) (Note 3). The shares of subsidiaries are also pledged (Note 5). In addition, shares of the financing object belonging to an affiliate are securing a bank loan (Note 6). A pledge of first order is imposed on at least 40% of the shares of AVH Grupp AS. Loans are also secured with sureties by the management (note 23) and commercial pledges.

Type of pledge	Value thousands EUR
Mortgages for the benefit of Swedbank AS	96 500
Mortgages for the benefit of Kredex	15 000
Mortgages for the benefit of Coop Pank AS	13 810
Commercial pledges for the benefit of Swedbank AS	55 540
Guarantee for the benefit of Kredex	37 000
Guarantees to banks	16 676

NOTE 12 PAYABLES AND PREPAYMENTS (in thousands EUR)

	31.12.2023	Distribution by remaining term	
		During 12 months	Within 1-5 years
Payables to suppliers	38 398	38 398	0
Payables to contractors	1 826	1 826	0
Tax arrears	10 660	10 660	0
Other payables	5 162	2 439	2 723
Interest debts	3 417	694	2 723
Other accruals	1 745	1 745	0
Prepayments received	1 688	1 665	23
Collateral	268	174	94
Derivative instruments	96	0	96
Other liabilities	838	838	0
Total payables and prepayments	58 936	56 000	2 936

	31.12.2022	Distribution by remaining term	
		During 12 months	Within 1-5 years
Payables to suppliers	41 087	41 087	0
Payables to contractors	1 370	1 370	0
Tax arrears	12 458	12 458	0
Other payables	4 192	2 070	2 122
Interest debts	3 774	1 652	2 122
Other accruals	418	418	0
Prepayments received	13 089	13 089	0
Collateral	258	151	107
Derivative instruments	11 584	11 506	78
Other liabilities	2 174	11	2 163
Total payables and prepayments	86 212	81 742	4 470

Information on tax debt is provided in note 13.

NOTE 13 TAX PREPAYMENTS AND TAX ARREARS (in thousands EUR)

	31.12.2023		31.12.2022	
	Prepayment	Tax arrears	Prepayment	Tax arrears
Corporate income tax	3	1	0	0
VAT	29	7 187	627	10 906
Foreign VAT	14	1 443	44	306
Personal income tax	0	585	0	353
Fringe benefit income tax	0	23	0	16
Social tax	0	1 055	0	665
Mandatory funded pension	0	51	0	23
Unemployment insurance payments	0	68	0	42
Land tax	0	0	0	0
Excise tax	0	186	0	131
Other tax prepayments and tax arrears	0	1	0	1
Other foreign tax prepayments and tax arrears	0	61	0	17
Balance of the prepayment account	45	0	35	0
Total tax prepayments and tax arrears	90	10 660	706	12 458

Tax prepayments are stated in note 2 and tax arrears in note 12.

NOTE 14 CONDITIONAL LIABILITIES AND ASSETS (in thousands EUR)

	31.12.2023	31.12.2022
Contingent liabilities		
Possible dividends	88 200	81 339
Income tax liability for possible dividends	22 050	20 335
Total contingent liabilities	110 250	101 674

The pledges and guarantees disclosed in note 11 were valid on the balance sheet date 31 December 2023 as follows: AVH Grupp AS subsidiaries Bestnet AS, Paldiski Tsingipada AS and Omakodumaja AS have a joint and several surety for the syndicated loan assumed by B2G Grupp OÜ on 3 December 2014. The volume of joint and several proprietary liabilities is 25 million euros. In addition to joint and several surety, the same syndicated loan was secured by the real estate portfolio owned by Omakodumaja AS. In addition, the shares of subsidiaries were also pledged.

This liability expired as at 12 January 2024, when the syndicated loan assumed in 2014 was refinanced in Coop Bank by Bestnet AS and pledges and guarantees entered into force as follows: AS Paldiski Tsingipada, BNT Galva OÜ, B2G Grupp OÜ and Kiviõli Keemiatööstuse osühing grant a joint and several guarantee to the loan assumed by AS Bestnet. The amount of joint and several guarantee is 15,850,000 euros.

The guarantee is valid for a fixed term until 20 January 2030.

