

AS INFORTAR ANNUAL CONSOLIDATED FINANCIAL REPORT

2024

AS INFORTAR

ANNUAL CONSOLIDATED FINANCIAL REPORT 2024

Beginning of the financial year: 1 January 2024

Reporting date: 31 December 2024

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Mare Puusaag

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Eve Pant

Auditor: KPMG Baltics OÜ

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MANAGEMENT REPORT OF 12 MONTHS 2024

AS Infortar along with its subsidiaries (hereinafter 'The Group' or 'Infortar') is an Estonian investment company primarily active in the maritime transport, energy and real estate sectors. In addition, the group has invested in domains that support its main areas of activity.

OVERVIEW OF THE GROUP

As of 31 December 2024:

Equity:	1166 million euros
Total of assets:	2715 million euros
EBITDA:	145 million euros
Number of employees:	6228 employees

OVERVIEW OF THE GROUP

In total, the group includes 110 companies: 101 subsidiaries, 4 affiliated companies and 5 additional subsidiaries of those affiliates. The total investments amounted to 279 million euros in 12 months 2024.

MARITIME TRANSPORT

AS Tallink Grupp (hereinafter Tallink) (68.5% ownership as of December 31, 2024) is a leading maritime transport company in Northern Europe.

In 2024 Infortar acquired 195,492,256 Tallink shares with total investment of 111 million euros.

Tallink's fleet consists of 14 vessels, operating under strong brands Tallink and Silja Line on five routes.

ENERGY

AS Elenger Grupp (hereinafter 'Elenger Grupp' or 'Elenger') is the largest privately-owned energy company in the Baltic and Finnish region. Operating under the Elenger brand, the group is active in six markets: Finland, Estonia, Latvia, Lithuania, Poland, and Germany, serving over 400,000 customers and employing 1043 people.

Elenger subsidiaries Gaso in Latvia and Gaasivõrk in Estonia are the largest gas distribution companies in their operating areas. Elenger Polska is a gas distribution company in the western part of Poland.

The transportation and bunkering operations of LNG refueling are primarily carried out by the bunkering vessel Optimus and supported on land by a fleet of trucks managed by Elenger Marine. The LNG bunkering vessel is owned by Infortar Marine Ltd., registered in Cyprus.

OÜ EG Biofond – production of bioenergy in three biomethane production units of Eesti Biogaas in Vinni, Ilmatsalu and Oisu. Additionally, Halinga OÜ has started the construction of a biomethane plant in Pärnumaa.

REAL ESTATE

Real estate portfolio consists of 18 buildings that are divided to four main areas: four hotels (three in Tallinn and one in Riga), six office buildings in Tallinn, logistics centres in Maardu and in Laagri, Sports centre in Lasnamäe and healthcare centre in Nõmme.

OTHER SECTORS

Engineering, Agriculture, Printing sector, services etc.

MISSION

- The mission of Infortar is to develop well-functioning companies with strong market positions.
- Our long-term goal is to achieve a stable increase in the company's value that surpasses average economic growth.
- The group's strategy is to follow the long-term socio-economic trends and to make investments and management decisions that help create synergies among the companies belonging to Infortar's portfolio.

INVESTMENT PRINCIPLES

- Investing in enterprises that support the synergy creation in the group.
- Being an active investor, participating in decision-making processes, taking responsibility.
- Maintaining and continually enhancing our 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

Successful business can only be built on trust, respect, and mutual understanding both on an individual and an organisational level.

Openness

Smile and commit – close 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

Infortar shares (ISIN EE3100149394) are registered with the Estonian branch of Nasdaq CSD, and their trading name 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.

At 31/12/2024, Aktsiaselts Infortar had a total of 21 166 239 shares issued, including 722,610 own shares as stock options. 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 held 945,000 shares as stock options, 222,930 shares were used during 2024. There were 1 260 options cancelled due to employment termination.

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 was not possible to transfer the shares acquired in advance of the issue for a period of 6 or 12 months, respectively. As of today, all the lock-up agreements have been concluded, meaning all the shares are freely transferable and the sale or purchase of shares does not require the permission of the Infortar Group.

As at 31/12/2024, Infortar had 5,956 shareholders and a P/E ratio of 5.63. Infortar paid 3 euros per share and total amount of 61 million euros as dividends in 2024. According to dividend policy, approved by Infortar council Infortar has a target to pay out at least 1 euro per share during annual year. Dividends are paid out twice a year.

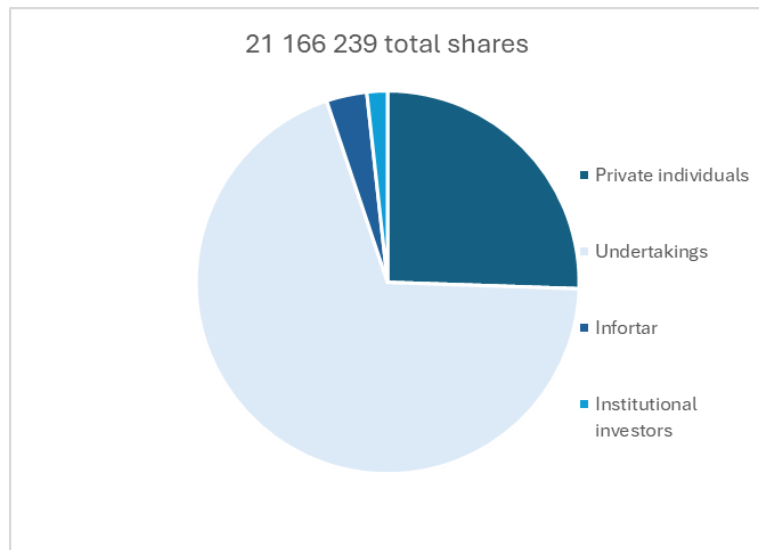
The share capital of 2,116,600 euros is divided into 21,166,239 ordinary shares, with a nominal value of 0.10 euros per share (31/12/23: 21,166,239 ordinary shares, with a nominal value of 0.10 euros per share). The company has a minimum share capital of 1,000,000 (one million) euros and a maximum share capital of 4,000,000 (four million) euros.

INFORTAR'S 10 LARGEST SHAREHOLDERS AS AT 31/12/2024

Owner´s name	Number of shares	Holding %
Mersok OÜ	4 842 816	22,9%
Abante OÜ	4 813 055	22,7%
Pärdiklill OÜ	4 811 566	22,7%
Keijo Erkki Mehtonen	1 490 000	7,0%
Toivo Ninnas	1 294 525	6,1%
Enn Pant	693 400	3,3%
Trading House Scandinavia Aktiebolag	358 626	1,7%
Meelis Asi	357 605	1,7%
Viljar Jaamu	165 860	0,8%
Eve Pant	161 200	0,8%

INVESTORS OF THE GROUP BY TYPE AT 31 DECEMBER 2024

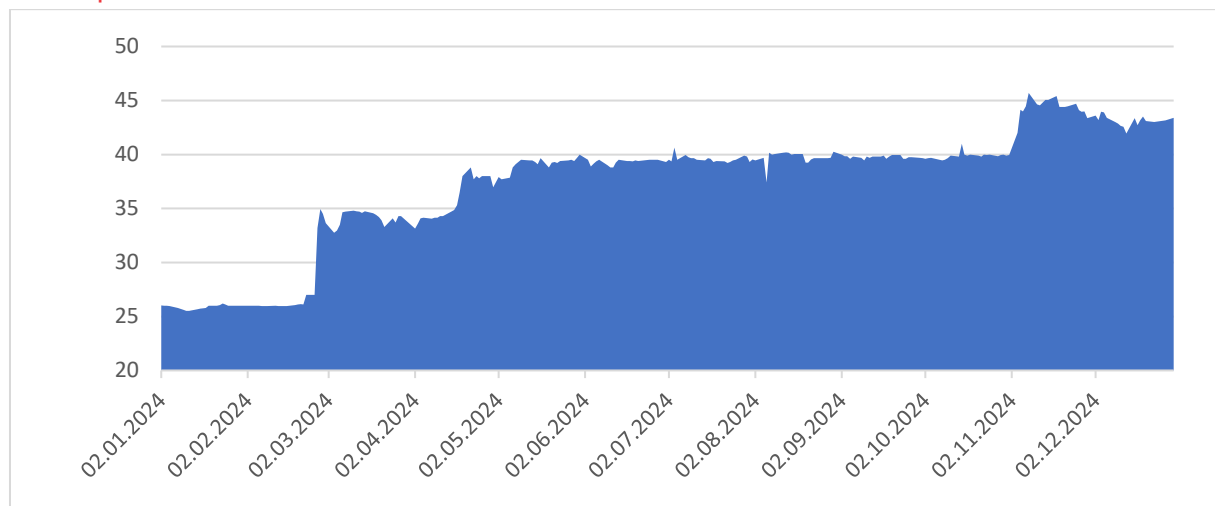
A total of 98% of the Infortar Group's shareholders are based in Estonia and 2% in other countries. Geographically, in addition to Estonia, shareholders are registered in Albania, Austria, Belgium, Cyprus, Denmark, Finland, Germany, Italy, Latvia, Lithuania, Norway, Sweden, Switzerland, the United Kingdom, and the United States of America. Infortar's INF1T stock began trading on the Nasdaq Tallinn Stock Exchange in 2023, at a price of 26 euros per share. During the



