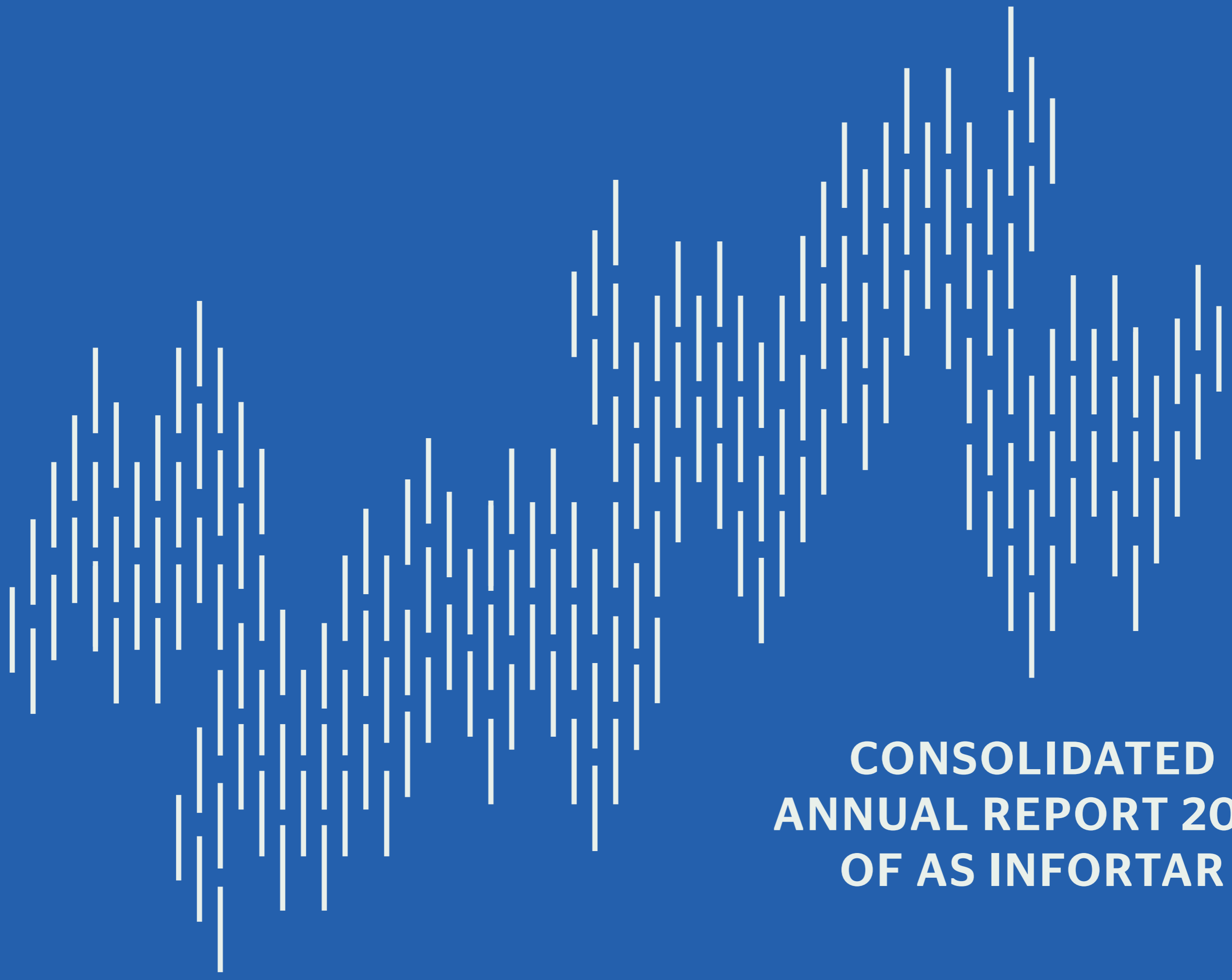




INFORTAR

ANNUAL REPORT 2023



**CONSOLIDATED
ANNUAL REPORT 2023
OF AS INFORTAR**

CONSOLIDATED ANNUAL REPORT 2023 OF AS INFORTAR

Beginning of the financial year:	1 January
End of the financial year:	31 December
Business name:	Aktsiaselts Infortar
Registry code:	10139414
Address:	Liivalaia 9, Tallinn, 10118 Republic of Estonia
Phone:	+ 372 640 9833
Email address	info@infortar.ee
Main field of activity:	Activities of holding companies
Supervisory board:	Enn Pant Kalev Järvelill Toivo Ninnas Mare Puusaag
Management board:	Ain Hanschmidt Eve Pant
Auditors:	KPMG Baltics OÜ

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* Sustainability Report on pages 34-67 is unaudited and is based on company's data.

MANAGEMENT REPORT 2023 OF AS INFORTAR

AS Infortar along with its subsidiaries (hereinafter ‘the group’) is an Estonian investment company mainly active in the energy, shipping, and real estate sectors. In addition, the group has invested in domains that support its main areas of activity.

OVERVIEW OF THE GROUP as at 31 December 2023

Equity capital: 820 million euros
Volume of assets: 1 461 million euros
EBITDA: 143 million euros
Number of employees: 1 308 employees

In total, the group includes 103 companies - 48 members of the group, 5 affiliated undertakings, and 50 subsidiaries of affiliated undertakings. In 2023, 15.75 million euros were paid in dividends to the owners. Between 2021 and 2023, the total investment amount of the Infortar Group was approximately 265 million euros.

ENERGY

AS Eesti Gaas - an energy group, operating in foreign markets under the name of Elenger.

Starting from 2023 Eesti Gaas acquired akciju sabiedriba ‘‘Gasol’’ (Gasol)

Infortar Marine Ltd. (LNG bunkering vessel Optimus).

OÜ EG Biofond - production of bioenergy in three biomethane production units of Eesti Biogaas in Vinni, Ilmatsalu, and Oisu.

MARITIME TRANSPORTATION

AS Tallink Grupp (42.18% share as of December 31, 2023/42.33% share as of February 26, 2024) is a leading maritime transport company in Europe. Tallink’s fleet consists of 15 vessels, and under the strong brands Tallink and Silja Line on five routes (one route currently suspended).

REAL ESTATE

The real estate segment comprises a portfolio of 17 properties divided into four categories: hotels, office buildings, a logistics centers, and other real estate. The operational real estate includes three hotels in Tallinn and one in Riga, six office buildings in Tallinn, a logistics center in Maardu, a tennis center in Lasnamäe, and a family doctor’s center in Nõmme.

OTHER SECTORS

Printing sector; retail and wholesale trade; services; etc

Mission

- The mission of Infortar is to build well-functioning companies that hold strong market positions.
- Our long-term goal is to achieve a stable increase in the value of the company that exceeds average growth.
- The strategy of the company is to invest based on long-term socio-economic trends and to make investment and management decisions that help create synergy between the companies belonging to Infortar.

Investment principles

- Investing in enterprises that support the synergy between investments.
- Being an active investor, participating in decision-making processes, and taking responsibility.
- Unique competency in managing large investments.

Core values

- **Innovation**- We believe that outstanding business results are largely achieved through constant technological innovation and an innovative approach to management.
- **Reliability**- Good business can only be built on trust, respect, and mutual understanding both on an individual and an organisational level.
- **Openness**- Smile and commit - a closer partnership begins with open communication. We keep an open mind to new ideas and everything unconventional. We value cooperation within our team and with our partners. Our team offers equal opportunities to everyone and fosters development, creativity, and self-actualisation.
- **Determination**- We are convinced that determination is the essential cornerstone of success.

Share and Shareholders

At 31/12/2023, Aktsiaselts Infortar had a total of 21 045 000 shares issued and 20 100 000 fully paid shares. The remaining 945 000 shares are Infortar's own shares used in the option programme for employees.

In 2021, a stock and option programme was developed for employees, and in association with this, Infortar acquired 15,000 own shares with a book value of 94,500 euros. In 2023, in association with the change in the nominal value of the shares, Infortar holds 945,000 shares as stock options. There were no cancelled or exercised options during the year.

The Group's shares (ISIN EE3100149394) are registered with the Estonian branch of Nasdaq CSD, and their trading name on the Nasdaq OMX Tallinn Stock Exchange is INF1T. All shares are of the same class and each share gives shareholders one vote at the general meeting. No preference shares or shares with special rights have been issued. As of 14 December 2023, Infortar's

shares have been traded on the Nasdaq Tallinn Stock Exchange. 6-month and 12-month lock-up agreements were concluded with those persons who held shares in the period prior to the share issue, which means that it is not possible to transfer the shares acquired in advance of the issue for a period of 6 or 12 months, respectively. The remaining shares are freely transferable and the sale or purchase of shares does not require the permission of the Infortar Group. As at 31/12/2023, Infortar had 5,491 shareholders and a P/E ratio of 1.78.

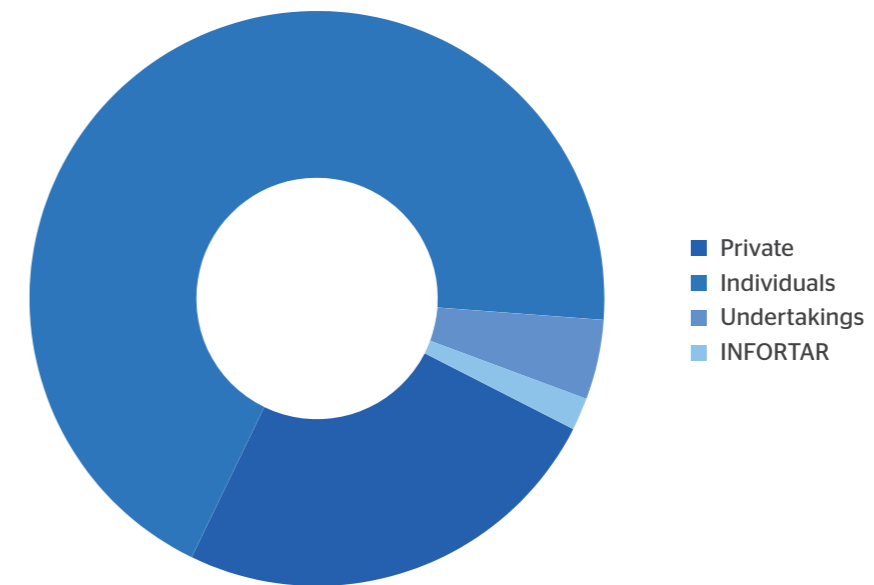
The share capital of 2,104,500 euros is divided into 21,045,000 ordinary shares, with a nominal value of 0.10 euros per share (31/12/22: 6,615,000 ordinary shares, with a nominal value of 0.30 euros per share). The company has a minimum share capital of 1,000,000 (one million) euros and a maximum share capital of 4,000,000 (four million) euros. The share capital of the company may be increased and decreased without amending the articles of association within the limits of the minimum and maximum share capital.

Infortar's 10 largest shareholders as at 31/12/2023

Omaniku nimi	Number of shares	Holding %
Mersok OÜ	4 842 816	24,4%
Pärdiklill OÜ	4 811 566	24,2%
Abante OÜ	4 628 168	22,0%
Keijo Erkki Mehtonen	1 490 000	7,5%
Toivo Ninnas	1 275 625	6,4%
Enn Pant	674 500	3,2%
Trading House Scandinavia Aktiebolag	384 615	1,9%
Meelis Asi	354 300	1,7%
Viljar Jaamu	279 090	1,4%
Eve Pant	142 300	0,7%

Investors of the Group by investor type at 31 December 2023

21 045 000 total shares



A total of 98% of the Infortar Group's shareholders are based in Estonia and 2% in other countries. Geographically, in addition to Estonia, shareholders are registered in Australia, Belgium, Finland, Germany, Ireland, Latvia, Lithuania, Norway, and Sweden.

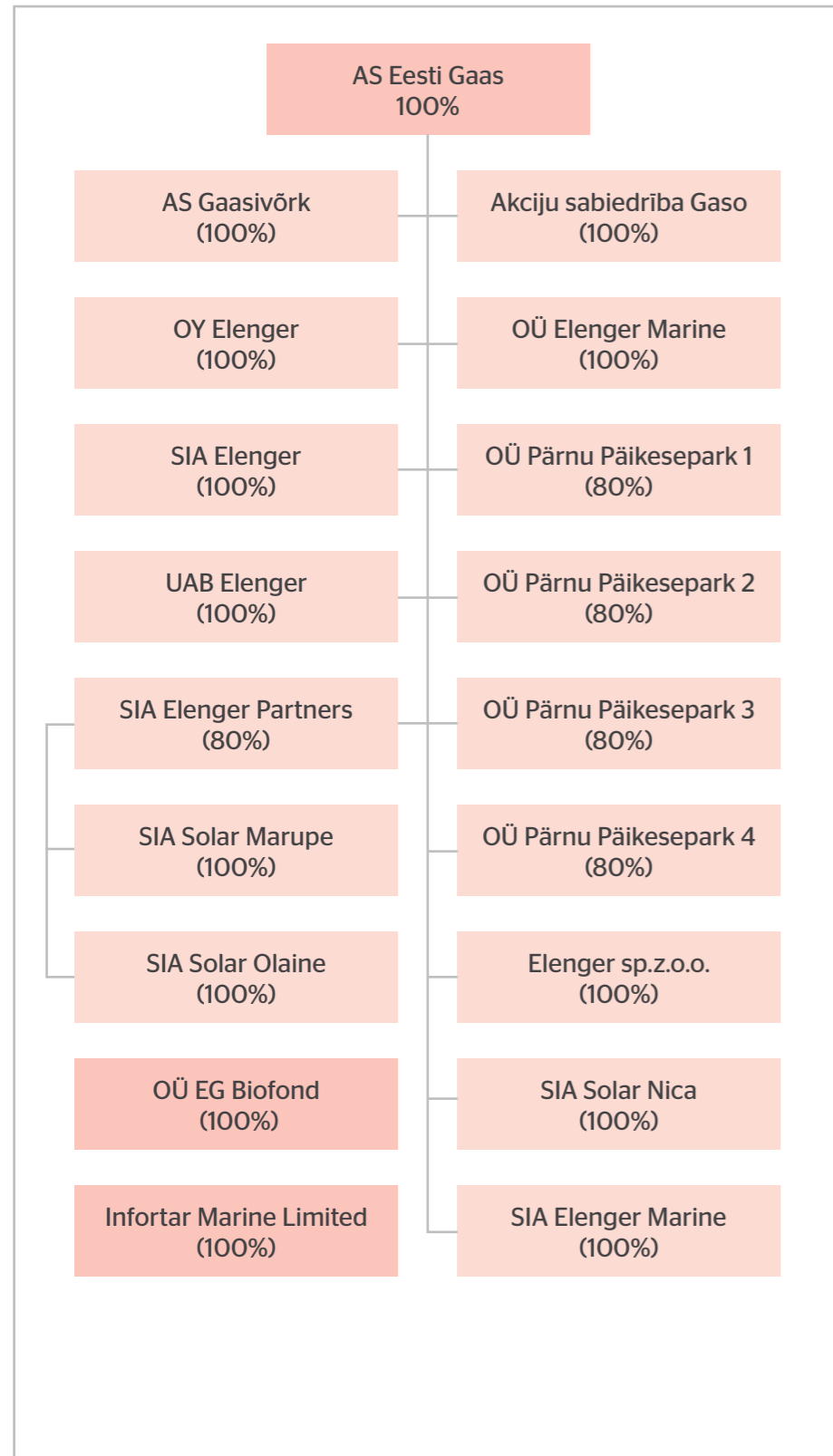
Infortar's INF1T stock began trading on the Nasdaq Tallinn Stock Exchange in 2023, at a price of 26 euros per share. During the trading period from 14 December

2023 to 31 December 2023, the lowest share price after the close of trading on the stock exchange was 25.98 euros, and the highest price was 26.48 euros. The average price for the period was 26.09 euros, and at the end of the reporting year, the share price was 26.02 euros.

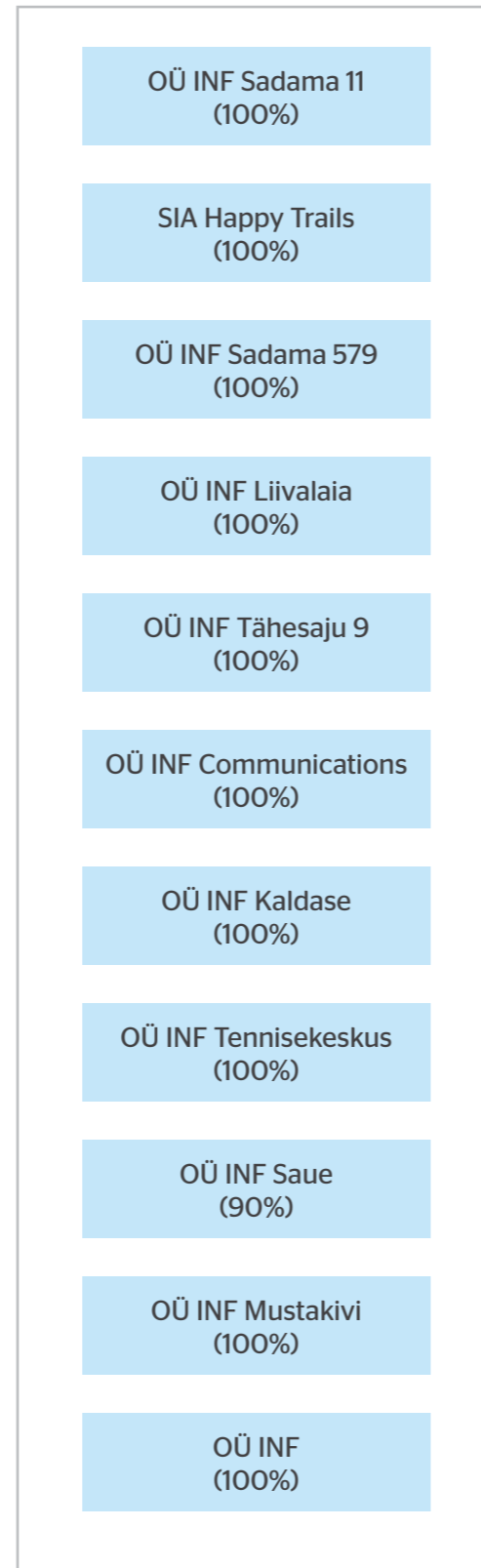
In 2023, there were 10 trading days with an average daily turnover of 243,570 euros and a total turnover of 2 435 700 euros.

AS Infortar

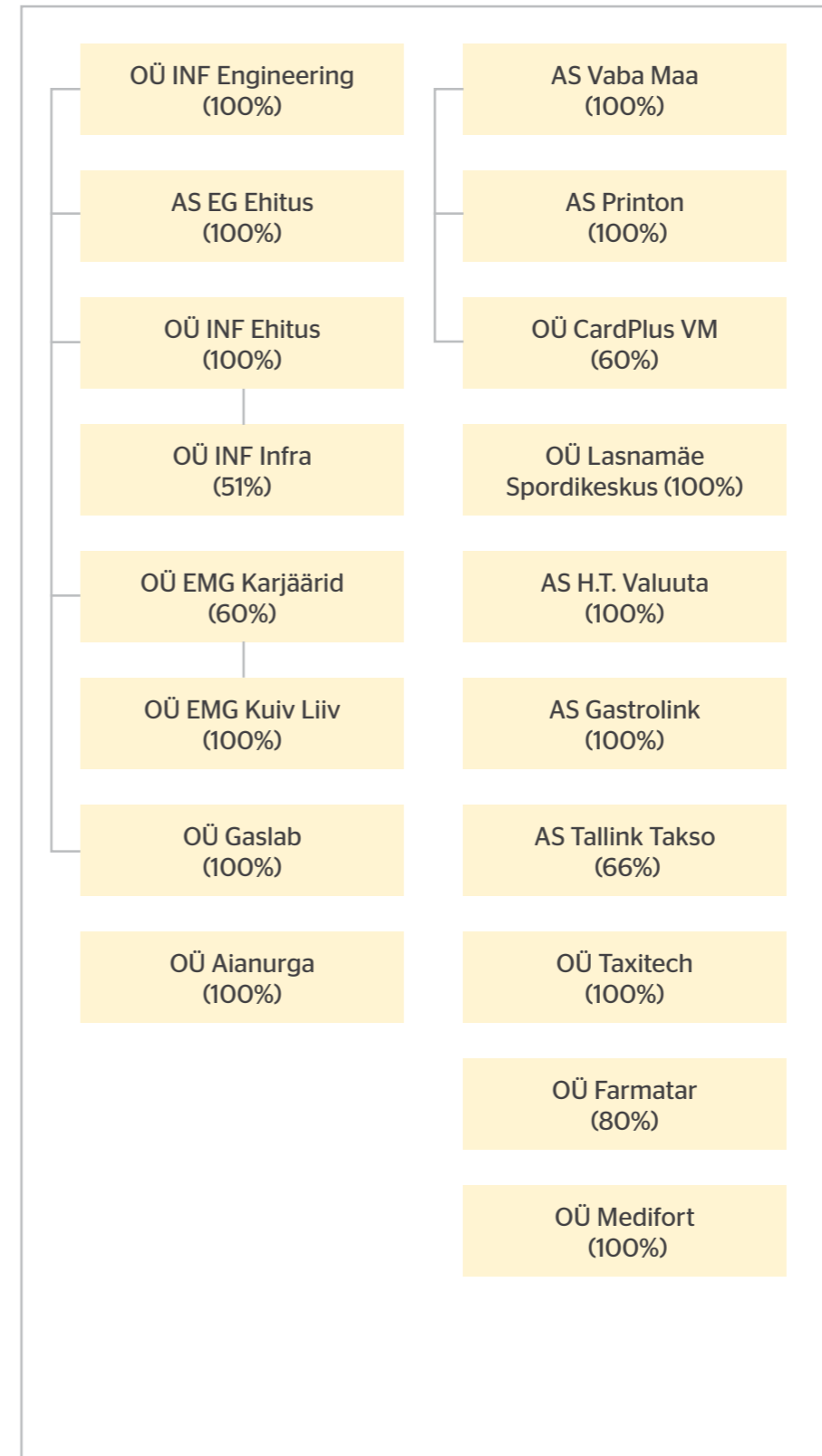
Energy



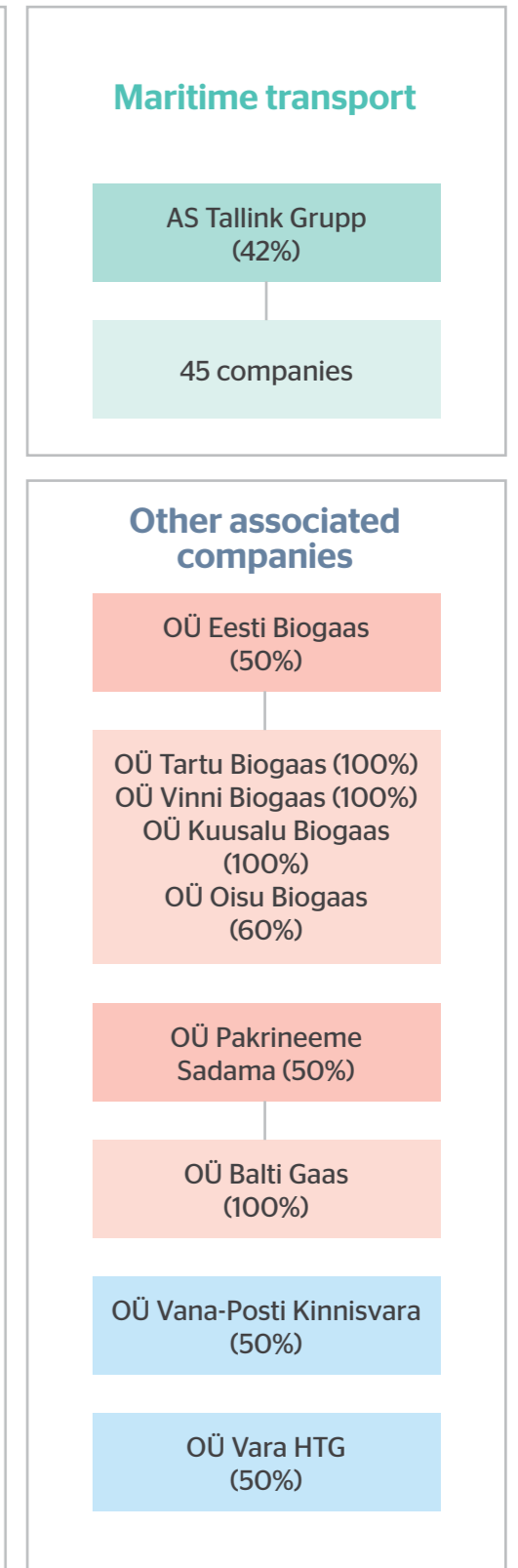
Real estate



Supporting Businesses



Associated companies



LETTER FROM THE CEO

Ain Hanschmidt

In December last year, we ceremoniously rang the stock exchange bell in the foyer of our new office building in Tallinn, marking the beginning of a remarkable period in Infortar's history. It is said that aspiring to become a public company requires great courage and self-belief, and there are never ideal conditions for it. In a challenging environment, we achieved a strong result; going public gave an additional boost to our international expansion and helped raise additional capital. Infortar already benefited from organizing the IPO - the company's quality and recognition reached a whole new level.

Infortar is committed to the effective development of companies - Eesti Gaas has become the largest private capital-based energy company in the Finnish and Baltic region, Tallink the largest shipping company in the Baltic Sea, and in the real estate sector, we are one of the largest asset owners in the region. As long-term investors, we aim to offer dividend security to new investors.

The group's results for 2023 were record-breaking in terms of volumes, turnover, profit, EBITDA, assets, investments, dividends, and market shares achieved. Success has been brought and secured by cross border growth and the agility of the companies within the group. We have hedged our risks across multiple segments and turned challenges arising from market changes into success. We proved that we can increase volumes regardless of whether markets are growing or shrinking, or whether prices are rising or falling.

The brightest events of the past twelve months were undoubtedly related to energy. Eesti Gaas signed agreements for the reception of eighteen LNG ships and acquired the Latvian gas network Gaso, adding 900 wonderful colleagues.

When the Balticconnector incident threatened the supply security of our northern neighbors, Eesti Gaas brought additional LNG ships to Finland so that local industrial companies and heat consumers could continue their daily activities without worry.

The number of summer passengers in the Baltic Sea recovered to pre-pandemic levels, we increased our stake in Tallink, and the group's asset volume approached 1.5 billion.

Infortar's real estate portfolio was supplemented by the second building of Tähesaju twins, we laid the cornerstone for the 25 000-square-meter RIMI Logistics Centre in Saue parish, inaugurated the new building of Hiiu Health Campus, and all group companies moved to the new headquarters on Liivalaia Street. We are proud that the new bridge in Pärnu, awaited for decades, began construction by our group's INF Infra and EG Ehitus. In September, Eesti Biogaas started expanding the Oisu and Ilmatsalu biomethane plants, and in November, a unique event in infrastructure construction took place when INF Infra installed two 500-ton railway viaducts in Tondi.

As a responsible company, we continuously contribute to Estonian society, supporting culture, education, and



nature conservation. In the field of sports, Infortar's biggest partners are the Estonian Tennis Association and the Estonian Golf Association.

Our goal has been to create a crisis-resistant company, and the right decisions have laid the foundation for achieving sustainable and long-term success. Infortar's stock, with the trading symbol INF1T, is listed on the Tallinn Stock Exchange, our investment portfolio is diverse and cross-border, proven in crises, and has

great growth potential. Infortar is a growth-focused company - we are constantly looking for new investment opportunities and aim to increase the value of investors' assets in the coming years.

ABOUT THE OPERATION OF THE GROUP

ENERGY SEGMENT

AS Eesti Gaas (hereinafter referred to as Eesti Gaas) is the largest privately-owned energy company in the Finland-Baltic region, with a history dating back to 1864. The company's core product and competence is natural gas, which is provided to customers as pipeline gas through distribution networks, compressed natural gas (CNG) at refueling stations, and liquefied natural gas (LNG) to off-grid customers. Western origin LNG cargoes are delivered to Klaipeda and, since 2023, to the Inkoo terminal, from where gas is transported via pipelines to customers. Additionally, the company purchases gas from Get Baltic gas exchange and other gas wholesalers. Eesti Gaas has been a pioneer in developing natural gas as a transportation fuel in the Baltics. The company operates the largest network of compressed natural gas stations in Estonia, offering both natural gas and domestically produced renewable fuel, biomethane. LNG is also supplied and bunkered as marine fuel.

In addition to gas, the company sells electricity and produces green electricity from its own solar parks and individual solar stations built for customers. Eesti Gaas is certified and complies with ISO 9001 and ISO 14001

standards. In Finland, Latvia, Lithuania, and Poland, Eesti Gaas operates under the name Elenger, providing energy solutions to business customers. In 2023, the company entered the domestic gas market in Latvia.

In 2023, Eesti Gaas sold a total of 15.9 TWh of energy (2022: 8.1 TWh, 2021: 11.4 TWh, 2020: 8.1 TWh). Sales in 2023 comprised 17% in Estonia, 7% in Latvia, 6% in Lithuania, 37% in Finland, 1% in Poland, and 32% wholesale. The regional market share of gas sales grew to 25%. One-third of the Finland-Baltic gas imports are facilitated through Eesti Gaas. Eesti Gaas serves 38,000 natural gas customers and 12,000 electricity customers.

Through its subsidiaries in Latvia and Estonia, Eesti Gaas owns the largest gas distribution network companies. The Latvian subsidiary, AS Gaso, operates approximately 5420 km of gas distribution pipelines, serving around 364,000 customers. In the financial year 2023, AS Gaso delivered 8.6 TWh of natural gas through its distribution network (8.1 TWh in the financial year 2022). The Estonian subsidiary, AS Gaasivõrk, manages Estonia's largest 1573 km gas distribution network, serving around 44,500 customers. In the financial year 2023, AS Gaasivõrk delivered 3.245 TWh of natural gas and biomethane through its distribution network (3.439 TWh in the financial year 2022).



MARITIME TRANSPORTATION SEGMENT

Tallink Grupp is a European shipping company offering mini cruise, passenger transport, and ro-ro freight services in the northern part of the Baltic Sea. Services are provided under the Tallink and Silja Line brands on ferry routes between Estonia, Finland, and Sweden. Tallink Grupp's fleet comprises 15 vessels, including cruise ships, ropax-type passenger ferries, and ro-ro-type freight vessels. Additionally, the group operates three quality hotels in downtown Tallinn and one in Riga, as well as 21 Burger King restaurants in Estonia, Latvia, and Lithuania as the franchise owner for the Baltic region.

The group's subsidiary, Tallink Duty Free, is an international travel retail company with numerous shops on ships and on land, a rapidly expanding e-shop in the group's home markets, and an extensive logistics center serving the entire group. Tallink Grupp's offices are located in Estonia, Finland, Sweden, Latvia, and Germany. With approx. 4900 employees, Tallink Grupp serves millions of customers worldwide annually, and its customer loyalty program, Club One, boasts over three million members. Tallink Grupp is listed on the Nasdaq Tallinn and Nasdaq Helsinki stock exchanges.

As Infortar holds a minority stake in Tallink, Tallink is not under Infortar's control, and the ownership interest in Tallink is accounted for using the equity method, meaning Tallink's financial results are not consolidated into Infortar's financial statements.



REAL ESTATE SEGMENT

The real estate segment comprises a portfolio of 17 properties divided into four categories: hotels, office buildings, a logistics centers, and other real estate. The operational real estate includes three hotels in

Tallinn and one in Riga, six office buildings in Tallinn, a logistics center in Maardu, a tennis center in Lasnamäe, and a family doctor's center in Nõmme. The total net area of the properties in the portfolio is approximately 110,000 square meters.



SUPPORTING BUSINESSES

The supporting businesses segment includes activities that support other segments of the Group, primarily in engineering, wholesale of pharmaceuticals and pharmacy goods, construction materials, provision of printing services, taxi services, operation of a tennis center, and sales of tableware and kitchenware through subsidiary companies.

As of December 31, 2023, assets in the other business segment accounted for 5% of the total Group assets. OÜ INF Engineering encompasses subsidiaries operating in the construction sector, including AS EG Ehitus, OÜ INF Ehitus with its subsidiary INF Infra OÜ, OÜ EMG Karjäärid, and a measurement and calibration business, OÜ Gaslab.



Key Events in 2023

Gas Import

Eesti Gaas purchases liquefied natural gas (LNG) from various Western suppliers (such as Equinor ASA, Total Gas & Power Ltd, Vitol SA, Glencore International AG) with whom frame agreements have been signed. The LNG supplied mainly originates from the United States and Norway. In 2023, Eesti Gaas entered into contracts for a total of 18 gas vessel deliveries - five deliveries to the Klaipėda LNG terminal in Lithuania and 13 deliveries to the Inkoo LNG terminal in Finland. The average delivery quantity per vessel brought in during the 2023 financial year was approximately 950 GWh. Eesti Gaas imported an estimated one-third of the natural gas arriving in the Finland-Baltic region in the 2023 financial year. Eesti Gaas has reserved the capacity of the Inkoo LNG terminal for the arrival of 13 gas vessels and the capacity of the Klaipėda LNG terminal for the arrival of three gas vessels in the 2024 financial year, and has acquired the capacity of the Klaipėda LNG terminal for the years 2025-2032, amounting to 3 TWh annually for the arrival of three gas vessels, and for the years 2033- 2044, amounting to 4 TWh annually for the arrival of four gas vessels. Under suitable market conditions, Eesti Gaas utilizes the opportunity to store natural gas in gas storage facilities in Latvia and Poland.

Price Risk Management

Due to changes in supply chains, the prices of energy carriers (including natural gas) have been extremely volatile in recent years. To manage the price risk associated with the global market, Eesti Gaas utilizes necessary derivative instruments (mainly swaps) and also engages in gas storage. As a result of using derivative instruments, the future market values of derivative transactions entered into by Eesti Gaas and Infortar are reflected in the consolidated balance sheet. These changes are reflected in other comprehensive income in the income statement (amounting to -58,233 thousand euros in the 2023 financial year). Non-cash revaluations of derivative instruments in other comprehensive income do not affect the profitability or cash flow generation ability of Eesti Gaas or Infortar's core operations.

Seasonality in the Energy Business

Seasonality and weather fluctuations affect the demand for energy and the working capital requirements of the energy segment. The main product of the energy business segment is natural gas, and the Group also sells electricity and provides natural gas distribution services in Estonia and Latvia. In the markets where the Group operates, the demand for energy is higher during the winter heating period (the first and last quarters of the year) and lower in the second and third quarters when the weather is warmer. Unusually high temperatures during the winter heating period reduce the demand for goods and services in the energy business segment. Seasonality and weather fluctuations also affect the production volume of solar power plants.

Acquisition of Gaso

The largest investment of the year was the acquisition of Gaso, a company that owns the gas distribution network in Latvia, by Eesti Gaas. The agreement was signed in the second quarter, and the transaction was completed on July 17, 2023. The transaction volume amounted to 122.2 million euros.

The Gaso transaction is accounted for as a business combination in accordance with IFRS. As a result, in the preparation of the consolidated financial statements for all periods, the entire purchase price is allocated to acquired tangible assets, intangible assets, and other assets, as well as liabilities and contingent liabilities, based on their estimated fair values as of the acquisition date, with any excess over the purchase price recognized immediately in profit or loss. Eesti Gaas AS has conducted a purchase price allocation analysis for the Gaso transaction. The only significant adjustment to fair value relates to the revaluation of acquired tangible assets previously reflected by Gaso, which are close to their fair value.

Similarly, the unaudited income statement includes additional depreciation charges for Gaso's tangible assets based on the revaluation model. Extra-ordinary gain from the purchase transaction is recognized as a one-time item in the consolidated income statement for the financial year ending on December 31, 2023, with no further ongoing impact on the results of the Infortar group.

Construction of Solar Power Plants

As a significant investment, the construction of a solar power plant with an approximate capacity of 4 MW of panels is underway in Latvia. The total investment value is 2.7 million euros.