The contract of AS Bestnet is secured with a mortgage established on the plot of Rae tn 4a, Paldiski, amounting to 20,605,000 euros; a commercial pledge in the name of BNT Galva OÜ amounting to 1,800,000 euros; a commercial pledge in the name of AS Paldiski Tsingipada amounting to 2,200,000 euros; a commercial pledge in the name of AS Bestnet amounting to 6,700,000 euros. This loan is also secured by the investment properties belonging to Omakodumaja AS.

NOTE 15 TARGETED FINANCING (in thousands EUR)

	31.12.2021	Received	Sale of business combinations	Stated in income statement	31.12.2022
	Liabilities				Liabilities
Targeted financing for acquiring fixed assets					
Acquisition of fixed assets	957	314	0	-140	1131
Development expenses	1 290	175	0	0	1 465
Total targeted financing for acquiring fixed assets	2 247	489	0	-140	2 596
Total targeted financing	2 247	489	0	-140	2 596

	31.12.2022	Received	Sale of business combinations	Stated in income statement	31.12.2023
	Liabilities				Liabilities
Targeted financing for acquiring fixed assets					
Acquisition of fixed assets	1 131	796	0	-257	1 670
Development expenses	1 465	344	-344	-1 465	0
Total targeted financing for acquiring fixed assets	2 596	1 140	-344	-1 722	1 670
Total targeted financing	2 596	1 140	-344	-1 722	1 670

Targeted financing includes an ad hoc grant from SA Keskkonnainvesteeringute Keskus and Klaipėdos Nafta AB for the acquisition of fixed assets and from SA Archimedes for coverage of development costs.

Assets acquired with targeted financing are stated in acquisition cost. Significant terms and conditions of the contracts of targeted financing.

- Own financing is required to obtain the grant.
- The recipient of the grant ensures the preservation of assets necessary to achieve the purpose of the project and its purposeful use over the course of at least 5 years as at making the final payment.
- The recipient of the grant shall provide the supply capability of biomethane established with the grant, using biomethane for sale to the public for at least five years as at the final payment of the grant. If the recipient of the grant is unable to offer biomethane for sale then they must ensure equal and fair access to the refuelling infrastructure to the entity providing biomethane for sale.

NOTE 16 SHARE CAPITAL (in thousands EUR)

	31.12.2023	31.12.2022
Share capital	442	442
Number of shares (thousand pc)	442	442
Nominal value of shares	1	1

NOTE 17. DERIVATIVE INSTRUMENTS (in thousands EUR)

The company has concluded non-current purchase contracts for physical natural gas (biomethane) and electricity with energy providers in order to ensure the necessary volume and to balance risk, and to sell the purchased natural gas and electricity to its retail customers.

The company finds that some of such contracts (depending on their duration, terms of cancellation and price agreements) do not comply with the usual terms of purchase contracts, therefore such contracts are stated as derivative instruments measured at FVPL pursuant to the IFRS 9 standard.

The company settles such contracts on the value date, receiving the amount of energy and selling it to its retail customers or to a relevant stock market as necessary. The company has concluded non-current energy purchase contracts settled in cash with energy providers.

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 states such contracts as derivatives, measured at FVPL pursuant to IFRS 9 or as cash flow hedging instruments if a specific contract has been designated as and qualifies as a hedging instrument.

Fair values of derivatives stated as hedging instruments (in thousands EUR):

	31.12.2023		31.12.2022	
	Receivables	Liabilities	Receivables	Liabilities
Forward contracts of purchase and sale of electricity	12 760	0	25 248	11 368
Forward contracts of purchase and sale of natural gas	3 155	96	2 969	216
Total receivables and liabilities of forward contracts	15 915	96	28 217	11 584

Including:

Current				
Forward contracts of purchase and sale of electricity	2 980	0	14 620	11 368
Forward contracts of purchase and sale of natural gas	1 757	0	2 797	138
Non-current				
Forward contracts of purchase and sale of electricity	9 780	0	10 628	0
Forward contracts of purchase and sale of natural gas	1 398	96	172	78

The reserve of hedging instruments in equity is distributed as follows (in thousands EUR):

Reserve of hedging instruments	31.12.2022	Changes in reserve	31.12.2023
Hedging instruments of electricity	11 221	-1 120	10 101
Hedging instruments of natural gas	2 753	306	3 059
Total	13 974	-814	13 160
Part of shareholder of parent company	13 766	-802	12 964
Part of minority shareholding	208	-12	196