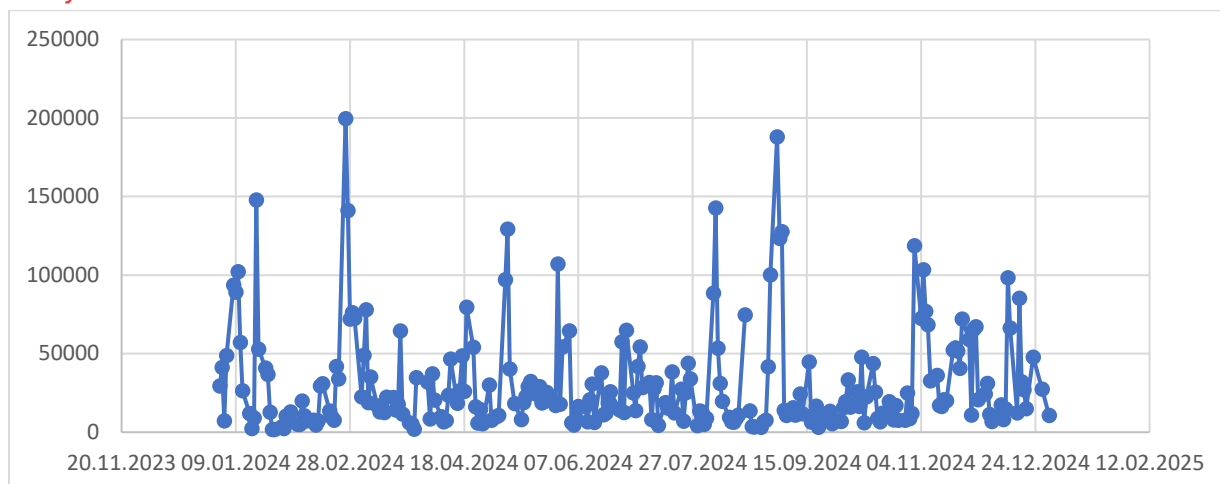
trading period from 1 January 2024 to 31 December 2024, the closing price of the share on the Nasdaq Baltic stock exchange was EUR 43.34 per share (EUR 26.02 per share as of 31 December 2023), representing an annual increase of 66.5%. The average share price for the year was EUR 37.23, with the lowest price at EUR 25.52 and the highest at EUR 45.70. There were a total of 251 trading days during the year, with an average daily turnover of EUR 30,744.50 and a total annual turnover of EUR 7,716,869.47.

The following charts give an overview of the share price and turnover developments in the past nine months.

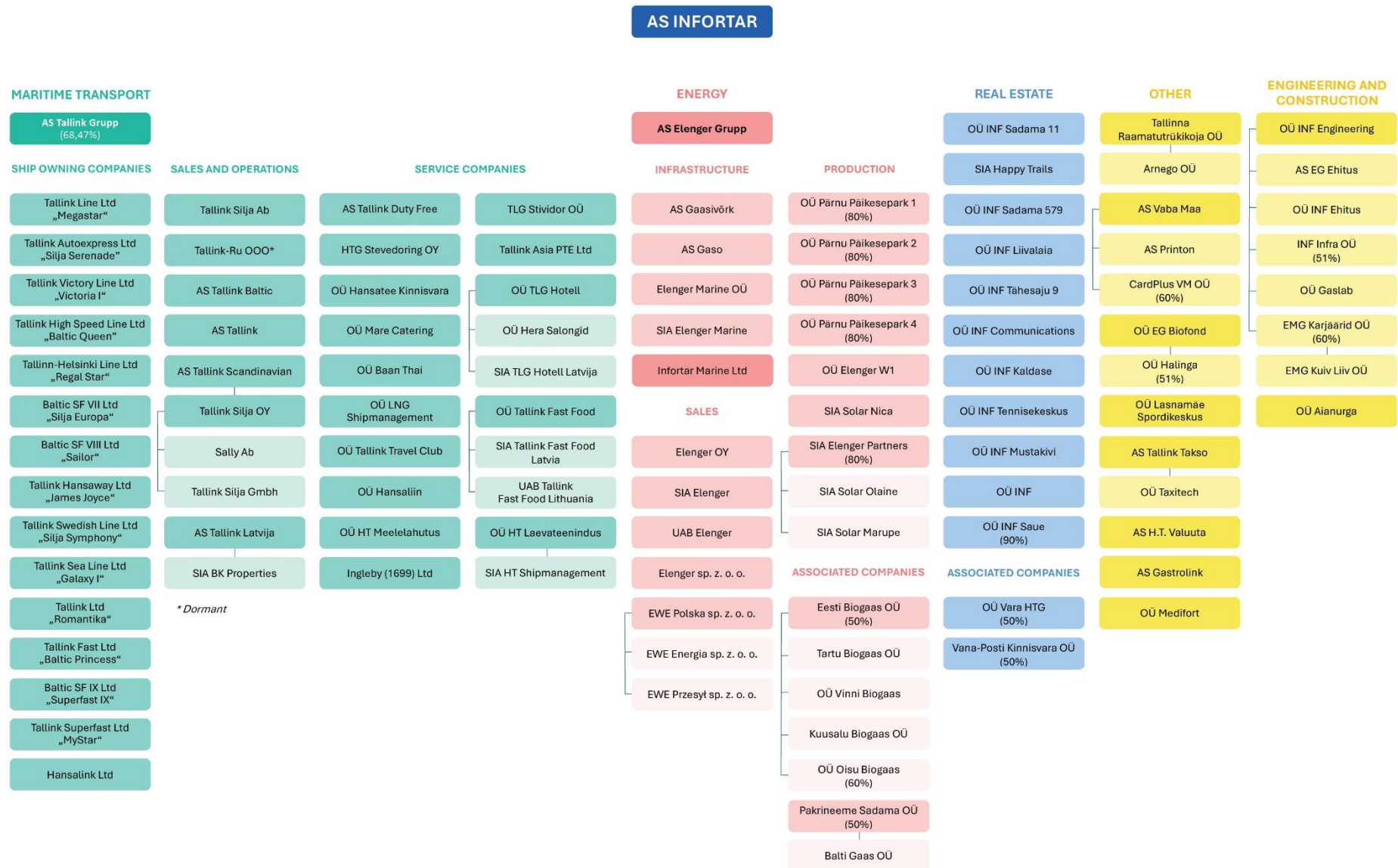
Share price in EUR



Daily turnover in EUR



ORGANIZATION CHART



Letter from the CEO

Enhancing corporate competitiveness and changes in energy policy are increasingly important topics in the geopolitical economic race in Estonia, Europe, and the United States. Plain common sense tells us that if we want to turn the economy toward growth, we must take very concrete steps.

I have always believed that the green transition must be carried out in a balanced, well-thought-out manner with less bureaucracy than before. Similar opinions have been voiced at the Davos Economic Forum and in speeches by various national leaders. Maintaining our competitiveness, people's standard of living, and social guarantees is the state's top priority—after all, a country's economy is ultimately the sum of the success of the businesses operating within it.

Over the past two years, Infortar has invested 450 million euros in business growth. On one hand, this is an incredibly large amount of money, but on the other hand, this has been business as usual for us in recent years. After all, seeking and finding new investments is our core activity and the only way to increase the company's value. Expansion must be followed by a period in which we focus on making these investments work ever more efficiently.

Among last year's transactions, two major deals stand out. Firstly, we secured a majority stake in Tallink through a voluntary takeover bid. To put it into perspective: at the beginning of 2024, we owned 42.2% of the maritime transport company, whereas today, our stake has increased to 68.5%. Thanks to its LNG-powered vessels, Tallink is well positioned to tackle the challenges of the green transition and remains the market leader in the region. We also anticipate a positive impact on Tallink's 2025 results due to the projected modest GDP growth in Finland and Sweden, as forecast by their central banks, along with falling interest rates across Europe, indicating a potential revival in consumer spending in our target markets.

Similarly to our acquisition of Gaso in Latvia in 2023, we purchased the Polish subsidiaries of the German energy group EWE at the end of 2024, as we see strong business growth prospects in the gas sector. Gas remains the most realistic dispatchable energy carrier and will continue to be so for many decades. Eesti Gaas now operates in all markets under the Elenger brand and was recognised at the 2024 Entrepreneurship Awards as Estonia's most competitive industrial and energy company of the year. Investments in green energy continue, with a new solar park opened in Nica, Latvia. Following a positive funding decision from Environmental Investment Centre, we have also begun constructing a new biomethane plant in Halinga, creating synergies between the agricultural sector and energy production.