Increase share% in Tallink Grupp AS

The Group has increased its investment in the affiliated company, Tallink. Infortar acquired an additional 16 027 809 Tallink shares in 2023, with a total transaction value of 10 330 949 euros.

Real Estate Developments

In the first quarter of 2023, Infortar Group finalised the acquisition of two "stock office" type commercial real estate properties in Lasnamäe, Tallinn, at addresses

Tähesaju tee 9 and Tähesaju tee 11 (known as the "Tähesaju twins").

In the second quarter of 2023, construction companies owned by Infortar, EG Ehitus, INF Ehitus, and INF Infra, started the building of a new bridge in Pärnu procured by the Pärnu city government.

In the third quarter of 2023, the cornerstone was laid for a logistics center with a floor area of approximately 25,000 square meters for Rimi Eesti Foods AS in Laagri, Saue. The building contractor is INF Ehitus, and the developer is OÜ INF Saue.

In the third quarter of 2023, the Kivimäe Health Center in Nõmme at Põllu 63 was completed. The building was constructed by INF Ehitus OÜ.



KEY FIGURES OF FINANCIAL YEAR

Infortar (group)	31/12/2023	31/12/2022
Total assets (in thousands of EUR)	1 460 512	1 107 412
Interest-bearing liabilities (in thousands of EUR)	441 160	427 205
Total equity (in thousands of EUR)	820 210	568 677
Equity ratio (equity /assets) (%)	56,2%	51,4%
Interest-bearing liabilities /equity (%)	53,8%	73,5%
Current ratio	1,5	1,4
Total equity attributable to equity holders of the Parent (in thousands of EUR)	819 376	567 945
Number of ordinary shares *	21 045 000	6 615 000
Earnings per share (EUR) **	15	15
Accounting value per share (EUR)	39	86
Number of group employees	1 308	452
Group labour costs with taxes (in thousands of EUR)	40 722	25 784
Revenue (in thousands of EUR)	1 084 626	1 053 712
Gross profit (in thousands of EUR)	149 473	126 537
EBITDA (in thousands of EUR)	143 283	120 046
EBIT (in thousands of EUR)	123 628	99 140
Total profit (in thousands of EUR)	293 830	96 124
Net profit from recurring business operations ***	138 746	106 616
Profit belonging to the owners of the parent company (in thousands of EUR)	293 778	95 943
Return on turnover (%)	196,6%	76,0%
Net margin (%)	13,8%	12,0%
ROA (%)	9,6%	10,0%
ROE (%)	42,4%	20,0%
Net debt (in thousands of EUR)	354 045	367 203
Net debt/ EBITDA	2,5	3,1
EBITDA margin	13,2%	11,4%

*As of December 31, 2022, the number of shares of AS Infortar was 6,615,000, which corresponded to a nominal value of 0.3 euros per share. On November 7, 2023, a share distribution took place, resulting in a total of 21,045,000 shares including options issued to employees, with a nominal value of 0.1 euros per share (see appendix 'Share Capital, Contingent Liabilities, and Reserves').

** As a result of the share split, the earnings per share ratio does not provide an accurate overview since a share distribution occurred. To obtain a comparable measure, the net profit per share in euros must be recalculated based on the number of issued shares as of December 31, 2023. In this case, the result for the year 2022 would be 4.77 euros per share. Calculation: Net profit for 2022 (96,124 * 1 000) / number of shares 20,100,000.

*** Includes a one-time profit of 159 million euros from the acquisition of Gaso, and in 2023, additional revaluations were made for newly added objects. With the revaluation of new objects, the impact of revaluations in 2023 is -10 million euros; 2022 includes -11 million euros from the revaluation results of real estate portfolio assets that were fully operational in 2022.

Infortar (parent company)	31/12/2023	31/12/2022
Assets (in thousands of euros)	158 518	120 351
Loan and lease liabilities (in thousands of euros)	85 851	105 545
Equity capital (in thousands of euros)	70 008	12 224
Share of equity capital (%)	44,2%	10,2%
Number of employees as at the end of the period	42	36
Remuneration to employees along with taxes (in thousands of euros)	6 634	5 759
Sales revenue (in thousands of euros)	5 761	2 393
EBITDA (in thousands of euros)	-4 814	-6 115
EBIT (in thousands of euros)	-5 678	-5 835
Profit of the financial year (in thousands of euros)	41 856	12 169

The formulae used for the calculation of the ratios

Equity ratio (%) = total equity/ total assets

Interest-bearing liabilities /equity (%) = (loan liabilities+ rent liabilities) / equity

Current ratio = current assets / total current liabilities

Book value of a share in euros = equity capital of the owners of the parent company / number of shares

EBITDA = Earnings before depreciation and change in the value of investment property

Current ratio = current assets / short-term liabilities

Net margin = gross profit / sales revenue

ROA = EBIT / average assets

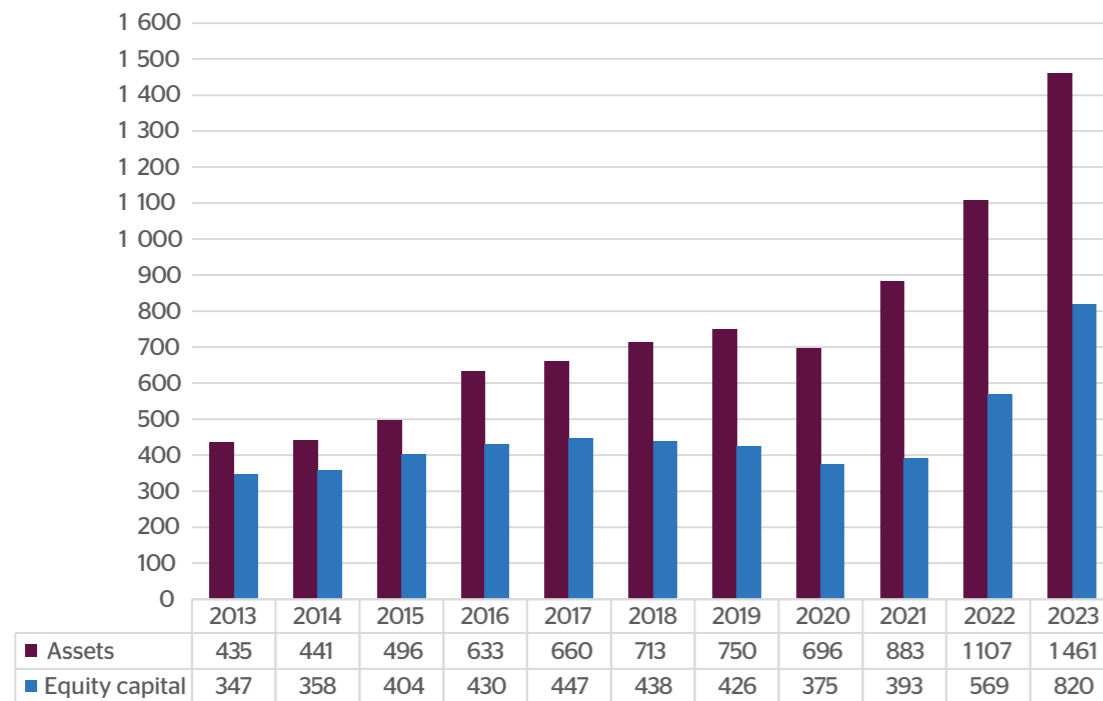
ROE = net profit / average equity

Net debt (in thousands of EUR) = loan liabilities + rent liabilities - cash

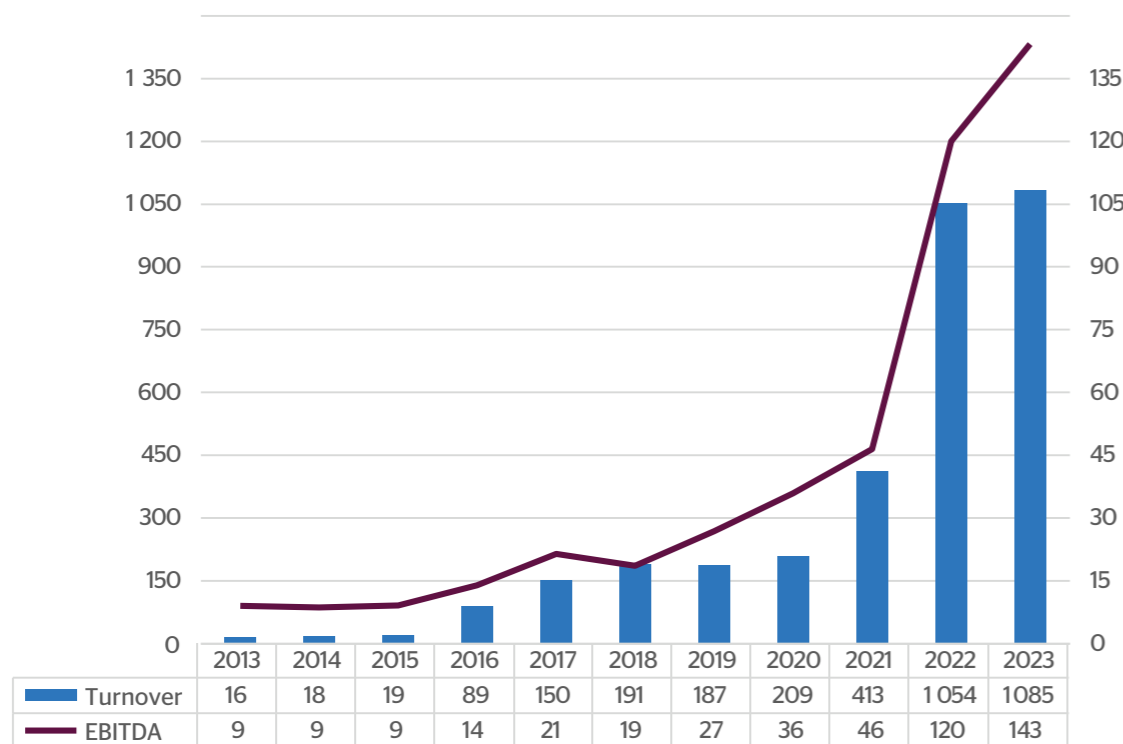
Net debt/EBITDA = (interest-bearing liabilities - cash) / EBITDA

EBITDA margin = EBITDA / sales revenue

Group assets and equity capital (million euros)



Group turnover and EBITDA (million euros)



The adjusted operating profit before depreciation and amortisation (EBITDA) of the group in the 2023 financial year was 143 million euros, increasing 1.2 times compared to 2022. The increase was mostly supported by total turnover of energy segment, that gained market share growth in Baltic-Finnish region to 25%.

MACROECONOMIC DEVELOPMENT AND ITS IMPACT

According to the International Monetary Fund (IMF), the global economy grew by 3.1% in 2023, and a similar growth is forecasted for 2024. This is lower than the historical average in recent years (3.8%). On a positive note for the global economy, the United States displayed better-than-expected results in terms of employment, and there are signs of global inflation receding. However, a combination of factors such as inflation, the energy crisis, ongoing warfare in Ukraine, disrupted and more expensive supply chains due to sanctions, the increase in the base interest rate by the European Central Bank in 2023

resulting in the 6-month EURIBOR rising from 2.8% at the beginning of the year to 4% by the end**, cooling demand in the global market, and significant export markets for Estonia (Sweden, Finland) have put strong pressure on the entire European, including Estonian, economy. As an open and less regulated economy, Estonia continued to experience inflation faster than the euro area average in 2023, resulting in a slight decline in real GDP. Concerning the Baltic economies, it's worth noting a negative shift in foreign investor sentiment due to the perception of the Baltic states as a region with heightened risk due to the conflict in Ukraine.

The European Central Bank's statistics and forecast for 2024

Aasta	2023					2024				
	EU	Estonia	Latvia	Lithuania	Finland	EU	Estonia	Latvia	Lithuania	Finland
Change in GDP	0,6	-3,5	-0,4	-0,2	-0,5	0,8	0,4	2	1,8	-0,2
Unemployment rate	6,4	6,1	6,6	6,5	7,6	-	-	-	-	-
Index of Consumer Prices (HICP)	5,4	9,1	9	8,8	4,4	2,7	3,5	2	2,5	1

Source: European Central Bank, Eurostat***

* IMF (International Monetary Fund) article "Global Economy Reaches Soft Landing, but Risks Remain", 24.01.2024

** Euriobri forecast from website. Forecast. <https://www.euribor-rates.eu/> 24.01.2024

*** European Central Bank forecast and overview <https://www.ecb.europa.eu/ecb/html/index.et.html> 24.01.2024

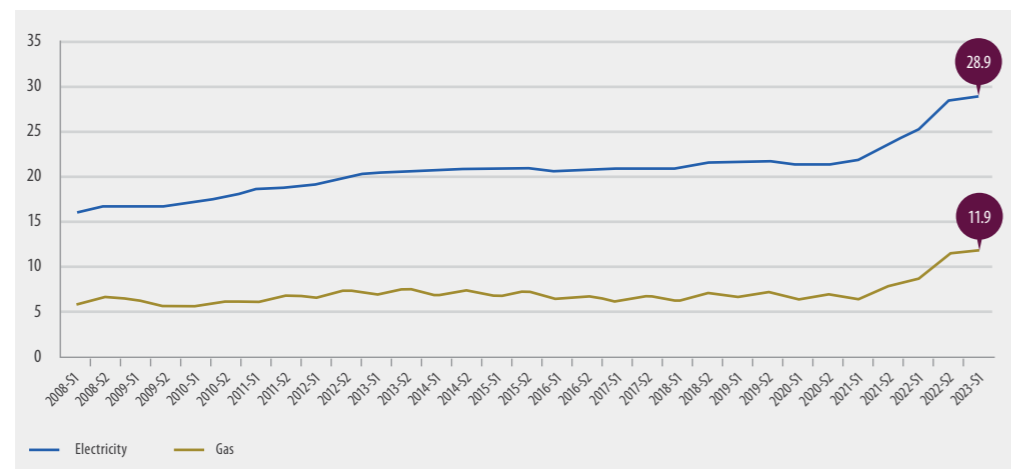
Energy

Following significant energy price shocks in the second half of 2022, 2023 brought about stabilization in electricity and gas prices in Europe, although they remained relatively high compared to the pre-pandemic years. Despite inflation, the price of oil also remained stable in 2023. A positive aspect of 2023 is that the

European economy, particularly Germany's, proved to be significantly more stable and crisis-resistant than feared. This is largely attributed to Europe's successful shift away from gas purchased from Russia to liquefied natural gas imported primarily from the United States, Norway, and Qatar.

Evolution of household consumers' electricity and gas prices in the EU, 2008-2023

in € per kWh, all taxes are included



Source: European Commission website, statistics

Construction

Comparison with 2022 revealed a decrease in the construction volume indices in Estonia, Finland, and Sweden. Meanwhile, Lithuania, Latvia, and Poland experienced some growth in construction volumes throughout 2023. Despite rapid price increases in 2022, the construction price index in Estonia continued to show some growth in 2023. The main reason behind this was the ongoing price increase in construction services (due to rising costs of materials, labor, and machinery).

Additionally, besides price increases, demand has been low due to high base interest rates. For 2024, a continuation of low demand in both the private and public sectors can be forecasted in the construction industry.

In summary, overall purchasing power reduction, rising interest rates, and increased uncertainty limit demand and Infortar's construction companies' growth prospects in 2024.

Impact of the seasonality of business

To the extent that seasonality and changes in the weather affect the demand for products and services provided by companies in which Infortar has invested, seasonality has a potential impact on the financial results of Infortar. The effect of seasonality is considerable primarily in the case of investments in the energy sector, where the business operations of Eesti Gaas, a subsidiary of Infortar, have the greatest seasonal impact. The operating result of Eesti Gaas is seasonally dependent on the weather, as market demand for natural gas and electricity is higher in the first and fourth quarters of the year, i.e. during the winter heating period, and lower in the second and third quarters, when the weather is warmer. In addition, the production of renewable energy in solar plants has a seasonal, albeit small, effect compared to other business volumes. The production and supply of biomethane and LNG are less susceptible to seasonality, as the end user is the transport sector, which operates in a stable manner throughout the year.

The seasonal effect on the financial results of the group is also caused by an investment in maritime shipping (Tallink Grupp). Travel services are seasonal and the high season for Tallink Grupp is the warm summer from June to August, when the company earns most of its sales revenue and profit. We are aware that long-term climate change might bring unpredictable changes in the sectors in which Infortar invests, so we monitor the forecasts for long-term climate change (IPCC climate report from the Intergovernmental Panel on Climate Change).

Environmental impact

The largest investment with an environmental impact is the 40% holding in Tallink Grupp, where the biggest climate impact comes from the carbon footprint of fuel used in the vessels, which was about 400,000 tonnes of CO2 equivalent. As an investor, we are always monitoring Tallink Grupp when it develops and implements plans related to corporate social responsibility. The environmental impact of the investments in the energy sector is mostly caused by the operation and maintenance of the distribution network, filling stations, and other infrastructure belonging to Eesti Gaas, a subsidiary of the group, and supplying fuel for transport (liquefied natural gas (LNG) and compressed natural gas (CNG)) to clients as well as delivering it to filling stations. The companies of the group have invested significant amounts in renewable energy with a climate-neutral

impact on the environment. The biggest environmental impact of the investment property of the group is manifested as the CO2 footprint caused by the operation of real estate leased to tenants (heating and power consumed in the buildings).

Due to the extraction of natural resources, we constantly focus on environmental and social responsibility. Environmental monitoring is carried out continuously and environmental solutions continue to be developed in relation to mining natural resources. Another aspect that is monitored is that the products made of natural resources must comply with the current requirements and that the products must be inspected in a construction materials laboratory in addition to an accredited laboratory.

Social impact

The most important social impact of Infortar group is the relationship between the group as the employer and the employees of the companies, which is based on mutual trust, fairness, and dedication. The HR principles of the group rely on the following: a caring attitude towards its employees; appreciation for its people and mutual respect; a high work culture; purposeful, reliable, and loyal professional relationships; equal treatment; and good social behaviour. When recruiting employees, we look at a candidate's diligence, intelligence, reliability, professional training, and openness to technological development. We contribute to the personal development of our employees - by providing additional professional training, we support the acquisition of new knowledge. Our salary policies are based on the inherent responsibility of a position, work results, competence, and the efficiency of the employee. When developing the working environment for our employees, we are guided by the principle of wanting our employees to enjoy working here. We value long term employment relationships and a healthy work life balance, and fully support parents. We guarantee excellent opportunities for our employees for taking care of and supporting health and improving fitness levels.

The biggest social entrepreneurship project of the group involves investments in and operational grants to the Tallink Tennis Centre.

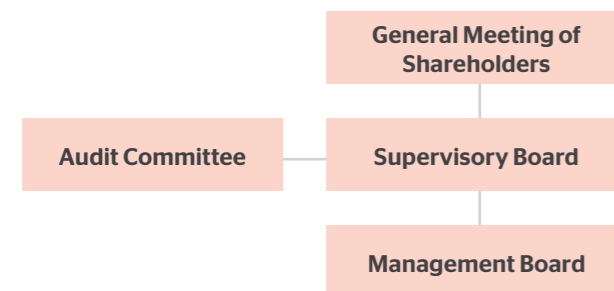
The wider social impact of the group is manifested through the remuneration paid to the employees and taxes paid to the state, which annually amount to about 40 million euros.

CORPORATE GOVERNANCE REPORT

This report is made in accordance with the Estonian Accounting Act and gives an overview of the governance of Aktsiaselts Infortar and its compliance with the requirements of the Corporate Governance Recommendations (CGR) of the NASDAQ OMX Tallinn Stock Exchange. The Group follows most of the articles of the CGR except where indicated otherwise in this report.

• Organisation and Administration

Pursuant to the Estonian Commercial Code and the articles of association of the Company, the right to make decisions and the administration of the Company are divided between the shareholders represented by the General Meeting of Shareholders, the Supervisory Board and the Management Board. The following diagram represents the governance structure of the Group:



The Company's highest governing body is the General Meeting of Shareholders. The primary duties of the General Meeting of Shareholders are to approve the annual report and the distribution of dividends, elect and remove members of the Supervisory Board, elect auditors, pass resolutions on any increase or decrease in share capital, change the articles of association and resolve other issues, which are the responsibility of the General Meeting of Shareholders by law. According to the law, the articles of association can be amended only by the General Meeting of Shareholders. In such a case it is required that 2/3 of the participating votes are for it. The Annual General Meeting of Shareholders that

approves the annual report no later than six months after the end of the financial year is held once a year. Every shareholder or his/her proxy with a relevant written power of attorney may attend the General Meeting of Shareholders, discuss the items on the agenda, ask questions, make proposals and vote. A controlling shareholder refrains from unreasonably harming the rights of other shareholders, both at the General Meeting of Shareholders and upon organizing the Company's management and shall not abuse his or her position. The Supervisory Board determines the agenda for the shareholders' general meeting and prepares the draft resolutions for all matters to be voted on at the General Meeting. If the General Meeting is convened by the shareholders, the Supervisory Board or the Auditor, the Supervisory Board or the Auditor prepares the draft resolutions for all matters to be voted on and submits them to the management board.

The Company publishes a notice of an Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders at least three weeks in advance in a national daily newspaper, in the stock exchange information system and on the Company's website at www.infortar.ee. The notice includes information on where the meeting will be held.

The agenda of the meeting, the Board's proposals, draft resolutions, comments and other relevant materials are made available to the shareholders before the General Meeting of Shareholders on the Company's website and through the information system of the Tallinn and Helsinki stock exchanges. Additionally, the notice of calling the General Meeting of Shareholders is published in daily national newspapers at least three weeks before the meeting date. The shareholders may ask questions before the General Meeting of Shareholders by sending an email to investor@infortar.ee

• The Supervisory Board

The Supervisory Board engages in oversight and longer-term management activities such as supervising the Management Board and approving business plans, acting independently in the best interest of all shareholders. No residency requirements apply to the members of the Supervisory Board. The Supervisory Board reports to the General Meeting of Shareholders.

The Supervisory Board consists of five to seven members. Members of the Supervisory Board are elected for periods of three years at a time. The Supervisory Board elects one of its members as chairman. For electing a member to the Supervisory Board, his or her written consent is needed. The General Meeting of Shareholders may remove any member of the Supervisory Board without a reason. Such a decision requires 2/3 of the votes represented at the General Meeting of Shareholders. A member of the Supervisory Board may resign without a reason by informing the General Meeting of Shareholders about the resignation.

The Supervisory Board is responsible for supervising the management of the Company and organising its operations. The Supervisory Board determines the principles for the Company's strategy, organization, annual operating plans and budgets, financing and accounting. The Supervisory Board elects the members of the Management Board and determines their salaries and benefits.

The members of the Supervisory Board avoid conflicts of interest and observe the prohibition on competition. The Supervisory Board and the Management Board work closely in the best interests of the Company and its shareholders, acting in accordance with the articles of association. Confidentiality rules are followed in exchanging information.

The Management Board and the Supervisory Board closely collaborate to achieve the better protection of the interests of the Company. The Management Board and Supervisory Board jointly participate in the development of the operations, objectives and strategy of the Company.

• The Management Board

The Management Board is an executive body charged with the day-to-day management of the Company, as well as with representing the Company in its relations with third parties, for example in entering into contracts on behalf of the Company. The Management Board is independent in their decisions and acts in the best interests of the Company's shareholders.

The Management Board must adhere to the decisions of the General Meeting of Shareholders and lawful orders of the Supervisory Board. The Management Board ensures, with its best efforts, that the Company complies with the law and that the Company's internal audit and risk management functions operate effectively.

For electing a member to the Management Board his or her written consent is needed. The Chairman of the Management Board may propose that the Supervisory Board also appoint a vice chairman of the Management Board, who fulfils the chairman's duties in the absence of the chairman. Every member of the Management Board may represent the Company alone in any legal and business matter. According to the law the Supervisory Board may recall any member of the Management Board without a reason. A member of the Management Board may resign without a reason by informing the Supervisory Board about the resignation.

The Management Board and Supervisory Board cooperate closely for the purpose of better protection of the Company's interests. The Management Board regularly notifies the Supervisory Board of any material circumstances concerning the planning and business activities of the Company, activity-based risks, and the management of such risks. The Management Board separately calls attention to such changes in the Company's business activities that deviate from set plans and purposes and indicates the reasons for such changes. The information is delivered promptly and covers all material circumstances.

RISK MANAGEMENT POLICY

The main goal of the group's risk management policy is to ensure the stability of the group's equity and to ensure the long-term development of the business in the desired direction. We define risks as possible unexpected changes in the business environment and the internal processes of the company, which adversely affect the financial results of the company. The main risk is a strategic market risk accompanying capital-intensive investments, which manifests primarily as possible erroneous long-term strategic decisions about the future prospects of a business area. The group manages the strategic risk by preparing thorough and comprehensive business plans and necessary analyses when expanding into new markets and business areas.

To mitigate credit risk and the potentially resulting liquidity risk (expressed in possible losses if the end customers and business partners fail to perform their contractual obligations to the companies in which Infortar has invested, leading to Infortar not having liquid assets to fulfil its own financial obligations on time), the joint group accounts are utilised under the financial management of the company while maintaining sufficient reserves, bank instruments, and loan instruments, constantly monitoring cash flow forecasts and actual status, contributing towards long term and reliable cooperation with credit institutions, and balancing the terms and conditions concerning the deadlines of financial assets and liabilities.

The management boards of companies in which Infortar has invested have the main role in risk management and the main risks are the ones where Infortar has heightened expectations regarding the risk management of its investments.

• Internal monitoring of safety and security risks and compliance with regulatory principles

As developers of infrastructure and real estate as well as operators of commercial buildings where employees work and which clients use and visit every day, we must guarantee the safety and security of these buildings. This means constant internal monitoring and compliance with safety principles in all activities related to the buildings and infrastructure. We comply with all design, construction, and safety requirements when developing infrastructure and real estate. We cooperate only with competent and reliable construction companies and

their subcontractors and use high-quality construction materials and working methods. As managers of the buildings, we monitor that the general order of real estate and its surroundings would not pose a hazard to people.

• Continuous assessment and management of financial risks (credit, liquidity, EURIBOR, and market)

The purpose of financial risk management is to maintain a balance between continued and flexible financing through the use of bank overdrafts, bank loans, and other debt instruments. Contracts for the use of group accounts have been concluded with banks to manage the cash flows of the company as efficiently as possible. The group accounts opened in various banks allow the companies to rely on internal overdraft and use the account balances more efficiently, incl. allow a negative account balance of a group account.

Credit risk is the risk that the group will incur a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the group's trade receivables and contractual assets. The maximum amount exposed to credit risk is the carrying amount of financial assets and contractual assets.

Liquidity risk reflects the potential that the group's ability to meet its obligations on time will decrease as the group's financial position changes. The group keeps the liquidity risk under control by maintaining sufficient reserves, banking instruments, and loan facilities, constantly monitoring cash flow projections and actual balances, and balancing the conditions for the terms of financial assets and liabilities.

Interest rate risk is caused by short- and long-term loan liabilities which are tied to a variable interest rate. Interest rate risk is primarily related to the fluctuations of EURIBOR.

In managing market risks, we constantly analyse strategic goals described in business plans and the market changes that affect them, as well as other critical success factors. This allows us to anticipate and, if necessary, mitigate possible market fluctuations. This gives us the opportunity to make better use of market changes as opportunities and to mitigate market risks.

When managing financial risks, the companies of the group buy and sell derivatives and may assume short-term financial liabilities if necessary. To avoid the volatility of loss and profit, we use an economically effective risk mitigation.

• Continuous and correct compliance with environmental, business, and regulatory requirements

Whenever our business activities require energy and result in the generation of waste, we comply with the requirements for the energy efficiency and waste management of the structures and buildings under construction as well as other important requirements regarding environmental impact. We are continuously looking for new opportunities for making investment decisions and promoting business activities that are more in line with the climate objectives resulting from green transition policies and the growing expectations of the public.

• Covering asset risks with insurance contracts

The management of the asset risks of the group through insurance contracts is based on the objective of ensuring compensation to the extent of the damage that may occur to the assets involved in business activities and thereby ensuring that the company remains a going concern. The assets of the group are covered with property insurance.

Financial reporting and auditing

The consolidated annual accounts of Infortar are prepared in compliance with international financial reporting standards, as adopted by the European Union (IFRS EU), and Estonian legislative acts.

The annual report is audited and then approved by the general meeting of shareholders.

As far as the company is aware, the auditors have fulfilled their contractual obligations and audited the company pursuant to the international auditing standards. Internal audits are conducted to verify the reliability of the information presented in the annual report. For a better management and control of risks, an audit committee and internal audit unit have been established, the latter of which participates in the process of preparing annual reports.

The company held a competition for finding an audit provider, where the main evaluation criteria were the following:

- time and location of the audit;
- international network and expertise in the economic sector;
- audit contract and conditions of payment;
- audited companies.

As a result of the evaluation process, an audit contract was concluded with KPMG Baltics OÜ to provide this service to all Estonian companies of the group. The affiliated undertakings of OÜ EG Biofond are an exception because they have an audit contract with Thornton Baltic OÜ.

The fee for the auditing service and the responsibilities of an auditor are determined in a contract concluded with the management board. The costs associated with obtaining other insurance services and becoming a public company include all services ordered from companies providing auditing services throughout the calendar year.

(in thousands of euros)	
Type of contract	2023
Financial audit fees (Infortar group, parent company, subsidiaries and associated companies)	231
Audit review	1
Other assurance services	48
Services connected with company to be publicly listed	109

KEY PEOPLE IN MANAGEMENT

SUPERVISORY BOARD



Enn Pant (born in 1965) - Chairman of the Supervisory Board of AS Infortar since 1997

- Chairman of the Supervisory Board of AS Tallink Grupp since 2015
- Chairman of the Management Board of AS Tallink Grupp between 1996 and 2015, CEO
- Secretary General of the Ministry of Finance from 1992 until 1996
- Graduated from the School of Economics and Business Administration of the University of Tartu in 1990



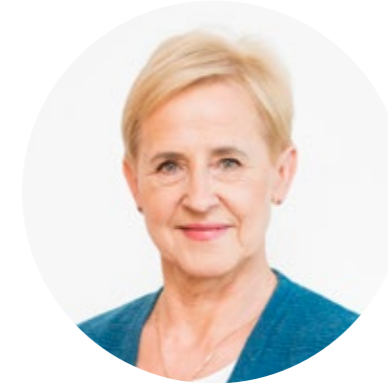
Kalev Järvelill (born in 1965) - Member of the Supervisory Board of AS Infortar since 2003

- Member of the Supervisory Board of AS Tallink Grupp since 2007
- Member of the Management Board of AS Tallink Grupp from 1998 until 2006
- Director General of the Estonian Tax and Customs Board from 1995 until 1998
- Deputy Secretary General of the Ministry of Finance from 1994 until 1995
- Graduated from the School of Economics and Business Administration of the University of Tartu in 1993



Toivo Ninnas (born in 1940) - Member of the Supervisory Board of AS Infortar since 2011

- Chairman of the Supervisory Board of AS Tallink Grupp from 1997 until 2016
- From 1973 until 1997, worked in Eesti Merelaevandus (Estonian Maritime Shipping); starting from 1987, he was the Director General
- Graduated from the Far Eastern High Engineering Maritime College (FEHEMC) in 1966, where he specialised in the management of shipping operations



Mare Puusaag (born 1956) - Member of the Supervisory Board of AS Infortar since 2023

- From 1997 - 2023 General Counsel and Advisor to the Management Board of Tallink
- From 1994 - 1997 Deputy Head of the Legal Department of the Ministry of Finance
- From 1982-1994 Deputy Head of the Economic Law Department of the Ministry of Justice
- Graduated from the Faculty of Law of the University of Tartu in 1982

MANAGEMENT BOARD



Ain Hanschmidt (born in 1961) - Chairman of the Management Board of AS Infortar since 2005

- Member of the Supervisory Board of AS Tallink Grupp since 2005; also from 1997 until 2000
- Served as the Chairman of the Management Board of SEB Eesti Ühispank AS for a long time
- Graduated from the Polytechnical Institute (TalTech) in 1984



Eve Pant (born in 1968) - Member of the Management Board of AS Infortar since 1997

- Member of the Supervisory Board of AS Tallink Grupp since 1997
- Graduated from the Tallinn School of Economics in 1992

**SHARES BELONGING TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS
AS AT 31 DECEMBER 2022**

SHARES BELONGING TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS AS AT 31 DECEMBER 2022

Name	Number of shares
Enn Pant	5 517 316
Toivo Ninnas	1 285 000
Kalev Järvelill	4 906 066
Mare Puusaag	1 000
Ain Hanschmidt*	38 300
Eve Pant	142 300

* the number of shares of Abante OÜ is not disclosed, as it is not in sole ownership.

Disclosure of Information

The Company follows the CGR in its information disclosure procedures and treats all shareholders equally. All the released information, such as monthly statistics reports, interim reports and the annual report, is published in Estonian and in English on the websites of the Company, the Nasdaq Tallinn Stock Exchange as well as through the OAM system managed by the Estonian Financial Supervision Authority.

Meetings with investors are arranged on an ad hoc basis as and when requested by the investors. Following

the disclosure of interim reports the Company holds public webinar meetings. The information shared at the meetings is limited to data already disclosed. The Company publishes the times and locations of significant meetings with investors. The presentations made to investors are available on the Company's website. However, Infortar does not meet the recommendation to publish the time and location of each individual meeting with investors and to allow all shareholders to participate in these events as it would be impractical and technically difficult to arrange (CGR 5.6).



SUSTAINABILITY REPORT

GENERAL INFORMATION

The basis for the preparation of the report

Sustainability reporting standards ESRS

In accordance with the European Union's Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD), AS Infortar is required to publish a report in line with the European Sustainability Reporting Standards (ESRS) from the financial year 2024 onwards. In order to prepare for this commitment, this Sustainability Report has been prepared in accordance with the structure and general requirements of the ESRS, taking into account the current state of the processes addressing sustainability aspects and the existing restrictions on the availability of data. This Sustainability Report is a first-time report and only includes data for 2023. During 2024, the group will implement additional to sustainability aspect management, data collection, and reporting measures.

Scope of consolidation

The Sustainability Report of the Infortar group for the financial year 2023 has been prepared on a consolidated basis. The information and metrics presented in this Sustainability Report only include the group's subsidiaries, the financial results of which have been consolidated on a line-by-line basis in the financial statements of the Infortar group, with the exception of the Latvian gas distribution network company AS Gaso (hereinafter Gaso), acquired in July 2023. As the Infortar group has not checked Gaso's environmental, social, and governance behaviour for most of the reporting period, Gaso's information would distort the sustainability characterisation of the Infortar group. Gaso will be reflected in the Sustainability Report of the Infortar group from 2024 onwards. As an exception, the data of Gaso has been reflected in the group's strategic management performance indicators in this report - (p. 20) - because the financial indicators related to the Gaso acquisition transaction are relevant and necessary for characterising the group's investment activities. Similarly, in accordance with the requirements of Regulation (EU) 2020/852 of the European Parliament and of the Council (the Taxonomy Regulation), Gaso's activities and financial performance are included in the disclosures pursuant to Article 8 of the Taxonomy Regulation. Infortar's related undertakings, including AS Tallink Grupp and OÜ Eesti Biogaas, are not reflected in this Sustainability Report.

Coverage of upstream and downstream value chain stages

This Sustainability Report only includes information on companies that are a part of the Infortar group. Significant impacts, risks, and opportunities related to the upstream and downstream phases of the group's main value chains have been taken into account in the materiality assessment.

Management

Management and supervisory bodies

The company's management report provides an overview of the management of Infortar and the members of the Supervisory Board and Management Board (p. 27). The Management Board of Infortar has equal gender distribution and the Supervisory Board has three (3) men and one (1) woman. One of the four (4) members of the Supervisory Board, Mare Puusaag, is an independent member. The management of the Infortar group is guided by the group's management principles, the aim of which is to ensure shared agreed bases for organising management to support the implementation of the strategy and the high-quality achievement of the set business goals. The management principles are approved and amended by Infortar's Supervisory Board. Infortar's Management Board is responsible for implementing the management policies and keeping them up to date.