NOTE 18 SALES REVENUE (in thousands EUR)

	2023	2022
Sales revenue by geographic areas		
Sales to European Union countries		
Estonia	533 245	559 203
Sales to European Union countries, other	99 638	40 982
Total sales to European Union countries	632 883	600 185
Sales outside of European Union countries		
Sales outside of European Union countries, other	13 876	29 469
Total sales outside of European Union countries	13 876	29 469
Total sales revenue	646 759	629 654
Sales revenue by areas of activity		
Retail and wholesale of engine fuel	284 340	300 096
Sale of liquid gas	151 682	151 201
Sale of electrical and heating energy	148 553	134 953
Trading	25 042	27 393
Sale of trailers	10 704	0
Sale of coating service	8 597	0
Manufacture and sale of metal structures	8 508	7 953
Other sales revenue	6 290	6 233
Rent revenue	1 485	1 348
Business and management consulting	1 558	477
Total sales revenue	646 759	629 654

NOTE 19 OTHER OPERATING REVENUE (in thousands EUR)

	2023	2022
Profit from sale of tangible fixed assets	266	32
Profit from changes in currency exchange rates	0	60
Fines, fines for delay and compensations	479	314
Income from targeted financing	257	140
Other	419	94
Total other operating revenue	1 421	640

NOTE 20 GOODS, RAW GOODS, MATERIALS AND SERVICES (in thousands EUR)

	2023	2022
Goods purchased for sale	547 187	554 113
Services purchased for sale	7 460	5 247
Rent	2 307	1 059
Loss of goods	1 502	638
Transport costs	552	92
Taxes	4	11
Other	26 058	17 126
Total goods, raw goods, materials and services	585 070	578 286

NOTE 21 VARIOUS OPERATING EXPENSES (in thousands EUR)

	2023	2022
Rent	510	193
Rent of labour	99	32
Electricity	183	195
Various office expenses	2 711	2 097
Trip expenses	158	137
Training expenses	117	85
State and local taxes	255	163
Expenses of doubtful receivables	183	378
Consulting expenses	1 553	1 320
Advertising expenses	2 195	1 819
Legal matters	279	134
Insurance	293	187
Transport	652	270
Other	550	178
Total various operating expenses	9 738	7 188

NOTE 22 LABOUR COSTS (in thousands EUR)

	2023	2022
Salary expenses	20 705	12 948
Social taxes	6 206	3 857
Total labour costs	26 911	16 805
Average number of employees calculated as full-time	726	497
Average number of employees by types of employment:		
Person employed under an employment contract	772	533
Member of management or supervisory body of legal person	28	21
Person providing service under a contract covered by the law of obligations, except for an undertaking who is a natural person	8	7

Labour costs also include the holiday and bonus reserve formed during the reporting year but not yet used.

The bonus reserve is formed every month and its use is decided by the management and council of the company.

NOTE 23 RELATED PARTIES (in thousands EUR)

Name of parent company required to report	Kasperwiki Laevaomanikud OÜ
Country of registration of parent company required to report	Eesti

BALANCES WITH RELATED PARTIES BY GROUPS (in thousands EUR)

CURRENT	31.12.2023	31.12.2022
Receivables and prepayments		
Affiliates	13 841	18 844
Executive and higher management and private owners with significant shareholding and enterprises under their dominant or significant influence	446	888
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	111	261
Total receivables and prepayments	14 398	19 993
Loan liabilities		
Affiliates	1 791	0
Executive and higher management and private owners with significant shareholding and enterprises under their dominant or significant influence	7 500	2 000
Total loan liabilities	9 291	2 000
Payables and prepayments		
Parent company		
Affiliates	649	5 111
Executive and higher management and private owners with significant shareholding and enterprises under their dominant or significant influence	67	276
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	10	20
Total payables and prepayments	726	5 407
NON-CURRENT	31.12.2023	31.12.2022
Receivables and prepayments		
Parent company		
Affiliates	34 488	55 748
Total receivables and prepayments	34 488	55 748
Loan liabilities		
Parent company	7 094	7 094
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	2 786	2 786
Total loan liabilities	9 880	9 880
Payables and prepayments		
Parent company	1 562	1 131
Affiliates	0	2 163
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	1 160	991
Total payables and prepayments	2 722	4 285

MOVEMENT OF LOANS (in thousands EUR)