In Saue municipality, the Rimi logistics centre received its occupancy permit, increasing our real estate portfolio by a solid 15%. In the engineering segment, a significant milestone was the signing of the INF Infra contract for the Rail Baltica track construction on the Kangru-Saku section. We eagerly await the official announcement of the summer season on 21 June in Pärnu, where the highlight will be the opening of a new bridge, built by us. Additionally, an agreement has been signed for the construction of a second DEPO store in Estonia, which will be a valuable addition to our real estate portfolio.

To strengthen our position in both domestic and international markets, we have welcomed the long-established Tallinna Raamatutrükikoda (Tallinn Book Printers) into our group.

As investors, we are bold and ambitious and do not shy away from acknowledging when certain ventures no longer appear viable. In 2024, we exited several smaller, unprofitable business lines, including taxi services and pharmaceutical wholesale. It is crucial to keep pace with changing times and identify the best ways to manage investors' capital.

Overall, it was a record-breaking year, except for the financial results of the last quarter, which were slightly weaker compared to previous periods. By analysing the underlying reasons, we clearly see that the macroeconomic situation in the maritime transport sector can only improve. In the energy sector, the past three months have been characterised by a mild winter, leading to reduced sales volumes and pricing pressure. In our real estate portfolio, we carried out routine asset revaluations at the end of the year.

My long-held dream has been to build a company that is crisis- and inflation-resistant—a dividend aristocrat that pays dividends regardless of the prevailing economic environment. Today, Infortar operates in seven countries. Our total assets have grown from 1.4 billion to 2.7 billion euros, revenue from 1 billion to 1.3 billion, and the shareholders' value from 548 million to 916 million euros. Infortar's real estate portfolio has expanded from 100,000 to 141,000 square metres. Reflecting this success, in our first year as a publicly traded company, our share price surged by 70%, and the number of shareholders has surpassed the symbolic threshold of 6,000.

A clear and realistic outlook gives us confidence that the path we have chosen is the right and sustainable. As a confirmation of this, we are proposing to pay dividends of €3 per share again this year.

Infortar's headquarters remain in Estonia because, despite challenging times, we believe in the future of the Estonian economy and are committed to managing an internationally growing business from here, in Tallinn. As a global corporation, we strive to introduce our culture and distinctive sense of humour to our new colleagues, helping them feel increasingly integrated into our shared vision and purpose, contributing enthusiastically to our company's success day by day.

With good spirits and mutual respect, miracles can be achieved!

Ain Hanschmidt
CEO



About the Operations of the Group

The business activities of the Infortar Group are characterised by seasonality. In the energy segment, the peak season corresponds to colder periods, namely the first and fourth quarters, when the majority of the Group's consolidated operating profit for the respective periods comes from the energy segment.

In the maritime transportation segment, the peak season are the summer months, primarily the second and third quarters, when the majority of the Group's consolidated operating profit comes from the maritime transportation segment. The acquisition of a majority stake in Tallink result in significant changes to Infortar's financial reporting. From 2025 onwards, the profitability figures of the maritime transportation segment will be consolidated to Infortar's financial reports for the whole year.

The overview of the Group's operations is referenced in the sustainability report in accordance with the disclosure requirements set out in ESRS 2 SBM-1 § 40 (a) and § 42.

MARITIME TRANSPORT

Tallink Grupp is a Northern-European shipping company offering mini cruises, 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 14 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 in Estonia, Finland, Sweden, Latvia, and Germany. With approx. 5000 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.

On August 9th, Infortar increased its stake in Tallink by 21.7%, after the transaction the total ownership is 68.5%. Following the transaction, Tallink's results will be consolidated line-by-line into Infortar's financial reports as of the nearest balance sheet date. The closest balance sheet date marking the acquisition of control is 1 August 2024. The comprehensive impact of the Tallink acquisition will first be assessable in 2025, when the full-year results are reflected.

ENERGY

Elenger Grupp operates across the entire energy spectrum, including sales and trading, infrastructure, and production. The company provides customers with natural gas from Western sources and domestically produced green gas, while managing the gas distribution networks in Estonia, Latvia and Poland. Additionally, Elenger Grupp sells electricity, including green electricity generated in its own solar parks, and is actively engaged in international energy trading.

As the largest gas importer in the Baltic-Finnish region, Elenger Grupp imports about one-third of the region's total gas supply. The company mainly imports natural gas from Norway and the U.S., transported by tankers to the Inkoo LNG terminal in Finland and Klaipeda LNG terminal in Lithuania, from where it is distributed to customers via pipelines. To ensure uninterrupted year-round supply, gas storage facilities in Latvia, Poland, and Germany are utilized.

In 2024, Elenger sold a total of 18.4 TWh of energy (15.9 TWh in 2023). Sales in Estonia accounted for 16% of the total energy sales in 2024. The company's market share in gas sales across the Finland-Baltic gas market for the year was 24.3%.

REAL ESTATE

The real estate segment consists of a portfolio of 18 properties, divided into four categories: hotels, office buildings, logistics centres, and other real estate. This includes three high-quality hotels in central Tallinn and one in Riga, six office buildings in Tallinn, logistics centres in Maardu and Laagri, a sports centre in Lasnamäe, and a health centre in Nõmme. The total net area of the properties in the portfolio is approximately 141,000 square metres.

SUPPORTING BUSINESSES

The supporting businesses segment includes activities that support other segments of the Group, primarily in engineering, construction materials, provision of printing services and operation of a tennis centre through subsidiary companies. As of 31 December 2024, assets in the other business segment accounted for approximately 5% of the total Group assets. OÜ INF Engineering subsidiaries operate in the engineering sector, including AS EG Ehitus, OÜ INF Ehitus, INF Infra OÜ, OÜ EMG Karjäärid and a measurement and calibration business OÜ Gaslab.

Events in 2024

Maritime transport business segment

Infotar gained controlling influence over Tallink in August 2024. From the third quarter onwards, Tallink's line-by-line consolidated results have significantly impacted the Infotar Group's financial results. As of the end of the year, Infotar's stake in Tallink stands at 68.5%.

The revenues of the maritime transport segment vary from month to month, with peak activity occurring in the summer. According to Tallink's management, based on past financial years' experience, the company generates the majority of its revenue and profit during the summer months (June to August). In 2024, revenue from vessel chartering helped to balance the seasonal fluctuations in the Group's sales.

Tallink's performance is impacted by economic uncertainty. The war in Ukraine has negatively affected the demand among certain customer groups, particularly from countries directly involved in the conflict and from Asia. Additionally, there is a risk of rising input costs, particularly for fuel and raw materials. Estimating the precise extent and duration of the conflict's impact remains challenging.

Due to economic uncertainty, Tallink's management is continuously seeking ways to mitigate off-season risks, such as vessel chartering. In October 2024, the charter agreement for M/S Galaxy I was extended by twelve months until October 2025, with an option to extend for an additional 6+6 months upon expiry.

Tallink is constantly exploring innovative ways to upgrade ship and passenger area to improve financial performance through modern solutions. The latest technical projects focus on reducing the CO₂ footprint of the fleet.

Energy business segment

Elenger announced on November 1 the acquisition of a 100% stake in Elenger Polska. The Elenger Polska group operates in the natural gas distribution network in Western Poland and covers all energy sales business areas, including gas and electricity sales.

Over the 2024 financial year, Elenger supplied a total of 15 LNG shipments to the Inkoo terminal and three to the Klaipėda terminal. Energy sales were negatively impacted in the fourth quarter by higher-than-average temperatures, which reduced demand for natural gas and electricity.

After a sharp price decline from the end of 2023 to the first quarter of 2024, European natural gas markets rebounded sharply in the second quarter and continued to rise throughout the rest of the year. The momentum from the third quarter carried into the fourth quarter, culminating in ICE TTF front-month futures exceeding 50 euros/MWh on December 31. A warmer-than-average winter led to a consolidated negative operating result for Elenger in the fourth quarter.

On October 28, Elenger Grupp announced the establishment of a new subsidiary, OÜ Elenger W1, with a focus on renewable energy.

Real Estate Developments

Infortar Group's construction companies EG Ehitus and INF Infra continued work on the Pärnu bridge project.

The 25,000-square-meter Rimi logistics center in Laagri, Saue Parish was completed and handed over to the tenant. The facility was built by INF Ehitus and developed by Infortar.

Construction began on a 30,000-square-meter commercial space for Depo, a DIY retail chain, in Lasnamäe, adjacent to the Tallink Tennis Center. The project is scheduled for completion in autumn 2026.

INF Infra also launched the construction of Rail Baltica's mainline on the Kangru–Saku section. The contract value is EUR 67.2 million, with completion expected by March 2028.