Sustainability management

The Infortar group takes an integrated approach to sustainability management and integrates sustainability issues into day-to-day management activities. The identification and implementation of opportunities to achieve positive sustainability impacts and the prevention and reduction of adverse impacts resulting from the activities of the group or the use of the services or transactions provided by the group are an integral part of the group's overall governance. Decisions regarding the strategy and sustainability aspects of the Infortar group are taken by Infortar's Supervisory Board. The CEO, together with the members of the group's Management Board, decides on the principles for responsible business and their implementation in accordance with Infortar's strategy. The Development Manager and the Head of Investor Relations are responsible for the implementation of sustainability

Dear reader of the Sustainability Report of the Infortar group!

We are living in the age of the green transition - the goal of making the economic space of all of Europe, including Estonia, climate neutral by 2050 is, without a doubt, the biggest political decision of our time, and one that affects all of Europe, changing all structures of society: governance, entrepreneurship, scientific and technological progress, etc. Consequently, with each passing day, we at Infortar are more aware that, as an international investment group, it is becoming increasingly important for us to better understand the major political and societal changes brought about by the green transition that are shaping the business environment, and to respond to it adequately and in a timely manner in our business choices as a company. In the interests of the development of our company, it is increasingly important to better measure and understand how the business activities of our group's companies affect the surrounding physical living environment, its diversity and sustainability, and relate to the green transition policy choices of society. The green transition, or rather adapting to it, has become a critically important strategic challenge for Infortar. Therefore, I am very pleased to share with you the first Sustainability (ESG) Report of the Infortar group. This is our group's first ESG report, which is essentially an X-ray of how the companies within the Infortar group directly affect the environment through their activities (primarily in terms

of CO2 equivalent), also proactively handling the possible so-called 'outside in' risks to our areas of activity arising from climate change.

In particular, when preparing our first ESG report, we set the goal of first building a cross-group process of measuring the direct (scope 1 and 2) carbon footprint, measuring the carbon footprint of two (2) consecutive years in CO2 equivalent, defining the ESG focus arising from the business profile of the group's subsidiaries, and positioning our group's business activities in relation to the EU's vision of climate neutrality and the legislation and policies related to Estonia's green transition, so that in the future, we can move forward with the expanded measuring of the carbon footprint (scope 3), and defining the activities necessary to achieve the goals arising from the Climate Regulation. We deliberately spread the preparation of the report over a one-year period, so that there would be time for inclusion within the organisation, thinking together, communicating with subsidiaries, and creating a systematic data collection process.

Finally, I would like to express my sincere gratitude to the team from PwC Estonia, who competently and professionally led the preparation of the Infortar Sustainability (ESG) report. Thank you very much, Merili Vares, et al.

Happy reading!

Imre Mürk
Development Manager

decisions and the coordination and implementation of day-to-day activities in all companies within the group. The management team of Infortar is in close daily communication with the Development Manager and the Head of Investor Relations regarding sustainability issues, and sustainability topics are regularly on the agenda of management meetings.

Incorporating sustainability performance into incentive schemes

One of the foundations of Infortar's remuneration principles is a long-term view and sustainability. According to the established principles of remuneration of Management Board members, remuneration must be aimed at promoting the long-term sustainable development of the group, achieving strategic goals, and increasing the value of shares owned by shareholders, taking into account, among other things, environmental and corporate social responsibility aspects. The principles governing the remuneration of Management Board members and the remuneration paid during the financial year are set out in the remuneration report (p. 132).

Strategy and business model

Business model and value chains

The Infortar group is an international investment group whose main areas of activity are energy, shipping, and real estate. The activity report provides an overview of the Infortar group (p. 6), the activities of the group with descriptions of value chains (p. 7), and key events in 2023 (p. 18).

The breakdown of the total income of the group by sector is presented in Note 5 (p. 86) to the consolidated financial statements.

Strategy

Infortar's mission is to develop well-run companies holding an important position in the market with the aim of achieving stable and faster-than-average investment value growth and a diversified portfolio with a strong asset base and cash flow. In order to achieve this goal, investing is based on long-term socio-economic trends, and investment and management decisions are made that help to create synergies between the companies owned by Infortar.

In order to remain competitive and manage market risks in the context of the green transition, Infortar must be ready to adapt quickly and turn sustainability challenges into business opportunities. Innovation and openness are Infortar's core values. The group is constantly looking for ways to make investment decisions and promote business in a way that is better aligned with the climate goals and environmental requirements arising from green transition policies and growing public expectations. In order to provide the necessary certainty for large-scale investment decisions, the strategy of the group is to build on the positions of legislators that are firm and unchanging over time in the development of the green economy.

The energy sector has an important role to play in the European Union achieving its 2050 climate neutrality objective. The largest share of sales revenue in Infortar's energy business segment comes from the sale of natural gas in the Baltic states and Finland. Although natural gas – one of the cleanest combustible fuels (compared to oil-based products, oil shale, or coal) – can be regarded as a transitional fuel in the medium term, the European Union's objective of climate neutrality will lead to a reduction in demand for natural gas in the long term. With this in mind, Infortar's strategy in the energy business segment is to expand existing and operating business models into new geographic markets, making balanced investments in transitional and renewable energy sources, and creating synergies between existing and new business lines.

As an investment holding company, the operating results of Infortar depend on the adequacy and feasibility of the selected investment strategy. The main risk here is the strategic market risk associated with capital-intensive investments, which is primarily expressed in a possible erroneous strategic decision on the future prospects of some business areas. Therefore, Infortar's most valuable resource is its responsible team with long-term experience, which contributes to the further development of the entire group day after day.

The group mitigates the strategic market risk by preparing thorough and comprehensively considered business plans and the necessary analyses, both in the development of existing business segments and in expanding into new markets and business areas. In 2023, the carbon footprint of Infortar group was measured and a first-time climate risk analysis was carried out, along with an assessment of impacts, risks, and opportunities related to important sustainability aspects. Based on the mapping carried out, the sustainability strategy, governance principles, processes, and objectives of Infortar will be improved in 2024.

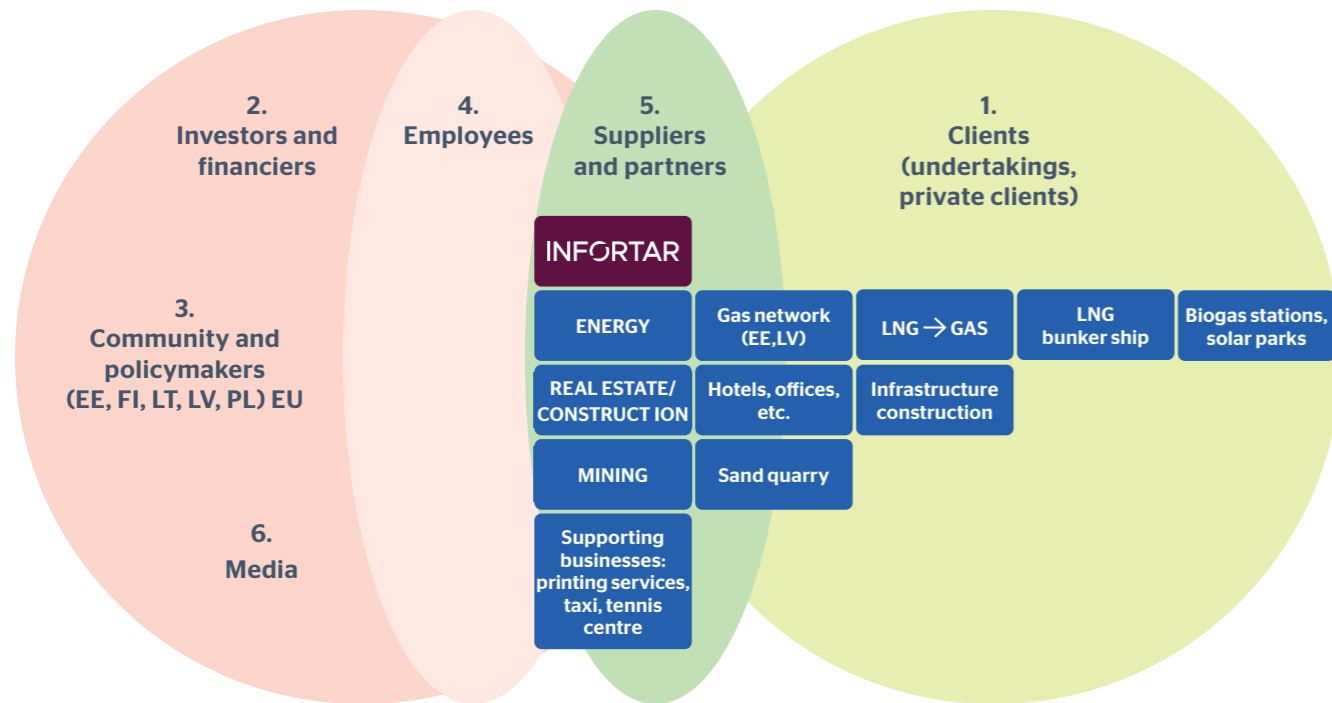
When making long-term strategic management decisions, the possible environmental and social impacts are always taken into account. In the run-up to the acquisition of new undertakings, a sustainability analysis will be carried out as part of the pre-transaction due diligence. Investments in new ventures and the group's activities comply with

human rights instruments and conventions, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the key ILO conventions, and the UN Universal Declaration of Human Rights.

Strategic objectives

	Environment	People	Management
Core value	Innovation We believe that excellent business results can be achieved in many ways thanks to constant technological innovation and an innovative mindset in management.	Openness Smile and commit - better cooperation starts with an open culture of communication. We have an open attitude towards new ideas and that which is different from what we are used to. We value cooperation, both within our team and with our partners. On our team, everyone has equal opportunities and favourable conditions for development, creativity, and self-realisation.	Reliability Good business can only be based on trust, respect, and mutual understanding, both at the level of people and organisations.
Investment principle	We invest in ventures that support the synergy of investments.	We possess unique competence when it comes to managing large investments.	We are an active investor, participate in the decision-making process, and take responsibility.
Principle of responsible business conduct	We create long-term environmental value and reduce the direct and indirect environmental impact of the group.	<ul style="list-style-type: none"> We influence through dialogue and develop solutions and offers that empower Infortar's clients, the community, and Infortar itself to make useful contributions to a sustainable future. We contribute to the development of society and future generations. 	<ul style="list-style-type: none"> In all our activities, we rely on the principles of sustainability and responsibility, taking responsibility for our actions and the implementation of our values, and striving for openness and transparency. We manage risks, including environmental, social, and governance-related risks.
Strategic goal	<ul style="list-style-type: none"> Reducing the greenhouse gas (GHG) emissions of the group. Increasing the share of renewable energy production. Being in line with the vision and policy actions of the European Union's 2050 climate neutrality objective. 	<ul style="list-style-type: none"> Raising the level of employee satisfaction. Being an attractive employer. Preventing accidents at work and reducing time off work due to accidents or illnesses. Contributing to the development of the community. 	<ul style="list-style-type: none"> Improving sustainability-related governance. Being in line with international good corporate governance practices.
Strategic activities	<ul style="list-style-type: none"> Expanding the measurement of GHG emissions to scope 3 and setting footprint reduction targets. Investing in the production of biomethane and solar electricity. Mapping other renewable energy development projects (energy storage, wind farms) and the assessment of potential investments. Developing a transitional climate change mitigation plan in line with climate law guidelines. 	<ul style="list-style-type: none"> Implementing a group-wide employee satisfaction survey. Supporting young people, their development and sporting opportunities, and entrepreneurship through active partnerships. 	<ul style="list-style-type: none"> Developing a sustainability strategy and operational objectives. Improving sustainability reporting systems and data collection processes. Ensuring responsible investment decisions and investment transparency.
Key Performance Indicator (KPI) in 2023	<ul style="list-style-type: none"> GHG emissions in scope 1: 2,311 tonnes CO₂-eq GHG emissions in scope 2: 3,372 tonnes CO₂-eq Total GHG emissions: 5,684 tonnes CO₂-eq. Nominal capacity of solar power plants: 7.4 MW Solar energy production: 60 MWh 	<ul style="list-style-type: none"> Employee recommendation index : 83% Employee turnover: 13.4% Average length of service of employees in the group: 6.7 years 	<ul style="list-style-type: none"> Sales revenue of the group: EUR 1,084,626,000 Return on investment: EBITDA margin: 13.2%. Investment return is different in business segments, this is taken into consideration when making the decisions.

Interests and positions of stakeholders



The Infortar group believes that by involving various stakeholders and having an open and honest dialogue, the group will be able to continuously develop and improve the quality and organisation of its services and products. The main competitive advantage today is no longer the price of products and services; instead, the customer makes decisions based not only on the price, but also on other values. Infortar is open to new initiatives, thoughts, and collaborative ideas that are born during conversations and meetings with Infortar's employees as well as various stakeholders. Infortar values people, the community, and the surrounding environment. The group is engaged in involving future generations and educating the community in the group's areas of activity through campaigns and public appearances. To contribute to the development of communities, Infortar works with social organisations and authorities. Infortar aims to be a reliable and recognised partner for its stakeholders.

Infortar's key stakeholders are customers, investors and financiers, the community and policymakers, employees, suppliers and partners, and the media. As part of the materiality assessment of this Sustainability Report, investors and financiers, the community and policy makers, employees, and suppliers and partners were involved through the exploration of indirect interests and viewpoints. The indirect involvement of financiers and partners relied on sustainability information made public by stakeholders and their previous communication with Infortar. Policies and plans affecting the field were developed to engage the community and policymakers. Employees were involved in the assessment of significant impacts, risks, and opportunities in each company of the group through representatives. The interests and views of the stakeholders taken into account in the materiality assessment are set out in the description of the materiality assessment process on p. 39. Infortar aims to carry out additional direct stakeholder engagement as part of the 2024 Sustainability Report.

Significant impacts, risks, and opportunities

Description of the process of identifying and assessing significant impacts, risks, and opportunities

Methods and assumptions

The process of identifying and assessing significant impacts, risks, and opportunities (hereinafter referred to as IROs) was carried out in accordance with the ESRS, based on the principle of double materiality. The companies of the group were placed into four segments based on similarities in possible IROs: energy, construction and mineral resources, service companies, and group-wide management. The selection of important topics was based on IROs rated as important across the group, as well as IROs that are important for specific segments. In identifying the IROs, the analysis covered the entire scope of the value chain, but the assessment was limited to IROs related to the direct suppliers, partners, and customers of Infortar.

The impact assessment took into account the severity of the impact. As only those that had already occurred, i.e. the actual effects, were identified as potentially significant in the impact mapping, the assessment of the likelihood of the effects was not appropriate. The assessment of severity took into account the level and extent of the impact and, in the case of negative effects, their irreversibility. The impact was identified as significant when, through a combination of company-specific assessment and group executive validation, the severity of the impact was rated as 'high'. The assessment of risks and opportunities took into account the magnitude of the potential financial impact and the likelihood of the risk or opportunity materialising in the medium term, i.e. within up to 5 (five) years.

Process

Indirect involvement of external stakeholders

The IROs were identified by analysing information made public by external stakeholder financiers and partners, as well as previous sustainability interactions with Infortar. Developments and focus topics expressed in the general approaches of policy-makers and the sector were also used. The analysis of external stakeholders showed a general expectation that Infortar would systematically manage sustainability issues and ensure the transparency of its sustainability performance through reporting. Among the environmental issues, climate change mitigation in particular came to the fore,

both from the perspective of the GHG footprint and from the role of natural gas as a transitional fuel. From a social point of view, issues related to the treatment of employees and data protection emerged the most prominently in the analysis of external stakeholders.

Mapping and assessment of impacts

A company-based approach was used to identify and assess the impacts, and employees of the companies of the group participated in the process through representatives. In the workshop, company representatives were introduced to the principle of double materiality, the methodology of evaluation, and potentially important topics identified in the analysis of external stakeholders. Each company then individually identified and assessed its own impacts based on the ESRS subtopics. The results of the company-specific assessment were consolidated at the segment level and validated by Infortar's executives.

Mapping and assessment of risks and opportunities

Executives from Infortar and major companies in the segments participated in the identification and assessment of risks and opportunities, with the participation of which segment-specific workshops were conducted. The risks and opportunities were identified based on the impacts assessed as significant and Infortar's existing risk assessment framework. Risks and opportunities were identified as important by consensus. The impacts, risks, and opportunities assessed as significant and the important topics identified based on them were validated by Infortar's executives and approved by the Board.

Process of identifying and assessing climate-relevant IROs

Measurement of GHG emissions

Infortar's climate-related impacts were assessed on the basis of the results of the 2022 GHG emissions measurement.

Analysis of climate-related physical and transition risks

To understand climate risks, Infortar conducted a scenario analysis for the first time in 2023. The analysis was carried out on the basis of the Task Force on Climate-Related Financial Disclosures (TCFD) methodology. The Intergovernmental Panel on Climate Change (IPCC)

scenarios RCP4.5 and RCP8.5 were used to analyse physical climate risks, which are expected to increase the average temperature by 2 and 4.3 degrees, respectively, by 2100. The year 2050 was chosen as the time frame for physical risk analysis, to look at the long-term effects of the company that may result from physical climate risks. To analyse transition risks, the International Energy Agency (IEA) scenarios Announced Pledges and Stated Policies were used, which envisage an increase in average temperatures of 1.7 and 2.4 degrees, respectively, by 2100. 2030 was chosen as the time frame for the transition risk analysis, to focus on short-term changes; however, indicators were also introduced in the context of 2050 to provide an understanding of longer-term changes.

In the case of physical risks, the scenario analysis was carried out in the context of Estonia and Latvia and in the areas of activity where the Infortar group has the largest number of physical assets: energy, real estate, and mineral resources. Publicly available climate models (Climate Impact Explorer, WWF Risk Filter Suite, ThinkHazard, Climate Change Knowledge Portal) were used to identify significant physical climate risks. The result of the scenario analysis shows that physical climate risks have an insignificant impact on Infortar's business in the Estonian and Latvian context.

In the analysis of transition risks, the workshops mapped the most important risks facing Infortar and assessed the magnitude and likelihood of their impact. The scenario analysis of transition risks was carried out in the context

of the EU. In the context of the European Union's 2050 climate neutrality goal, the scenarios foresee both an increase in the share of renewable energy and an increase in electricity consumption and, consequently, a decrease in the demand for fossil fuels. The decline in demand for natural gas is a significant transitional risk with a major impact on Infortar. The risks with a medium impact arise from the additional taxation of GHG and the energy efficiency requirements for buildings. A transition risk with a lower impact arises from the increase in input prices.

Process of the identification and evaluation of significant IROs related to other environmental aspects

In order to identify all other IROs related to the environmental aspects of ESRS, Infortar's business activities and the upstream and downstream stages of value chains were analysed. IROs were identified on the basis of the expertise of the group's employees in the way companies operate and the volumes of inputs and outputs required. The analysis was also based on environmental permits issued to companies and environmental impact assessments carried out.

The process of identifying and evaluating important IROs related to business conduct issues

In order to identify management impacts, representatives of companies carried out impact mapping. For risks and opportunities, the mapping was carried out at the level of business segments, taking into account all of the group's areas of activity, strategic objectives, and market trends.

Significant impacts, risks, and opportunities

The following tables present the impacts, risks, and opportunities assessed as significant by the subject-specific ESRS. The relationship of significant IROs to Infortar's strategy and business model is presented together with the disclosures under the subject-specific ESRS. A list of the disclosure requirements fulfilled in the preparation of this Sustainability Report, as well as disclosures stemming from other legal acts, are set out in Notes 1 and 2 to the Sustainability Report.

E1 Climate change

	Important IRO
Positive impact	Production and sale of renewable energy and alternative fuels
	Provision of infrastructure for the deployment of alternative fuels
	Enabling the availability of gas consumption management data through the installation of smart gas meters
Negative impact	GHG emissions
	Energy and fuel consumption
Opportunity	Growth in demand for renewable energy and alternative fuels
	Growth in demand for construction activities due to the need to adapt to climate change and energy efficiency regulations
	Improving the competitive position by investing in new technologies
Risk	Decline in demand for natural gas
	Additional taxation of GHG emissions or the obligation to trade credits
	Poorer access to finance due to poor sustainability performance
	Investments in new technologies are not economically viable
	Disadvantage due to a lack of monitoring and the enforcement of sustainability regulations

E2 Pollution

	Important IRO
Negative impact	Dust, noise, and vibrations from construction and mining activities
	Exposure of construction workers to asbestos and chemicals



E5 Resource use and the circular economy

	Important IRO
Negative impact	Use of resources in construction activities Generation of construction waste, mineral residues, and packaging waste
Opportunity	The opportunity to earn income from sending materials to recycling due to the increase in the price of resources
Risk	Increase in the price of input resources Cost increases due to the decline in the quality of mineral resources available for mining Costs related to additional packaging regulations

S1 Own staff

	Important IRO
Positive impact	Ensuring good and safe working conditions and adequate remuneration Training and development of employees Equal treatment of employees
Negative impact	Higher-risk work environment related to construction activities
Opportunity	Employees prefer employers with a reputation for better sustainability
Risk	Shortage of skilled labour

S2 Employees in the value chain

	Important IRO
Positive impact	Regulation of occupational health and safety for construction subcontractors and framework contractors
Risk	Reputational damage due to poor working conditions or the behaviour of the subcontractor



S3 Affected communities

	Important IRO
Positive impact	Ensuring security of supply, continuity of the gas distribution network, and energy security Social contribution
Opportunity	Positive reputation thanks to social contributions

S4 Consumers and end users

	Important IRO
Positive impact	Provision of safety information related to natural gas Ensuring accessibility to sporting opportunities Ensuring transport accessibility
Negative impact	Possession of large volumes of customer data Risks to the physical safety of end users posed by infrastructure facilities and buildings
Risk	Costs related to cybersecurity incidents Reputational damage related to safety incidents

G1 Business behaviour

	Important IRO
Positive impact	Ensuring an ethical company culture Contributing to legislation through participation in the activities of associations in the field Responsible selection of suppliers and partners
Negative impact	Operating in a sector with a high risk of corruption
Risk	Fines for the violation of compliance requirements for regulations Reputational damage linked to corruption incidents

ENVIRONMENTAL INFORMATION

Disclosures as set out in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)



Pursuant to Article 8(1) of the Taxonomy Regulation, the Infortar group is obliged to publish information on how and to what extent the activities of the group are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation. An economic activity is considered environmentally sustainable if it complies with the technical screening criteria set out in Commission Delegated Regulation (EU) 2021/2139 (hereinafter the Climate Regulation) or (EU) 2023/2486 (hereinafter the Environmental Regulation). The Taxonomy report contains key performance indicators related to the consolidated turnover, capital expenses, and operating expenses of the Infortar group, in accordance with the methodology for compliance with the publication obligation set out in Commission Delegated Regulation (EU) 2021/2178 (hereinafter the Disclosure Regulation). The reportable performance indicators are the share of economic activities that are Taxonomy-non-eligible, Taxonomy-eligible, and Taxonomy-aligned in the sales revenue, capital expenses, and operating expenses.

Definitions

An economic activity is classified as Taxonomy-eligible if the activity is described in the Climate Regulation or Environmental Regulation, regardless of whether the activity fulfils some or all of the technical screening criteria set out in those acts. An activity is Taxonomy-aligned if it complies with the technical screening criteria defined in the Climate Regulation or Environment Regulation and functions within the minimum safeguards set out in Article 18 of the Taxonomy Regulation.

Minimum safeguards are the procedures implemented by the undertaking to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions mentioned in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and in the International Bill of Human Rights. A Taxonomy-non-eligible activity is any activity that is not described in the Climate Regulation or Environmental Regulation.

Method of calculation and background information for key performance indicators

Sales revenue

The denominator includes the sales revenue of the group (in the financial statement on p. 31) in accordance with the accounting policies set out in Note 3 to the consolidated financial statements. The Taxonomy-aligned sales revenue numerator takes into account revenue obtained in association with activities that meet the alignment criteria. Sales revenue which is obtained in association with Taxonomy-eligible activities but does not meet the alignment criteria is taken into account in the Taxonomy-eligible sales revenue numerator. The sales revenue taken into account in the numerator was calculated on the basis of project-based accounting entries, taking into consideration the projects in the case of which the criteria required for eligibility or alignment were met.

Taxonomy-aligned sales revenue is mainly related to customer contracts in the energy segment. About two-thirds of the revenue is related to the sale of generated solar power, and the rest to the installation of solar power plants and charging stations for electric vehicles. In addition to the sales revenue included in the sales revenue performance indicator, the sales revenue of the Infortar group related to internal consumption comes from three Taxonomy-aligned activities: electricity generation using solar photovoltaic technology (0.001% of the turnover); installation, maintenance, and repair of charging stations for electric vehicles (0.0003% of the turnover); and installation, maintenance, and repair of renewable energy technologies (0.009% of the turnover).

Capital expenses

The denominator includes additions to fixed assets during the financial year before depreciation and any revaluations other than changes in fair value. The following additions are included in the denominator, as set out in Note 8 to the consolidated financial statements: investment properties using the fair value model (p. 94); property, plant, and equipment (p. 95); intangible assets (p. 96); and right-of-use assets (p. 96).

The numerator of Taxonomy-aligned capital expenses takes into account the capital expenses associated with activities that meet the alignment criteria. The Infortar group has no capital expenses listed in clauses b and c of subparagraph 1 of point 1.1.2.2 of Annex I to the Disclosure Regulation. Capital expenses obtained in association with Taxonomy-eligible activities but not meeting the alignment criteria are taken into account in the Taxonomy-eligible capital expenses numerator. The capital expenses taken into account in the numerator were calculated on the basis of project-based accounting entries, taking into consideration the projects in the case of which the criteria required for eligibility or alignment were met. The numerator includes additions to right-of-use assets for activity 6.5 of the Climate Regulation, additions to intangible fixed assets for activity No 8.1 of the Climate Regulation, and additions to tangible fixed assets for all other activities. The quantitative breakdown of the numerator at the level of the economic activity is presented in the table of CapEx performance indicators (p. 20).

Nearly 80% of Taxonomy-aligned capital expenses are related to the solar power plants owned by the group, and the rest to the capitalised expenses associated with the installation of smart gas meters.

Operating expenses

The following non-capitalised costs have been included in the denominator in accordance with point 1.1.3.1 of Annex I to the Disclosure Regulation:

- labour costs of employees involved in R&D (development and quality managers);
- consulting services outsourced for development purposes;
- employee training costs;
- short-term rent (in construction activities);
- services, materials, and IT costs used for the maintenance and repair of property, plant, and equipment.

The numerator of the Taxonomy-aligned operating expenses takes into account the operating expenses associated with activities that meet the alignment criteria. The Infortar group has no operating expenses listed in clauses b and c of subparagraph 1 of point 1.1.3.2 of Annex I

to the Disclosure Regulation. Operating expenses obtained in association with Taxonomy-eligible activities but not meeting the alignment criteria are taken into account in the numerator of Taxonomy-eligible operating expenses. The capital expenses taken into account in the numerator were calculated on the basis of project-based accounting entries, taking into consideration the projects in the case of which the criteria required for eligibility or alignment were met. In particular, these operating costs relate to maintenance and repair costs.

More than 90% of the Taxonomy-aligned operating costs are related to the maintenance of the solar power plants owned by the group, and the rest to the construction of solar power plants and electric vehicle charging stations.

Assessment of compliance with the Taxonomy Regulation In order to identify Taxonomy-eligible economic activities, the compliance of all group activities with the descriptions of activities and NACE codes set out in the Climate and Environment Regulation were assessed on a company-by-company basis. While there is a high degree of overlap between the descriptions of activities related to climate change mitigation and adaptation objectives in the Climate Regulation, according to clause 18 of Commission Notice C/2023/305, for the purposes of adaptation to climate change, only activities carried out in accordance with the undertaking's climate adaptation plan can be considered as Taxonomy-eligible. As the Infortar group has not put in place a climate adaptation plan, none of the group's activities have been considered Taxonomy-eligible from the point of view of adaptation to climate change. All but one of the identified eligible activities addressed is related to the climate change mitigation objective, and one activity to the objective of transitioning to a circular economy. None of the identified activities contribute to the achievement of several environmental objectives at the same time.

Minimum safeguards

In its activities, the Infortar group ensures compliance with international guidelines and Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the key ILO conventions, and the UN Universal Declaration of Human Rights through the implementation of the due diligence process.

Taxonomy-eligible or Taxonomy-aligned activities

Activities	Description
Electricity generation using solar photovoltaic technology (Action 4.1. of the Climate Regulation)	Companies of the Infortar group produce solar power. Solar power generation contributes substantially to climate change mitigation, and there are no additional criteria for a significant contribution. Infortar's activities also meet the technical screening criteria for the 'do no significant harm' principle. The climate risk analysis described on p. 39-40 of the Sustainability Report shows that the activity is not subject to significant physical climate risks. During the course of activity, the availability of durable and recyclable, easily dismantled and refurbished equipment and components is assessed and, where possible, they are used. In the construction of solar power plants, an environmental impact assessment or screening procedure is always performed in accordance with Directive 2011/92/EU as part of the building permit procedure and, if necessary, mitigation and compensation measures necessary to protect the environment are implemented. Solar parks have not been built in areas of biodiverse sensitivity. Thus, the activity is Taxonomy-aligned.
Transmission and distribution networks for renewable and low-carbon gases (Action 4.14 of the Climate Regulation)	The gas distribution network of the group has undergone renovation works at the connection points to enable green gas producers to connect to the network. The activity does not meet the technical screening criteria as it does not cover leakage detection and disposal, and not all appliances used comply with the requirements of the highest class of the energy label.
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels (Action 4.30 of the Climate Regulation)	A single cogeneration facility is operated within the group, the greenhouse gas emissions of which do not meet the criteria for a significant contribution.
Sale of second-hand goods (Action 5.4. of the Environmental Regulation)	The companies of the group have sold used computers and monitors; however, the group lacks sufficient information about the characteristics of these products to assess alignment with the Taxonomy.
Anaerobic digestion of bio-waste (Action 5.7. of the Climate Regulation)	The companies of the group have built biogas production facilities using anaerobic digestion of bio-waste, but the group does not have sufficient information on the organisation of these plants to assess alignment with the Taxonomy.
Transport by motorbikes, passenger cars, and commercial vehicles (Action 6.5 of the Climate Regulation)	Many companies in the group buy, rent, lease, or use such vehicles; however, these vehicles do not meet the CO2 emission criteria.
Sea and coastal freight water transport, vessels for port operations, and auxiliary activities (Action 6.10 of the Climate Regulation)	The group charters the liquefied natural gas (LNG) bunker ship Optimus; however, due to the transportation of fossil fuels, this activity does not meet the criteria for a significant contribution.

Tegevus	Kirjeldus
Infrastructure for rail transport (Action 6.14 of the Climate Regulation)	The construction company of the group has built railway bridges, but the activity does not meet the significant contribution criteria concerning the specifics of the infrastructure.
Construction of new buildings (Action 7.1. of the Climate Regulation)	The construction company of the group is engaged in the construction of buildings, but these buildings do not meet the significant contribution criterion for primary energy demand.
Installation, maintenance, and repair of energy efficiency equipment (Action 7.3. of the Climate Regulation)	The group has been engaged in the maintenance of equipment related to district heating services, but the group does not have sufficient information on the constituent parts of construction components and materials to assess alignment with the Taxonomy.
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Action 7.4. of the Climate Regulation)	The construction company of the group has installed EV charging stations in parking spaces attached to buildings. The activity inherently contributes to climate change mitigation and there are no additional criteria for a significant contribution. Infortar's activities also meet the technical screening criteria of the 'do no significant harm' principle, as the climate risk analysis described on p. 39 of the Sustainability Report shows that the activity is not subject to significant physical climate risks. Thus, the activity is Taxonomy-aligned. The activity is an enabling activity within the meaning of Article 10(1)(i) of the Taxonomy Regulation.
Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings (Action 7.5. of the Climate Regulation)	The gas distribution network companies of the group install smart gas meters. The activity inherently contributes to climate change mitigation and there are no additional criteria for a significant contribution. Infortar's activities also meet the technical screening criteria of the 'do no significant harm' principle, as the climate risk analysis described on p. 39 of the Sustainability Report shows that the activity is not subject to significant physical climate risks. Thus, the activity is Taxonomy-aligned. The activity is an enabling activity within the meaning of Article 10(1)(i) of the Taxonomy Regulation.
Installation, maintenance, and repair of renewable energy technologies (Action 7.6. of the Climate Regulation)	The companies of the group install and maintain solar power plants. The activity inherently contributes to climate change mitigation and there are no additional criteria for a significant contribution. Infortar's activities also meet the technical screening criteria of the 'do no significant harm' principle, as the climate risk analysis described on p. 39 of the Sustainability Report shows that the activity is not subject to significant physical climate risks. Thus, the activity is Taxonomy-aligned. The activity is an enabling activity within the meaning of Article 10(1)(i) of the Taxonomy Regulation.
Acquisition and ownership of buildings (Action 7.7. of the Climate Regulation)	The group rents out real estate, but the buildings do not meet the criteria for a significant contribution to the energy performance certificate.
Data processing, hosting, and related activities (Action 8.1. of the Climate Regulation)	The group purchases a data processing service, but the group does not have sufficient information on the global warming potential of refrigerants used in the data centre's cooling system and on end-of-life practices for the equipment to assess alignment with the Taxonomy.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering the year 2023

Financial year 2023 Economic activities	2023			Substantial contribution criteria						DNSH criteria ('does no significant harm')						Minimal safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) turnover, 2022	Category (enabling activity)	Category (transitional activity)
	Code	Turnover	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
Text		thousand EUR	%	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	733	0,07%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	62	0,01%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%	E	
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	197	0,02%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		992	0,09%	100%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%		
Of which enabling		259	0,02%	26%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	E	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	349	0,03%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Sale of second-hand goods	CE5.4.	4	0,00%	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Anaerobic digestion of bio-waste	CEM 5.7.	1599	0,15%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Transport via motorbikes, passenger cars, and commercial vehicles	CCM 6.5.	2 355	0,22%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10.	6 556	0,60%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Infrastructure for rail transport	CCM 6.14.	7 09	0,65%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Construction of new buildings	CCM 7.1.	26 685	2,46%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		59 135	5,36%	99,99%	0%	0%	0%	0,01%	0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		59 127	5,45%	99,99%	0%	0%	0%	0,01%	0%								0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		1,025,499	94,55%																
TOTAL		1,084,626	100%																

Alleviation of climate change: CCM

Circular economy: CE

In the case of activities listed in clause A2, non-financial undertakings may voluntarily complete columns 5-17

Proportion of capital expenses (CapEx) from products or services associated with Taxonomy-aligned economic activities - disclosure covering the year 2023

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ('does no significant harm')						Minimal safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) CapEx, 2022	Category (enabling activity)	Category (transitional activity)
Economic activities	Code	CapEx	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
Text		thousand EUR	%	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	1519	0,45%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%		
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.06	0,00%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%	E	
Installation, maintenance, and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	407	0,12%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%	E	
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	0.30	0,00%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1926	0,57%	100%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%		
Of which enabling		407	0,12%	21%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	E	
Of which transitional		0	0%	0%						YES	YES	YES	YES	YES	YES	YES	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/								0%		
				Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible										
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	37	0,01%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
High-efficiency co- generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	0.05	0,00%	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Anaerobic digestion of bio-waste	CCM 5.7.	57	0,02%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Transport via motorbikes, passenger cars, and commercial vehicles	CCM 6.5.	956	0,28%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Infrastructure for rail transport	CCM 6.14.	44	0,01%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Data processing, hosting, and related activities	CCM 8.1.	1 061	0,32%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2 155	0,64%	100.00%	0%	0%	0%	0.00%	0%								0%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		4 081	1,21%	100.00%	0%	0%	0%	0.00%	0%								0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		332 429	98,79%																
TOTAL		336 51	100%																

Alleviation of climate change: CCM

In the case of activities listed in clause A2, non-financial undertakings may voluntarily complete columns 5-17

Proportion of operating expenses (OpEx) for products or services associated with Taxonomy-aligned economic activities - disclosure covering the year 2023

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ('does no significant harm')						Minimal safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2.) CapEx, 2022	Category (enabling activity)	Category (transitional activity)
	Economic activities	Code	OpEx	Proportion of OpEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy				
Text		thousand EUR	%	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES; NO; Taxonomy-non-eligible	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	30	0,26%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%		
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.50	0,00%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%	E	
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	Jan-78	0,02%	YES	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	YES	YES	YES	YES	YES	YES	YES	0%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		32	0,28%	100%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%		
Of which enabling		2	0,02%	7%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	E	
Of which transitional		0	0%	0%						YES	YES	YES	YES	YES	YES	YES	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/	Taxonomy-eligible/										
				Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	58	0,51%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Sale of second-hand goods	CE5.4.	0.06	0,00%	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Anaerobic digestion of bio-waste	CEM 5.7.	9	0,08%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Transport via motorbikes, passenger cars, and commercial vehicles	CCM 6.5.	555	4,87%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10.	469	4,11%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Infrastructure for rail transport	CCM 6.14.	62	0,54%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Installation, maintenance, and repair of energy efficiency equipment	CCM 7.3.	9	0,08%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
Data processing, hosting, and related activities	CCM 8.1.	1 337	11,72%	Taxonomy-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible	Taxonomy-non-eligible								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2 499	21,91%	100.00%	0%	0%	0%	0.00%	0%								0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		2 531	22,19%	100.00%	0%	0%	0%	0.00%	0%								0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		8 876	77,81%																
TOTAL		11 407	100%																

Alleviation of climate change: CCM

Circular economy: CE

In the case of activities listed in clause A2, non-financial undertakings may voluntarily complete columns 5-17



E1 Climate change

Transitional plan to mitigate climate change

The strategic goal of Infortar is to develop a transitional climate change mitigation plan in accordance with the guidelines of the Climate Act to be adopted in 2024.