LOANS GRANTED	31.12.2021	Loans granted	Repayments of loans granted	31.12.2022	Interest calculated for the period
Affiliates	56 369	21 621	15 346	62 644	1 963
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	381	0	381	0	0
Total loans granted	56 750	21 621	15 727	62 644	1 963

LOANS GRANTED	31.12.2022	Loans granted	Repayments of loans granted	31.12.2023	Interest calculated for the period
Affiliates	62 644	9 188	29 088	42 744	3 167
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	0	0	0	0	0
Total loans granted	62 644	9 188	29 088	42 744	3 167

LOAN LIABILITIES	31.12.2021	Loans received	Repayments of loans received	31.12.2022	Interest calculated for the period
Parent company	6 829	265	0	7 094	424
Affiliates	157	0	157	0	83
Executive and higher management and private owners with significant shareholding and enterprises under their dominant or significant influence	3 922	4 000	5 922	2 000	298
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	3 051	0	265	2 786	177
Total loan liabilities	13 959	4 265	6 344	11 880	982

LOAN LIABILITIES	31.12.2022	Loans received	Repayments of loans received	31.12.2023	Interest calculated for the period
Parent company	7 094	0	0	7 094	432
Affiliates	0	9 162	7 371	1 791	310
Executive and higher management and private owners with significant shareholding and enterprises under their dominant or significant influence	2 000	5 900	400	7 500	893
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	2 786	0	0	2 786	169
Total loan liabilities	11 880	15 062	7 771	19 171	1 804

PURCHASES AND SALES OF GOODS AND SERVICES (in thousands EUR)

SOLD	2023		2022	
	Goods	Services	Goods	Services
Affiliates	32 255	1 865	15 276	5 232
Executive and higher management and private owners with significant shareholding and enterprises under their dominant or significant influence	2 789	781	7 519	23
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	6 196	0	1 085	0
Total sales	41 240	2 646	23 880	5 255

PURCHASED	2023		2022	
	Goods	Goods	Goods	Services
Affiliates	15 946	713	31 859	703
Executive and higher management and private owners with significant shareholding and enterprises under their dominant or significant influence	0	2 410	0	1 989
Owners who are legal persons with significant shareholding and enterprises under their dominant or significant influence	146	3	0	54
Total purchases	16 092	3 126	31 859	2 746

FEES AND OTHER SIGNIFICANT BENEFITS FOR EXECUTIVE AND HIGHER MANAGEMENT (in thousands EUR):

	2023	2022
Fees calculated in the group	1 622	1 218
Fees calculated in the parent company	385	168

NOTE 24 EVENTS FOLLOWING THE BALANCE SHEET DATE

The management of AS Alexela has resolved to merge the subsidiary OÜ 220 Energia with AS Alexela over the course of the year 2024.

NOTE 25 UNCONSOLIDATED BALANCE SHEET (in thousands EUR)

	31.12.2023	31.12.2022
Assets		
Current assets		
Cash	109	45
Receivables and prepayments	11 781	7 728
Total current assets	11 890	7 773
Fixed assets		
Investments in subsidiaries and affiliates	51 660	26 519
Receivables and prepayments	52 649	81 867
Tangible fixed assets	428	65
Total fixed assets	104 737	108 451
Total assets	116 627	116 224
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liabilities	11 737	11 971
Payables and prepayments	412	1 407
Appropriations	41	0
Total current liabilities	12 190	13 378
Non-current liabilities		
Loan liabilities	60 250	59 790
Payables and prepayments	2 744	2 122
Total non-current liabilities	62 994	61 912
Total liabilities	75 184	75 290
Equity		
Share capital in nominal value	442	442
Legal reserve	80	80
Retained profit from previous periods	40 412	54 348
Profit (loss) for financial year	509	-13 936
Total equity	41 443	40 934
Total liabilities and equity	116 627	116 224



NOTE 26 UNCONSOLIDATED INCOME STATEMENT (in thousands EUR)

	2023	2022
Sales revenue	1411	808
Other operating income	7	0
Goods, raw goods, materials and services	-173	0
Various operating expenses	-173	-32
Staff expenses	-708	-272
Depreciation and amortization of fixed assets	-40	-29
Total operating profit (loss)	324	475
Profit (loss) from subsidiaries	646	-369
Profit (loss) from affiliates	2 584	-14 868
Interest revenue	4 680	3 552
Interest expenses	-4 189	-2 979
Other financial revenue and expenses	-3 536	253
Profit (loss) before income tax	509	-13 936
Profit (loss) for financial year	509	-13 936