Changes in Infortar's areas of activity

In the first half of 2024, Infortar's subsidiary EG Biofond acquired a 51% stake in Halinga OÜ. In the second half of the year, construction began on a biomethane plant in Halinga. The project is co-financed by the European Union's NextGenerationEU Recovery and Resilience Facility, with completion scheduled for spring 2026.

Later in the year, Infortar also acquired a 100% stake in Tallinna Raamatutrükikoja OÜ.

Infortar exited the pharmaceutical and wholesale medical supplies business segment. Additionally, Aktsiaselts Gastrolink ceased operations during the year. On 6 January 2025, AS Tallink Takso announced its intention to cease operations.

Key Figures of 2024

Infortar (Group)		
	31.12.24	31.12.23
Total assets (in thousands of EUR)	2 715 234	1 460 512
Interest-bearing liabilities (in thousands of EUR)	1 223 287	441 160
Total equity (in thousands of EUR)	1 166 221	820 210
Equity ratio (equity /assets) (%)	43,0%	56,2%
Interest-bearing liabilities /equity (%)	104,9%	53,8%
Current ratio	0,8	1,5
Net debt (in thousands of EUR)	1 055 708	354 045
Net debt/ EBITDA	4,0	2,5
Total equity attributable to equity holders of the Parent (in thousands of EUR)	909 317	819 376
Number of ordinary shares	21 166 239	21 045 000
Earnings per share (EUR)	9	15
Book value per share (EUR)	43	39
Share market value (EUR)	43,34	26,02
Number of group employees	6 228	1 308
Group labour expenses with taxes (in thousands of EUR)	141 137	40 722
Revenue (in thousands of EUR)	1 371 775	1 084 626
Gross profit (in thousands of EUR)	128 628	149 473
EBITDA (in thousands of EUR)	145 275	143 283
EBITDA margin	10,6%	13,2%
Operating profit (-loss) of the financial year (in thousands of EUR)	77 024	123 628
Net profit (in thousands of EUR)	193 670	293 830
Net profit (-loss) holders of the Parent	191 253	293 778
ROA (%)	3,7%	9,6%
ROE (%)	22,4%	42,4%
Infortar (Parent)		
	31.12.24	31.12.23
Assets (in thousands of euros)	268 789	158 518
Loan and lease liabilities (in thousands of euros)	217 971	85 851
Equity capital (in thousands of euros)	48 225	70 008
Share of equity capital (%)	17,9%	44,2%
Number of employees as at the end of the period	44	42
Remuneration to employees along with taxes (in thousands of euros)	4 985	6 634
Sales revenue (in thousands of euros)	6 493	5 761
EBITDA (in thousands of euros)	-3 401	-4 814
EBIT (in thousands of euros)	-3 668	-5 678
Profit of the financial year (in thousands of euros)	34 363	41 856

The significant increase in loan and lease liabilities is due to the consolidation of Tallink's loans into Infortar's financial statements in 2024. The Infortar Group's working capital ratio of 0.8 as of 31 December 2024 reflects the fact that Tallink's current liabilities exceeded its current assets by EUR 122,089 thousand (31 December 2023: EUR 100,550 thousand).

The Group's objective is to maintain a balance between financial flexibility and funding continuity, using bank overdrafts, loans, and bonds as financing instruments. To manage cash flows efficiently, the Group has established cash pool systems in Estonia and Finland. Free liquid assets are invested in short-term money market instruments.

Equity ratio (%) = total equity / total assets

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

Current ratio = current assets / total current liabilities

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

Net debt/EBITDA. For comparability purposes in 2024, Tallink's 12-month EBITDA has been used, as reported in segment note no. 5 (EBITDA EUR 265,447 thousand).

Earnings per share (EUR) = net profit holders of the parent / number of ordinary shares (note 8.7)

Book value per share (EUR) = total equity attributable to equity holders of the parent / number of shares

EBITDA (in thousands of EUR) = net profit + depreciation and amortization + change in fair value of investment property

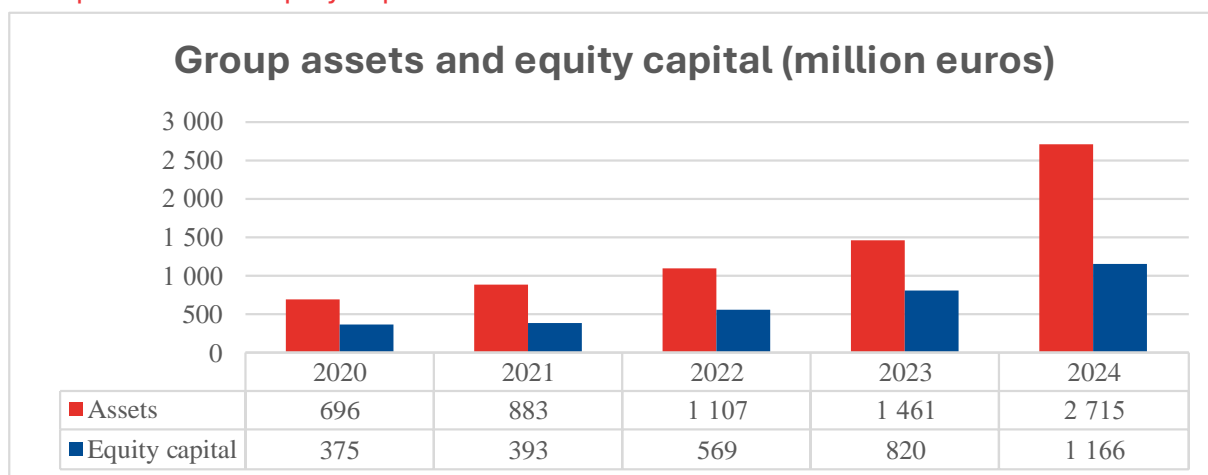
EBITDA margin (%) = EBITDA/revenue

Net profit (-loss) of the financial year (in thousands of EUR)

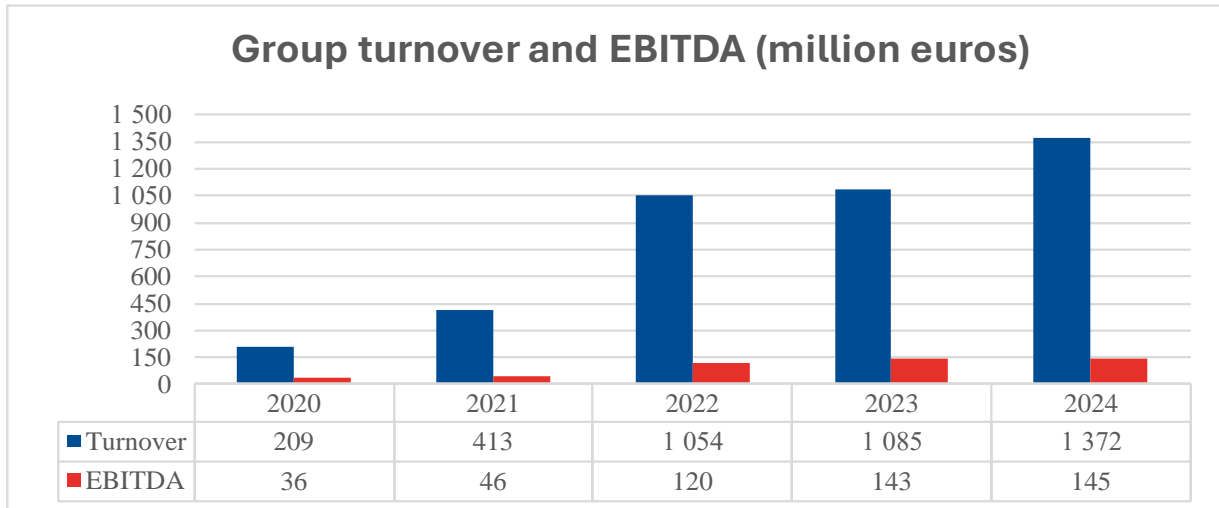
ROA % = net profit / total assets

ROE % = net profit / equity

Group assets and equity capital



Group turnover and EBITDA



The Group's adjusted EBITDA for the 2024 financial year amounted to EUR 145 million, remaining at the same level as in 2023.

Following the acquisition of a majority stake in Tallink and the purchase of a gas company in Poland, Infortar's total assets nearly doubled, increasing from EUR 1.4 billion to EUR 2.7 billion.



Rimi logistics center in Saue parish. Photo: Kaspar Pokk

Macroeconomic development and its impact

The global economy grew by 3.2% in 2024, and the outlook for 2025 is primarily driven by expectations of a strengthening U.S. economy. According to the International Monetary Fund (IMF), global economic growth is projected to average 3.3% in 2025 and 2026, with inflation expected to ease from 4.2% to 3.5%.