Significant impacts, risks, and opportunities and their relationship to strategy and the business model

A list of important IROs related to the E1 subject standard is given on p. 41.

Positive impact

Infortar's main positive effects associated with climate change are due to the energy business segment. Driven by the climate objectives of the EU and the associated likely reduction in demand for natural gas, Infortar's strategy is to increase the share of renewable energy production in the field of energy. Through its affiliated companies, Infortar owns a holding in Estonia's largest biomethane producer and plans to continue investments in biomethane production, either through possible new acquisitions or the construction of new biomethane plants. The membrane cleaning technology used in biogas plants ensures a methane content of at least 98% and allows the biomethane produced to be

used wherever natural gas is used, such as supplying biomethane to the natural gas grid or using it as a fuel for motor vehicles in CNG vehicles.

Infortar's solar power plants have a nominal capacity of 7.4 MW as at the reporting year. The group is working on several development projects for the construction of additional solar power plants in Estonia and Latvia, for which Infortar will make an investment decision upon the completion of the necessary preparatory works. The construction of a solar power plant with a nominal capacity of approximately 4 MW in Latvia is underway, the expected completion date of which is Q2 2024. Preparatory work is underway for the construction of solar power plants providing approximately 43.5 MW of additional power in the coming years - in 2024, for the construction of a solar power plant with a capacity of approximately 6 MW in Estonia and for the construction of solar power plants with a total capacity of approximately 9 MW in Latvia, and in 2025, for the construction of a solar power plant with a capacity of approximately 28 MW in Estonia.

An important element of Infortar's strategy is to invest in ventures that support the synergy of Infortar's investments. In addition to renewable energy production,

Infortar also contributes to the development of the infrastructure necessary for the wider deployment of alternative and lower-GHG emissions. As a gas distribution network operator in both Estonia and Latvia, the Infortar group enables green gas producers to market their production through the gas network. Infortar also owns and operates one of the largest CNG filling station networks in Estonia in terms of the number of filling stations. The majority of compressed gas sold at the filling stations of the group is biomethane-based, and the sale of biomethane as a motor vehicle fuel will provide an important contribution to achieving the climate targets set in the transport sector. In doing so, biomethane is purchased from Infortar's affiliates. In addition, the Infortar group is engaged in the provision of bunkering services for the use of LNG as marine fuel suitable for transition fuel, as well as in providing solutions for off-grid LNG stations.

Due to the role of gas distribution network operators, Infortar also contributes to enabling more efficient energy use. By installing smart gas meters, gas consumers will have access to the information they need to manage their consumption.

Negative impact

Infortar's negative impact on climate change is related to the GHG footprint of the group. Infortar has measured its GHG emissions in scopes 1 and 2, in the case of which the biggest impact comes from the energy and vehicle fuels used in the energy and construction and mineral resources segments. Given the activities of the Infortar group as a natural gas seller, scope 3 emissions are likely to be significantly higher. Infortar will extend the measurement of GHG emissions to scope 3 in 2024.

Opportunities

The increase in demand for renewable energy and alternative fuels linked to climate targets is both a risk and an opportunity for Infortar. Infortar's strategic approach to the energy business segment ensures that the business opportunities associated with the growth in demand for more environmentally friendly energy solutions are exploited. Infortar's strong financial position and unique competence in managing large investments may give the group a competitive edge in making the technology investments needed to engage with the green transition.

In addition to the energy business segment, measures to meet climate goals will also create business opportunities for the construction segment. The need to adapt to climate change and stricter energy efficiency requirements may result in an increase in demand in both infrastructure and general construction.

Risks

All climate risks assessed as significant by the Infortar group are transition risks. A scenario analysis was carried out to identify climate risks, the description and results of which are presented on p. 39. Natural gas consumption can be reduced by a change in consumer preferences driven by climate objectives, the expansion of district heating areas, the regulatory preference for alternative local heating solutions (for example, heat pumps), the replacement of natural gas-fired district heating plants with renewable energy, and additional taxation of fossil energy. Similarly, the obligation imposed on gas distribution networks to participate in the GHG credit trading scheme may impose additional costs on the group.

Indicators

Energy consumption and the distribution of energy sources

The calculation of reported energy consumption takes into account the processes owned or controlled by Infortar and the same extent has been applied as in the calculations of emissions from scope 1 and 2 of the GHG. The Infortar group owns solar power plants with a total nominal capacity of 7.4 MW, which produced 60 MWh of renewable energy during the reporting year. The companies of the Infortar group operate in the following sectors* with a high climate impact within the meaning of ESRS: electricity, gas, steam and air conditioning supply; wholesale and retail trade, repair of motor vehicles and motorcycles; construction; mining; manufacturing; transport, and warehousing.

Distribution of energy consumption and energy sources	Figure for 2023
1) Fuel consumption based on crude oil and petroleum products (MWh)	5 695
2) Natural gas-based fuel consumption (MWh)	3 36
3) Consumption of purchased or acquired electricity, heat, steam, and cooling based on fossil-based materials and fuels (MWh)	8 31
4) Total fossil energy consumption (MWh) (calculated as the sum of rows 1-3)	17 365
Share of fossil sources in total energy consumption (%)	98%
5) Fuel consumption from renewable sources (MWh)	40
6) Consumption of purchased or acquired electricity, heat, steam, and cooling based on renewable sources (MWh)	270
7) Own consumption of renewable energy for purposes other than fuel (MWh)	60
8) Total renewable energy consumption (MWh) (calculated as the sum of lines 5-7)	369
Share of renewable sources in total energy consumption (%)	2%
Total energy consumption (MWh) (calculated as the sum of lines 4 and 8)	17 734
Energy consumption from activities in sectors with a high climate impact (MWh)	16 001

Investments in new technologies due to the green transition are associated with high business risk. In order to mitigate the risk, Infortar's strategy in investment decisions is to proceed from the specific goals and measures of the legislator. In particular, there may be a significant risk in the construction business segment of inadequate state supervision of compliance with new requirements, if smaller competitors manage to provide the service at a significantly lower price in violation of the new requirements. Infortar considers improving its sustainability performance an important strategic goal, inter alia due to the fact that the company's access to financing and investments with favourable conditions is increasingly dependent on this aspect.

Policies, measures, and objectives related to climate change mitigation and adaptation

As part of the transition plan for climate change mitigation, Infortar will develop thematic governance principles and specific objectives and action plans. The time frame for policy development depends on the relevant provisions of the Climate Act. Targets and actions at the strategic level on climate change are presented on p. 37.

Almost all of the sales revenue of the group is related to activities in sectors with a high climate impact. Income from other sectors is shown in Note 12 (p. 110) to the consolidated financial statements, under the lines 'Operation of sports facilities' and 'Revenue from services to ship passengers'. As the data of Gaso is not included in this Sustainability Report, in the

calculation of net operating income for sectors with a high climate impact, the sales revenue of Gaso of EUR 24,595,000 has been deducted from the sales revenue reported in the line 'Sale of natural gas network services' in Note 12 (p. 110) to the consolidated financial statements (Note 9.1.2 to the consolidated financial statements, p. 100).

Energy intensity based on net income	Figure for 2023
Net revenues from activities in sectors with a high climate impact used in the calculation of energy intensity (€)	1 058 612 000
Other net income (€)	1 419 000
Total net income (€)	1 060 031 000
Total energy consumption from activities in sectors with a high climate impact per net income of sectors with a high climate impact (MWh/€)	0,02

* Sectors with a high climate impact are listed in NACE sections A-H and L (as defined in Commission Delegated Regulation (EU) 2022/1288).

Scope 1 and 2 GHG emissions and total GHG emissions

Infortar's GHG emissions were calculated using the GHG Protocol Corporate Standard and the GHG calculation model issued by the Estonian Ministry of Climate. The calculations were carried out in scope 1 and scope 2 in this Sustainability Report for consolidated parent companies and subsidiaries. Scope 2 emissions were calculated using both a market and a location approach. Emissions from the market-based approach have been calculated on the basis of specific emission factors based on the model of the Ministry of Climate. Emissions of the location-based approach have been calculated on the basis of the specific emission factors used in the EIB's guide to the carbon footprint calculation methodology. Only emissions from 2023 are presented in this report. 2023 will be the base year for future calculations. In 2024, Infortar will carry out the mapping and calculations of important categories in scope 3.

As Gaso is not included in the calculations of GHG emissions, the sales revenue of the Infortar group (p. 57 of the consolidated financial statements) without Gaso's sales revenue (Note 9.1.2 to the consolidated financial statements, p. 100), is used to calculate GHG intensity.

	Figure for 2023
Scope 1 GHG total emissions (tonnes CO2-eq)	2 311
Total emissions of scope 2 GHG measured on a location basis (tonnes CO2-eq)	3 234
Total emissions of scope 2 GHG measured on a market basis (tonnes CO2-eq)	3 372
Total location-based GHG emissions (tonnes CO2-eq)	5 545
Total market-based GHG emissions (tonnes CO2-eq)	5 684
Location-based total GHG emissions per net revenue (tonnes CO2-eq/thousand €)	0 005
Market-based total GHG emissions per net income (tonnes CO2-eq/thousand €)	0 005

E2 Pollution

The environmental aspect of pollution has a significant impact on the Infortar group in relation to construction and excavation work, which is accompanied by air pollution through dust, noise, and vibration. Construction workers may also be exposed to asbestos and chemicals.

Pollution-related policies and measures

An environmental management system has been established in each construction company within the group, which includes the assessment of environmental impacts, the definition and implementation of guiding principles, and the evaluation of performance. An environmental action plan is created for each construction site based on the environmental impact assessment, legal requirements, and the register of environmental aspects. The action plan includes procedures for obtaining the necessary permits, a list of environmental aspects with measures to mitigate risks, waste management, action in the event of an environmental accident, and the designation of persons responsible. The environmental action plan is also presented to the subcontractor, and during the weekly general inspection of the construction site, compliance with the environmental action plan by the subcontractors is checked.

The environmental aspects register also addresses aspects of noise, vibration, and dust generation, as well as possible control measures. The purpose of vibration and noise management is to prevent damage to buildings, disturbing living organisms, and damage to the health of workers. According to the group's environmental management system for construction companies, earbuds or earplugs are used to prevent adverse effects if the noise level exceeds 85 dB or if the operating instructions for the equipment so require. It is taken into consideration that the employee may not hear an approaching vehicle or warning signals when using headphones. Noisy work is not carried out at night. To reduce the harmful effects of vibration, care is taken to

ensure that the time worked with the device during the shift is not too long. Alternative execution options are always sought for works and tools that cause vibration, and a tool equipped with a vibration damper is selected from among the tools. The established noise emission standards in residential and recreational areas and the vibration limit values in residential buildings are also respected. The site manager and the subcontractor are responsible for managing vibration and noise.

In the case of dust, the goal is to prevent dust from spreading to neighbouring properties. To this end, the environmental management system stipulates that the excessive generation of dust must be avoided and the mechanisms should be stopped during downtime. If possible, traffic routes are irrigated with a watering truck. When performing work where the formation of dust cannot be avoided, employees use personal protective equipment and follow labour protection and safety regulations. When planning the works, an attempt is made to plan measures to potentially reduce dust, and the technologies specified in the project are monitored. The site manager and the subcontractor are responsible for dust management.

When handling chemicals, safety data sheets and instructions are introduced to the employees to check for possible adverse effects. In order to avoid leakages of chemicals from materials stored at the construction site, materials are delivered to the site in quantities necessary for a specific stage of work, if possible. Materials are properly stored, taking into account the specifics of the product.

In the case of asbestos, the amount of asbestos in the building is determined before its demolition or repair. In the event of occurrence of asbestos, the related work is ordered from a specialised subcontractor and the requirements set out in the regulation 'Occupational Health and Safety Requirements for Asbestos Work' are complied with.



E5 Resource use and the circular economy

Similarly to pollution, resource use and the circular economy have a significant impact in the group in relation to construction and excavation work. In addition, waste is also important in printing services and pharmaceutical enterprises, where a certain amount of hazardous waste is generated.

Policies and measures related to resource use and the circular economy

In the construction companies of the group, the principles of resource use and the circular economy are established in the environmental management system described in the E2 standard (p. 58). The environmental management system sets the goal of careful and economical consumption of resources. In the management system, design and conscious procurement are considered the primary measures for raising environmental awareness, with the help of which damage to the environment and inefficient use of resources can be avoided.

The environmental management system sets forth the following general principles of waste management: prevention of waste generation, preference for the reuse of materials and excavated soils, proper storage of waste to enable recovery, and cooperation with operators holding appropriate waste permits. All waste generated on a construction site is sorted at the place of production by at least the following types: hazardous waste; mixed municipal waste; mixed construction waste, which is handed over to the waste operator for more detailed sorting; and soils by type. If economically feasible and achievable with reasonable effort, untreated wood, film and plastic, paper and cardboard, mineral construction and demolition waste, and metal waste are also collected separately.

Indicators

Given the current state of Infortar's data collection systems and the availability of waste-related data, it will not be possible to collect detailed indicators of resource inputs and outputs in 2023 with reasonable effort and expense. In the course of 2024, Infortar will improve the data collection process of the group.



SOCIAL INFORMATION

S1 Own staff

Significant impacts, risks, and opportunities and their relations to the strategy and the business model

Important IROs related to the workforce are presented on p. 42.

Positive impact

The most important social impact of the Infortar group comes from Infortar's role as a major employer. The strategic advantage of Infortar as an investment company is its workforce, which has a unique set of competences when it comes to managing large and complex investments. In all of the business segments of the group, complex and well-regulated operations are carried out - gas network operation and the trading of financial derivatives in the energy business segment, development and construction activities in the real estate business segment, etc. Carrying out these complex processes requires technical accuracy, diligence and attentiveness, and strict compliance with the applicable regulations, including occupational safety and competition regulations. Therefore, in order to maintain Infortar's competitiveness, it is important to value employees, ensure good and safe working conditions, adequate remuneration, training and development opportunities, and equal treatment.

Negative impact

The negative impact on workers is primarily related to construction companies, the working environments of which inherently present a higher level of risk. In order to protect employees, Infortar prioritises compliance with the principles of occupational safety and implements constant internal control in activities related to buildings and infrastructure objects.

Risks and opportunities

Both employee opportunities and risks arise from the dependence of the group on its management and other key players to remain competitive and implement its business strategy. As competition for competent and skilled workers is fierce in the labour market, the group may not be able to hire or retain a qualified, skilled, and experienced workforce. The loss of key personnel or the inability to recruit and retain a qualified workforce may have a significant negative impact on Infortar's business, financial position, and financial results. Conversely, by boosting its sustainability performance, Infortar has the opportunity to improve its attractiveness as an employer, especially for the younger generation, who increasingly prefer to work in companies that value people and the environment.

Policies and measures relating to its workforce

Infortar has established principles and priorities at the group level that are related to the management of people within the framework of the guidelines of responsible business practice, but the details and implementation of the personnel policy of each company are organised at the level of the company or segment-based group. The human resources principles of the group are based on a caring attitude towards employees, valuing and having mutual respect for people, an advanced work culture, purposeful, reliable and loyal employment relationships, equal treatment, and good practices in social behaviour.

One of the priorities of the group is to be a reliable employer, motivating people to promote Infortar's values and adapt the organisation to meet future needs. For example, a stock option programme was created for the employees of the group with the aim of motivating employees through shareholder engagement, allowing them to benefit from an increase in the value of the stock as a result of their work. When creating a working environment within the Infortar group, the principle is that it would be good for the employee to work in the group. Employees are provided with good opportunities to maintain and restore their health and improve their physical fitness. Workers are provided with a safe and healthy working environment and, if necessary, appropriate training, with the aim of preventing accidents at work and reducing the time spent away from work due to accidents or illnesses.

Infortar also considers it important to create opportunities for professional and personal development for everyone. Infortar helps every employee to feel valued and recognised, involved and connected, with maximum use having been made of their knowledge and skills. Infortar contributes to the development of employees by enabling professional in-service training and supporting the acquisition of new knowledge. The group values long-term employment relationships, work-life balance, and supports parenting in every way.

Infortar prioritises treating all people fairly and equally, without discriminating against anyone. All employees are valued regardless of their gender, race, religion, and social background. The recruitment of employees is based on the candidates' diligence, wisdom, reliability, professional preparation, and openness to technological development. The remuneration policy of the group is based on the responsibilities, performance, competencies, and capabilities of employees. Infortar does not use child labour or forced or compulsory labour in its companies.

Indicators

Characteristics of hired employees

In this Sustainability Report, employees of Gaso are not included in the calculation of employee indicators. The number of employees is indicated as at 31/12/2023, in full-time equivalent units. Of the employees of the Infortar group, 413 are employed in Estonia. During the reporting period, 58 employees left the group, and the staff turnover rate was 13.4%.

Number of employees by sex

Sex	Number of employees
Women	179
Men	253
Total employees	432

Employee data by type of contract broken down by sex

	Women	Men	Total
Employees with permanent or open-ended employment contracts	177	255	432
Temporary workers, i.e. employees with fixed-term contracts	0	0	0
Full-time employees	169	254	423
Part-time employees	8	1	9
Employees with non-guaranteed working hours	0	0	0

Characteristics of non-salaried employees in the workforce

As at 31/12/2023, the group had 16 non-salaried employees in full-time equivalent units. These include 14 employees under authorisation agreements and 2 employees under contracts for services.

Collective bargaining coverage and social dialogue

There are no collective agreements and no employee representatives in the companies covered by the Sustainability Report.

Diversity indicators

In the executive management of the group (board members of the companies of the group), 14.6% are women (7 women and 41 men).

Age breakdown of employees

Under 30 years of age	24
30-50 years old	245
Over 50 years old	163

Adequate wages

All employees of the Infortar group are adequately remunerated in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages.

Social protection

All employees of the Infortar group are covered by social protection in the event of loss of income due to any of the following pivotal life events in all countries of residence: (a) illness; (b) unemployment which begins at the time when the worker is employed by the undertaking; (c) acquired disability, work-related injury; (d) parental leave; and (e) retirement.

Persons with disabilities

Among the employees of the Infortar group, the share of people with disabilities is 2%.

Training and skills development indicators

Of the employees of the group, 60% of women and 43% of men regularly participated in the assessment of performance and career development. Infortar has not measured the number of training hours per employee or based on sex in 2023. This data will be included in the Sustainability Report from 2024 onwards.

Health and safety indicators

95% of the employees of the Infortar group are covered by the health and safety management system. There have been no deaths from work-related injuries and work-related ill-health within the group. There was one registered accident at work, due to which 12 calendar days were lost.

Work-life balance indicators

All employees of the group have the right to family leave through the social policy of all host countries.

Incidents, complaints, and serious human rights impacts and incidents

During the reporting period, there were no reported cases of discrimination, employee complaints, or human rights violations within the group.

S2 Employees in the value chain

Significant impacts, risks, and opportunities and their relationship to strategy and the business model

Significant impacts, risks, and opportunities and their relationship to strategy and the business model Important IROs related to workers in the value chain are presented on p. 43. Important IROs are related to the construction companies of the group, which use subcontractors to a significant extent to carry out construction work.

Positive impact

The construction companies of the Infortar group as general contractors can influence the working conditions of a subcontractor's employees. In particular, impact management is associated with setting occupational health and safety requirements.

Risk

As the public primarily associates construction projects with the main contractor, incidents of poor working conditions or behaviour by subcontractors may result in reputational damage with a significant financial impact on the Infortar group.

Policies and measures for workers in the value chain

Infortar cooperates with companies that operate in all markets in accordance with the laws, principles, and rules established in the organisation, and adheres to high ethical values, internationally recognised human rights standards, and working practices. The occupational safety procedure of Infortar's construction companies states that in the case of simultaneous work by different parties on a common construction site, an agreement on joint activities in the field of occupational health and safety and environmental preservation is concluded between the parties, which regulates the division of roles, tasks, and responsibilities between the parties. On the basis of the joint activity agreement, the subcontractor's employees must also proceed from Infortar's instructive and organising documents related to occupational health and safety and environmental preservation when performing their work, which may be, for example, the occupational safety plan, the internal rules of operation of the joint construction site, working environment risk analyses and risk assessments, the description of Infortar's occupational health and safety and environmental preservation policy, the procedures for performing the work, as well as the instructions for occupational safety, fire safety, and electrical safety, and other documents with a similar orientation and content. On the basis of the agreement, Infortar will be able to gain access to its partner's documentary accounts and carry out an internal audit of the working environment.

S3 Affected communities

Significant impacts, risks, and opportunities and their relationship to strategy and the business model

Important IROs related to affected communities are presented on p. 43.

Positive impact

The Infortar group plays an important role in society by creating jobs and managing assets in a way that promotes economic growth and people's well-being. Infortar supports various projects contributing to the development of future generations at both the group and subsidiary level. In addition, Infortar's activities in the energy business segment are directly related to a positive impact on communities. In Infortar's business model, companies of the gas distribution network play an important role, thereby providing a vital service to communities. Based on the strategy of the group, by investing in increasing local renewable energy production capacity and developing the infrastructure necessary for the wider use of green gases, Infortar also contributes to ensuring Estonia's security of supply and energy security.

Opportunity

Contributing to the community and playing an important role in ensuring energy security will have a positive impact on Infortar's reputation. As a listed company, a good reputation can be associated with a significant positive financial impact.

Policies and measures related to affected communities

In line with the principles of responsible business, Infortar consistently contributes to Estonian society by supporting young people, their development and sporting opportunities, and entrepreneurship through active partnerships. In the field of sports, the largest partners of the group are the Estonian Tennis Association and the Estonian Golf Association. The biggest social entrepreneurship project of the group in recent years is investments in and operating grants to the Tallink Tennis Centre.

As a gas distribution network operator, Infortar is responsible for the operation and maintenance of the gas network and is obliged to develop the network in such a way as to ensure the connection of consumer installations in the network area to the network. In addition, additional requirements arising from the Emergency Act apply to AS Gaasivõrk as a provider of vital services.

Especially in recent years, Infortar has played an important role in ensuring the security of supply of the entire Baltic and Finnish region. The full-scale war launched by Russia against Ukraine in February 2022 and the ensuing anxious security situation led to a total change in gas supply chains in the region. During the financial year 2022, the group shifted all gas supply to customers to a liquified natural gas (LNG) base. Infortar purchases LNG through the terminals of Klaipėda (Lithuania) and Inkoo (Finland), which enable the regasification and transmission of LNG through gas networks.



S4 Consumers and end users

Significant impacts, risks, and opportunities and their relationship to strategy and the business model

Important IRO's related to consumers and end users are presented on p. 43.

Positive impact

Infortar's gas distribution network companies play an important role in informing the final consumer about safety. The gas network contributes to raising the awareness of customers, partners, and the public about gas safety by sharing information, conducting trainings and cooperation exercises (with the Estonian Rescue Board, Elering, and its partners) and participating in the work of the commission for the development of standards.

Tallink Takso and Tallink Tennis Centre, service companies of the group, provide better access to transport and sports facilities for people with reduced mobility. It is possible to play wheelchair tennis at Tallink Tennis Centre, and the Centre supports the Estonian Invasport Association in using tennis courts and organising competitions.

Negative impact

In the energy segment - in particular when selling gas and providing distribution network services, due to the number of customers - Infortar's companies are in possession of a large amount of personal data. Therefore, failure to ensure personal data protection and cyber security can have negative effects on consumers. There is also an inherent risk to the physical safety of building users associated with real estate and construction activities.

Risk

The occurrence of negative incidents involving personal data or physical safety among consumers and end users may result in negative financial consequences for the Infortar group. This is the case both through fines applied by the administrative authorities and through significant reputational damage.

Policies and measures relating to consumers and end users

Infortar highly values confidentiality and the protection of personal data. The group follows the general principles of personal data protection, the rules arising from the General Data Protection Regulation, and the principles established within the group for the use of personal data. Information obtained in the course of providing services is treated by Infortar as strictly confidential. It is the responsibility of each employee to ensure that confidential information is protected with appropriate safeguards that only permit access by authorised persons. During the reporting year, the Infortar group did not experience any significant data protection or cyber security incidents.

The principles of internal control of risks related to the safety and security of infrastructure objects and real estate of the Infortar group, as well as compliance with the requirements of regulations, are set out in the Risk Management Policy of the Activity Report on p. 28. During the reporting year, the group has not experienced any significant incidents related to physical safety.

Infortar ensures that the goods and services it offers comply with the requirements of the law and are safe for the health of the consumer. Where appropriate, goods are marked with a label warning of potential health risks, as well as with product safety and information labels. Infortar refrains from providing misleading information to consumers and handles and resolves consumer complaints digitally and as quickly as possible.



INFORMATION ON MANAGEMENT

G1 Business behaviour

Business conduct policy and corporate culture, prevention and detection of corruption and bribery

The policy of the Infortar group on business conduct is established with the anti-corruption guide. Infortar, together with the companies belonging to the group, is committed to ethical business. Even the suspicion of corruption can damage Infortar's reputation and call into question the credibility of the entire group as well as that of each manager and employee. Infortar complies with all applicable bribery and anti-corruption laws in all jurisdictions, even if it means abandoning a new business activity, not using the services of certain third parties or business partners, or tolerating delays in existing business activities.

The anti-corruption guide applies to all Infortar subsidiaries around the world, members of their governing bodies and employees, and related persons. Infortar's Management Board and the boards of its subsidiaries are responsible for ensuring compliance with the anti-corruption guide, being assisted by the Internal Audit Unit, with compliance being supervised by the Supervisory Board and the supervisory boards of subsidiaries. The Internal Audit Unit provides the Management Board of Infortar with an annual overview of the implementation of compliance monitoring. Once a year, the Management Board presents to the Supervisory Board an overview of compliance and any significant doubts that have arisen.

All persons to whom the anti-corruption guide applies must ensure that they understand the Guide and fully comply with it at all times. The Guide has been published and made known to the Management Board of Infortar and its subsidiaries, whose responsibility it is to inform employees about the Guide and the principles set forth therein. The new Infortar employee will be introduced to the anti-corruption guide when concluding an employment contract.

The anti-corruption guide of the group outlines a list of risk points that may indicate that bribes are being given or taken, or give rise to suspicions. All members of the management bodies and employees of the Infortar group who suspect that a violation of a law or a code may be occurring, or that such a violation may occur in the future, or become aware of suspicious, dangerous, or manifestly corrupt actions by any person, must immediately inform their direct manager of their suspicions, who must immediately forward the information received to an employee of the Internal Audit Unit. Any doubts can also be reported by sending an email to corruption@infortar.ee.

Notifications made under the anti-corruption guide are first investigated by the Internal Audit Unit, which will later involve corresponding persons from any other relevant entity. Persons who receive a report of suspected infringement will consider whether it is necessary to notify the authorities in the respective jurisdiction. Notifications prepared by employees and members of the management bodies are kept confidential until the Internal Audit Unit confirms that doing so is no longer necessary.

Relations with suppliers

According to the general principle, the Infortar group only cooperates with competent and reliable companies that operate in all markets in accordance with the law and adhere to high ethical values, internationally recognised human rights standards, and working practices. For example, since the launch of a full-scale war by Russia against Ukraine, the Infortar group has completely restructured its existing natural gas supply chains and based them on liquefied natural gas (LNG), buying LNG instead of the historically dominant Russian natural gas.

Although the group has laid down the principles of responsible business conduct, which suppliers and partners are also expected to adhere to, more specific supplier management processes have been managed by subsidiaries. Over the course of 2024, Infortar will map the needs and opportunities related to supplier management and develop group-wide policies and roadmaps.

Indicators

Confirmed cases of corruption or bribery

There have been no cases of corruption or bribery within the Infortar group during the reporting period.

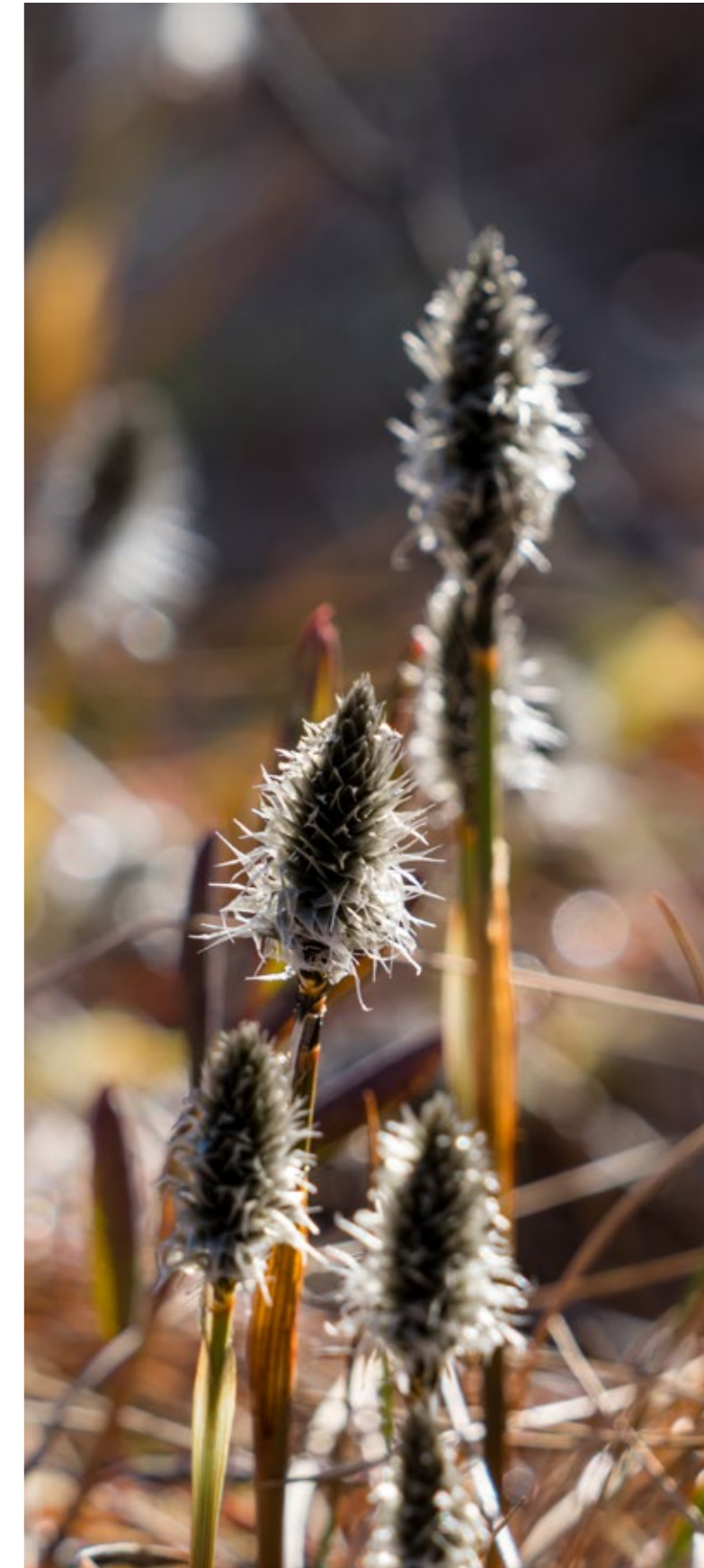
Political influence and lobbying activities

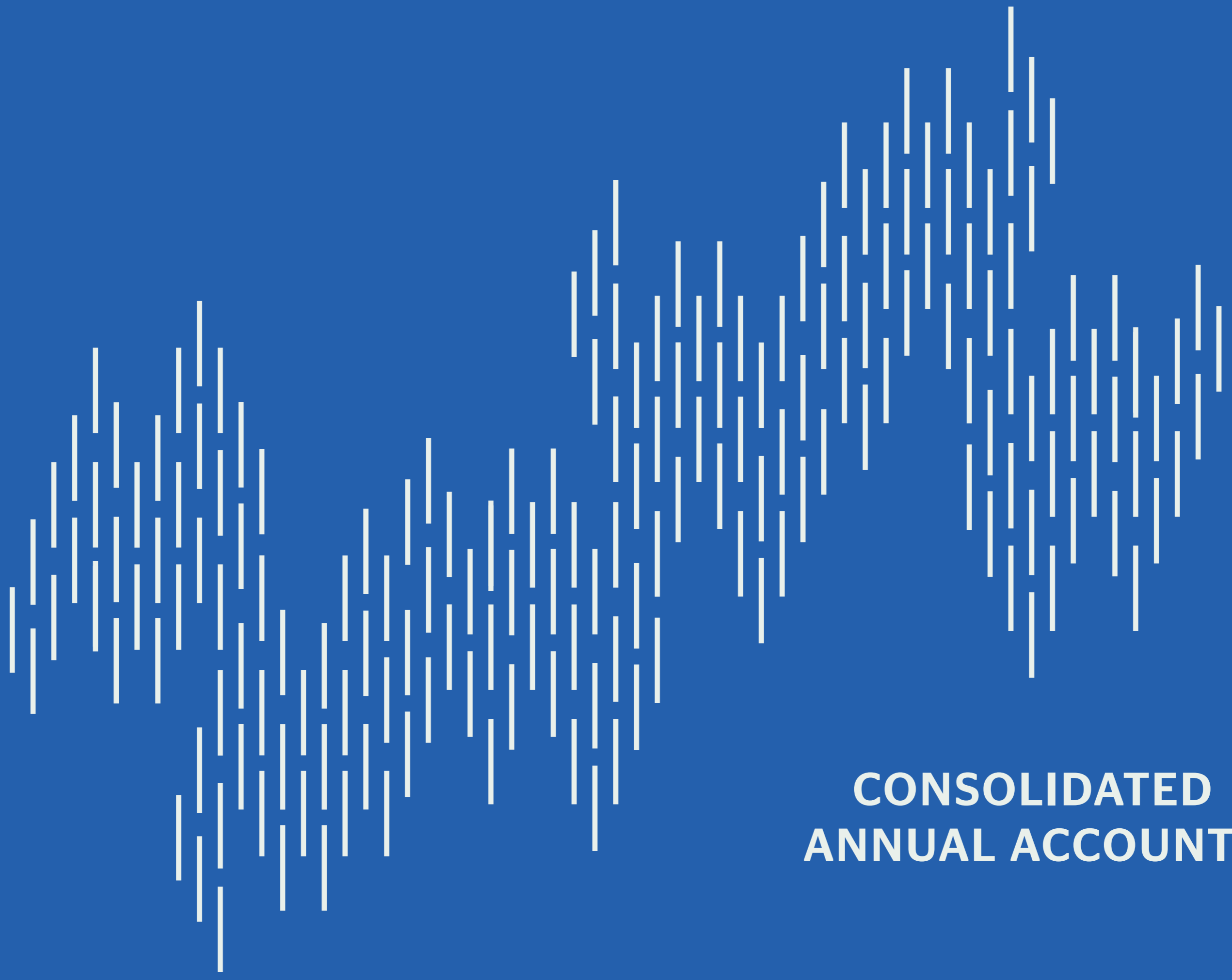
According to Infortar's policy on business conduct, Infortar's funds and resources may not be used for making political donations. However, the companies of the group contribute to policy discussions about legitimate concerns regarding Infortar's business, employees, customers, or the communities in which the company and its subsidiaries operate. This contribution is mainly carried out through participation in sectoral associations.