NOTE 27 UNCONSOLIDATED CASH FLOW STATEMENT (in thousands EUR)

	2023	2022
Cash flow from operating activities		
Operating profit (loss)	324	475
Adjustments		
Depreciation and impairment of fixed assets	40	29
Profit (loss) from sale of fixed assets	-7	0
Other adjustments	24	0
Total adjustments	57	29
Change in receivables and prepayments related to operating activities	-8	1119
Change in receivables and prepayments related to operating activities	148	-595
Total cash flow from operating activities	521	1028
Cash flow from investment activities		
Paid upon acquisition of tangible and intangible fixed assets	-7	0
Received from sale of tangible and intangible fixed assets	7	0
Paid upon acquisition of subsidiaries	0	-120
Received from sales of subsidiaries	29	177
Received from sale of affiliates	5	0
Paid upon acquisition of other financial investments	-81	0
Received from sale of other financial investments	81	0
Loans granted	-11 605	-13 936
Repayments of loans granted	14 150	16 891
Interest received	1 664	1 737
Dividends received	275	240
Other payments from investment activities	5	0
Other income from investment activities	0	0
Total cash flow from investment activities	4 523	4 989
Cash flow from financing activities		
Loans received	10 069	4 410
Repayments of loans received	-10 169	-8 104
Repayments of main part of financial lease	-102	-19
Interest paid	-4 668	-2 272
Other payments from financing activities	-110	-77
Total cash flow from financing activities	-4 980	-6 062
Total cash flow	64	-45
Cash and cash equivalents at the beginning of period	45	90
Change in cash and cash equivalents	64	-45
Cash and cash equivalents at the end of period	109	45

NOTE 28 UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in thousands EUR)

	Share capital in nominal value	Legal reserve	Other reserves	Retained profit (loss)	Total
31.12.2021	442	80	0	54 348	54 870
Profit (loss) for financial year	0	0	0	-13 936	-13 936
31.12.2022	442	80	0	40 412	40 934
Balance sheet value of shareholding under dominant and significant influence	0	0	0	-190	-190
Value of shareholding under dominant and significant influence, accounted using the equity method	0	0	13 974	61 453	75 427
Adjusted unconsolidated equity 31.12.2022	442	80	13 974	101 675	116 171
Profit (loss) for financial year	0	0	0	509	509
31.12.2023	442	80	0	40 921	41 443
Balance sheet value of shareholding under dominant and significant influence	0	0	0	-20 094	-20 094
Value of shareholding under dominant and significant influence, accounted using the equity method	0	0	13 120	89 423	102 543
Adjusted unconsolidated equity 31.12.2023	442	80	13 120	110 250	123 892



NOTE 29 STRUCTURE OF THE CONSOLIDATION GROUP OF AVH GRUPP AS

Shareholding in AVH Grupp AS				Estonia
100%	Tanklate Investeeringud OÜ			Estonia
	98,51%	Alexela AS		Estonia
		100%	Alexela Energia Teenused AS	Estonia
		100%	220 Energia OÜ	Estonia
		100,00%	Alexela SIA	Latvia
		100%	Hamina LNG Investeeringud OÜ	Estonia
		46,50%	Hamina LNG OY	Finland
		100%	Alexela Solar OÜ	Estonia
		100%	Alexela Motors AS	Estonia
		100%	Rohe Solutions OY	Finland
		50%	Pakrineeme Sadama OÜ	Estonia
		100%	Balti Gaas OÜ	Estonia
			12,5% Team Paldiski OÜ	Estonia
		50%	Eesti Biogaas OÜ	Estonia
		100%	Tartu Biogaas OÜ	Estonia
		100%	Kuusalu Biogaas OÜ	Estonia
		100%	Vinni Biogaas OÜ	Estonia
		60%	Õisu Biogaas OÜ	Estonia
		32,08%	Energiasalv Valdus OÜ	Estonia
		100%	Energiasalv OÜ	Estonia
		100%	Energiasalv Pakri OÜ	Estonia
		12,5%	Team Paldiski OÜ	Estonia
100%	Bestnet AS			Estonia
	100%	Paldiski Tsingipada AS		Estonia
	100%	BNT Galva OÜ		Estonia
	100%	Tiki Rent OÜ		Estonia
	100%	Paldiski Masinatehas OÜ		Estonia
	100%	Bestnet OY		Finland
	100%	Bestnet AB		Sweden
	100%	Helon Kuumasinkitys OY		Finland
	100%	Tiki Tilhenger AS		Norway
	12,5%	Team Paldiski OÜ		Estonia
100%	Paldiski Rendipinnad OÜ			Estonia
	100%	Novaatori Maja OÜ		Estonia
100%	Certer OÜ			Estonia
100%	Kohimo AS			Estonia
100%	Omakodumaja AS			Estonia
100%	Rohegaasi Tanklad OÜ			Estonia
50%	Õhtuleht Kirjastus AS			Estonia
46,94%	B2G Grupp OÜ			Estonia
	100%	Kiviõli Keemiatööstuse OÜ		Estonia
	100%	Energia Nord OÜ		Estonia
		100%	United Air OÜ	Estonia
	100%	Kerogen OÜ		Estonia
	50%	AB Bunkering OÜ		Estonia
	50%	Baltic Exchange OÜ		Estonia