In the euro area, economic growth in 2024 was 0.8%, and the 2025 forecast indicates a modest 1% growth. The euro area's largest economy, Germany, experienced a contraction in 2024, with only a marginal recovery of around 0.3% expected in 2025.¹

In Estonia, economic growth has remained negative for some time, and 2024 was another weak year in terms of GDP performance. Although nominal GDP growth had been strong since 2021, it slowed in 2023, and real GDP growth has been negative for the past three years.² The combination of rising prices and relatively high interest rates has created cyclical challenges for domestic demand, hindering investment prospects for companies operating in Estonia.

Demand for Estonian goods and services remained subdued in 2024, primarily due to the economic slowdown in key export markets, namely Finland and Sweden. Estonia's export competitiveness declined in 2024, largely due to volatile and comparatively high energy prices and disproportionate negative impacts on industry and transit sectors arising from economic sanctions on Russia and Belarus.

Looking ahead, Estonia's economic and export recovery will depend heavily on demand recovery in Finland and Sweden. For 2025, Estonia's GDP is expected to grow by over 1%, with inflation remaining around 4%. A modest revival in consumption is anticipated, supported by declining interest rates.^{3,4}

MARITIME TRANSPORT

A key factor impacting the maritime transport segment in 2024 was the introduction of the European Union Emissions Trading System (ETS), which came into effect on 1 January 2024. The system will be phased in for shipping companies and will require them to cover 100% of their emissions by 2026. ETS has placed additional pressure on the fixed costs of maritime transport companies.

As demand for emission allowances is expected to increase in the coming years, ETS prices are also likely to rise. This will, in turn, translate into higher service prices for end consumers in the maritime transportation sector. We believe that Tallink Group, part of the Infortar Group, has a strong value proposition for customers and that the efficiency gains from LNG-powered vessels are sufficiently impactful to maintain its market position in the Baltic Sea region, despite the increase in input costs.

¹ International Monetary Fund (IMF), World Economic Outlook, January 2025.

² Statistics Estonia, official website.

³ Eesti Pank, article: Economic forecast – exports will bring growth to the Estonian economy, 13 December 2024. <https://www.eestipank.ee/en/press/economic-forecast-exports-will-bring-growth-estonian-economy-13122024>

⁴ OECD, article: Estonia, OECD Economic Outlook, 4 December 2024. https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en/full-report/estonia_57fde418.html

Starting in 2025, the Fuel EU Maritime Regulation will come into effect, requiring shipping companies to reduce emissions from marine fuel combustion relative to engine operating hours every five years. In our view, Tallink has a competitive advantage in the market in relation to this regulation due to its efficient LNG-powered vessels, and the regulation is not expected to have a material impact on financial results in the near term.

ENERGY

In 2024, natural gas consumption in Finland and the Baltic States increased by 9% compared to 2023, with demand rising in all four countries, particularly in Lithuania. Total consumption across Lithuania, Latvia, Estonia, and Finland reached approximately 43.6 TWh, up from 40 TWh in both 2022 and 2023. However, this remains well below the 2019–2021 average of 67.2 TWh per year (see combined consumption chart, data, and download).

Demand grew across all four countries, but Lithuania recorded the highest growth, both in absolute and percentage terms, increasing by 14% year-on-year to nearly 17.1 TWh. This growth was mainly driven by higher demand from fertilizer producers and gas-fired electricity generators.⁵

The average GET Baltic day-ahead market price for natural gas in 2024 was EUR 39.53/MWh, representing a 19% decrease from the previous year (EUR 48.97/MWh in 2023). In 2024, transaction prices ranged from EUR 5.00/MWh to EUR 100.00/MWh.⁶

European Union

In 2024, household gas prices across the European Union declined by an average of 7%.⁷ For example, the average market price of natural gas in the Estonian price zone was EUR 37.09/MWh in 2024, compared to EUR 45.72/MWh in 2023.⁸ This decrease was primarily driven by high storage levels at the beginning of the year and strong global LNG supply.

However, in the final quarter of 2024, average retail gas prices began to rise again. Due to the seasonal dynamics of gas storage replenishment, gas prices are expected to increase during 2025.

Electricity prices for households in the EU also fell by 5% in 2024 compared to 2023, primarily due to a 17% drop in the energy component of electricity prices. However, network charges increased, and the gradual phase-out of certain national subsidies had a negative impact on end-user prices.

As renewable energy production expands, significant investments in energy infrastructure will be required, which is expected to lead to higher grid costs in the future.

⁵ <https://www.argusmedia.com/en/news-and-insights/latest-market-news/2646123-finnish-and-baltic-gas-consumption-up-by-9pc-in-2024>

⁶ GetBaltic veebileht, turuülevaade „Baltic-Finnish Gas exchange”, 13.01.2025, <https://www.getbaltic.com/en/news/baltic-finnish-gas-exchange-trading-report-for-december-2024-has-been-announced/>

⁷ ACER (Euroopa Liidu energiaturu regulaatorite koostöö agentuur), veebileht (<https://acer.europa.eu/news-and-events/news/acers-data-dashboard-provides-insights-eu-household-energy-price-trends>)

⁸ Konkurentsiameti veebileht, artikkel, 06.02.2015, <https://www.konkurentsiamet.ee/uudised/2024-aastal-keskmised-elektri-ja-maagaasi-borshinnad-langesid>

REAL ESTATE

Construction volumes in Estonia have declined for the third consecutive year. The overall downturn has been primarily driven by a 9% year-on-year decrease in building construction volumes. In contrast, civil engineering works—including roads, bridges, pipelines, and telecommunications and power lines—have remained relatively stable, with only a 2% decline.

This divergence in volume trends is clearly reflected in competition and profit margins: the building construction sector is experiencing intensified competition and shrinking margins. A short-term recovery in building construction volumes is not anticipated, as demand remains weak. Looking ahead, the civil engineering segment is expected to grow in both 2025 and 2026, particularly due to major Rail Baltica tenders conducted in late 2023 and throughout 2024, which are currently in the design phase and are projected to enter the construction phase in 2025.

Impact of seasonality on business operations

As seasonality affects the demand for the products and services offered by companies in which Infortar has invested, it also has an impact on Infortar's financial performance. The most notable seasonal effects are observed in the energy sector, particularly in the operations of Elenger, a subsidiary of Infortar. Elenger's results are highly weather-dependent, as market demand for natural gas and electricity peaks during the colder heating periods—in the first and fourth quarters—and declines during the warmer second and third quarters. There is also a seasonal but relatively minor effect from solar energy production, due to fluctuations in sunlight hours. In contrast, biomethane and LNG production and supply are less affected by seasonality, as the transport sector—serving as the main end user—operates consistently year-round.

Seasonality also impacts Infortar's financial results through its investment in the maritime transport segment (Tallink). Travel services are highly seasonal, with peak demand occurring in the summer months (June to August), during which Tallink earns the majority of its revenue and profit. We also recognize that long-term climate change may bring about unpredictable shifts in operating environments across Infortar's investment regions. As a result, we monitor long-term climate impact forecasts, including those published by the Intergovernmental Panel on Climate Change (IPCC).

Environmental impact

A more detailed overview of the Infortar Group's environmental impact for 2024 is available in the Group's Sustainability Report. Infortar's most significant direct environmental impact stems from its 68.5% ownership stake in Tallink, a company operating in the maritime transport segment. The majority of this impact is attributable to the carbon footprint of the fuel used by Tallink's vessels, which amounted to approximately 300,000 tonnes of CO₂ equivalent in 2024. As an investor, Infortar closely monitors the development and implementation of Tallink's responsible business initiatives.

In the energy sector, the direct environmental impact of Infortar's investments is relatively limited, as the Group's focus is primarily on energy trading and distribution. Emissions mainly arise from the operation of infrastructure owned by the Group's subsidiary Elenger, including gas distribution networks, refueling stations, and related logistics. This includes network leaks, maintenance-related activities, and the distribution of LNG and CNG to clients and refueling points.

The indirect environmental impact of the energy segment (reported under Scope 3 in the ESG report) amounts to approximately 4.8 million tonnes of CO₂ equivalent, with the majority arising from procurement, sale, and end-user combustion of LNG. In the real estate investment segment, the key environmental impact is related to the carbon footprint of properties leased to tenants, primarily from energy consumption (heating and electricity) within the buildings.

The Group's companies hold significant investments in renewable energy, which have a climate-neutral impact on the environment.