Infortar is active at the parent company level primarily in the Estonian Employers' Confederation, advocating that the economy is the engine of social development. The subsidiaries of the energy segment mainly participate in the work of the Estonian Gas Association. In particular, the companies of the group have participated in the development and amendment of energy-related laws, such as the Electricity Market Act, the Natural Gas Act, and the Climate Act. Subsidiaries also participate in the preparation of energy-related development plans. At the moment, the preparation of the Energy Sector Development Plan until 2035 - which began in 2023, and will be completed in June 2024 - is relevant. Subsidiaries of the construction segment belong to sectoral associations, but have not actively contributed to lobbying.

Payment practices

Within the Infortar group, payment habits are left to each subsidiary to manage. The payment terms of larger subsidiaries are usually up to 30 (thirty) calendar days. During the reporting period, there are no legal proceedings relating to late payments within Infortar's group of companies.





**CONSOLIDATED
ANNUAL ACCOUNTS**

CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)

ASSETS			
Notes on pages 76-131 are an integral part of the annual accounts.	31/12/2022	31/12/2021	NOTE
CURRENT ASSETS	87 115	60 002	6.1
Cash	28 728	71 109	14.4
Short-term derivatives	5 958	108 917	7.1
Trade receivables	162 575	122 006	7.1
Prepaid taxes	925	1 006	7.1
Other liabilities and prepayments	20 185	6 067	7.1
Prepayments for inventories	3 493	9 581	6.3
Inventories	146 884	76 752	6.2
Total current assets	455 863	455 440	
NON-CURRENT ASSETS			
Investments in affiliated undertakings	346 014	296 061	9.2
Long-term derivatives	1 125	12 866	14.4
Long-term loans and other receivables	9 072	15 736	7.1
Investment property	176 024	160 540	8.1
Property, plant, and equipment	446 748	147 724	8.2
Intangible assets	14 366	8 853	8.3
Right-of-use assets	11 300	10 192	8.5
Total non-current assets	1 004 649	651 972	
TOTAL ASSETS	1 460 512	1 107 412	

(in thousands of euros)

LIABILITIES AND EQUITY			
Notes on pages 76-131 are an integral part of the annual accounts.	31.12.2023	31.12.2022	LISA
CURRENT LIABILITIES			
Loan liabilities	184 259	264 559	10.1
Lease liabilities	1 766	1 749	8.4
Trade payables	74 751	19 845	7.3
Tax liability	32 822	31 135	7.3
Prepayments received	3 099	10 169	7.3
Derivative financial liabilities	1 463	1 667	7.3
Other liabilities and prepayments	10 851	5 099	7.3
Short-term derivatives	3 659	0	
Total current liabilities	312 670	334 223	
NON-CURRENT LIABILITIES			
Long-term provisions	8 399	649	
Deferred income tax liability	33 233	24 890	7.3
Other non-current liabilities	30 679	18 076	7.3
Long-term derivatives	186	0	
Loan liabilities	246 410	153 155	10.1
Lease liabilities	8 725	7 742	8.4
Total non-current liabilities	327 632	204 512	
TOTAL LIABILITIES	640 302	538 735	
EQUITY			
Share capital	2 105	1 985	11.1
Own shares	-95	-95	11.2
Share premium	29 344	0	11.1
Legal reserve	205	205	
Option reserve	3 864	1 650	11.6
Hedging reserve *	24 118	82 307	11.5
Unrealised exchange rate differences	-39	3	
Post-employment benefit obligations reserve	-44	0	
Retained earnings from previous periods	466 140	385 947	
Profit for the financial year	293 778	95 943	
Total equity attributable to the owners of the parent company	819 376	567 945	
Minority shareholding	834	732	
Total equity	820 210	568 677	
TOTAL LIABILITIES AND EQUITY	1 460 512	1 107 412	

* The revaluations of non-monetary derivative instruments in consolidated profits do not affect the profitability or cash flow generation ability of Eesti Gaas or Infortar's main business activities.

(in thousands of euros)

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME			
Notes on pages 76-131 are an integral part of the annual accounts.	2023	2022	NOTE
Sales revenue	1 084 626	1 053 712	12
Cost of goods (goods and services) sold	-934 811	-927 127	13.1
Write-down of receivables	-342	-48	13.1
Gross profit	149 473	126 537	
Marketing expenses	-1 620	-1 408	13.2
General administrative expenses	-22 085	-17 520	13.3
Profit (loss) from the change in the fair value of the investment property	-4 074	-10 492	8.1
Unsettled gain/loss on derivative financial instruments	1 969	-14	14.4
Other operating revenue	2 523	2 275	7.6
Other operating expenses	-2 558	-238	
Operating profit	123 628	99 140	
Profit (loss) from investments accounted for by equity method	39 639	8 157	9.2
Financial income and expenses			
Financial income (expenses) from other financial investments	-4	1 952	
Interest expenses	-22 573	-8 221	10.3
Interest income	2 765	680	
Profit (loss) from changes in exchange rates	-173	-6	
Gain from discount purchase	159 158	0	9.1.2
Total financial income and expenses	139 173	-5 595	
Profit before tax	302 440	101 702	
Corporate income tax	-8 610	-5 578	7.5
Profit for the financial year	293 830	96 124	
including:			
Profit attributable to the owners of the parent company	293 778	95 943	
Profit attributable to non-controlling interest	52	181	
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of post-employment benefit obligations	-44	0	
Items that may be subsequently reclassified to the income statement:			
Revaluation of risk hedging instruments*	-58 189	94 772	
Exchange rate differences attributable to foreign subsidiaries	-42	3	
Other comprehensive income	-58 275	94 775	
Total comprehensive income/loss for the financial year	235 555	190 899	
including:			
Comprehensive profit attributable to the owners of the parent company	235 547	190 718	
Comprehensive profit attributable to non-controlling interest	52	181	
Ordinary and diluted earnings per share (in euros per share)	15	15	11.8

* The revaluations of non-monetary derivative instruments in consolidated profits do not affect the profitability or cash flow generation ability of Eesti Gaas or Infortar's main business activities.

(in thousands of euros)

CONSOLIDATED CASH FLOW STATEMENT			
Notes on pages 76-131 are an integral part of the annual accounts.	2023	2022	NOTE
Cash flows from operating activities			
Profit for the financial year	293 830	96 124	
Adjustments			
Depreciation, amortisation, and impairment of non-current assets	15 581	10 414	8.2
Change in the fair value of the investment property	4 074	10 492	8.1
Equity profits/losses	-39 639	-8 157	9.2
Change in the value of derivatives	54 122	-58 703	14.4
Other financial income/expenses	-161 965	-770	
Calculated interest expenses	22 573	8 221	10.3
Profit/loss from non-current assets sold	-91	-231	
Income from grants recognised as revenue	784	-1 084	7.6
Corporate income tax expense	8 610	5 578	7.5
Income tax paid	-267	-4 051	7.5
Change in receivables and prepayments related to operating activities	54 540	-116 072	7.1
Change in inventories	-61 914	3 667	6.2
Change in payables and prepayments relating to operating activities	-406	55 611	7.3
Total cash flows from operating activities	189 832	1 039	
Cash flows from investing activities			
Acquisition / reduction of capital of associates	-10 314	-4 814	9.2
Purchases of associates*	-103 414	-81	9.1.2
Proceeds from the sale of subsidiaries and non-controlling interest	0	0	
Dividends received	0	0	9
Loans issued	0	-6 438	7.1
Paybacks from given loans	6 652	0	
Interest received	2 691	992	16.4
Acquisition of investment property	-18 304	-24 236	
Acquisition of property, plant, and equipment and intangible assets	-18 143	-14 250	
Proceeds from the sale of investment property and non-current assets	-252	355	
Total cash flows from investing activities	-141 084	-48 472	
Cash flows from financing activities			
Proceeds from targeted financing	0	3 251	7.6
Change in bank overdraft balance	14 348	-9 456	10.4
Proceeds from borrowings	287 606	193 397	10.4
Loan repayments made	-312 846	-98 833	10.4
Principal repayments of lease obligations	-2 233	-2 037	10.4
Interests paid	-22 224	-7 960	10.3
Dividends paid	-15 750	-16 110	
Laekunud aktsiate emiteerimisest	29 464	0	
Total cash flow from financing activities	-21 635	62 252	
Total cash flows	27 113	14 819	
Cash and cash equivalents at the beginning of the period	60 002	45 183	6.1
Cash and cash equivalents at the end of the period	87 115	60 002	6.1
Change in cash and cash equivalents	27 113	14 819	

* Includes the acquisition of the Latvian distribution network company Gaso by Eesti Gaas, for 122.2 million euros, as well as the acquisition of minority interests in subsidiaries. From the total amount, cash that was already in the company's account, totaling 18.6 million euros, has been deducted from the cash flow.

(in thousands of euros)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes on pages 76-131 are an integral part of the annual accounts.

	Share capital	Share premium	Own shares	Option reserve	Reserve capital	Risks hedging reserve	Unrealised currency translation differences	Post-employment benefit obligations reserve	Retained earnings	Minority Interest	Total equity
Balance as at 31/12/2021	1985	0	-95	225	205	-12 465	0	0	402 057	743	392 655
Stock options	0	0	0	1 425	0	0	0	0	0	0	1 425
Change in minority shareholding	0	0	0	0	0	0	0	0	0	-192	-192
Profit for the financial year	0	0	0	0	0	0	0	0	95 943	181	96 124
Other comprehensive income	0	0	0	0	0	94 772	3	0		0	94 775
Dividends paid	0	0	0	0	0	0	0	0	-16 110	0	-16 110
Balance as at 31/12/22	1985	0	-95	1 650	205	82 307	3	0	481 890	732	568 677
Share capital expansion	120	29 344	0	0	0	0	0	0	0	0	29 464
Stock options	0	0	0	2 214	0	0	0	0	0	0	2 214
Change in minority shareholding	0	0	0	0	0	0	0	0	0	50	50
Profit for the financial year	0	0	0	0	0	0	0	0	293 778	52	293 830
Other comprehensive income	0	0	0	0	0	-58 189	-42	-44	0	0	-58 275
Dividends paid	0	0	0	0	0	0	0	0	-15 750	0	-15 750
Balance as at 31/12/23	2 105	29 344	-95	3 864	205	24 118	-39	-44	759 918	834	820 210

Additional information on the changes in equity can be found in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

AS Infortar (hereinafter 'Infortar' or 'parent company') is an undertaking established in the Republic of Estonia on 9 April 1997. The registered office of the parent company is located at Liivalaia 9, Tallinn, 10118, the Republic of Estonia. The consolidated annual accounts of AS Infortar comprise the parent company and its 26 subsidiaries and their 22 subsidiaries (hereinafter the 'group'). The group is mainly operating in the energy, shipping, and real estate sectors and fields that support these sectors. The notes to the accounts disclose detailed information on the subsidiaries.

The annual accounts presented in this report have been prepared pursuant to the International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting and reporting principles described herein have been consistently applied to all periods included in the report.

The consolidated annual accounts were approved by the management of the group on 19 April 2023. In accordance with the Commercial Code of the Republic of Estonia, the annual report must also be approved by the supervisory board of the group and the general meeting of the shareholders.

Going concern

At the time of the approval of the financial statements, the management board has a justified expectation that the group has sufficient resources for continuing its operations in the near future. Therefore, the management board will continue to prepare annual reports based on the going concern assumption.

NOTE 2. IMPLEMENTATION OF THE NEW AND UPDATED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following new standards, interpretations, and amendments apply to the reporting period after 31 December 2024, early application is permitted). New standards, interpretations and, amendments will not have a significant effect on the annual report.

* „Classifying liabilities as current or non-current“ (IAS 1 amendments);

- * „Classifying liabilities with covenants as non-current“ (IAS 1 amendments);
- * „Supplier finance arrangements“ (IAS 7 and IFRS 7 amendments);
- * „Sale and leaseback transaction to lease liabilities“ (IFRS 16 amendments);
- * „Lack of Exchangeability“ (IAS 21 amendments)

The group is going to implement these standards, interpretations, and amendments when they take effect.

2.1. AMENDMENTS TO IFRS 10 AND IAS 28: SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE

The amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:

- a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while
- a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

According to the group, the amendments will not have a significant effect on the annual report of the group when first implemented.

2.2. AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual periods beginning on or after 1 January 2024. Early application is permitted.*

* On 31 October 2022 the IASB has issued an amendment deferring the effective date to 1 January 2024. Interpretations and the impact are described at note 2.3.

2.3. AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS: NON- CURRENT LIABILITIES WITH COVENANTS

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments, as issued in 2020, have removed the requirement for a right to be unconditional and instead require that a right to defer settlement must exist at the reporting date and have substance (the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early). The amendments, as issued in 2022, further clarify that when the right to defer settlement is subject to a company complying with conditions (covenants) specified in a loan arrangement, only covenants with which the company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date do not affect a liability's classification at that date. However, the amendments require companies to disclose information about these future covenants to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt).

According to the group, the amendments will not have a significant effect on the annual report of the group when first implemented.

2.4. AMENDMENTS TO IAS 7 STATEMENT OF CASH FLOWS AND IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES: SUPPLIER FINANCE ARRANGEMENTS

The amendments introduce additional disclosure requirements for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

The amendments apply to supplier finance arrangements (also referred to as supply chain finance, payables finance or reverse factoring arrangements) that have all of the following characteristics:

- a finance provider (also referred to as the factor) pays amounts a company (the buyer) owes its suppliers; a company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid; the company is provided with extended payment terms or
- suppliers benefit from early payment terms, compared with the related invoice payment due date. However, the amendments do not apply to arrangements for financing receivables or inventory.

According to the group, the amendments will not have a significant effect on the annual report of the group when first implemented.

2.5. AMENDMENTS TO IFRS 16 LEASES: LEASE LIABILITY IN A SALE AND LEASEBACK

The amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The amendments confirm the following:

- on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction;
- after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction.

According to the group, the amendments will not have a significant effect on the annual report of the group when first implemented.

2.6. AMENDMENTS TO IAS 12 INCOME TAXES: INTERNATIONAL TAX REFORM – PILLAR TWO MODEL RULES

'Pillar Two taxes' are taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The Pillar Two model rules aim to ensure that large multinational groups pay taxes at least at the minimum rate of 15 percent on income arising in each jurisdiction in which they operate by applying a system of top-up taxes. There are three active mechanisms under Pillar Two model rules that countries can adopt: the income inclusion rule, the undertaxed payment rule and a qualified domestic minimum top-up tax. They are often referred to as 'global minimum top-up tax' or 'top-up tax'. The amendments address stakeholders' concerns about deferred tax accounting in relation to the new top-up tax under IFRSs by providing entities with a temporary mandatory relief from deferred tax accounting for top-up tax; and requiring entities to provide new disclosures in relation to the top-up tax and the relief.

The group will implement the amendments after International Tax Reform is completed.

2.7. AMENDMENTS TO IAS 21 THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES: LACK OF EXCHANGEABILITY

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. IAS 21 was amended to clarify: when a currency is exchangeable into another currency; and how a company estimates

a spot rate when a currency lacks exchangeability. The amendments also include additional disclosure requirements to help users to assess the impact of using an estimated exchange rate on the financial statements.

According to the group, the amendments will not have a significant effect on the annual report of the group when first implemented.

2.8. OTHER AMENDMENTS

Other new or amended standards or interpretations, not yet in effect, will not presumably have a material effect on the annual accounts of the company.

2.9. NEW STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO CURRENT STANDARDS THAT TOOK EFFECT ON 1 JANUARY 2023

New standards that took effect on 1 January 2023 do not have a material effect on the financial reports of the group.

2023 IAS 1 presentation on financial statements and IFRS 2 "objective and scope" changes.

Amendments in new standards did not have material effect on financial reports, it had an effect to principles of "basis of preparation". Amendments require publishing and implementing important publishing principles and give guidance regarding publishing requirements, helping the Group to understand the financial information. The management board of Infotrar look through the "basis of preparation" and updated the information accordingly to be in line with the important amendments.

NOTE 3. MATERIAL ACCOUNTING POLICIES

3.1. STATEMENT OF COMPLIANCE

The consolidated annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and the Accounting Act of the Republic of Estonia.

3.2. BASIS OF PREPARATION

The cost method was used for preparing the consolidated annual accounts, except in the case of the following items in the statement of financial position:

- affiliated undertakings – pursuant to principles on 3.4
- financial instruments – pursuant to subsection 3.15
- investment property – pursuant to subsection 3.11

3.3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The presentation currency of the consolidated annual accounts is the euro, which is also the functional currency of the parent company and its subsidiaries. The numeric indicators in main statements and notes are presented in thousands of euros rounded to the nearest thousand (unless stated otherwise).

3.4. BASIS OF CONSOLIDATION

The consolidated annual accounts present the financial indicators of the parent company and its subsidiaries, consolidated line by line.

Subsidiaries

3.4.1 AS TALLINK GRUPP FINANCIAL ASSETS

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset. At initial recognition of each accounts receivable balance and throughout its life, a lifetime credit loss is recognised in order to arrive

at the appropriate impairment under IFRS 9. In order to calculate a lifetime expected credit loss the provision matrix method is used.

3.4.2 AS TALLINK GRUPP FAIR VALUE OF SHIPS

The market value of ships is the estimated amount for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The Group uses independent appraisers to determine the fair value of the ships. The fair value is calculated using the weighted average of the appraisers' valuations and stress-sale valuations. No revaluation will be carried out if the difference between calculated fair value and book value is immaterial. The frequency of revaluation depends upon changes in the fair values of the ships. When the fair value of a ship differs materially from its carrying amount, a revaluation is required. Tallink Grupp management is of the opinion that as at 31 December 2023 the carrying value of ships as a group did not materially differ from their fair value. Therefore, no revaluation was performed as at 31 December 2023.

3.4.3 TALLINK GRUPP REVENUE

Tallink Grupp revenue is measured based on the consideration specified in a contract with a customer. Tallink Grupp recognises revenue when it transfers control over a good or service to a customer. The following specific recognition criteria must be met before revenue is recognised: Sale of Goods – Restaurant and Shop Sales On-Board and Onshore Revenue is recognised when the goods are delivered and have been accepted by customers at their locations, i.e. at the retail stores, bars and restaurants, generally for cash or by card payment. Ticket Sale and Sale of Cargo Transport Revenue from tickets and cargo transport is recognised as the services are rendered. At financial year-end, a revenue deferral is recorded for the part of revenue that has not yet been earned in relation to prepaid tickets and cargo shipments. Sales of Hotel Accommodation – revenue from sales of hotel accommodation is recognised when the rooms have been used by the clients. At financial year-end, a revenue deferral is recorded for the part of revenue that has not yet been earned in relation to prepaid room days. Revenue from Travel Packages – Tallink Grupp sells travel packages, which consist of a ship ticket, accommodation in a hotel not operated by the Tallink Grupp and tours in different cities not provided by the Tallink Grupp. Tallink Grupp recognises the sales of travel packages in its revenue in

full instead of recognising only the commission fee for accommodation, tours and entertainment events, as the Tallink Grupp is able to determine the price of the content of the package and has discretion in selecting the suppliers for the service. Revenue from sales of travel packages is recognised when the package is used by the client.

Revenue from travel packages is part of ticket sales revenue.

Charter Income – charter income arising from operating charters of ships is accounted for on a straight-line basis over the charter terms. In these financial statements the term ‘charter’ refers to ‘lease’ as defined in IFRS 16. Customer Loyalty Programme – Tallink Grupp allocates a portion of the consideration received to Club One loyalty points. This allocation is based on the relative stand-alone selling price.

3.4.4 TALLINK GRUPP FINANCIAL DATA AT INFORTAR CONSOLIDATED REPORT

Tallink Group financial data is recognised according to the equity method, only exception is segment reporting (note 5) where Tallink Grupp data is used.

3.5. INVENTORIES

Inventories are initially recognised at cost, which consists of acquisition, manufacturing, and other costs that are required for bringing the inventories to the current location and condition. Purchasing costs of the inventories include, in addition to the purchase price, any customs duties, other non-refundable payments, and transportation costs which are related to purchasing the inventories, with any discounts or subsidies deducted. The cost of inventories is based on FIFO or the weighted average principle. For same type of assets the similar methodology is used.

3.6. PROPERTY, PLANT, AND EQUIPMENT

Registration and recognition

Property, plant, and equipment are recorded in the balance sheet at cost, less accumulated depreciation and potential write-downs due to impairment. Land is registered in its actual cost. Land is not depreciated. If the useful life of different components of property, plant, and equipment varies, the components are registered separately as non-current assets (as important components). The normal depreciation rate of each component is determined separately based on the presumed useful life of the component. Actual expenses

related to property, plant, and equipment produced for own use are recognised as construction in progress. If preparing an object for its intended use takes a significant amount of time and it is financed with a loan (or some other debt instrument), the borrowing costs that are directly related to the production of the asset (including interest calculated based on the effective interest method) must be capitalised in the cost of the asset. Borrowing costs are capitalised from the moment that these expenses have been created (a loan has been issued) and the construction of the asset has begun. The capitalisation of borrowing costs ends at the moment when the asset is mostly completed and commissioned for its intended use by the economic unit. The cost of a self-constructed asset is determined using the same principles as for an acquired asset. Construction in progress is registered as property, plant, and equipment based on an instrument of delivery and receipt of the asset, stating the useful life of the asset. The cost of property, plant, and equipment does not include administrative and other general expenses. The cost of non-current assets obtained with the help of a government grant is determined pursuant to the section on government grants in the accounting policies.

Subsequent expenses

Depreciation is calculated based on a linear method by apportioning the cost up to the final value to the estimated useful life of the asset and recognised in the income statement.

The useful life of property, plant, and equipment by asset groups:

- buildings in use 2-5% per year;
- machinery and equipment 8-20% per year;
- vessels 2-5% per year;
- other inventory 20-50% per year.

3.7. INVESTMENT PROPERTY

Investment property is real estate (a plot of land or a building or a part of a building or both) which is mostly kept for earning lease income, increase in value, or both, and not for using it to manufacture products or provide services, for administrative purposes, or for sale in ordinary course of business. Investment property is initially recognised in the balance sheet at cost that includes its purchase price and direct expenses of acquisition. Subsequently, investment property with a fair value that can be reliably estimated with reasonable costs and effort will be recognised at fair value, which is based on market prices determined by independent real estate appraisers once a year; the prices of recent transactions with similar objects (adjusting the estimated difference); or the discounted cash flow model.

Investment property, the fair value of which cannot be reliably evaluated with reasonable costs and effort, is recognised based on the cost model similarly to fixed assets until it is possible to evaluate its fair value reliably.

Cost model is used for development projects that are not ready.

When applying the fair value option, investment property is recognised at fair value on every reporting date. Profits/losses arising from changes in value are reflected in the income statement for the reporting period on a separate line ‘Profit (loss) from the change in fair value of the investment property’. If the investment property is recognised based on the fair value method, depreciation is not calculated.

If the use of an investment property changes, the property is reclassified in the statement of financial position and, as of the date of the change, the accounting principles which apply to the asset group to which the property was assigned are applied to the property.

3.8. FINANCIAL INSTRUMENTS

The group holds derivative instruments to hedge its natural gas and electricity price risk exposures. Derivatives are measured at fair value both initially and subsequent to initial recognition. The group designates most of the derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in the commodity prices.

At the inception of designated hedging relationships, the group documents the risk management objective and strategy for undertaking the hedge. The group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised under other comprehensive income (OCI) and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement. The amount accumulated in the hedging reserve is reclassified to the income statement or in the cost of inventories in the same period or periods during which

the hedged expected future cash flows affect the profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated, or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedging instruments is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to the income.

Additional information regarding hedging reserve, note 11.5.

3.9. RECOGNITION OF REVENUE AND OTHER INCOME

Sales revenue is revenue created in the course of the regular business activity of the group. Sales revenue is recognised at transaction price. Transaction price is the total fee that the group is entitled to for transferring the promised goods or services to customers, less amounts collected on behalf of third parties. The company recognises sales revenue when control over goods or services is transferred to customers. Sales revenue is recognised in an amount without VAT and various excise duties applicable to the group.

Operating lease income from investment property is recognised in a linear manner as revenue during the lease period.

Revenue from exchange rates is calculated in net amounts.

Interest income and dividend income are reported when receipt of the income is likely and the amount of the income can be assessed reliably. Interest income is reported based on the efficient interest rate of the asset, unless the receipt of the interest is doubtful. In such cases, interest income is calculated on a cash basis. Dividend income is reported when a legal right has arisen for the owner to receive dividends.

Customers pay a connection fee when connecting to a gas network, which is determined based on the cost of joining the network. When recognising connection fees, the part of the performance obligation that entails operations necessary for establishing a connection is considered fulfilled during the period when the network services are provided through the connection point established with fixed assets acquired for the connection fee. The weighted average life of the fixed assets acquired for the connection fee is considered to be the length of the aforementioned period, because subsequent reconstructions of the fixed assets are financed through network fees. The weighted average life of the fixed assets acquired for the connection fees is calculated by dividing the average

annual acquisition costs of fixed assets with the amount of annual depreciation. Connections fees not recorded as revenue are recognised in the statement of financial position as long-term contractual obligations.

A more detailed information on the recognition of sales revenue from customer agreements is available in Note 12.

3.10. TYPE OF REVENUE

Operational lease contracts

The lease revenue from operational lease contracts is calculated in a linear manner during the lease period and recognised as revenue in the profit or loss statement due to the nature of the activity, except for conditional lease revenue, which is recognised when it arises.

Construction contracts

The revenue of construction contracts is recognised during the provision of the service according to the cost-based method. Expenses related to the provision of the service are recognised in the income statement on an ongoing basis. Received prepayments are recognised as contractual obligations. The duration of the contract depends on the structure under construction; it could be longer than one year.

Sale of natural gas, electricity and network services

The sale of natural gas and electricity is recognised using gross method as the Group is responsible for fulfilling the promise to provide the goods, has inventory risk and has full discretion in establishing the price.

Revenue is recognised based on the quantities found according to the meter readings or the agreed quantities. The quantities underlying the sale of natural gas and electricity are obtained from the data exchange platform of the system operator. The quantities on which the sale of natural gas network services are based, are measured by the network operator by collecting the meter readings or by forecasting them or as an exception by concluding quantity agreement acts. In case of material effect, additionally estimates are made of the potential impact of readings either not reported, reported late or incorrectly reported by the end of the reporting period, resulting in a more precise recognition of actual consumption.

The revenue from network services is based on the natural gas quantities that have passed through the natural gas distribution network. According to the

Natural Gas Act a network operator has to submit the prices of network services and the grounds for establishing such prices to the Competition Authority for approval, and must, at the request of the Competition Authority, provide reasons for the prices set. A network operator has to publish the approved prices for its licensed area and inform the consumers in its licensed area thereof at least two months prior to the date as of which such prices come into effect.

The Group recognises revenue from the sale of natural gas, electricity and network services usually over time, except for transactions in which natural gas is sold in storage. In that case revenue is recognised when the ownership of the goods has been transferred. Invoices are payable within a short-period.

Recognition of connection fees

When connecting to the natural gas network, customers must pay a connection fee based on the actual costs of infrastructure to be built in order to connect them to the network. When recognising the connection fees, the performance obligation that involves the activities that are necessary for the preparation of connection, is regarded to be satisfied within the period in which the gas network services are provided through the connection point with the property, plant and equipment acquired for the connection fees. This period is considered to be equal to the estimated average useful life of the property, plant and equipment acquired for the connection fees or the estimated customer relationship period. The estimated average useful life of the property, plant and equipment acquired for the connection fees is calculated by dividing the average cost of the property, plant and equipment with annual depreciation. Deferred connection fees are carried in the statement of financial position as long-term contract liabilities.

The amortisation period of connection fees in AS Gaasivõrk is up to 30 years (2022: 33 years), in AS Gaso 20 years.

Revenue recognition on the sale of goods (including minerals, construction materials, printed products, and retail and wholesale)

The performance obligation is considered fulfilled and income is recognised when the goods are transferred to customers. In the case of some goods (such as compressed natural gas and green gas), loyalty cards are offered to customers for discounts. Revenue is recognised when the goods are transferred to customers. Payment terms are short.

3.11. TAXATION

Estonia

Pursuant to the Income Tax Act in force, a business entity registered in the Republic of Estonia does not pay income tax on earned profit, but on profit distributions as well as other payments made from equity exceeding the monetary and non-monetary contributions made to the equity of the company.

The income tax resulting from such a payment will be reported as an expense in the income statement and the statement of other comprehensive income upon the announcement of dividends or upon making any payments which reduce the amount of equity. The group shows deferred income tax obligation regarding changes in temporary taxable amounts of subsidiaries, except when the time for recalculations of temporary taxable amounts can be verified and it is likely that the recalculation will not take place in the near future. The maximum income tax obligation accompanying the payment of available equity as dividends is shown in the notes to the report.

Other subsidiaries

The profits earned by the subsidiaries of the group are taxed with income tax pursuant to the tax rate stipulated by the laws of the country of location. Deferred income tax liability is calculated on all important temporary differences between the tax base of assets and liabilities and their carrying amounts. Deferred income tax assets, mostly resulting from tax losses carried forward, are recognised in the statement of financial position only if their realisation through taxable income is likely in the future.

Deferred income tax

Deferred income tax is recognised on temporary differences which arise between the carrying amount of assets and liabilities of the group and the amounts used for imposing income tax on the company (so-called tax base). The amount of deferred income tax liability is measured based on the tax rates valid on the balance sheet date.

Pursuant to the laws of the Republic of Estonia, the profit/loss for the financial year of a company is not taxed in Estonia. Corporate income tax is paid on the distribution of profits and recognised as expense in the profit or loss of the period when the dividends are announced. The deferred income tax liability of the group arises on the investments of the group in Estonian subsidiaries, affiliated undertakings, and joint undertakings, except for when the group is able to control the timing of the reversal of the taxable

temporary differences and it is probable that the temporary differences will reverse in the foreseeable future. Examples of the reversal of taxable temporary differences are the payment of dividends, sale of an investment or liquidation, and other such transactions.

As the group controls the dividend policy of a subsidiary, it can control the timing of the reversal of the taxable temporary differences related to the investment. Therefore, if the parent company has decided not to distribute such profits in the near future, it does not recognise deferred income tax liability. When the parent company decides that dividends will be paid in the near future, deferred income tax liability will be recognised to the extent of the payments pursuant to IAS 12.40. As the group generally does not control the dividend policy of affiliated and joint undertakings, it does not control the timing of the reversal of taxable temporary differences. Therefore, the group recognises the deferred income tax liability on investments in affiliated and joint undertakings.

3.12. SEGMENT REPORTING

IFRS 8 Operating Segments establishes segment reports that must be submitted on the segments of business activities, the results of which are constantly monitored by the management of the parent company when making decisions on business activities. The main basis of segmentation is business activity. Operational segments are parts of the business activity of an economic entity, for which separate financial information can be obtained to make decisions on the resources allocated to the segment and to assess its performance. The main criteria for monitoring operational segments are: external sales revenue, EBITDA, assets and liabilities, and investments.

3.13. EVENTS FOLLOWING THE REPORTING PERIOD

The consolidated annual report reflects any significant circumstances which have an impact on the assessment of the assets and liabilities and which arose within the period between the end date of the reporting period and the date on which the report was drawn up by the management, and which involve transactions which occurred during the reporting period or in previous periods. Events following the reporting period which do not impact the assessment of assets and liabilities but have a significant effect on the financial results of subsequent financial years are disclosed in the notes to the consolidated financial statements.

NOTE 4. THE MOST IMPORTANT ACCOUNTING ESTIMATES AND MANAGEMENT DECISIONS WITH THE BIGGEST IMPACT

Pursuant to the accounting policies of the group described in Note 3, the management is obligated to make decisions and use estimates and assumptions which concern the book value of assets and liabilities, in which case gathering sufficient information from other sources is not possible. These estimates and decisions are based on past experience and other factors considered relevant. Actual results may differ from the provided estimates.

Estimates and assumptions on which they are based are reviewed on an ongoing basis. Changes in accounting estimates are recognised during the period when the change took place.

4.1. MANAGEMENT ESTIMATES WITH THE BIGGEST IMPACT

The following contains important estimates of the management, which are based on the accounting policies of the group and which have the biggest impact on information recorded in the consolidated annual report.

Measurement of fair value

Several accounting policies and disclosure requirements of the company prescribe the measurement of fair value. Fair value is the amount that could be earned when selling an asset or transferring a liability from one market participant to another in the course of a normal transaction on the measuring date. When measuring fair value, it is presumed that the transaction of the sale of an asset or transfer of a liability takes place: either on the main market of the asset or liability; or in the absence of the main market, on the market that is most beneficial for the asset or liability. The company must have access to the main or beneficial market on the measuring date. Measuring the fair value of an asset or a liability is based on the assumptions which market participants would use for determining the price of the asset or liability, presuming that the market participants act in their best economic interests. Measuring the fair value of non financial assets is based on the capability of the market participants to create economic benefits by using the assets in the best manner or selling them to market participants who would use them in the best manner.

The company uses assessment methods which are suitable in a particular situation and for which it has a sufficient amount of data necessary for measuring fair value, by relying on appropriate observable inputs to the maximum extent and non-observable inputs as little as possible, which are relevant for the entire measurement process:

1. **level 1 – quoted prices (unadjusted) in active markets for assets or liabilities;**
2. **level 2 – measurement methods where the input for the lowest level that is relevant for the entire measurement process can be directly or indirectly observed;**
3. **level 3 – measurement methods where the input for the lowest level that is relevant for the entire measurement process is non-observable.**

Likelihood of collecting receivables

In the case of significant financial assets, the reduction in the value of every item is assessed individually. To assess the expected losses from doubtful receivables, the group uses a discount matrix model based on past experiences. The group may have receivables that have not been provisioned. The management has assessed such receivables individually and decided that collecting them is unlikely, except for lease income, where receivables are assessed in an aggregated manner.

Additional information on the expected losses from outstanding invoices is presented in Note 14.3.1.

Recognition of deferred income tax

In accordance with paragraph 39 of IAS 12, the group recognises a deferred income tax liability for all investments in subsidiaries, affiliates, joint ventures, and branches that give rise to temporary taxable differences, unless: (a) the group is able to control the timing of the reversal of the temporary difference; and (b) it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is not recognised if the investment meets both criteria (a) and (b) above. The group's management analysed the investments made in the subsidiaries and found that in those subsidiaries where there is a temporary taxable difference in the investment, both exclusion criteria (a) and (b) are met at the same time and there is no need to recognise deferred income tax. As the group usually does not control the dividend policy of an affiliated undertaking, it does not control the timing of the reversal of temporary taxable differences. For this reason, the group recognises deferred income tax liability on investments in affiliated undertakings.

Additional information on the recognition of deferred income tax is presented in Note 7.5.

The recoverable amount of property, plant, and equipment

At the end of every reporting period, the management of the group assesses whether there are any indications of impairment. When such indications are discovered, the recoverable amount of property, plant, and equipment is determined. When calculating the recoverable amount of property, plant, and equipment, an asset value test is conducted to determine the recoverable value of assets. The recoverable amount of an asset is the greater of its current value of future cash flows of the asset and its fair value less In the case of property, plant, and equipment recognised in the balance sheet at revalued amounts, the management assesses the correspondence of the carrying amount of assets to their fair value every year. Asset value discounts are recognised in the operational costs as valuation allowance.