Digital signatures of the report

The date of concluding the report is: 03.06.2024

THE VALIDITY OF DATA IN THE ANNUAL REPORT OF AVH GRUPP AS (REGISTRY CODE: 10423960) FOR THE PERIOD 01.01.2023 – 31.12.2023 HAS BEEN ELECTRONICALLY VERIFIED BY:

Name of signatory	Role of signatory	Time of signing
MIKHAIL KAZARIN	Member of Management Board	03.06.2024
HANS PAJOMA	Member of Management Board	03.06.2024

Independent sworn auditor's report

For the shareholders of AVH Grupp AS

OPINION

We have audited the consolidated annual report of the consolidation group of AVH Grupp AS (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated comprehensive income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated annual report presents fairly, in all material respects, the financial position of the group as at 31 December 2023 and the consolidated financial performance and consolidated cash flow of the year then ended and in accordance with accounting practices generally accepted in Estonia.

BASIS FOR OPINION

We conducted our audit in accordance with international standards on auditing (Estonia) (ISA (EE)). Our responsibilities under those standards are further described in the "Sworn auditor's responsibilities for the audit of the consolidated annual report" of our report. We are independent of the group in accordance with the code of ethics for professional accountants (Estonia) (incl. standards of independence) and we have fulfilled our ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the activity report, but does not include the consolidated annual report and our sworn auditor's report thereon. Our opinion on the consolidated annual report does not cover the other information and we do not express any form of assurance conclusion thereof.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are also obligated to disclose whether the information presented in the activity report complies with the requirements of applicable law.

If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard and we disclose that the information presented in the activity report is, in its material aspects, in compliance with the consolidated annual report and with requirements of applicable law.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting practices generally accepted in Estonia and for such internal control as the management deems is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual report, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Those tasked with governance are responsible for overseeing the group's financial reporting process.

SWORN AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a sworn auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

We utilize professional discretion in accordance with ISA (EE) as part of the audit and retain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a ma-

terial uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are obligated to draw attention in the sworn auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our sworn auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient relevant evidence on the financial information of the units or operations of the group in order to provide an opinion on the consolidated financial statements of the group. We are responsible for the management, supervision and execution of the group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/signed digitally/
Mati Nõmmiste

Sworn Auditor No. 178
Grant Thornton Baltic OÜ
Activity licence No. 3
Pärnu mnt 22, 10141 Tallinn
3 June 2024

Digital signatures of auditors

THE AUDITOR'S REPORT APPENDED TO THE ANNUAL REPORT OF AVH GRUPP AS (REGISTRY CODE: 10423960) FOR THE FINANCIAL YEAR 01.01.2023 – 31.12.2023 HAS BEEN DIGITALLY SIGNED BY:

Name of signatory	Role of signatory	Time of signing
MATINÖMMISTE	Statutory auditor	03.06.2024

Distribution of sales revenue by areas of activity

Area of activity	EMTAK code	Sales revenue (EUR)	% of sales revenue	Main area of activity
Business counselling and other management counselling	70221	1410894	100.00%	Yes