Infotar headquarters on Liivalaia street in Tallinn. Photo Arbo Rae



Corporate governance report

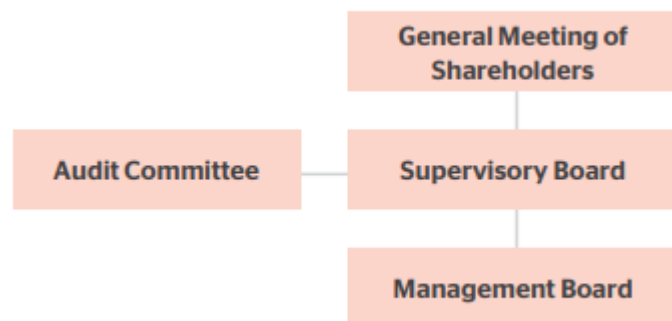
This report is made in accordance with the Estonian Accounting Act and gives an overview of the governance of Aktsiaselts Infortar and its compliance with the requirements of the Corporate Governance Recommendations (CGR) of the NASDAQ Tallinn Stock Exchange. The Group follows most of the articles of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

The Corporate Governance Statement is published by reference in the Sustainability Report in accordance with the disclosure requirements of ESRS 2 GOV-1 § 20 (a) and § 21 (c).

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 long-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.

Audit Committee

By decision of the Supervisory Board, Infortar has established an Audit Committee, appointed its members, and approved the Committee's rules of procedure.

The Audit Committee is responsible for monitoring and analysing the processing of financial information, the effectiveness of risk management and internal control systems, the audit process of the annual report and consolidated financial statements, as well as the independence of the audit firm and the auditor representing the firm under the law. The Committee's role is to advise the Supervisory Board by providing recommendations and proposals.

The Audit Committee consists of three members. Members of the Audit Committee are appointed for an indefinite term. The Committee convenes as needed, but no less than twice per year. The Corporate Governance Statement of Tallink, Infortar's publicly listed subsidiary, is available as a separate subsection in [Tallink Grupp's 2024 Annual Report](#).

Baltic Queen on its way to Stockholm. Photo Magnus Rietz



Risk management policy

The primary objective of the Group's risk management policy is to ensure the stability of shareholders' equity and to support the long-term strategic development of the business. Risks are defined as unexpected changes in the business environment or internal processes that may negatively affect the company's financial performance.

The main risk relates to strategic market risk associated with capital-intensive investments, particularly the risk of making misjudged long-term strategic decisions regarding the future prospects of a specific business sector. The Group mitigates strategic risk by preparing comprehensive and thoroughly assessed business plans and analyses, especially when entering new markets or sectors.

To manage credit risk and the resulting potential liquidity risk—where losses may arise if end-customers or business partners fail to meet contractual obligations, possibly leading to a shortage of liquid funds for Infortar to meet its own financial obligations—the Group employs centralised financial management tools, including group cash pooling systems, maintains adequate reserves and access to banking instruments, and continuously monitors cash flow forecasts and actual liquidity status. Risk is further reduced through long-term relationships with reliable credit institutions and by aligning the maturities of financial assets and liabilities.

The primary responsibility for risk management lies with the management boards of the companies in which Infortar has invested. Infortar places heightened expectations on risk management in these companies, particularly in areas material to its investment portfolio. The Group's risk management policy is disclosed by reference in the Sustainability Report, in accordance with the disclosure requirements of ESRS S4-1.

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

In the development of infrastructure and real estate, and through the operation of buildings used daily by employees, customers, and visitors, the Group is committed to ensuring the safety and security of these facilities. This involves continuous internal monitoring and adherence to safety principles across all activities related to buildings and infrastructure.

In our real estate and infrastructure development projects, we comply with all regulatory requirements related to design, construction, and safety. We collaborate exclusively with competent and reliable construction companies and subcontractors and ensure the use of high-quality materials and construction practices. As property managers, we monitor and mitigate risks arising from the general maintenance and cleanliness of buildings and their surroundings to ensure they do not pose a threat to people.

Ongoing Assessment and Management of Financial Risks (Credit, Liquidity, Interest Rate, Market)

The objective of financial risk management is to maintain a balance between funding continuity and financial flexibility, using bank overdrafts, loans, and other debt instruments. To optimize cash flow management, the Group has entered into group cash pool agreements with banks, enabling access to intra-group overdraft facilities and the efficient use of account balances across the Group. These systems allow for negative balances on individual accounts within the limits of the group arrangement.

Credit risk refers to the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet their contractual obligations. This risk mainly arises from trade receivables and contractual assets. The maximum exposure to credit risk is the carrying amount of financial and contractual assets recognized in the balance sheet.

Liquidity risk represents the potential inability of the Group to meet its obligations in a timely manner due to changes in its financial position. The Group manages liquidity risk by maintaining sufficient reserves, banking instruments, and access to financing, continuously monitoring cash flow forecasts and actual balances, and aligning the maturities of financial assets and liabilities.

Interest rate risk arises from short- and long-term borrowings with variable interest rates, primarily tied to EURIBOR fluctuations. The Group monitors interest rate trends and their potential impact on financing costs.

To manage market risks, the Group continuously reviews the strategic objectives outlined in its business plans, alongside market changes and other critical success factors. This proactive approach enables the Group to both mitigate the impact of market volatility and leverage opportunities arising from market shifts. As part of its financial risk management, Group companies engage in the purchase and sale of derivative instruments and may assume short-term financial obligations as needed. To reduce volatility in profits and losses, the Group applies economically effective hedging strategies where appropriate.

Compliance with Environmental and Business-Related Regulations and Requirements

In all areas of business where energy consumption and waste generation occur, the Group ensures full compliance with applicable regulations, including those concerning energy efficiency and waste management for newly developed buildings and infrastructure, as well as other relevant environmental impacts. We continuously seek new opportunities to align investment decisions and business development with the climate goals set out in green transition policies, environmental regulations, and the growing expectations of the public.

Asset Risk Coverage through Insurance

The Group manages asset-related risks by maintaining insurance coverage to ensure compensation for potential damages to assets related to its business activities. This approach supports the sustainability and continuity of operations. All major Group assets are covered under property insurance policies.

FINANCIAL REPORTING AND AUDITING

The consolidated financial statements of Aktsiaselts Infortar have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS EU) and Estonian legislation. The financial statements are audited and subsequently approved by the General Meeting of Shareholders.

To the best of Infortar's knowledge, the auditors have fulfilled their contractual obligations and audited the company in accordance with International Standards on Auditing (ISA). To ensure the reliability of information presented in the annual report, internal audits are conducted. For enhanced risk management and control, an Audit Committee and an internal audit function have been established, both of which participate in the financial reporting process.

A tender process was held to select the provider of audit services. The main evaluation criteria were:

- Timing and location of the audit;
- Membership in an international network and expertise in the relevant business sector;
- Audit engagement terms and payment conditions;
- Scope of audited entities.

As a result of the evaluation process, an audit agreement was signed with KPMG Baltics OÜ for the provision of services to all Group companies operating in Estonia. An exception is made for the associate companies of OÜ EG Biofond, which have an audit agreement with Grant Thornton Baltic OÜ.

The audit fees and scope of the auditor's responsibilities are defined in the individual audit agreements concluded with each Group company. Costs related to sustainability reporting and other assurance services are included in the total annual volume of services ordered by Group companies. The audit costs of Tallink have been included as of May 2024.

<i>(in thousands of EUR)</i>	
Type of Engagement	2024
Audit fees (group, parent company, subsidiaries, and associates)	501
Costs related to the preparation and assurance of the sustainability report	155
Review costs	6
Other assurance services	92,5



Balticconnector station in Kiili. Photo Karmo Kaasik

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

Information regarding the company's key management personnel is disclosed by reference in the Sustainability Report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the disclosure requirements of ESRS 2 SBM-1 § 40 (a) and § 42.



Shares belonging to the members of the management and supervisory board as at 31 December 2024

The shareholdings of the members of the Supervisory Board and Management Board (including both direct holdings and holdings through controlled companies) as of the end of 2024 were as follows:

	Number of shares	Term of Authority
Enn Pant	5 536 216	13.06.2027
Toivo Ninnas	1 303 900	21.05.2030
Kalev Järvelill	4 924 966	13.06.2027
Mare Puusaag	1 000	13.06.2028
Ain Hanschmidt	4 882 855	22.08.2026
Eve Pant	161 200	17.05.2027

Disclosure of Information

Infotar follows good corporate governance practices in disclosing information and treats all shareholders equally. All disclosed information is published in both Estonian and English on the company's website, on the Nasdaq Tallinn Stock Exchange website, and through the information system (OAM) managed by the Financial Supervision Authority.

Meetings with investors are organized as needed and in accordance with investors' wishes. After the publication of interim reports, the Group organizes a public webinar. These meetings are limited to information that has already been disclosed. The company publishes the times and locations of key meetings with investors. Presentations intended for investors are available on the company's website.

However, the Group does not comply with the recommendation to disclose the time and location of every individual investor meeting, nor to allow all shareholders to participate in these meetings, as this would not be practical and would be technically difficult to arrange (CGC 5.6).