Useful life of property, plant, and equipment

When assessing the useful life of property, plant, and equipment, the group takes into account the conditions and volume of business operations, prior experience in the segment, and future plans.

Additional information on the useful lives of fixed assets is presented in Note 3.6.

Fair value of vessels in the affiliated undertaking Tallink Grupp

Tallink Grupp determined the fair value of vessels for revaluation purposes as at 31 December 2022. The fair value of vessels depends on several circumstances, incl. the year of construction and several technical parameters as well as the maintenance of vessels (i.e. the amount of investment in the maintenance of a vessel by the owner). Tallink Grupp relied on independent assessors when determining the fair value.

Revaluation depends on the change in the fair value of the vessels. If the fair value of a vessel differs significantly from its carrying amount, revaluation is necessary. In the opinion of the management of Tallink Grupp, the carrying amount of the fleet was not significantly different from the fair value of the vessels as at 31 December 2022. Therefore, the vessels were not revalued as at 31 December 2023.

The share price of Tallink Grupp in Infortar consolidated results

As at 31 December 2023, the value covered by the financial investments in affiliated undertaking AS Tallink Grupp was tested using a discounted cash flow model to identify potential impairment. As a result of this test, the management has estimated that there were no significant

differences between the book value and fair value of financial investments in affiliated undertakings as at 31 December 2023 (as was the case on 31 December 2022).

4.2. MANAGEMENT DECISIONS WITH THE BIGGEST IMPACT

Classification of real estate

Classification of real estate into inventories, investment property, or property, plant, and equipment is based on the intent of the management for the further use of the property. Real estate which was acquired for developing a residential area and sale or resale in the normal course of business activities is recognised as inventories. Real estate that is acquired for earning income from the operating lease or increase in the market value of the real estate is recognised as investment property. Investment property is also real estate which is planned to be held for a long period for several possible purposes.

Real estate which is going to be used for providing services or for administrative reasons over a period longer than a year is recognised as property, plant, and equipment.

Real estate which is mostly leased but partly also used by the companies in the group is recognised among investment property according to its purpose. The proportion of such buildings is small and the group is soon going to forgo the use of such buildings entirely.

Recognition of connection fees

Eesti Gaas, a subsidiary of the group, provides constant access to natural gas to customers who have paid a connection fee for joining the natural gas network. When recognising the connection fees in accordance with the requirements of IFRS 15, the performance obligation that involves the activities that are necessary for the preparation of connection is regarded as satisfied within the period when the gas network services are provided through connection points with the property, plant, and equipment acquired for the connection fees. According to the management's estimates, this period should be equal to the estimated average useful life of the property, plant, and equipment acquired for the connection fees, as the subsequent reconstructions of the property, plant, and equipment will be financed through the gas network service fees.

4.3 UNCERTAINTIES OF ASSUMPTIONS AND ESTIMATIONS

The management provides its estimations based on experience and facts that it has learned on the due date of the annual report at the latest. Therefore, there is a risk of having to clarify such estimates regarding assets and liabilities and the related income and expenditure as presented on the reporting date.

Uncertainties in the following assumptions and estimations carry a significant risk of adjustment within the subsequent financial year:

Fair value of the investment property

The group determined the fair value of the investment property for revaluation as at 31/12/2023.

The fair value of the investment property depends on various factors, incl. lease yield and discount rate. The group relies on independent appraisers when determining fair value. Revaluation depends on the change in the fair value of the investment property. If the fair value of the investment property differs significantly from its book value, revaluation is required. Revaluation of investment property is recognised on a separate line in the income statement - 'Profit/loss from the change in the fair value of the investment property'.

Additional information about investment property is available in Note 8.1.

Assessment of the impairment of buildings and premises that are classified as right-of-use assets

Igal aruandekuupäeval hindab kontsern, kas esineb On every reporting date, the group evaluates the presence of potential signs of impairment of buildings classified as right-of-use assets. If such indications are present, an impairment test is conducted on every reporting date. The value in use of the assets is established to determine their value. When determining the value in use, discounted cash flow method is used.

Additional information on right-of-use assets is available in Note 8.4.

NOTE 5. SEGMENT REPORTING

The management uses segment reporting for assessing the economic results of the group and making management decisions. The reports present the consolidated segment-based information of the companies in the group, which, in turn, are based on the reports of the companies, divided by the main areas of activity of the group.

The group distinguishes between three main areas of activity, which are presented as segments to be disclosed individually, and minor areas of activity, presented collectively as 'Other'.

1. **Energy (includes biogas production, resale and distribution of natural gas, sale of electricity);**
2. **Real estate (includes all companies in the group that lease or develop investment property);**
3. **Shipping (includes Tallink Grupp (an affiliated undertaking of the group) and its subsidiaries);**
4. **Other (smaller companies that provide services to the aforementioned segments and other smaller enterprises).**

The 'Other' segment also includes areas of activity with an insignificant individual contribution to the sales revenue or EBITDA of the group. None of the areas of activity exceed quantitative criteria where disclosure of information is required individually.

The management assesses the results of the segments mostly based on EBITDA, but also monitors business profit. Financial income and expenditure and income tax expenditure is not divided between the segments. The assets and liabilities of the group are divided between the segments based on their purpose.

The sales revenue of the companies in the energy segment is mainly earned from the sale of gas and other energy products. There are is one client (not-related to Infortar group) whose turnover is more than 10% (133,7m euros, 31/12/2023), in 2022 there were no clients with turnover over 10%.

The sales revenue of the companies in the real estate segment derives mainly from the lease of real estate to the companies of Tallink Grupp. These companies make up 95% of the turnover of the real estate segment.

The shipping segment is monitored for decision-making purposes on the group level by relying on the financial statements of Tallink Grupp, and therefore, segment reporting includes the financial data of Tallink Grupp (see Notes 3.4).

The sales revenue of the 'Other' segment is associated with selling to Tallink Grupp and other companies in the group. The companies offer taxi, printing, currency exchange, construction, and commercial services. The

segment includes the parent company Infortar (see Note 16), whose operating losses amounted to 5.8 million euros in the reporting year, mainly due to investment and development expenses. Numerous expenses of the parent company cannot be allocated to the operating subsidiaries because these are tied up with preparing for new investments. The income of Infortar is mainly earned through investment and financing activities, not recognised in sales revenue. The 'Other' segment makes up 2% of the sales revenue of the entire group.

The management, assets, and economic activities of the group companies are mainly located in Estonia. Due to the acquisition of Gaso, the number of Group employees has significantly increased, as nearly 900 employees were added. The addition of new employees does not affect the management principles of the company at the group level.

In addition, the real estate segment company SIA Happy Trails operates in the Latvian market, and the energy segment company Eesti Gaas (under name Elenger) operates in the Latvian, Lithuanian, Polish and Finnish markets.

30.91 million euros' worth of assets of all assets of the real estate company are located in Latvia. Of the assets of the companies in the energy total sector, 338.9 million euros' worth of assets are in Latvia, 17.8 million euros' worth of assets in Lithuania, and 55.0 million euros' worth of assets in Finland and 16,2 million euros' in Poland.

2023	Energy	Real estate	Maritime transport	Supporting Businesses	Total
External sales revenue	1 021 523	14 379	801 730	48 724	1 886 356
Intersegment sales revenue	3 189	1 454	33 595	38 068	76 306
Total segment sales revenue	1 024 712	15 833	835 325	86 792	1 962 662
Profit/loss based on the equity method	1 259	0	0	155	1 414
Segment revenue	121 524	7 846	78 872	-5 742	202 500
Earnings before depreciation, amortisation, and revaluation of non-current assets (EBITDA)	135 999	9 528	214 528	-2 244	357 811

The NOI* (Net Operating Income) for the Real Estate segment in 2023 was 13,717 thousand euros (compared to 13,546 thousand euros in 2022). In 2023, INF Communications, INF Tähesaju 9 OÜ, and INF Liivalaia OÜ NOI were added to the calculation. The adjusted NOI for 2023, including the newly added real estate properties, is 15,405 thousand euros. The EBITDA** for 2023 was 11,391 thousand euros (compared to 11,382 thousand euros in 2022). With the newly added properties in 2023, the adjusted EBITDA is 12,268 thousand euros.

31.12.23

Assets of the segment	879 722	229 835	1 555 221	114 510	2 779 288
Liabilities of the segment	464 494	126 343	769 467	125 812	1 486 116
Investments 2023					
in property, plant, and equipment and real estate of the segment	5 349	32 123	25 710	2 655	65 837
in intangible assets of the segment	2 930	0	2 498	22	5 450
Depreciation of property, plant, and equipment	11 088	1	94 635	2 730	108 454
Change in the fair value of the investment property	0	-9 935	0	-770	-10 705
Amortisation of intangible assets	1 516	0	6 589	245	8 350

Comparison of financial information with the consolidated report

	Müügitulu	Kasum	Varad	Kohustised
Reported segments	1 875 870	208 242	2 664 778	1 360 304
Other segments	86 792	-5 742	114 510	125 812
"Elimination and adjustment in line-by-line consolidation"	-42 711	130 563	-95 119	-76 347
Elimination of affiliated undertakings	-835 325	-39 233	-1 223 657	-769 467
Total in group report	1 084 626	293 830	1 460 512	640 302

2022	Energy	Real estate	Maritime transport	Supporting Businesses	Total
External sales revenue	1 010 431	13 261	751 843	30 020	1 805 555
Intersegment sales revenue	3 613	1 325	19 544	10 467	34 949
Total segment sales revenue	1 014 044	14 586	771 387	40 487	1 840 504
Profit/loss based on the equity method	1 604	0	0	2 386	3 990
Segment revenue	106 329	-455	13 935	-6 734	113 075
Earnings before depreciation, amortisation, and revaluation of non-current assets (EBITDA)	115 969	8 756	135 809	-4 679	255 855

The NOI* (Net Operating Income) for the Real Estate segment in 2022 was 13 546 thousand euros and 2022 EBITDA was 11 382 thousand euros.

31.12.22

Assets of the segment	639 735	221 325	1 691 642	57 116	2 609 818
Liabilities of the segment	380 262	104 870	984 711	138 641	1 608 484

Investments 2022

in property, plant, and equipment and real estate of the segment	6 228	25 870	217 285	4 064	253 447
in intangible assets of the segment	1 065	0	2 527	1 258	4 850
Depreciation of property, plant, and equipment	6 794	1	91 216	2 254	100 265
Change in the fair value of the investment property	0	-10 824	0	333	-10 491
Amortisation of intangible assets	985	0	6 920	380	8 285

Comparison of financial information with the consolidated report

	Müügitulu	Kasum	Varad	Kohustised
Reported segments	1 800 017	119 809	2 552 702	1 469 843
Other segments	40 487	-6 734	57 116	138 641
"Elimination and adjustment in line-by-line consolidation"	-15 405	-11 173	-93 788	-85 038
Elimination of affiliated undertakings	-771 387	-5 778	-1 408 618	-984 711
Total in group report	1 053 712	96 124	1 107 412	538 735

The management of AS Infortar evaluates the profitability of the real estate portfolio based on the metrics provided in the segment reporting. Since the results in this appendix no. 2 of the segment reporting include asset reclassifications (owneroccupied vs. external rent) and also costs related to properties under development, the management of Infortar evaluates the performance of separate real estate entities based on two main profitability indicators: NOI* and EBITDA**. These indicators are used to assess the actual earning ability of the group's real estate segment.

* NOI (net operating income)

A performance indicator for the real estate business segment. NOI is calculated by subtracting operating expenses from real estate revenue. Formula: NOI (in thousands of euros) = real estate revenue - operating expenses. Group NOI includes subsidiaries of the real estate business segment that have been operational throughout the entire reporting year (i.e., excluding subsidiaries of the real estate business segment that commenced operations during the reporting year or are not yet operational).

To calculate the NOI for respective subsidiaries, the value of the "Revenue" in the income statements should be subtracted from the General administrative expenses" value, and management fees should be added to it, as management fees are not reflected under operating expenses in NOI calculations. Management fees can be found in the transactions with related parties in the annual financial statements, under the value "Services purchased from the parent company".

** EBITDA (Earnings before interest, taxes, depreciation and amortization)

** EBITDA (Earnings before interest, taxes, depreciation, and amortization)

EBITDA is the operating profit before interest expenses, taxes, depreciation, and revaluation of real estate investments. To find EBITDA, the line item "Operating profit" in the income statement is added to the items "Depreciation and impairment of fixed assets" and "Change in the value of real estate investments" from the cash flow statement. Since EBITDA does not account for depreciation and revaluations, which are essentially accounting adjustments, it provides a more accurate overview of the Group's financial position and profitability.

Formula: EBITDA (in thousands of euros) = operating profit + depreciation of fixed assets + change in the value of real estate investments.

NOTE 6. CASH AND INVENTORIES

(in thousands of euros)		
6.1. CASH AND CASH EQUIVALENTS	31/12/2023	31/12/2022
Cash in hand	13	34
Cash at bank and short-term deposits	87 102	59 968
Total	87 115	60 002

Additional information is available in Note 14.

(tuhandetes eurodes)		
6.2. INVENTORIES	31/12/2023	31/12/2022
Natural gas reserves	140 891	72 697
Work-in-progress	3 217	1 386
Goods for sale	1 977	1 782
Other raw material and other material	799	887
Total	146 884	76 752

During the reporting period, materials and goods were written down in the amount of 19 thousand euros (2022: 29 thousand euros)

Additional information is available in Note 13.1

(in thousands of euros)		
6.3. PREPAYMENTS FOR INVENTORIES	31/12/2023	31/12/2022
Prepayments for gas	0	8 811
Prepayments for outsourcing construction services	3 311	750
Other prepayments for inventories	182	20
Total	3 493	9 581

NOTE 7. RECEIVABLES AND LIABILITIES

(in thousands of euros)			
7.1. SHORT-/LONG-TERM RECEIVABLES	NOTE	31/12/2023	31/12/2022
Trade receivables	12		
With a remaining term of up to 12 months		162 576	122 006
With a remaining term between 1-5 years		5	0
Including receivables from related parties	15	2 370	4 383
Loans issued	14.3.1	9 065	15 716
Including loan receivables from related parties	15	9 056	15 716
Interest receivables		424	350
Including interest receivables from related parties	15	335	350
Future period expenses			
With a remaining term of up to 12 months		2 039	487
With a remaining term between 1-5 years		2	20
Other liabilities and prepayments		17 721	5 230
Prepaid taxes	7.4	925	1 006
Realised derivative receivables		5 958	108 917
Total receivables		198 715	253 732

The base currency of receivables and prepayments is the euro.

(in thousands of euros)		
7.2. CHANGES IN PROVISIONS	2023	2022
Employee-related provisions		
Initial balance at the beginning of the financial year	645	1 129
Provisions set up and revalued during the year	44	18
Calculated interest	6	4
Provisions used during the year	-111	-506
Balance at the end of financial year	584	645
incl. short-term portion	31	31
incl. long-term portion	553	614
Other provisions		
Initial balance at the beginning of the financial year	108	330
Provisions set up and revalued during the year	5 536	22
Added provisions through business combinations	1 781	0
Calculated interest	308	0
Provisions used during the year	-84	-244
Balance at the end of financial year	7 649	108
incl. short-term portion	0	73
incl. long-term portion	7 649	35

(in thousands of euros)

7.3. SHORT-/LONG-TERM LIABILITIES	NOTE	31/12/2023	31/12/2022
with a remaining term of up to 1 year			
Trade payables		74 751	19 845
Incl. debts to related parties	15	16	44
Tax liability	7.4	32 822	31 135
Settled derivative financial liabilities		1 463	1 667
Employee-related liabilities		7 462	2 683
Intressikohustised	10.3	724	375
Prepayments received	12	3 099	10 169
Derivatives	14	3 659	0
Short-term provisions	7.2	31	104
Other liabilities		2 634	1 937
with a remaining term between 1-5 years			
Revenue from government grants in future periods	7.6	5 662	4 879
Other liabilities		197	174
Long-term provisions*	7.2	8 202	649
Derivatives		186	
with the term more than 5 years			
Deferred income tax liability	7.5	33 233	24 890
Revenue from connection fees in future periods	12.3	25 017	13 023
Total liabilities (except loan and lease liabilities)		199 142	111 530
incl. current liabilities		126 645	67 915
Deferred income tax liability		33 233	24 890
Other long-term liabilities		39 264	18 725

The base currency of debts and prepayments is euro.

*As of 31.12.2023 AS Gaso provision for pensions 1,023 thousand euros and Eesti Gaas group provision for pensions 400 t. euros were included. In addition onerous contracts including long-term electricity purchase agreements 5,836 thousand euros and AS Gaso environmental protection provisions 892 thousand euros have been set up.

(in thousands of euros)

7.4. TAX LIABILITIES AND PREPAID TAXES	31/12/2023	31/12/2022
Prepaid taxes		
VAT	919	950
Other prepaid taxes	6	56
Total prepaid taxes	925	1 006
Tax liabilities		
VAT	28 192	23 671
Social tax	1 571	1 940
Personal income tax	762	1 050
Mandatory funded pension	21	82
Unemployment insurance	40	93
Income tax on fringe benefits	301	2 740
Excise duty	1 935	1 559
Total tax liabilities	32 822	31 135

(in thousands of euros)

7.5 INCOME TAX	2023	2022
Income tax on dividends paid	0	-4 050
Income tax of foreign subsidiaries	-267	-1
EDeferred tax assets/change in liabilities*us*	-8 343	-1 527
Total income tax expense (assets)	-8 610	-5 578

Income tax expense consists of payable income tax and deferred income tax. Income tax expense is recognised in profit or loss, except for the part that is recognised in entries in other comprehensive income or loss. In the latter case, income tax liability is also recognised in other comprehensive income or loss. The accounting policy for income tax is explained in Note 3.26.

*Since the group typically does not control the dividend policy of affiliated and joint venture entities, it also does not control the timing of reversal of taxable temporary differences. Therefore, the group reflects deferred tax liability from investments in affiliated and joint venture entities. The amount of deferred tax liability is measured at the tax rates that are expected to apply to temporary differences when they are expected to reverse, based on the tax rates applicable on the balance sheet date.

The income tax liability that arises when dividends are distributed from retained earnings of the group is disclosed in Note 11.3. Contingent liabilities.

7.6 GOVERNMENT GRANTS

In 2018, Infortar received a grant from the public sector through the Connecting Europe Facility (CEF) and concluded a support contract with the Innovation and Networks Executive Agency (INEA), which coordinates the implementation of the CEF programme of the European Union, to construct a bunkering vessel called Optimus for liquefied natural gas (LNG). The maximum amount of the grant was 5,423 thousand euros, part of which was received as a prepayment and the rest after the project was completed in 2022. A condition for concluding the support contract was completing the LNG bunkering vessel Optimus by 2021 and

commissioning it for at least five years. The LNG bunkering vessel Optimus was completed and acquired as a fixed asset in 2021 and it is still in use.

The compensation from the grant was paid to the recipient after INEA validated the eligible costs in 2022. The received grant is recognised as income of the period when the ship is depreciated.

The income from the grant was 167 thousand euros in the reporting year (2022: 1,084 thousand euros) and it is recognised in the income statement (as 'Other operating revenue').

NOTE 8. NON-CURRENT ASSETS

(in thousands of euros)

8.1. INVESTMENT PROPERTY			
Recognised at fair value			
As at 31/12/2021			146 741
Acquisition of investment property			24 236
Transfer from property, plant, and equipment			55
Profit (loss) from the change in fair value			-10 492
As at 31/12/2022			160 540
Acquisition of investment property			18 304
Transfer from property, plant, and equipment			1 254
Profit (loss) from the change in fair value			-4 074
As at 31/12/2023			176 024
	NOTE	2023	2022
Lease and rental income earned	12,15	13 497	12 843
Direct administrative costs of investment property		-1 667	-1 217

Information on the investment property used as collateral for loans is available in Note 10.2

The fair value of the investment property is based on the market price set by an independent real estate appraiser. The appraisal principles of investment property are based on the discounted cash flow and the comparison method. If the discounted cash flow cannot be used, the appraisal of premises under development relies on the market price calculated based on purchase transactions of similar properties, adjusted according to the changes in the real estate market.

Assumptions used:	2023				
	Hotels	Offices	Warehouses*	Premises under development**	
discount rate	7,6%-9%	8,10%	8,50%	appraised mostly based on the comparison method	
rate of increase in costs*	up to 3%	up to 3%	up to 3%		
capitalisation rate	7,5%-8%	6,5%-7,2%	7,20%		
cash flow forecast	5+1 years	5+1 years	5+1 years		
level of the fair value	3	3	3	3	

* Osmussaare 7 was reclassified as sports centre as of 31/12/2023, previously classified as warehouse.

** The premises under development include investment property for 22,120 thousand euros, which was acquired in 2022 or is under construction and is recognised at cost.

Assumptions used:	2022				
	Hotels	Offices	Warehouses*	Premises under development**	
discount rate	7,6-8,5%	7,4%	8,2%	appraised mostly based on the comparison method	
rate of increase in costs*	6,0%	7,0%	0		
capitalisation rate	2,0-7,0%	2,0-7,0%	2,0-7,0%		
cash flow forecast	7,5%	6,0%	7,0%		
level of the fair value	5+1 years	5+1 years	5+1 years		
level of the fair value	3	3	3	3	

The change in the value of office building and hotels located in Tallinn, was the largest among investment properties. The price hike of energy prices on the global market affected the entire sector, leading to a decrease of about 7% in the value of the investment (8.2 million euros). In the first few months of 2024, we could see a significant drop in energy prices and we can expect its value to recover.

Starting from 2022, the group uses the services of Colliers International Advisors OÜ in real estate appraisal.

The group has prepared a fair value sensitivity analysis for investment properties, which determined that if the discount rate used for calculating fair value would change by +/- 1,0%, the fair value of the properties would change by +6,630/-6,790 thousand euros (2022: +6,548/-6,212 thousand euros). If the rate of capitalisation would change by +/- 1,0%, the fair value of the properties would change by +18,350/-14,380 thousand euros (2022: +16,388/-12,312 thousand euros).

(in thousands of euros)

8.2. PROPERTY, PLANT, AND EQUIPMENT					
	Land and buildings*	Unfinished construction and prepayments	Machinery and equipment**	Other fixed assets	TOTAL
Residual value on 01/01/2022	90 114	5 626	46 432	894	143 066
Cost on 01/01/2022	142 298	5 626	65 798	2 179	215 901
Accumulated depreciation on 01/01/2022	-52 184	0	-19 365	-1 285	-72 834
Acquisition of property, plant, and equipment	4 856	4 218	2 541	312	11 927
Calculated depreciation	-4 327	0	-2 620	-144	-7 091
Reclassification of property, plant, and equipment	0	-55	0	0	-55
Sales and write-offs	0	0	-122	-2	-124
Residual value on 31/12/2022	90 643	9 789	46 231	1 061	147 724
Cost on 01/01/2022	147 097	9 789	66 011	2 477	225 374
Accumulated depreciation on 01/01/2022	-56 454	0	-19 780	-1 416	-77 650
Acquisition of property, plant, and equipment	359	11 955	616	2 261	15 191
Added due to acquisitions	276 957	3 567	12 995	2 919	296 438
Calculated depreciation	-7 482	0	-3 500	-712	-11 694
Reclassification of property, plant, and equipment	1 530	-4 279	923	572	-1 254
Sales and write-offs	554	-13	-28	-170	343
Residual value on 31/12/2023	362 561	21 019	57 237	5 931	446 748
Cost on 01/01/2023	425 133	21 019	80 236	7 781	534 169
Accumulated depreciation on 31/12/2022	-62 572	0	-22 999	-1 850	-87 421

* The 'Land and buildings' column includes 319,719 thousand euros' worth of gas pipes on the line 'Residual value 31/12/2023', which is recognised in a separate column 'Facilities' in the Eesti Gaas report.

** The 'Machinery and equipment' column includes the LNG vessel Optimus in the amount of 36,581 thousand euros on the line 'Residual value 31/12/2023'.

Information on non-current assets used as collateral for loans is provided in Note 10.2.

(in thousands of euros)

8.3. INTANGIBLE ASSETS

	Value of customer contracts	Computer software	Mining rights	TOTAL
Residual value on 01/01/2022		2 464	2 158	7 895
Acquisition of intangible assets		1 267	1 056	2 323
Calculated depreciation		-731	-245	-1 365
Residual value on 31/12/2022		3 000	2 969	8 853
Acquisition of intangible assets		2 952	0	2 952
Calculated depreciation		-1 354	-102	-1 762
Added due to acquisitions		4 323	0	4 323
Residual value on 31/12/2023	2 578	8 921	2 867	14 366

(in thousands of euros)

8.4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES	NOTE	31/12/2023	31/12/2022
Lease liabilities	10	10 491	9 491
up to 1 year		1 766	1 749
1-5 years		5 623	6 172
over 5 years		3 102	1 570
Book value of leased assets		11 300	10 192
Lease payments in the reporting year		2 233	2 037
Interest payments on lease in the reporting year		368	191

Lease contracts are concluded with maturities of up to 2033 with the base currency being euro. Liabilities incurred are secured by leased assets. During the financial year, the lease interest remained between 1-5%.

Right-of-use assets

The group leases office and storage spaces, means of transport, and other machinery and equipment, and it has concluded superficies agreements and personal right of use contracts for land use. For related expenses, please see note 13.

(in thousands of euros)

	Land and buildings	Machinery and equipment	TOTAL
Balance as at 01/01/2022	638	9 744	10 382
New right-of-use assets	144	2 238	2 382
Calculated depreciation	-103	-1 855	-1 958
Revaluation and write-off of lease liabilities	0	-614	-614
Balance as at 31/12/2022	679	9 513	10 192
New right-of-use assets	250	3 126	3 376
Calculated depreciation	-305	-1 820	-2 125
Revaluation and write-off of lease liabilities	0	-143	-143
Balance as at 31/12/2023	624	10 676	11 300

8.5. LEASED ASSETS (THE GROUP AS THE LESSOR)

(in thousands of euros)

Assets leased under operating lease	NOTE	2023	2022
Operating lease income	12	13 497	12 843
	with a remaining term of up to 1 year	with a remaining term between 1-5 years	term over 5 years
Payments for future periods	13 702	51 648	20 054
Carrying amount of assets leased as the lessor		31.12.23	31.12.22
Investment property	8.1	176 024	160 540

Important lease contracts

In 2009, the group concluded a lease contract for Tallink Express Hotel. The lease contract expires in 2028, lease payments are fixed for the contract period, and the lessor is entitled to a share of the operating profits of the lessee if certain conditions established by the contract have been met.

In 2006, the group concluded a lease contract for Tallink Spa & Conference Hotel. The lease contract expires in 2027, lease payments are fixed for the contract period, and the lessor is entitled to a share of the operating profits of the lessee if certain conditions established by the contract have been met.

In 2009, the group concluded a lease contract for office premises located at 5 Sadama Street in Tallinn. The lease contracts expire in 2029, lease payments are fixed for the contract period, and the lessor is entitled to increase the lease payments based on the CPI.

In 2010, the group concluded a lease contract for Tallink Hotel Riga in Riga. The lease contract expires in 2030

and the lease payments are fixed for the duration of the contract.

In 2019, the group concluded a lease contract for office premises located at 7 Sadama Street in Tallinn. The contract is concluded for ten years and the parties to the contract are entitled to extend the lease period for another ten years. Lease payments are fixed for the contract period and the lessor is entitled to increase the lease payments based on the CPI.

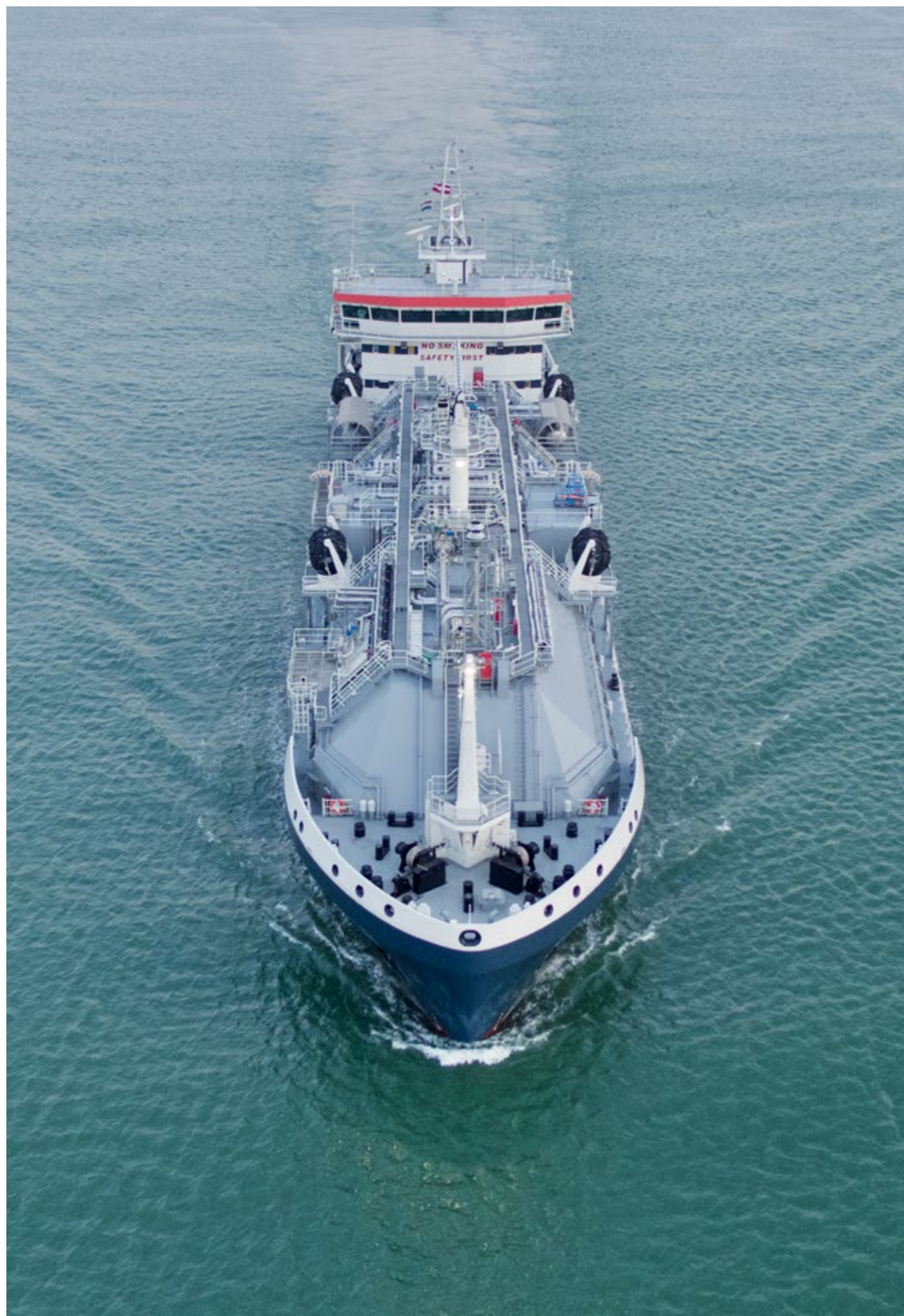
In 2015, the group concluded a lease contract for the warehouse and office building located at 3 Kaldase tee in Maardu. The lease contract expires in 2033 and the lease payments are fixed for the duration of the contract.

In 2022, the group acquired lease contracts for commercial premises located at 11 Tähesaju tee and 9 Tähesaju tee in Tallinn. The lease contracts are concluded for five or ten years and the parties to the contract are entitled to extend the lease period for another five years. The lease payments are fixed for the contract period and the lessor is entitled to increase lease payments based on the CPI.

8.6. COMMITMENTS FOR THE CONSTRUCTION AND LEASE OF ASSETS

INF Saue OÜ as a lessor has concluded a lease contract with Rimi Eesti Foods AS regarding a registered immovable property, based on which the lessor is going to build a warehouse and an office building for the lessee on the registered immovable.

A construction permit for an office and warehouse building with an enclosed net area of 24,745 m² has been issued for the registered immovable. The building is going to be constructed by OÜ INF Ehitus.



NOTE 9. SUBSIDIARIES AND AFFILIATED UNDERTAKINGS

(in thousands of euros)

9.1. INVESTMENTS IN SUBSIDIARIES					
Subsidiaries of AS Infortar as at 31/12/2023	date of incorporation	Holding on 31/12/2023	Holding on 31/12/2022	Equity 31/12/2023	Equity 31/12/2022
AS Gastrolink	07.10.05	100%	100%	618	648
AS H.T.Valuuta	22.01.97	100%	100%	1 504	1 472
OÜ INF Sadama 11	03.10.02	100%	100%	38 252	37 126
OÜ INF Mustakivi	07.01.05	100%	100%	14 273	14 424
OÜ INF Sadama 579	19.03.04	100%	100%	20 804	21 834
OÜ INF Kaldase	11.01.05	100%	100%	12 523	11 772
OÜ INF Tennisekeskus	11.01.05	100%	100%	1 260	3 495
AS Tallink Takso	19.09.07	66%	66%	-1	209
SIA Happy Trails	24.11.03	100%	100%	12 636	19 913
OÜ Taxitech	19.12.18	100%	100%	-9	-9
OÜ Lasnamäe Spordikeskus	18.07.16	100%	100%	8	28
AS Eesti Gaas Grupp	10.01.97	100%	100%	406 197	235 604
AS Vaba Maa Grupp	07.01.98	100%	100%	-492	307
OÜ INF Liivalaia	28.03.02	100%	100%	-3 371	-319
OÜ EMG Karjäärid Grupp	02.12.16		60%		717
OÜ INF Communications	12.04.18	100%	100%	-238	74
OÜ Gaslab	21.03.19		100%		42
OÜ EG Biofond	14.05.08	100%	100%	4 219	2 448
OÜ Farmatar	21.02.20	80%	80%	-874	-509
OÜ Medifort	15.06.20	100%	100%	0	-23
Infortar Marine Ltd	11.08.20	100%	100%	-471	680
OÜ INF Ehitus	29.04.21		75%		-220
OÜ INF Engineering	07.09.22	100%	100%	5 118	-17
OÜ INF Tähesaju 9	06.09.22	100%	90%	-213	1 836
INF Saue OÜ	23.08.21	90%	100%	1 516	-190
OÜ INF	06.03.23	100%	0%	-41	0

The country of location of SIA Happy Trails, a subsidiary of Infortar, is the Republic of Latvia, the country of location of Infortar Marine Ltd is the Republic of Cyprus, and other subsidiaries are located in the Republic of Estonia.

Eesti Gaas operates in Latvia under the name of SIA Elenger, in Lithuania under the name of UAB Elenger, in Finland under the name of OY Elenger, and in Poland as Sp. z o.o. Elenger. In 2022, it launched preparations for producing solar energy through the subsidiaries SIA Solar Nica (100%), SIA Elenger Partners (80% holding), SIA Solar Marupe (80% indirect holding), and SIA Solar Olaine (80% indirect holding) in Latvia.

On April 14, 2023, Eesti Gaas entered into a purchase agreement to acquire the shares of the company akciju sabiedrība 'Gasol' (Gasol). The transaction became effective on July 17, 2023, following the receipt of approvals from the Latvian Government and the Competition Authority.

The acquisition is described at note 9.1.2

On 06/03/23 on 6 September 2022, Infortar established a wholly-owned company called OÜ INF.

In 2023, AS Infortar Group acquired a minority stake in OÜ INF Ehitus. As part of the Group's restructuring, the companies OÜ Gaslab, OÜ EMG, and OÜ INF Ehitus were transferred to the ownership of OÜ INF Engineering.

Direct holding in companies is equal to indirect holding and voting power.

The equity of some subsidiaries of Infortar was negative as at 31 December 2023. The group considers these amounts small and related to the costs of establishing the companies and developing non-current assets, which will be covered from the operating profit as the companies continue to operate. If necessary, the parent company is ready to increase the share capital of the subsidiaries.