CONSOLIDATED SUSTAINABILITY REPORT

Dear reader of the 2024 Sustainability Report of Infortar

The ongoing green transition in Europe, along with policies and standards promoting greater business transparency and the goal of building a climate-neutral Europe, has prompted the Infortar Group to increasingly assess its current and future operations through the lens of sustainability and the green transition. This has been a major challenge, as we are a fast-growing investment company, both in Estonia and internationally. Last year was marked by the consolidation of Tallink as a subsidiary, the late-year integration of Elenger Polska, a Polish energy company focused on the gas sector, into the Infortar Group, the acquisition of Halinga OÜ, one of Estonia's largest dairy producers, the company's first full year on the stock exchange, and other milestones. Sustainability reporting has become a complex process and we are grateful to our partners at PwC for their professional support in preparing the report in compliance with the requirements of the CSRD Directive, the Taxonomy Regulation, and the ESRS standard. For the first time, Infortar's 2024 Sustainability Report has undergone an audit.



We believe that as a business, it is important to move in sync with society. That is why we wish to offer the best to our customers, while being in line with the wider societal vision of being sustainable and achieving a climate-neutral economy by 2050. At the same time, we believe that from an entrepreneurial perspective, it is more practical to remain flexible in future planning and open to new opportunities, rather than adhering to rigid roadmaps when working toward making existing businesses climate-neutral. In our view, the changes in society, politics, market behaviour, and technology are too unpredictable to plan for years ahead. This is why we have not yet disclosed the Group's climate neutrality plan in our sustainability reports, as we are still in the process of developing a suitable approach.

The most challenging part of the preparation of this report is the mapping of the direct (impact area 1, 2) and indirect (impact area 3) footprint of the Group companies (Infortar has 108 subsidiaries in total) in CO₂ equivalents. Compared to the previous year, agriculture has been introduced as a new business area in the sustainability report. In the shipping segment, the most significant change was the Tallink Group becoming a subsidiary of Infortar last year, leading to the consolidation of all emissions within its area of influence. While relatively small in absolute terms, this year, we have also included the emissions impact from affiliates in which we hold a 50% stake in our emissions impact calculations.

While preparing the report, we collaborated in working groups to analyse the projected impact of climate change on our business segments, identify new opportunities, assess the associated risks, and evaluate the long-term environmental impact of our operations. The report also provides a detailed overview of the social and the Group's corporate governance issues that are important to us, along with the relevant metrics to be disclosed.

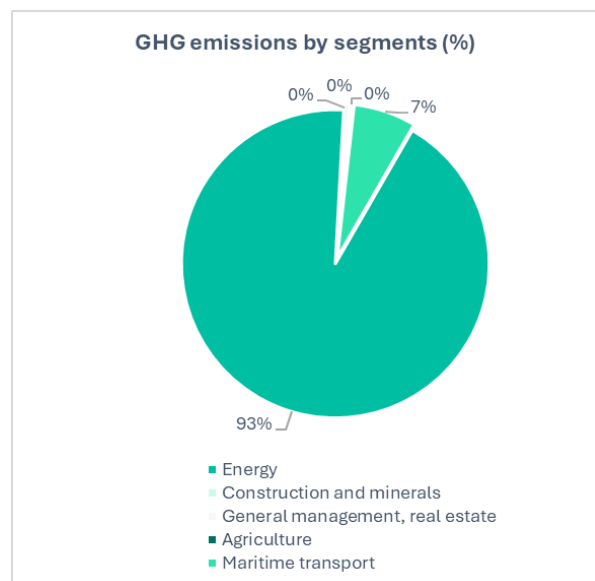
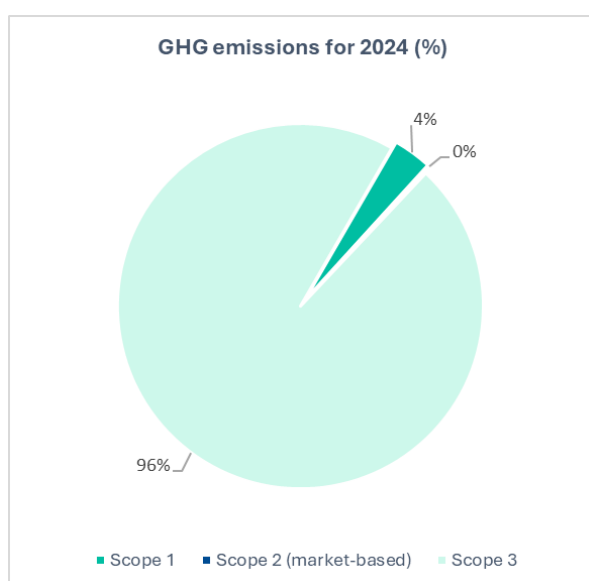
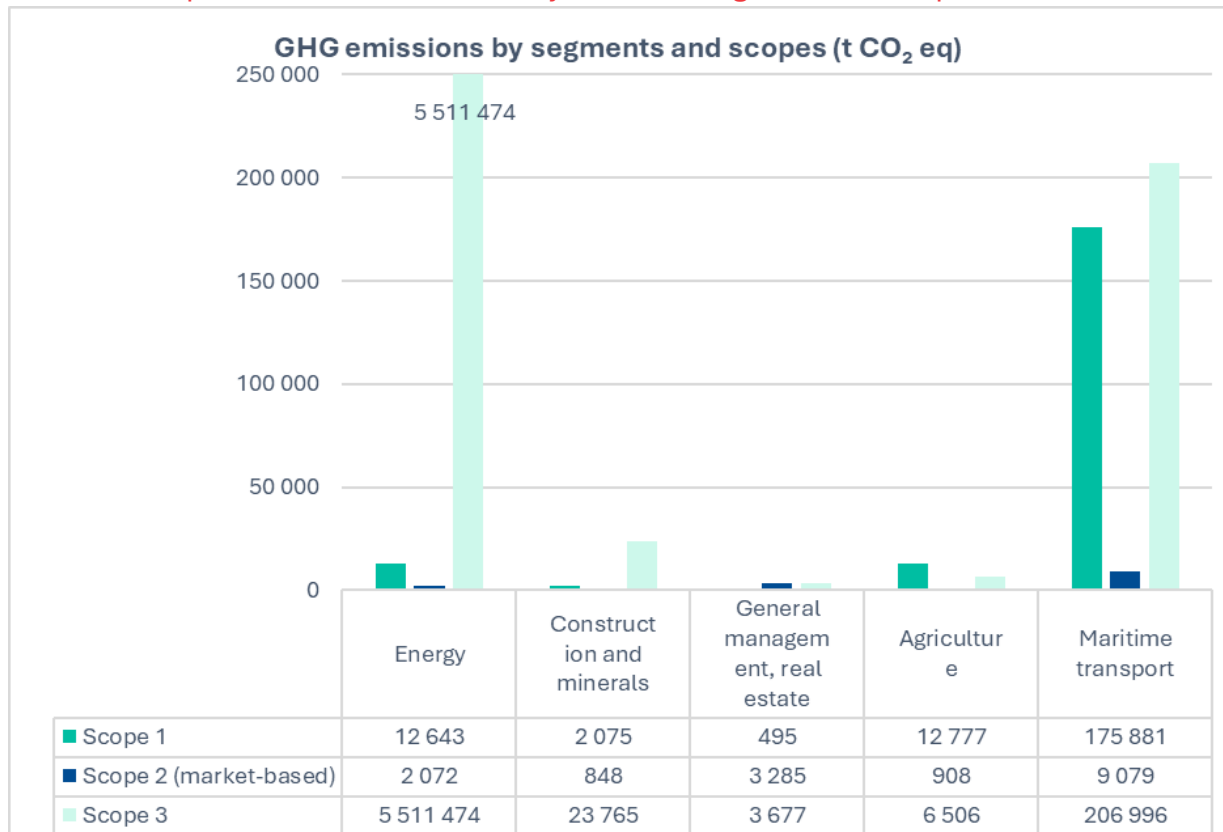
We believe the best way for a business to grow is by striving to offer the best services and products to our customers and this is also our approach to the green transition.

We hope you find this report informative.

Imre Mürk

Development Manager of Infortar

Infortar Group's 2024 GHG emissions by business segment and scope



GENERAL INFORMATION

Basis for the report

This report has been prepared on the basis of the European Sustainability Reporting Standards (ESRS) in accordance with the requirements of the EU Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD) and subsection 31 (4) of the Accounting Act.

SCOPE OF CONSOLIDATION

The Infortar Group's sustainability report for the financial year 2024 has been prepared on a consolidated basis. The information and metrics presented in this Sustainability Report cover only the Group's subsidiaries whose financial results are consolidated in the financial statements of the Infortar Group on a line-by-line basis, except for Elenger Polska, a Polish gas distribution and energy sales company acquired in December 2024. As Elenger Polska was added to the Infortar Group in the last weeks of the year, there was no timely access to the company's sustainability data and the accuracy of the consolidated data could not be verified. In addition, Elenger Polska's financial results are not included in the information disclosed under Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (the Taxonomy Regulation). Elenger Polska will be included in the Infortar Group's sustainability report from 2025. Exceptionally, in this report, Elenger Polska's data is included in the Group's key performance indicators (KPIs) for strategic management (page 40), as the financial indicators related to the acquisition transaction are relevant and necessary to characterise the Group's investment activities. For acquisitions that occurred during the reporting year, the data of the newly added entity is consolidated into the metrics disclosed in the Sustainability Report on a pro-rata basis, starting from the date of financial consolidation. Infortar's affiliates are not included in this Sustainability Report, except in the calculations of GHG footprint 3 where Tallink was an affiliate. The list of subsidiaries is given in the financial report on page 144 and the list of affiliates is given in the group structure chart in the management report on page 10. This report does not make use of the possibility under subsection 5 (d) of the ESRS 2 to omit specific information corresponding to intellectual property, know-how, or innovation results.