In 2023, AS Infortar received dividends from other companies in the group: 5,400 thousand euros from OÜ Sunbeam, and 10,800 thousand euros from AS Eesti Gaas; 9,603 thousand euros from SIA Happy Trails and 36,209 thousand euros from Eesti Gaas.

9.1.2. MPANY AKCIJU SABIEDRĪBA "GASO" (GASO) ACQUISITION

On 14 April 2023, AS Eesti Gaas entered into a share purchase and sale agreement with the Latvian company AS "Latvijas Gāze" for the purchase of 39,900,000 shares of the Latvian natural gas distribution network company AS "Gasos". The transaction entered into force on 17 July 2023 after obtaining the consents of the Government of Latvia and the Competition Authority. The consent of the Latvian Government was required as Gaso is a strategic company for Latvia. On 17 July 2023, the Group acquired 100 percent of the shares and voting rights in Latvian gas distribution company AS "Gasos".

The acquisition of the Latvian distribution network is an important step in the Group's expansion into the

largest privately owned energy company of the Baltic Sea region. The Group has concluded that the acquired set is a business and as a result the transaction has been recognised as a business combination.

For the five months ended 31 December 2023, AS "Gasos" contributed revenue of EUR 24 595 thousand and profit of EUR 1533 thousand to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue for the year would have been EUR 1 060 365 thousand, and consolidated profit for the year would have been EUR 270 789 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

	(in thousands of euros)
Consideration transferred	
Cash	122 069
Consideration transferred	122 069
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	18 656
Trade receivables	4 151
Other receivables	80
Prepayments for natural gas	99
Other prepayments	1 871
Inventories	2 031
Property, plant and equipment	296 437
Intangible assets	4 323
Right-of-use assets	583
Borrowings	-24 270
Trade and other payables	-7 280
Provisions	-1 781
Contract liabilities	-13 621
Total identifiable net assets acquired	281 279

The fair value of property, plant and equipment was determined on the basis of the value of property, plant and equipment recognised under the revaluation method of AS "Gasos". Management estimates that the fair value of other assets and liabilities was also close to their carrying amount.

	(in thousands of euros)
Gain from a bargain purchase	
Consideration transferred	122 069
Fair value of identifiable net assets	-281 279
Gain from a bargain purchase	-159 210

As a result of the business combination, income was generated from a bargain purchase, which is the difference between the fair values of the identifiable assets acquired and liabilities assumed and the consideration transferred. The emergence of income from the bargain purchase was justified because the sale transaction took place under regulatory compulsion. As according to European Union and Latvian legislation, the ownership of the Latvian distribution network company, as a strategically important asset/company, was not allowed to belong to Russian or Belarusian capital, the current owner of AS "Gasos", AS "Latvijas Gāze", was forced to dispose of the company. The circle of potential buyers was significantly limited by the Russian war in Ukraine and the status of Latvia as a border state. The third reason were restrictions, because of which the use of foreign capital was practically excluded.

		(in thousands of euros)	
9.2. INVESTMENTS IN AFFILIATED UNDERTAKINGS		31/12/2023	31/12/2022
Total investments		346 014	296 061
OÜ Vara HTG	holding	50%	50%
investment property	value of holding	6 595	6 595
AS Tallink Grupp*	holding	42%	40%
Maritime transport group (45 companies)	value of holding**	331 564	283 024
	value in stock market price	216 467	155 396
OÜ Vana-Posti Kinnisvara	holding	50%	50%
investment property	value of holding	20	43
OÜ Eesti Biogaas	holding	50%	50%
Energy (5 companies)	value of holding	2 522	1 264
OÜ Pakrineeme Sadam	holding	50%	50%
investment property	value of holding	5 313	5 135

The country of location of the affiliated undertakings of the group is the Republic of Estonia.

The 2023 profit calculated by the equity method amounted to 39.6 million euros (2022: 8.2 million euros of losses).

* The share price of Tallink Grupp in stock market price differed significantly from its book value on 31 December 2023. As we consider it a long-term strategic investment, recognising it at book value is correct. The stock market price depends on the expectations of investors, market volatility, and the economic environment. In our opinion, the stock market price does not reflect the fair value of Tallink and does not take into consideration the greatly improved performance, stronger cash flows, and the business model which was streamlined after the COVID-19 crisis.

As at 31 December 2023, the value covered by the financial investments in affiliated undertakings was tested using a discounted cash flow model to identify potential impairment. As a result of this test, the management has estimated that there were no significant differences between the book value and fair value of financial investments in affiliated undertakings as at 31 December 2023 (as was the case on 31 December 2022).

** In order to obtain the net worth, the deferred income tax liability attributable to the Tallink investment, of EUR 31,104 million euros must be taken into account. An illustrative calculation for assessing the Tallink share price in Infortar's results is $331,564 - 31,104 = 300,460$, and the value per share is $300,460 / 313,601 = 0.958$ euros.

(in millions of euros)

9.3. INFORMATION ON MAJOR INVESTMENTS ACCOUNTED FOR BY USING THE EQUITY METHOD

	current assets/ non-current assets	short-/long-term liability	net assets/ Infortar's holding	profit/ other comprehensive income	sales revenue/ EBITDA
AS Tallink Grupp*					
31.12.2023	123.0	224.3	785.8	78.9	835.3
	1432.3	545.2	42,18%	-0.2	214.5
31.12.2022	195.7	296.2	706.9	13.9	771.4
	1495.9	688.5	40,02%	0.5	135.8
OÜ Vara HTG					
31.12.2023	1.1	1.7	13.2	0.0	3.1
	30.6	16.8	50%	0.0	2.8
31.12.2022	1.3	1.7	13.2	2.8	2.9
	33.4	19.9	50%	0.0	2.6

NOTE 10. FINANCIAL LIABILITIES (LOANS, SECURITIES, PLEDGES, AND OTHER GUARANTEES AND LIABILITIES)

(in thousands of euros)

10.1. LAENU- JA LIISINGKOHUSTISED		31/12/2023	31/12/2022
	maturity date		
current liabilities	Under 1 year	186 025	266 308
Non-current liabilities	1-5 years	252 033	159 327
Non-current liabilities	over 5 years	3 102	1 570
TOTAL		441 160	427 205

The liabilities are divided by types and maturity dates:

(in thousands of euros)

		31/12/2023	31/12/2022
Short-term loan liabilities			
	Overdraft	30 527	16 179
	Short-term loans	123 050	206 927
	Short-term portion of long-term loan	30 682	41 453
TOTAL		184 259	264 559
Long-term loan liabilities			
	Investment loan	246 410	153 155
TOTAL		246 410	153 155
Lease liabilities			
		NOTE	
	Short-term portion of lease liabilities	1 766	1 749
	Long-term portion of lease liabilities	8 725	7 742
TOTAL		11	10 491

Major loan liabilities

Real estate companies of the group have received loans in the amount of 89 704 thousand euros from the banks, secured by real estate; 75 983 thousand euros of this have a maturity date within 5 years.

The real estate loans with a carrying amount of 17 341 thousand euros did not meet the DSCR financial ratio as of December 31, 2023. The non-compliance was resolved in the fourth quarter of 2023 through coordination with the banks, and the banks issued confirmation letters stating that the terms of the long-term loan agreements would not be altered.

The companies in the group have received a syndicated loan from banks for the acquisition of a company in the total amount of 108 304 thousand euros.

The group also received a bank loan for the purchase of LNG vessel Optimus in the amount of 25 920 thousand euros.

The group has obtained short-term bank loans for the purchase of gas reserves in the amount of 123 050 thousand euros.

Information on loans received from related parties is presented in Note 16.

10.2. LOAN SECURITIES:

The companies in the group have taken loans against the following securities, and their carrying amounts are as follows

		(in thousands of euros)	
	NOTE	31.12.23	31.12.22
Land and buildings	8.2	3 437	14 777
Machinery and equipment	8.2	36 581	37 578
Investment property	8.1	178 138	140 070
Financial assets		160 969	123 799

Finantsvarad on pikaajaliste laenude tagatiseks panditud aktsiad. Laenuandjatel on vastavalt laenulepingule õigus aktsiate väärtuse languse korral nõuda kontserniit lisatagatist.

10.4. CHANGE IN LIABILITIES RESULTING FROM FINANCING ACTIVITIES

	(in thousands of euros)		
	Overdrafts	Loans	Lease liabilities
Initial balance as at 01/01/2022	25 635	306 971	9 760
Changes in the cash flows from financing			
Proceeds from borrowings	0	193 397	0
Loan repayments made	0	-98 833	0
Principal repayments of lease obligations	0	0	-2 037
Total change in the cash flows from financing	0	94 564	-2 037
Other changes			
Change in bank overdraft balance	-9 456	0	0
Accepting a lease liability	0	0	2 382
Terminating a lease liability	0	0	-614
Total other changes	-9 456	0	1 768
Balance as at 31/12/2022	16 179	401 535	9 491
Changes in the cash flows from financing			
Proceeds from borrowings	0	287 606	0
Added with purchases of associates		23 847	
Loan repayments made	0	-312 846	0
Principal repayments of lease obligations	0	0	-2 233
Total change in the cash flows from financing	0	-1 393	-2 233
Other changes			
Change in bank overdraft balance	14 348	0	0
Accepting a lease liability	0	0	3 376
Terminating a lease liability	0	0	-143
Total other changes	14 348	0	3 233
Balance as at 31/12/2023	30 527	400 142	10 491

10.3. INTEREST

The annual interest on the loan and lease obligations of the group remained between the 3-month and 6-month EURIBOR 1,2 - 4,1% during the financial year (2022: 3-month and 6-month EURIBOR + 0,1-4%).

The base currency is euro.

	(in thousands of euros)	
	2023	2022
Initial balance at the beginning of the year	375	114
Interest of the reporting year	22 573	8 221
Interests paid	-22 224	-7 960
Final balance	724	375

NOTE 11. SHARE CAPITAL, CONTINGENT LIABILITIES, AND RESERVES

11.1. SHARE CAPITAL

	31/12/2023	31/12/2022
Total number of ordinary shares issued	21 045 000	6 615 000
incl. fully paid	20 100 000	6 300 000
nominal value	EUR 0.1	0.3
Share capital	in thousands of euros 2 105	1 985
Own shares	in thousands of euros -95	-95

The share capital in the amount of 2 104 500 euros is divided between 21 045 000 ordinary shares with a nominal value of 0,10 euros per share (31/12/22 6 615 000) ordinary shares with a nominal value of 0,30 euros per share). The minimum share capital of the company is one million (1,000,000) euros and the maximum share capital four million (4,000,000) euros. The company may increase and decrease its share capital within the limits of the minimum and maximum share capital without amending the articles of association

In the financial year, the nominal value of the shares was changed from 0,30 euros per share to 0,10 euros per share. Existing shareholders got 3 new shares per existing share. As a result, the company's equity did not change.

All shares are of the same class and each share gives shareholders one vote at the general meeting. No preference shares or shares with special rights have been issued. All shareholders have the right to participate in the shareholders' general meeting and the right to receive information about the company's activities from the board, as well as the right to participate in the distribution of profits and the distribution of the remaining assets upon the termination of the company.

Share capital expansion	Pcs	Euro
new shares	1 200 000	120 000
Share premium		29 344 100
Share issuance cost		-1 735 890
Total	1 200 000	27 728 210

Changes in share capital 01/01/2023-31/12/2023	
Share capital 01/01/2023	6 615 000
Changes in share capital 15/12/2023 (expansion)	19 845 000
Newly issued shares (15/12.2023-31/12/2023)	1 200 000
Total number of ordinary shares issued 31/12/2023	21 045 000

11.2. OWN SHARES

In 2021, a shares and options programme was created for employees, due to which Infortar acquired 15,000 own shares with a book value of 94,500 euros.

In 2023, Infortar owned 945,000 shares due to the change in the nominal value of shares into share options.

11.3. CONTINGENT LIABILITIES

Potential income tax liability	31/12/2023	31/12/2022
Retained earnings	759 918	481 890
incl. taxable profit	166 167	124 450
Maximum potential income tax liability	118 750	71 488
Amount of dividends paid if all retained earnings are distributed	641 168	410 402

Taxable profit is the undistributed profit of the group's affiliated undertakings, on which tax expense has been recognized, and an amount has been allocated from the group's undistributed profit as deferred tax liability (see note 7.3).

The calculation is based on the tax rate (20/80) which applies to dividends paid from the beginning of the coming financial year and the prerequisite that the dividends that are going to be distributed and the income tax paid on them would not exceed the balance of retained earnings on the reporting date.

In 2023, a dividend of €15,750 thousand was paid to existing shareholders, which was divided among 6,615 thousand ordinary shares (before the share issuance). The dividend amount per share was €2.4.

11.4. LEGAL RESERVE

Legal reserve is formed with annual provisions made from net profits as well as other provisions which are added to the legal reserve pursuant to law or the articles of association. The amount of legal reserve is determined by the articles of association and it cannot be smaller than 1/10 of the share capital. At least 1/20 of the net profit must be transferred to the legal reserve in each financial year. When the legal reserve reaches the amount

provided for in the articles of association, it will no longer be increased on account of net profits.

The legal reserve may be used for covering losses with the decision of a general meeting, if it cannot be covered from the available equity of the public limited company; it may also be used for increasing share capital. Legal reserve cannot be used for payments to shareholders.

11.5. HEDGING RESERVE

The hedging reserve comprises the effective portion of the change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss if the hedged cash flows affect profit or loss.

(in thousands of euros)

As at 01/01/2021	-11 406
Cash flow hedging instruments - change in fair value	-47 399
Profit(-)/loss(+) from the realised cash flow hedging instruments	46 340
As at 31/12/2021	-12 465
Cash flow hedging instruments - change in fair value	127 570
Profit(-)/loss(+) from the realised cash flow hedging instruments	-32 798
As at 31/12/2022	82 307
Cash flow hedges - effective portion of changes in fair value	6 596
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	-69 296
incl. from swap contracts to hedge the price risk of gas sales at a floating price	70 053
incl. from swap contracts to hedge the price risk of gas purchases for storage	373
incl. from swap contracts for buying and selling electricity	5 624
incl. from currency exchange forwards	-158
Gain(-) / loss(+) reclassified to line "Revenue" of the statement of profit or loss and OCI	-80 448
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	0
incl. from swap contracts to hedge the price risk of gas sales at a floating price	-80 448
Gain(-) / loss(+) reclassified to line "Raw materials and consumables used" of the statement of profit or loss and OCI	8 605
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	12 447
incl. from swap contracts for buying and selling electricity	-3 842
Gain(-) / loss(+) transferred to line "Inventories" of the statement of financial position	9 027
incl. from swap contracts to hedge the price risk of gas purchases for storage	9 027
Gain(-) / loss(+) reclassified to line "Other operating income" of the statement of profit or loss and OCI for which the hedged future cash flows are no longer expected to occur	-2 055
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	156
incl. from swap contracts to hedge the price risk of gas sales at a floating price	-17 886
incl. from swap contracts to hedge the price risk of gas purchases for storage	15 675
Gain(-) / loss(+) reclassified to line "Other operating expenses" of the statement of profit or loss and OCI for which the hedged future cash flows are no longer expected to occur	86
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	0
incl. from currency exchange forwards	86
As at 31/12/2023	24 118

Additional information 3.8. ja 14.4.

11.6. SHARE OPTIONS PROGRAMME

In 2021, the basic terms and conditions of the share options programme were established to motivate the staff and members of the management. The objective of the programme is to motivate the management and the staff by encouraging them to become shareholders so that persons who have received share options would be able to benefit from the increase in the share value as a result of their work.

In 2023, the company issued 224 000 with the weighted average exercise price of 0,10 euros per share (2022: 3 420 shares with the weighted average exercise price of 6,30 per share). Due to the change in the nominal value of the shares, the company has issued 662 250 options for the shares as at 31 December 2023 with the exercise price of 0,30 euros per share.

No options were cancelled or realised during the year.

The main conditions of the share options programme are the following:

The date of issue of options	The condition for earning the right for receiving options	Exercise period of options
September and November 2021	a) Three years have passed from the issue of options	Starts when three years have passed from the date of issue of the options and ends when the subsequent 12-month period passes
June 2022 and November 2023	b) The option has not expired when it is exercised	

During the reporting year, the expense of the share options was 2 214 thousand euros (2022: 1425 thousand euros) and it is recognised in the income statement among 'General administrative expenses' on the 'Labour costs' line (Note 13.3).

Calculation of fair value

The fair value of share options of employees was measured by the Black-Scholes-Merton model. Pursuant to IFRS 2, the option conditions based on service and the operating result were not taken into consideration when measuring fair value.

The following inputs were used for determining fair value:

The life of the option (in months)	36
Volatility	-13.4%
<i>The volatility is calculated based on the historical average change in the underlying asset's price.</i>	
The income tax liability that arises when dividends are distributed from retained earnings of the group is disclosed in Note 11.3. Contingent liabilities.	1.0%
Weighted average share price in euros	26

11.7. SHARES BELONGING TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS AS AT 31 DECEMBER 2022

Name	Position	Number of shares	Stock options	Holding %*
Ain Hanschmidt	Chairman of the Management Board	38 300	55 800	0.18%
Eve Pant	Member of the Management Board	142 300	55 800	0.68%
Enn Pant	Chairman of the Supervisory Board	674 500	55 800	3.21%
Kalev Järvelill	Member of the Supervisory Board	94 500	55 800	0.45%
Toivo Ninnas	Member of the Supervisory Board	1 275 625	55 800	6.06%
Mare Puusaag	Member of the Supervisory Board	1 000	0	0.00%

*Infortar owns 945 000 own shares, making up 4,5% of the share capital. Own shares were acquired to implement the share options programme and do not bestow shareholder's or voting rights on the members of the management or supervisory board.

11.8. EARNINGS PER SHARE

		2023	2022
Profit attributable to the owners of the parent company	in thousands of euros	293 778	95 943
Weighted average number of ordinary shares		20 100 000	6 300 000
Ordinary earnings per share	euro	14.62	15.23
Number of options issued		662 250	145 950
Purchase price in the options contract	euro	0.10	0.30
Average market price	euro	26	39
Number of shares that should have been issued at the market price		2547	552
Weighted average number of shares		20 759 703	6 371 268
Diluted earnings per share	euro	14.15	15.06

*As a result of the share split, the earnings per share ratio does not provide an accurate overview since a share distribution occurred. To obtain a comparable measure, the net profit per share in euros must be recalculated based on the number of issued shares as of December 31, 2023. In this case, the result for the year 2022 would be 4.77 euros per share. Calculation: Net profit for 2022 (96 124 * 1 000) / number of shares 20 100 000. $Arvutuskäik = 2022 \text{ puhaskasum } (96\,124 * 1000) / \text{ aktsiatega } 20\,100\,000.$

11.9. CAPITAL MANAGEMENT

The group's business strategy is to expand outside of Estonia by increasing the volume of energy sales in existing markets (Finland, Latvia, and Lithuania) and new markets (Poland, Germany). Additionally, investment opportunities are being considered in green energy and real estate segments, provided that the investments align with the group's business plan and bring synergy to the existing group structure.

The growth of energy sales volumes in foreign countries continues to require investments, including investments in working capital. The aim of managing the group's working capital is to have sufficient buffers to use market opportunities and to protect the group against potential market price volatility. The profit earned by subsidiaries of Infortar Group is planned to be largely reinvested for business volume growth and to maintain sufficient buffers. It should also be noted that Eesti Gaas AS is able to pay dividends from profits if it is decided by the owners. The ability of other subsidiaries to pay dividends is limited.

The financial management of Infortar Group is centralized, and the group provides support to subsidiary companies with short-term liquidity through the group cash pool account when necessary. However, subsidiaries are independently responsible for sales and business performance and negotiate contracts with customers. The boards of subsidiaries regularly monitor the fulfillment of independent sales and business performance.

Considering the circumstances and given the specificity of the subsidiary companies, it is neither planned nor possible to take dividends from them in the near future.

Infortar Group does not foresee any changes in capital management principles in the near future, and the business strategy is followed when entering into new short- and long-term loan agreements.

NOTE 12. SALES REVENUE

The group recognises its sales revenue when it gives control over goods or services to customers. Information on fulfilling the performance obligations established by customer agreements and the timing of fulfilment as well as the accounting policy for recognising revenue resulting from it is provided in Note 3.10 Type of revenue.

(in thousands of euros)			
12.1.1 SALES REVENUE BY CATEGORIES	NOTE	2023	2022
Total revenue		1 084 626	1 053 712
Profit/loss from hedging instruments		80 448	20 479
Revenue from customer agreements*		1 004 178	1 033 233
Revenue from customer agreements is distributed:			
Lease and rental of real estate	8.5; 15	13 497	12 843
Energy			
Sale of natural gas		786 280	869 262
Sale of network services of natural gas		48 816	24 353
Sale of electricity		66 910	65 984
Sale of liquefied natural gas (LNG)		16 434	5 747
Sale of compressed natural gas (CNG)		4 739	8 502
Connection fees		1 851	811
Sale of other goods and services related to gas		9 190	8 241
Sale of construction and renovation services		29 619	13 464
Printed products		6 928	8 092
Taxi services		2 355	2 349
Management of sports facilities		1 126	1 039
Sale of minerals and construction materials		5 710	6 283
Retail and wholesale		2 317	2 431
Income from services for maritime passengers		293	353
The revenue from chartering services		6 556	2 515
Other services		1 557	964

*The distribution of sales revenue compared to the segment report is detailed in Note 5, describing the financial information comparison with the consolidated report.

12.1.2 MÜÜGITULU JAOTUS VASTAVALT SEGMENDIARUANDELE	2023	2022
The total revenue in companies under Infortar's control	1 084 626	1 053 712
Energy	1 021 523	1 010 431
Real estate	14 379	13 261
Supporting businesses	48 724	30 020
Total sales revenue in all segments, including affiliated companies	1 886 356	1 805 555
<i>including maritime transport*</i>	801 730	751 843

*The sales revenue of AS Tallink Grupp is not consolidated line by line in the Infortar group numbers; as an exception, the 100% sales revenue of AS Tallink Grupp is reflected in the segment report (Note 5), which also includes a comparison with the consolidated report and in this Note 12.1.2.

12.2. SALES REVENUE BY GEOGRAPHICAL REGIONS	2023	2022
Estonia	541 665	511 406
Finland	303 451	303 337
Lithuania	131 651	131 801
Latvia	103 680	103 754
Rest of the European Union	3 802	3 127
Countries not in the EU	376	287
Total	1 084 626	1 053 712

12.3. CUSTOMER AGREEMENT BALANCES

The following table provides an overview of contractual assets and contractual obligations to customers.

(in thousands of euros)			
	NOTE	31/12/2023	31/12/2022
Trade receivables	7,15		
With a remaining term of up to 12 months		162 576	122 006
With a remaining term between 1-5 years		5	0
Prepayments received	7,15	3 099	10 169
Future income from connection fees		25 017	13 023

The growth in the balances of customer agreements during the reporting year is mostly due to the increase in gas prices. Gas makes up 93% of the customer agreement balances. Eesti Gaas provision for doubtful debts amounted to -€367 thousand during the reporting year. Eesti Gaas evaluates doubtful debts annually, and hopeless debts are written off as expenses based on the decision of the management.

in thousands of EUR		
Contract balances	31/12/2023	31/12/2022
The receivables included in 'Receivables from buyers and other receivable'	155 150	112 639
Short-term contractual obligations	-116	-9 029
Long-term contractual obligations (connection fees)	-25 017	-13 023

Short-term contractual obligations are advances received from customers under natural gas sales contracts

(in thousands of euros)		
Connection fees	2023	2022
Future income from connection fees in the beginning of the period	13 023	13 211
Connection fees received	224	623
Connection fees received due to acquisitions	13 621	0
Connection fees recognised as income	-1 851	-811
Future income from connection fees at the end of the period	25 017	13 023

AS Gaasivõrk connection fees are recognised as income for up to 30 years (2022: 33 years). AS Gaso 20 years.

NOTE 13. OPERATING EXPENSES

13.1. COST OF SALES (GOODS, SERVICES)

		(in thousands of euros)	
	NOTE	2023	2022
Raw materials		-779 979	-802 867
Write-down and write-off of inventories		-19	-29
Goods bought for reselling		-7 513	-6 504
Services bought for reselling*		-57 958	-81 183
Energy		-720	-639
Fuel		-731	-1 847
Subcontracting		-37 821	-6 734
Transport expenses		-2 515	-1 631
Leased land		-7	-7
Lease and rent		-49	-290
Miscellaneous office expenses		-3 227	-2 013
Travel expenses		-58	-25
Training costs		-112	-73
National and local taxes		-213	-170
Allowance for doubtful receivables		-342	-48
Labour costs	13.4	-23 874	-12 705
Depreciation and amortisation	8	-14 348	-9 469
Other		-5 667	-941
Kokku		-935 153	-927 175

*The line for services bought for reselling mostly reflects electricity and gas bought by Eesti Gaas for reselling, utility costs mediated by real estate companies, and subcontracting expenses mediated by construction companies.

13.2. MARKETING EXPENSES

		(in thousands of euros)	
	NOTE	2023	2022
Transport expenses		-235	-267
Miscellaneous office expenses		-4	-4
National and local taxes		-4	-2
Labour costs	13.4	-859	-803
Depreciation and amortisation	8	-70	-71
Other		-448	-261
Total		-1 620	-1 408

13.3. GENERAL ADMINISTRATIVE EXPENSES

		(in thousands of euros)	
	NOTE	2023	2022
Lease and rent	8.4	-36	-51
Energy		-95	-140
Fuel		-21	-35
Transport expenses		-341	-502
Miscellaneous office expenses		-287	-826
Travel expenses		-81	-194
Training costs		-92	-73
National and local taxes		-560	-414
Allowance for doubtful receivables		0	-6
Labour costs	13.4	-17 598	-13 411
Depreciation and amortisation	8	-1 163	-874
Other		-1 811	-994
Total		-22 085	-17 520

13.4. LABOUR COSTS

	(in thousands of euros)	
	2023	2022
Number of employees in the company	1 308	452
Persons employed under an employment contract	1 265	416
Members of a management or controlling body	43	36
Total calculated remuneration	-31 294	-19 498
Payroll taxes	-9 428	-6 286
Total labour costs	-40 722	-25 784

NOTE 14. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

14.1. ACCOUNTING CLASSIFICATION AND FAIR VALUES

(in thousands of euros)

AS AT 31/12/2023	Fair value - hedging instruments	Financial assets at amortised cost	Other financial liabilities	Fair value		
				Total	Level 2	Level 3
Financial assets measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	29 852	-	-	29 852	29 852	-
	29 852	-	-	29 852		
Financial assets not measured at fair value						
Loans issued	-	9 065	-	9 065		9 065
Trade and other receivables (Note 7)		198 715	-	198 715	***	***
Cash and cash equivalents (Note 6)	-	87 115	-	87 115	***	***
	-	294 895	-	294 895		
Financial liabilities measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	-3 845	-	-	-3 845	-3 845	
	-3 845	-	-	-3 845		
Financial liabilities not measured at fair value						
Overdraft and loans (Note 10)**		-	-430 669	-430 669	-	-430 669
Lease liabilities (Note 10)	-	-	-10 491	-10 491	-	-10 491
Trade and other payables (Note 7)*		-	-125 625	-125 625	***	***
	-	-	-566 785	-566 785		

* Does not include employee payables and tax liabilities

** According to the estimates of the management, the fair values of the bank loans and overdraft that had a floating interest rate did not differ from their carrying amounts as the risk margins at the end of reporting period met the level of the market's risk margin.

*** The group has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade and other receivables, and trade and other payables, because their carrying amounts are a reasonable approximation of their fair value.

(in thousands of euros)

AS AT 31/12/2022	Fair value - hedging instruments	Financial assets at amortised cost	Other financial liabilities	Fair value		
				Total	Level 2	Level 3
Financial assets measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	83 974	-	-	83 974	83 974	-
	83 974	-	-	83 974		
Financial assets not measured at fair value						
Loans issued	-	15 717	-	15 717		15 717
Trade and other receivables (Note 7)		253 732	-	253 732	***	***
Cash and cash equivalents (Note 6)	-	60 002	-	60 002	***	***
	-	329 451	-	329 451		
Financial liabilities measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	-1 667	-	-	-1 667	-1 667	
	-1 667	-	-	-1 667		
Financial liabilities not measured at fair value						
Overdraft and loans (Note 10)**		-	-417 714	-417 714	-	-417 714
Lease liabilities (Note 10)	-	-	-9 491	-9 491	-	-9 491
Trade and other payables (Note 7)*		-	-52 822	-52 822	***	***
	-	-	-480 027	-480 027		

* Does not include employee payables and tax liabilities.

** According to the estimates of the management, the fair values of the bank loans and overdraft that had a floating interest rate did not differ from their carrying amounts as the risk margins at the end of reporting period met the level of the market's risk margin.

*** The group has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade and other receivables, and trade and other payables, because their carrying amounts are a reasonable approximation of their fair value.

14.2. MEASUREMENT OF FAIR VALUES

	Valuation technique	Significant unobservable inputs
Financial assets and financial liabilities measured at fair value		
Derivatives – swaps for buying and selling natural gas	"Fair value is determined using settlement prices for futures contracts at the ICE Endex market at the reporting date"	
Derivatives – swaps for buying and selling electricity	Fair value is determined using Nord Pool's settlement prices of the Estonian and Latvian price area at the reporting date	
Financial liabilities not measured at fair value		
Proceeds from borrowings	Discounted cash flows: the valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate	Interest rate of borrowings
Loans issued	Discounted cash flows: the valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate	Interest rate of borrowings

14.3. FINANCIAL RISK MANAGEMENT

The group has exposure to the following financial risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The management board of the parent company has responsibility for the establishment and oversight of

the risk management framework of the group. The purpose of the overall risk management programme of the group is to mitigate financial risks and minimise the volatility of financial results to minimise potential adverse effects on the financial performance of the group. The risk management activities of the group focus on the identification and analysis of possible risks, setting appropriate risk limits and controls and monitoring adherence to limits. The efficiency of risk management and internal controls are monitored and analysed by the supervisory board.

14.3.1. CREDIT RISK

Credit risk is the risk that the group will incur a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily

from the group's trade receivables and contractual assets. The maximum amount exposed to credit risk is the carrying amount of financial assets and contractual assets.

At the end of the reporting period, the maximum amount exposed to credit risk was as follows:

	(in thousands of euros)		
	31/12/2023	31/12/2022	NOTE
Trade receivables	162 581	122 006	7
Interest receivables	424	350	7
Other liabilities and prepayments	18 646	6 236	7
Realised derivative receivables	5 958	108 917	7
Derivatives	29 852	83 974	14.4
Bank accounts	87 102	59 968	6
Loans issued	9 065	15 717	7 ja 17
Total amount exposed to credit risk	313 628	397 168	

The exposure of the group to credit risk for accounts receivable is influenced mainly by the individual characteristics of each customer. For business customers, a credit analysis is performed prior to the conclusion of the contract and regularly during the validity of the contract. The write-down of receivables is deducted from trade receivables. Despite economic factors potentially impacting the collection of receivables, the management believes that there is no significant risk of loss which would exceed the amount of the write-down already recognised. Other types of receivables do not include written-down assets. Issued loans concern affiliated undertakings of the group and do not carry a risk of impairment (see Note 15).

The customers' debt is monitored on a daily basis and additional measures are applied if necessary (for example interim invoices, prepayment invoices or

deposits). For overdue invoices reminders are sent to customers or customers are contacted by phone, if necessary an enforcement procedure is started through the court or a collection agency.

The Group uses an allowance matrix to measure the expected credit losses of accounts receivable, which comprise a very large number of balances. Loss rates are based on actual credit loss experience and are calculated separately for exposures in different segments based on the geographic region and the type of products/service lines. If necessary, the loss rates based on historical information are adjusted taking into account the overall economic outlook.

As at 31 December 2023, the Group had not observed any deterioration in customers' payment behavior.

(in thousands of euros)

EXPECTED CREDIT LOSS ASSESSMENT FOR ACCOUNTS RECEIVABLE

As at 31 December 2022

	Weighted average loss rate	Carrying amount	Calculated impairment
Accounts receivable not yet due	0.02%	150 426	37
1-30 days past due	0.14%	11 014	15
31-179 days past due	9.93%	695	69
More than 180 days past due	80.27%	446	358
Total accounts receivable (Note 12)		162 581	479

As at 31 December 2022

	Weighted average loss rate	Carrying amount	Calculated impairment
Accounts receivable not yet due	0.01%	119 342	17
1-30 days past due	0.14%	1 859	3
31-179 days past due	2.83%	639	18
More than 180 days past due	82.93%	166	137
Total accounts receivable (Note 12)		122 006	175

(in thousands of euros)

Doubtful receivables	31/12/2023	31/12/2022
Doubtful receivables for natural gas and network services, incl.		
business consumers	-330	-122
household consumers	-37	-19
Doubtful receivables for other goods and services	-112	-34
Total doubtful receivables (Note 12)	-479	-175
Change in doubtful receivables	2023	2022
Allowance for doubtful receivables at the beginning of the period	-175	-237
Classified as doubtful and collected during the accounting period	-343	-25
Classified as irrecoverable	39	87
Allowance for doubtful receivables at the end of the period	-479	-175

Bank accounts are available financial means of the group deposited at financial institutions. The cash and cash equivalents of the group are mainly deposited at banks of the European Union with an A1 credit rating.

According to the estimates of the management of the group, the group is not exposed to significant credit risk related to cash and cash equivalents based on the credit ratings issued to the financial institutions.

14.3.2. LIQUIDITY RISK

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and difficult conditions, without incurring unacceptable losses and risking damage to the reputation of the group. Long term liquidity risk is the risk that the group does not have a sufficient amount of unrestricted cash or other sources of liquidity to meet its future liquidity needs to carry out its business plan and meet its commitments, or that for the above reasons, the group needs to raise additional cash quickly, which may result in higher costs.

Short-term liquidity risk is mitigated so that the group keeps a certain amount of cash buffer in its bank accounts to have a sufficient amount of cash also available in case there are deviations from the cash flow forecast. In order to have a sufficient amount of cash available, the group has concluded overdraft agreements, factoring agreements, and bank loan agreements for financing current assets. A short-term need for extra financing may occur when the group purchases natural gas for depositing in storage.

In order to finance investments related to various machinery, the group has concluded lease contracts.

The following are the remaining contractual amounts by maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(in thousands of euros)

AS AT 31/12/2023	Carrying amount	Balance sheet value for liabilities				
		Total	1-6 months	7-12 months	1-5 years	more than 5 years
Non-derivative financial liabilities						
Bank loans (Note 10.1)	400 142	-400 142	-136 712	-17 020	-246 410	0
Bank overdraft (Note 10.1)	30 527	-30 527	-30 527	0	0	0
Lease liabilities (Note 10.1)	10 491	-10 491	-971	-795	-5 623	-3 102
Trade and other payables (Note 7.3)	118 621	-118 621	-118 424	0	-197	0
Total non-derivative financial liabilities	559 781	-559 781	-286 634	-17 815	-252 230	-3 102
Derivatives						
Outflow	3 845	-4 984	-3 657	-412	-915	0
Inflow	0	1 139	408	2	729	0
Total derivatives (Note 14.4)	3 845	-3 845	-3 249	-410	-186	-

(in thousands of euros)

AS AT 31/12/2022	Carrying amount	Balance sheet value for liabilities				
		Kokku	1-6 kuud	7-12 kuud	1-5 aastat	üle 5 aasta
Non-derivative financial liabilities						
Bank loans (Note 10.1)	401 535	-406 484	-218 431	-34 898	-153 155	0
Bank overdraft (Note 10.1)	16 179	-16 179	-16 179	0	0	0
Lease liabilities (Note 10.1)	9 491	-9 491	-895	-854	-6 172	-1 570
Trade and other payables (Note 7.3)	56 253	-56 253	-56 079	0	-174	0
Total non-derivative financial liabilities	483 458	-488 407	-291 584	-35 752	-159 501	-1 570
Derivatives						
Outflow	1 667	-2 011	-1 347	-664	0	0
Inflow	0	344	344	0	0	0
Total derivatives (Note 14.4)	1 667	-1 667	-1 003	-664	-	-

As at the date of reporting, the group had no violations of special conditions established by financial agreements.

14.3.3. MARKET RISKS

Currency risk

Currency risk is the risk of the fair value of financial instruments or cash flows fluctuating in the future due to changes in the exchange rate. Financial assets and liabilities in euros are considered currency risk-free financial assets and liabilities if the functional currency of the company is the euro. The group does not have any material financial assets or liabilities which would be exposed to currency risk

the hedging instrument, the effect of credit risk does not dominate the value changes, and the hedge ratio is the same as that resulting from the quantity of the hedged items that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of the hedged item. The goal of the group is to apply a hedge ratio approximately 1:1 or 100%.

Price risk

Price risk is a risk of the fair value or cash flows of financial instruments fluctuating in the future due to changes in market prices caused by factors other than interest rate risk or currency risk. The financial assets of the group are not exposed to price risk. The group's major price risks of commodities arise from fixed-price gas sales contracts and floating price electricity purchase contracts. The group uses derivatives - swap contracts for buying and selling natural gas and electricity - to manage price risks. The swap contracts have been entered into for the purchase or sale of a fixed volume of natural gas or electricity at each hour and their price is denominated in euros. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised under other comprehensive income. A hedging relationship meets the hedge effectiveness requirements if there is an economic relationship between the hedged item and

The possible sources for ineffectiveness may be the differences in the quantities, underlying commodities, and prices of the hedged items and hedging instruments. The fair value changes of other transactions are recognised in the income statement. As at 31 December 2023, the group had concluded swap contracts for buying and selling natural gas for the years 2023-2027 in the volume of 308,488 MWh (31 December 2022: 873,095 MWh for years 2023-2027).

For the years 2024-2027 electricity swap contracts for buying and selling electricity for the years 2024-2024 67,163 MWh (31/12/2023 4380 MWh for the year 2023). The basis for determining the fair value of the transactions are the quotes at the ICE Endex market and Nord Pool.

Interest rate risk of cash flows and fair value

Interest rate risk is the risk of the fair value of financial instruments or cash flows fluctuating in the future due to

changes in the market exchange rates. Cash flow interest rate risk arises to the group from floating interest rate borrowings and lies in the danger that financial expenses increase when interest rates increase.

The weighted average interest rate of the borrowings of the group was 5.2% as at 31 December 2023 and 2.85% as at 31 December 2022.

The interest rate risk of the group is mainly associated with short-term and long-term borrowings (Note 10).

A change of 3 percentage points in the weighted average interest rate on borrowings would have increased the net profit of the group by 13,025.5 thousand euros in 2023 and by 8,657.7 thousand euros in 2022.

Nominal amounts, quantities, and average contract prices of cash flow hedging instruments per MWh

(in thousands of euros)

31/12/2023	1-6 months	7-12 months	over 1 year	Total
Nominal amount of swap contracts to hedge the price risk of gas sales at a fixed price	-22 855	-4 565	883	-26 537
Nominal amount of swap contracts to hedge the price risk of gas sales at a floating price for storage	51 920	-	210	52 130
Nominal amount of swap contracts to hedge the price risk of purchasing gas for storage	-599	-	-	-599
Total nominal amount of swap contracts for buying and selling natural gas	28 466	-4 565	1 093	24 994
Nominal amount of swap contracts for buying electricity	326	531	-	857
Nominal amount of swap contracts for selling electricity	155	312	-153	314
Total nominal amount of swap contracts for buying and selling electricity	481	843	-153	1 171
Nominal amount of swap contracts to hedge the price risk of gas sales at a fixed price (MWh)	1 644 606	357 531	225 863	2 228 000
Quantity of swap contracts to hedge the price risk of gas sales at a floating price for storage (MWh)	-2 776 488	-	-105 000	-2 881 488
Quantity of swap contracts to hedge the price risk of purchasing gas for storage (MWh)	345 000	-	-	345 000
Total quantity of swap contracts for buying and selling natural gas (MWh)	-786 882	357 531	120 863	-308 488
Nominal amount of swap contracts for buying electricity	144 345	101 591	-	245 936
Nominal amount of swap contracts for selling electricity	-12 664	-12 809	-153 300	-178 773
Total nominal amount of swap contracts for buying and selling electricity	131 681	88 782	-153 300	67 163
Nominal amount of swap contracts to hedge the price risk of gas sales at a fixed price (MWh)	47	47	30	
Quantity of swap contracts to hedge the price risk of gas sales at a floating price for storage (MWh)	52	-	40	
Quantity of swap contracts to hedge the price risk of purchasing gas for storage (MWh)	38	-	-	
Quantity of swap contracts for buying electricity (MWh)	33	14	-	
Quantity of swap contracts for selling electricity (MWh)	117	117	3	

Elektri ostu swap-lepingud sisaldavad EPAD'e (electricity price area differential), mistõttu näidatud keskmine hind ei kajasta kogu fikseeritud hinda.

(in thousands of euros)

31/12/2022	1-6 months	7-12 months	over 1 year	Total
Nominal amount of swap contracts to hedge the price risk of gas sales at a fixed price	8 971	8 476	12 865	30 312
Nominal amount of swap contracts to hedge the price risk of gas sales at a floating price for storage	78 280	0	0	78 280
Nominal amount of swap contracts to hedge the price risk of purchasing gas for storage	-25 674	0	0	-25 674
Total nominal amount of swap contracts for buying and selling natural gas	61 577	8 476	12 865	82 918
Nominal amount of swap contracts for buying electricity	284	299	0	583
Nominal amount of swap contracts for selling electricity	-530	-664	0	-1194
Total nominal amount of swap contracts for buying and selling electricity	-246	-365	-	-611
Nominal amount of swap contracts to hedge the price risk of gas sales at a fixed price (MWh)	538 230	303 906	369 132	1 211 268
Quantity of swap contracts to hedge the price risk of gas sales at a floating price for storage (MWh)	-1 041 979	0	0	-1 041 979
Quantity of swap contracts to hedge the price risk of purchasing gas for storage (MWh)	703 806	0	0	703 806
Total quantity of swap contracts for buying and selling natural gas (MWh)	200 057	303 906	369 132	873 095
Nominal amount of swap contracts for buying electricity	28 229	28 711	0	56 940
Nominal amount of swap contracts for selling electricity	-26 058	-26 502	0	-52 560
Total nominal amount of swap contracts for buying and selling electricity	2 171	2 209	-	4 380
Nominal amount of swap contracts to hedge the price risk of gas sales at a fixed price (MWh)	77	54	33	
Quantity of swap contracts to hedge the price risk of gas sales at a floating price for storage (MWh)	151	0	0	
Quantity of swap contracts to hedge the price risk of purchasing gas for storage (MWh)	141	0	0	
Quantity of swap contracts for buying electricity (MWh)	17	17	0	
Quantity of swap contracts for selling electricity (MWh)	152	152	0	

14.4. DERIVATIVES

(in thousands of euros)

	Assets	Liabilities	Assets	Liabilities
	31/12/2023		31/12/2022	
Long-term derivatives				
Swap contracts for buying and selling natural gas	1 092	0	12 865	0
incl. derivatives subject to hedge accounting	1 092	0	12 865	0
incl. swap contracts to hedge the price risk of gas sales at a fixed price	882	0	12 865	0
incl. swap contracts to hedge the price risk of gas sales at a floating price	210	0	0	0
Swap contracts for buying and selling electricity	33	-186	0	0
incl. derivatives subject to hedge accounting	33	-186	0	0
Short-term derivatives				
Swap contracts for buying and selling natural gas	27 347	-3 445	70 526	-473
incl. derivatives subject to hedge accounting	27 347	-3 445	70 526	-473
incl. swap contracts for hedging the price risk of gas sale at fixed prices	-23 310	-4 109	17 448	0
incl. swap contracts for hedging the price risk of gas sale at floating prices for storage	51 224	696	77 965	315
incl. swap contracts to hedge the price risk of purchasing gas for storage	-567	-32	-24 887	-788
Swap contracts for buying and selling electricity	1 380	-56	583	-1 194
incl. derivatives subject to hedge accounting	1 380	-56	583	-1 194
currency forwards	0	-158	0	0
Total derivatives	29 852	-3 845	83 974	-1 667

The goal of the swap contracts for buying and selling natural gas is to manage the risk of changes in the purchase price of natural gas and the value of sales transactions. The goal of the swap contracts for buying and selling electricity is to manage the risk of changes in the purchase price of electricity.

The fair value of swap contracts for buying and selling natural gas is determined using settlement prices for futures contracts at the ICE Endex market at the reporting date.

The fair value of swap contracts for buying and selling electricity is determined using Nord Pool's settlement prices of the Estonian and Latvian price area at the reporting date.

Equity sensitivity analysis of derivative financial instruments

A potential change of 10% in the settlement prices that form the basis for calculating the value of derivative financial instruments would have increased (decreased) the value of equity by the following amounts as at 31 December 2023:

(in thousands of euros)		
Equity	in settlement prices: +10%	in settlement prices: -10%
AS AT 31/12/2023		
Derivatives	749	-749
AS AT 31/12/2022		
Derivatives	8 662	-8 662

NOTE 15. TRANSACTIONS WITH RELATED PARTIES

15.1. ACCOUNTING POLICY

A related party is a person or a company who is related to the group to the extent that transactions between them do not necessarily take place under market conditions.

A person or their close family member is a related party if that person:

- (a) is a member of the management of Infortar or its parent company; or
- (b) has a controlling or significant influence over Infortar.

The company is a related party if at least one of the following applies:

- (a) the company and Infortar are under the same dominant influence;
- (b) one company is controlled by a third party and the other company is under a significant influence of the aforementioned third party;
- (c) the company has a dominant or significant influence over Infortar;
- (d) the company is under a dominant or significant influence of Infortar;
- (e) companies where a member of the management of Infortar (or their close family members) has a controlling or significant influence;
- (f) companies where persons who are members of the management (or their close family members) have a controlling or significant influence over Infortar.

In order to determine the potential relationships between the related parties, the substance of the respective relationships must also be taken into consideration, not only the legal form thereof.

During the reporting period, the group has conducted transactions with related parties; with subsidiaries AS Tallink Grupp, OÜ Vara HTG, and OÜ Vana-Posti Kinnisvara; with the members of the management board and the supervisory board as follows:

15.2. RELATED PARTY TRANSACTIONS		2023	2022
Goods and services sold (Note 12)	Affiliated undertakings	11 396	6 951
Lease of real estate	Affiliated undertakings	12 699	12 593
Total sales to related parties		24 095	19 544
Calculated interest	Affiliated undertakings	527	662
Goods and services purchased	Affiliated undertakings	627	695
Interest expense	Members of the management and supervisory boards and companies associated with them	646	370
Total purchases from related parties		1 273	1 065

15.3. BALANCES OF RELATED PARTIES		31/12/2023	31/12/2022
Receivables			
Receivables from the sale of goods and services (Note 7)	Affiliated undertakings	2 370	4 383
"Loan and interest receivables (Notes 7, 10)"	Affiliated undertakings	9 391	16 066
Liabilities			
Payables for the purchase of goods and services (Note 7)	Affiliated undertakings	16	44
Loan and interest liabilities (Note 10)	Members of the management and supervisory boards and companies associated with them	8 900	8 000
Calculated remuneration for the members of the management and supervisory boards of the companies in the group		4 122	3 621
Including calculated remuneration for the members of the management and supervisory boards of the group		1 469	1 625

The remuneration of the members of the management and supervisory boards includes basic remuneration, holiday pay, bonuses, allowances, and compensation. All paid remuneration is subject to social tax (33%)

In the course of the options programme of the company, 224,000 shares were sold to the members of the management and supervisory boards in 2023, at the weighted average price of 0.10 euros per share. A more detailed information on share based payments is provided in Note 11.

Transactions with share capital are described in Note 11 and investments in subsidiaries in Note 9. Transactions with related parties are associated with the services bought and sold during the normal economic activity of the companies.

The following table presents information on the gross remuneration of the members of the Infortar Group's council and board, excluding social security costs.

in thousands of euros	2023	2022
Enn Pant	94 000	84 000
Toivo Ninnas	54 000	48 000
Kalev Järvelill	54 000	48 000
Mare Puusaag	32 477	0
Ain Hanschmidt	815 000	975 000
	<i>base salary</i>	380 000
	<i>contractual performance</i>	435 000
Eve Pant	420 000	470 000
	<i>base salary</i>	220 000
	<i>contractual performance</i>	200 000

More detailed information regarding the principles of executive compensation is provided in the remuneration report.

NOTE 16. MAIN STATEMENTS OF THE PARENT COMPANY

16.1. ACCOUNTING POLICY

Pursuant to the Accounting Act of the Republic of Estonia, the notes to the consolidated annual accounts must disclose the unconsolidated main statements of the consolidating entity (parent company) separately (statement of financial position, income statement, cash flow statement, and statement of changes in equity). When preparing the main financial statements of the parent company, the same accounting policies have

been followed as in the case of the consolidated annual accounts, except in the case of investments in subsidiaries and affiliated undertakings, which are recognised at cost (less write-downs) in the unconsolidated report.

Infortar manages liquidity at the group level and negative working capital is covered with monetary means on the group account.

16.2. STATEMENT OF FINANCIAL POSITION

	(in thousands of euros)	
ASSETS	31/12/2023	31/12/2022
CURRENT ASSETS		
Cash	44 495	0
Short-term financial investments	1	1
Receivables and prepayments	5 186	2 429
Total current assets	49 682	2 430
NON-CURRENT ASSETS		
Investments in subsidiaries	28 413	23 774
Investments in affiliated undertakings	45 853	35 539
Loans issued	25 241	50 346
Investment property	7 998	7 962
Property, plant, and equipment	1 331	300
Total non-current assets	108 836	117 921
TOTAL ASSETS	158 518	120 351

	(in thousands of euros)	
CURRENT LIABILITIES	31/12/2023	31/12/2022
Loan and lease liabilities		
Loan and lease liabilities	32 471	35 185
Trade payables	940	283
Prepayments received	15	3
Other short-term payables	1 704	2 296
Total current liabilities	35 130	37 767
NON-CURRENT LIABILITIES		
Loan and lease liabilities	53 380	70 360
Total non-current liabilities	53 380	70 360
TOTAL LIABILITIES	88 510	108 127
EQUITY		
Share capital	2 105	1 985
Own shares	-95	-95
Share premium	29 344	0
Option reserve	3 864	1 650
Legal reserve	205	205
Retained earnings from previous periods	-7 271	-3 690
Profit for the financial year	41 856	12 169
Total equity	70 008	12 224
TOTAL LIABILITIES AND EQUITY	158 518	120 351

16.3. INCOME STATEMENT

	(in thousands of euros)	
	2023	2022
Sales revenue	5 761	2 393
Cost of sales	-71	-61
Total operating revenue	5 690	2 332
General administrative expenses	-10 592	-8 494
Result of revaluation of investment property	-770	333
Other operating revenue	0	0
Other operating expenses	-6	-6
Operating profit	-5 678	-5 835
Financial income and expenditure related to the shares of subsidiaries	45 322	15 805
Financial income and expenditure of short-term financial investments	6 013	3 627
Interest expenses	-3 801	-1 428
Other financial income and expenses	47 534	18 004
Profit for the financial year	41 856	12 169

16.4. CASH FLOW STATEMENT

	(in thousands of euros)	
	2023	2022
Cash flows from operating activities		
Net profit/loss	41 856	12 169
Adjustments		
Profit/loss from financial investments	-51 335	-19 432
Change in the fair value of the investment property	770	-333
Depreciation, amortisation, and impairment of non-current assets	94	52
Calculated interest expenses	3 801	1 428
Profit/loss from non-current assets sold	-2 580	1 268
Change in payables and prepayments relating to operating activities	2 116	1 206
Total cash flows from operating activities	-5 278	-3 642
Cash flows from investing activities		
Acquisition / reduction of capital of associates	-10 314	-4 813
Acquisition of subsidiaries/capital expansion	-5 062	-137
Loans issued	0	-8 491
Paybacks from given loans	25 105	0
Dividends received	45 812	16 200
Interest received	5 769	3 483
Payment upon the acquisition of investment property	-805	-2 622
Payment upon the acquisition of property, plant, and equipment	-1 126	-168
Proceeds from the sale of investment property and non-current assets	0	0
Total cash flows from investing activities	59 379	3 452
Cash flows from financing activities		
Proceeds from share emission	29 464	0
Change in bank overdraft balance	-19 153	13 685
Proceeds from borrowings	900	2 447
Loan repayments made	-1 440	-3 440
Interests paid	-3 627	-1 394
Dividends paid	-15 750	-16 110
Total cash flow from financing activities	-9 606	-4 812
Total cash flows	44 495	-5 002
Cash and cash equivalents at the beginning of the period	0	5 002
Cash and cash equivalents at the end of the period	44 495	0
Change in cash and cash equivalents	44 495	-5 002

16.5. STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)

	Aksia- kapital	Üle- kurs	Oma- aktsiad	Optsooni- reserv	Kohustuslik reservkapital	Jaotamata kasum	Kokku
Balance as at 31/12/2021	1985	0	-95	225	205	12 420	14 740
Dividends paid	0	0	0	0	0	-16 110	-16 110
Stock options	0	0	0	1 425	0	0	1 425
Profit for the financial year	0	0	0	0	0	12 169	12 169
Balance as at 31/12/22	1985	0	-95	1 650	205	8 479	12 224
Share capital expansion	120	29 344	0	0	0	0	29 464
Dividends paid	0	0	0	0	0	-15 750	-15 750
Stock options	0	0	0	2 214	0	0	2 214
Profit for the financial year	0	0	0	0	0	41 856	41 856
Balance as at 31/12/23	2 105	29 344	-95	3 864	205	34 585	70 008

Calculation of adjusted unconsolidated equity

(in thousands of euros)

	31.12.23	31.12.22
Unconsolidated equity	70 008	12 224
Carrying amount of holdings under dominant and significant influence	-74 266	-59 313
Value of holdings using the equity method	823 121	614 188
Adjusted unconsolidated equity	818 863	567 099

NOTE 17. EVENTS AFTER THE REPORTING DATE

Infotar signed agreements, described in Note 10, for extending the limits of short-term overdraft obligations for the next accounting year. As of the reporting date, an amount of €15,000 thousand from the short-term loans described under Note 10, which matured in 2023, has been extended.

Infotar 100% subsidiary EG Biofond OÜ and Brorup OÜ signed investment agreement and shareholders agreement, where EG Biofond OÜ acquired 51% shareholding in OÜ Halinga. Additional operations and preconditions including getting an approval from Competition Authority have been fulfilled.



REMUNERATION REPORT

The Supervisory Board has concluded service agreements with the members of the Management Board. In 2023, the remuneration of the members of the Group's Management Board was EUR 1.469 thousand in total.

The remuneration of the Management Board is determined by the Supervisory Board according to the Corporate Governance Recommendations. The Supervisory Board has adopted and the General Meeting has approved the principles of remuneration of the management of Infortar. The principles are following:

Competitiveness. The salary of a Board Member must be competitive, taking into account the company's field of activity, the Board Member's skills and previous experience, the duties and responsibilities of the Board Member, as well as the broader labor market situation.

Results orientation. The remuneration of the Board Member, including the option program, must motivate to achieve results and act in the best interests of the Infortar Group. Results orientation must be balanced by effective risk management. It is important to ensure that the interests of the board member are aligned with the interests of the group and shareholders

Long-term perspective and sustainability. Board Member remuneration should be aimed at promoting the long-term sustainable development of the Infortar group, achieving strategic objectives, and increasing the value of shares owned by shareholders, taking into account, among other things, environmental and corporate social responsibility aspects.

Link to the group's financial situation. The total amount of payments made by the group to a board member

must be reasonably aligned with the board member's responsibilities and the group's financial situation. If the group's financial situation deteriorates significantly and the payment or provision of other benefits agreed with the board member would be extremely unfair to the group, the group may demand a reduction in payments and other benefits.

Clarity and transparency. The rules for remunerating board members must be clear and transparent - this helps to ensure the protection of the legitimate interests of both board members and the Infortar group, as well as investors and creditors.

When determining the base salary:

- the Board Member's required work experience and professional qualifications are taken into account;
- the Board Member's duties and scope of responsibility;
- the remuneration of Board Members of other companies within the group;
- the situation in the labor market, including the remuneration of Board Members of similar or related businesses.

The board has the right to determine performance-based pay for Board Members, the amount of which depends on the achievement of set goals. In the evaluation of the results for 2023, consideration was given to the volume of new investments and the work associated with taking the company public. The objectives considered in determining performance-based pay may be individual or related to the activities of the entire group. According to the principles of remunerating Board Members, Board Members are entitled to additional compensation related to contract termination and a stock option program.

The following table presents the gross remuneration of the Supervisory Board and Management Board Members of the Infortar Group, excluding social security costs.

(in thousands of euros)	2023	2022	2021	2020	2019
Enn Pant	94 000	84 000	54 000	24 000	24 000
Toivo Ninnas	54 000	48 000	31 800	15 600	15 600
Kalev Järvelill	54 000	48 000	31 800	15 600	15 600
Mare Puusaag	32 477	-	-	-	-
Ain Hanschmidt	815 000	975 000	525 000	325 000	400 000
<i>base salary</i>	380 000	300 000	300 000	300 000	300 000
<i>performance-based pay</i>	435 000	675 000	225 000	25 000	100 000
Eve Pant	420 000	470 000	220 000	120 000	150 000
<i>base salary</i>	220 000	160 000	120 000	120 000	120 000
<i>performance-based pay</i>	200 000	310 000	100 000	-	30 000

The following table provides an overview of the stock options granted to the Supervisory Board and Management Board Members (As of December 31, 2023, no shares had been issued under the stock option program).

Name	Stock options
Enn Pant	55 800
Toivo Ninnas	55 800
Kalev Järvelill	55 800
Mare Puusaag	55 800
Ain Hanschmidt	55 800
Eve Pant	55 800

*Infortar owns 945 000 own shares, making up 4,5% of the share capital. Own shares were acquired to implement the share options programme and do not bestow shareholder's or voting rights on the members of the management or supervisory board.

The General Meeting votes on the remuneration principles at least once every four years. Significant changes to the remuneration principles must be submitted to the General Meeting for voting each time. The board periodically reviews the

remuneration principles to ensure their suitability, relevance, and effectiveness in fulfilling the group's business and risk strategy and to ensure that the principles are consistent with the evolving internal and external environment.

Overview of labor costs

Overview of labor costs, paid to employees of the Infortar group (including taxes)

	(in thousands of euros)				
	2023	2022	2021	2020	2019
Number of employees in the company	1308	452	486	460	518
Total calculated remuneration	40 722	25 784	22 286	19 587	18 897
Total calculated remuneration/ number of employees	31.13	57.04	45.86	42.58	36.48
Annual change	45.42%	24.40%	7.69%	16.72%	20.35%
	(decreased)*	(increased)	(increased)	(increased)	(increased)

*In 2023, the group acquired AS Gaso, resulting in a significant increase in the number of employees. Since the transaction occurred in the second half of the reporting period, the line 'total calculated remuneration' does not reflect the total labor costs of AS Gaso for the year 2023, but only the costs for the period following the acquisition.

APPROVAL OF THE MANAGEMENT BOARD OF THE CONSOLIDATED ANNUAL REPORT

We hereby accept responsibility for the preparation of consolidated annual report of Infortar AS ('parent company' in the consolidated annual report) and its subsidiaries (together 'the group' in the consolidated annual report, which consists of the management report, sustainability report, consolidated financial statements, remuneration report, and the board's confirmation of the report).

The management board confirms the following:

- the consolidated annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union;
- the consolidated annual report reflects the financial position, economic results, and cash flows of the group and the parent company correctly and fairly;
- Infortar AS and its subsidiaries continue to operate at least for the year following the year of approving this consolidated annual report.

Ain Hanschmidt

Chairman of the Management Board



Eve Pant

Member of the Management Board



Notes to the Sustainability Report

Note 1. List of disclosure requirements fulfilled in the preparation of the Sustainability Report

Disclosure requirement	Page of the Sustainability Report
ESRS 2 GENERAL RULES FOR DISCLOSURE	
BP-1 - General basis for preparation of the Sustainability Report	35
BP-2 - Disclosures in relation to specific circumstances	35
GOV-1 - The role of the administrative, management, and supervisory bodies	35
GOV-2 - Information provided to and the sustainability aspects addressed by the undertaking's administrative, management, and supervisory bodies	35
GOV-3 - Integration of sustainability-related performance in incentive schemes	35
SBM-1 - Strategy, business model, and value chain	36
SBM-2 - Interests and views of stakeholders	38
SBM-3 - Material impacts, risks, and opportunities and their interaction with strategy and business model	41,56,60,67
IRO-1 - Description of the processes to identify and assess material impacts, risks, and opportunities	44
IRO-2 - Disclosure requirements in ESRS covered by the undertaking's Sustainability Report	35
E1 CLIMATE CHANGE	
E1-1 - Transition plan for climate change mitigation	55
E1-2 - Policies related to climate change mitigation and adaptation	56
E1-5 - Energy consumption and mix	57
E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	58
E2 POLLUTION	
E2-1 - Policies related to pollution	58
E2-2 - Actions and resources related to pollution	58
E5 RESOURCE USE AND CIRCULAR ECONOMY	
E5-1 - Policies related to resource use and circular economy	59
E5-2 - Actions and resources related to resource use and circular economy	59

S1 OWN WORKFORCE	
S1-1 - Policies related to own workforce	60
S1-6 - Characteristics of the undertaking's employees	61
S1-7 - Characteristics of non-employee workers in the undertaking's own workforce	61
S1-8 - Collective bargaining coverage and social dialogue	61
S1-9 - Diversity indicators	61
S1-10 - Adequate wages	61
S1-11 - Social protection	61
S1-12 - Persons with disabilities	61
S1-13 - Training and skills development indicators	61
S1-14 - Health and safety indicators	61
S1-15 - Work-life balance indicators	61
S1-17 - Incidents, complaints, and serious human rights impacts and incidents	61
S2 EMPLOYEES IN THE VALUE CHAIN	
S2-1 - Policies related to value chain workers	62
S2-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	62
S3 AFFECTED COMMUNITIES	
S3-1 - Policies related to the affected communities	63
S3-4 - Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	63
S4 CONSUMERS AND END-USERS	
S4-1 - Policies related to consumers and end-users	64
S4-4 - Taking action on material impacts on consumers and end users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions	64
G1 BUSINESS BEHAVIOUR	
G1-1 - Corporate culture and business conduct policies	66
G1-2 - Management of relationships with suppliers	66
G1-3 - Prevention and detection of corruption or bribery	66
G1-4 - Confirmed incidents of corruption or bribery	66
G1-5 - Political influence and lobbying activities	66
G1-6 - Payment practices	66

Note 2. Disclosures arising from other legal acts

Disclosure requirement and the related data point	Sustainability Report p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	European Climate Law reference
Gender diversity of management bodies paragraph 21 (d)	35	Indicator 13 in Table 1 of Annex I		Commission Delegated Regulation (CDR) (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of independent board members paragraph 21 (e)	35			CDR (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 paragraph 14	51				Regulation (EU) 2021/1119 Article 2(1)
ESRS E1-5 Energy consumption from non-renewable sources disaggregated by sources (only high climate impact sectors) paragraph 38	51	Indicator 5 in Table 1 and indicator 5 in Table 2 of Annex I			
ESRS E1-5 Energy consumption and mix paragraph 37	51	Indicator 5 in Table 1 of Annex I			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	51	Indicator 6 in Table 1 of Annex I			

ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	51	Indicators 1 and 2 in Table 1 of Annex I		Article 449a; Regulation (EU) No 575/2013; template 1 of Commission Implementing Regulation (EU) 2022/2453: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	CDR (EU) 2020/1818, Art 5(1), 6, and 8(1)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	59	Indicator 3 in Table 1 of Annex I		Article 449a of Regulation (EU) No 575/2013; template 3 of Commission Implementing Regulation (EU) 2022/2453: Banking book - Indicators of potential climate change transition risk: Alignment metrics	CDR (EU) 2020/1818, Art 8(1)
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	59	Indicator 11 in Table 3 of Annex I			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	59	Indicator 1 in Table 3 of Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	59	Indicator 2 in Table 3 of Annex I			CDR (EU) 2020/1816, Annex II
ESRS S1-14 Number of days lost to injuries, accidents, fatalities, or illness paragraph 88 €	59	Indicator 3 in Table 3 of Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	59	Indicator 7 in Table 3 of Annex I			
ESRS S1-17 Violations of UNGC principles and OECD guidelines paragraph 104 (a)	59	Indicator 10 in Table 1 and indicator 14 in Table 3 of Annex I			CDR (EU) 2020/1816; Annex II; CDR (EU) 2020/1818, Art 12(1)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aktsiaselts Infortar and its subsidiaries ("the group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement and statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value of investment property	
Refer to notes 3.7 (investment property), 4.3 (uncertainties of assumptions and estimations) and 8.1 (investment property) to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
The value of investment property in the group's consolidated statement of financial position as at 31 December 2023 was 176,024 thousand euros. The loss from the change in the fair value of investment property recognised in the statement of income and comprehensive income for the reporting period was 4,074 thousand euros.	Our audit procedures in this area included the following: <ul style="list-style-type: none"> In cooperation with KPMG's valuation specialists: <ul style="list-style-type: none"> we compared the key assumptions and inputs used to determine the fair value of investment properties (e.g. rental growth, capitalisation, vacancy and inflation rates) to indicators that

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<p>The real estate segment of the group consists of 17 investment properties, which are divided into four categories: hotels, office buildings, a logistics centre and other real estate.</p> <p>The group measures investment property at fair value. Fair value is determined using the discounted cash flow method or the comparable transactions method. If it is not possible to apply the discounted cash flow method, the valuation of development projects under construction is based on the market price calculated on the basis of purchase and sale transactions involving similar assets.</p> <p>The valuation of investment property using the discounted cash flow method is inherently subjective and requires judgment in the selection and application of the valuation techniques and assumptions. The group's management uses external certified valuers to determine the fair value of investment property and commissions annual valuations for the most significant investment properties.</p> <p>The significant uncertainty associated with estimates and the fact that the combined effect of changes in the value of individual investment properties, which may be small in percentage terms, can have a significant impact on the group's financial statements, are the reasons why the audit of investment properties required heightened attention and why we have identified this area as a key audit matter.</p>	<p>we derived independently, based on our experience in the group's industry and external sources;</p> <ul style="list-style-type: none"> we verified the appropriateness of the valuation methodology used by comparing it with the requirements of relevant International Financial Reporting Standards; we calculated an alternative discount rate (weighted average cost of capital – WACC) based on available market information and compared it with the rate that the group had used in its calculations; we asked management for additional information and explanations about the inputs and assumptions used, where the assumptions used were outside the expected range or otherwise unusual, or where the valuation results were not consistent with market trends. We assessed the qualifications, expertise and objectivity of the group's external valuers and made inquiries about the terms of engagement agreed with them to determine whether there were any circumstances that might affect the independence of the external valuers or limit their work. We assessed whether the information disclosed in the consolidated financial statements, including information regarding the sensitivity of valuation results to changes in key assumptions, is appropriate.
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Fair value of hedging instruments and application of hedge accounting policies	
Refer to notes 3.8 (financial instruments), 11.5 (hedging reserve) and 14 (financial instruments - fair value and risk management) of the consolidated financial statements.	

The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2023, the fair values of the groups hedging instruments classified as assets and liabilities were 29,853 thousand euros and 3,845 thousand euros, respectively.</p> <p>The group has concluded swap contracts for the purchase and sale of natural gas to mitigate the risk of changes in the purchase price of natural gas and the risk of changes in the value of sales transactions. The group has concluded swap contracts for the purchase and sale of electricity to mitigate the risk of changes in the purchase price of electricity. The group has designated these instruments as cash flow hedges and recognises changes in their fair value in the consolidated statement of income and comprehensive income until the transactions take place.</p>	<p>Our audit procedures in this area included the following:</p> <ul style="list-style-type: none"> In cooperation with KPMG's accounting experts, we assessed the accounting models used and the compliance of the group's accounting policies with International Financial Reporting Standards. We obtained a detailed list of derivatives and checked its accuracy and completeness against third party confirmations received. We tested derivative contracts on a sample basis.

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The determination of the fair value and effectiveness of hedging instruments is based on management's estimates. To estimate the fair value of hedging instruments, the group uses valuation techniques, according to which the fair value of natural gas swap contracts is based on the settlement prices of futures contracts traded on the ICE Index market at the reporting date, and the fair value of electricity swap contracts is based on the observed Nasdaq electricity futures market prices, historical Nasdaq and Nordpool electricity prices, limit capacity auction prices and feedback received from market participants. In order to assess the effectiveness of hedging instruments, the group performs a monthly analysis.

The fair value of natural gas and electricity swap contracts and the application of hedge accounting principles are not defined as an area of increased risk within the scope of our audit. However, the audit of this area required our increased attention and a significant amount of audit time, which is why we have defined this area as a key audit matter.

- We checked the fair value measurement of derivatives at the reporting date. This included comparing the key assumptions used with external data. We checked the effectiveness testing of hedging instruments during the financial year, with particular attention to the analysis performed at the end of the reporting period.
- We assessed the relevance of the information disclosed in the consolidated financial statements, including the information disclosed on the application of fair value measurement policies and hedge accounting.

In preparing the consolidated financial statements, 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 charged with governance are responsible for overseeing the group's financial reporting process.

Auditors' 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 an auditors' 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 International Standards on Auditing (Estonia) 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 these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgement and maintain 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 material 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, then we are required to draw attention in our auditors' 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 auditors' 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 appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management report and the remuneration report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements. With respect to the remuneration report, our responsibility also includes considering whether the remuneration report has been prepared in accordance with the requirements of Article 135³ (3) of the Securities Market Act.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard and we state that the information presented in the management report is materially consistent with the consolidated financial statements and in accordance with the applicable legal and regulatory requirements. In our opinion, the remuneration report has been prepared in accordance with the requirements of Article 135³ (3) of the Securities Market Act.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with the Requirements for iXBRL tagging of Consolidated Financial Statements included within the European Single Electronic Format Regulatory Technical Standard (ESEF RTS)

We have undertaken a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files 549300LS1K5S7AWHV603-2023-12-31-et.zip prepared by Aktsiaselts Infortar.

Responsibilities of Management for the Digital Files Prepared in Compliance with the ESEF RTS

Management is responsible for preparing digital files that comply with the ESEF RTS. This responsibility includes:

- the selection and application of appropriate iXBRL tags using judgement where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF RTS.

Auditors' Responsibilities

Our responsibility is to express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the ESEF RTS based on the evidence we have obtained.

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about compliance with the ESEF RTS. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF RTS, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the tagging and the ESEF RTS, including of internal control over the tagging process relevant to the engagement;
- reconciling the tagged data with the audited consolidated financial statements of the group dated 31 December 2023;
- evaluating the completeness of the tagging of the consolidated financial statements;
- evaluating the appropriateness of the group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- evaluating the use of anchoring in relation to the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements included in the annual report of Aktsiaselts Infortar identified as 549300LS1K5S7AWHV603-2023-12-31-et.zip for the year ended 31 December 2023 are tagged, in all material respects, in compliance with the ESEF RTS.

Other Requirements of the Auditors' Report in Accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council

We were first appointed on 26th of October 2023 by those in charge in governance as auditors of Aktsiaselts Infortar as a public interest entity for the financial year ending on 31 December 2023.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the group;
- we have not provided to the group the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014. We also remained independent of the audited entity in conducting the audit.

Tallinn, 23 April 2024

/signed digitally/

Andris Jegers

Certified Public Accountant,
Licence No. 171

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/signed digitally/

Mari-Leen Sandre

Certified Public Accountant,
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This version of our auditors' report is a copy from the original, which was prepared in xhtml format and presented to Nasdaq Tallinn together with the original version of the consolidated financial statements. All possible care has been taken to ensure that the copy is an accurate representation of the original, excluding xbrl tagging. However, in all matters of interpretation of information, views or opinions, the original version of our report takes precedence over this copy.



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