Coverage of upstream and downstream stages of the value chain

This Sustainability Report only includes information for the companies belonging to the Infortar group, except for the value chain data included in the calculations of GHG impact zone 3. Significant impacts, risks, and opportunities associated with the upstream and downstream stages of the Group's main value chains have been taken into account in the materiality assessment.

Presentation of data by reference

A list of the disclosure requirements by reference can be found in Annex 1. to the Sustainability Report.

GOVERNANCE

Governance and supervisory bodies

The Corporate Governance Report provides an overview of Infortar's governance (page 23) and the members of the supervisory board and the management board, together with their education and professional experience (page 29). All members of the management board are part of the executive management and none of the members of the supervisory board are part of the executive management. Members of the group's management and supervisory bodies obtain the necessary expertise to monitor sustainability aspects through the involvement of experts from within and outside the Group in areas of significant impacts and risks and opportunities. Infortar's management board is gender-balanced, with three men and one woman in the supervisory board. Of the four members of the supervisory board, one, Mare Puusaag, is an independent member. Infortar's supervisory board and management board do not include any employee representatives. Infortar Group is managed in accordance with the Group's Corporate Governance Principles, which aim to provide a common agreed basis for the organisation of governance to support the implementation of strategy and the quality achievement of business objectives. The governance principles are approved and amended by Infortar's supervisory board. Infortar's management board is responsible for the timeliness and implementation of the governance principles.

Sustainability governance

The Infortar Group takes an integrated approach to sustainability management and sustainability issues are integrated into daily management activities. An integral part of the overall management of the Group is to identify and implement opportunities to achieve positive sustainability impacts and to avoid and mitigate adverse impacts arising from the Group's activities or from the use of the services provided or transactions. As the Infortar Group operates in a number of sectors with a high climate impact, for which the transition to a climate neutral economy will entail significant business changes, sustainability impacts, risks, and opportunities are considered an integral part of the monitoring of strategy, key transactions as well as risk management processes, and trade-offs between sustainability, current market, and regulatory conditions and business performance are taken into account.

Decisions on the strategy and sustainability aspects of the Infortar Group are taken by Infortar's supervisory board. The CEO, together with the members of the management board, decides on the responsible business principles and their implementation in line with Infortar's strategy. The Group's chief development officer and the deputy chief financial officer are responsible for the implementation of sustainability decisions and the coordination and execution of day-to-day activities in all Group companies. Infortar's management is in close daily communication with the chief development officer and the deputy chief financial officer on sustainability issues, which are regularly on the agenda of management meetings. The management is also informed of the views and interests of key affected stakeholders, both through the presentation of the engagement results conducted as part of the materiality assessment and through the regular analysis of feedback from customers, staff, partners, and the community. During the reporting period, management and supervisory bodies have addressed a range of sustainability impacts, risks, and opportunities assessed as material, in particular those related to climate change and the material impacts related to their workforce.

When setting Group-wide sustainability targets, the Group's chief development officer, in cooperation with the managers of the subsidiaries in the target area, develops a target proposal, which is agreed by the management and approved by the supervisory board. The action plans necessary to achieve the Group-wide objectives are developed by the management of each subsidiary or Group. Achievement of the targets set is monitored at Group's management meetings.

Inclusion of sustainability performance in incentive schemes

One of the foundations of Infortar's remuneration principles is a long-term view and sustainability. According to the established principles for the remuneration of the members of the management board, remuneration must be aimed at promoting the long-term sustainable development of the Group, the achievement of strategic objectives, and the increase in the value of the shares held by shareholders, taking into account, among other things, environmental and corporate social responsibility aspects. Remuneration of board members is not linked to specific sustainability objectives, including the achievement of GHG emission targets.

Declaration of due diligence

The main aspects and stages of the due diligence process of the Infortar Group are related to several disclosure requirements of the ESRs and are mapped in the table below.

Integration of due diligence into governance, strategy, and business model	Sustainability report chapter	Sustainability report page
Integration of due diligence into governance, strategy, and business model	• Sustainability governance	35
	• Strategy	38
	• Strategic objectives	40
	• Policy on business conduct and corporate culture, prevention and detection of corruption and bribery	93
Involvement of affected stakeholders in all key stages of due diligence	• Stakeholder interests and perspectives	42
	• Description of the process for identifying and assessing significant impacts, risks, and opportunities	44
Identification and assessment of adverse impacts	• Description of the process for identifying and assessing significant impacts, risks, and opportunities	45
	• Significant impacts, risks and opportunities	49

Taking action to mitigate these negative impacts	<ul style="list-style-type: none"> • The “Policies and actions” section under each topical standard 	E1 p. 63 E2 p. 71 E3 p. 75 E4 p. 76 E5 p. 78 S1 p. 81 S2 p. 87 S3 p. 88 S4 p. 90 G1 p. 92
Monitoring the effectiveness of these efforts and reporting on it	<ul style="list-style-type: none"> • Sustainability governance 	35
	<ul style="list-style-type: none"> • Strategy 	38
	<ul style="list-style-type: none"> • The “Policies and actions” section under each topical standard 	E1 p. 63 E2 p. 71 E3 p. 75 E4 p. 76 E5 p. 78 S1 p. 81 S2 p. 87 S3 p. 88 S4 p. 90 G1 p. 92

Risk management and internal control for sustainability reporting

Due to the novelty of sustainability reporting, the related risk management and internal control processes within the Infortar Group are being developed and improved. In the absence of an automated sustainability reporting data collection system, the main risks relate to data availability, completeness, and integrity. Due to the size and the diversity of the Infortar Group, different accounting and data management programs are used in the subsidiaries, and data for the consolidated sustainability report is collected manually using spreadsheets. Data entry is carried out by the subsidiaries’ accountants, and the Group’s deputy chief financial officer is responsible for control and implementation of the four-eyes principle. A person responsible for the collection of qualitative information for the Sustainability Report has been appointed in each subsidiary or group, and the Group’s chief development officer is responsible for verifying and consolidating the information. In order to mitigate the risks associated with the sustainability reporting process, the Infortar Group is mapping possible software solutions to automate the sustainability reporting system and data collection. Findings related to the sustainability reporting process are reported to the management board of the Group by the Group’s chief development officer.

STRATEGY AND BUSINESS MODEL

Business model and value chains

The Infortar Group is an international investment group whose core businesses are in maritime transport, energy, and real estate. An overview of the Infortar Group is presented in the management report (page 10). A description of the Group's business model and value chain,

Country	Number of employees as of 31 December 2024
Estonia	3 593
Latvia	998
Lithuania	99
Finland	957
Sweden	497
Poland	14
Germany	6

the main groups of products/services offered, and the main markets served can be found in the management report on page 13. Significant events and changes during the reporting period are presented in the management report on page 14. The breakdown of the Group's total income by segment is presented in Note 5 to the consolidated annual accounts (page 133). The number of salaried employees by geographical area is shown in the table below.

Strategy

Infortar's mission is to build well-performing companies with a strong market position, with the aim of achieving stable and above-average growth in the value of investments and a diversified portfolio with a strong asset base and cash flow. In order to achieve this goal, investments will be guided by long-term socio-economic trends, and investment and management decisions will be made to create synergies between Infortar's businesses.

In order to remain competitive and manage market risks in the context of the green transition, Infortar must be able to adapt quickly and turn sustainability challenges into business opportunities. Innovation and openness are core values at Infortar. The Group is continuously looking for ways to make investment decisions and to better align its business with the climate goals, environmental requirements, and growing public expectations arising from green transition policies. To provide the necessary certainty for major investment decisions, the Group's strategy is to build on the firm and unchanging views of legislators in developing the green economy.

The energy sector has an important role to play in achieving the EU 2050 climate-neutrality objective. The majority of the revenue of Infortar's energy business segment is generated from the sale of natural gas in the Baltic countries and Finland. Although natural gas, as one of the cleanest fuels¹ (compared to oil-based products, oil shale, or coal), can be considered a transitional fuel in the medium term, the European Union's climate-neutrality objective will lead to a decrease in demand for natural gas in the long term. Against this background, Infortar's strategy in the energy business segment is to expand existing and operational business models into new geographic markets, to make balanced investments in transition and renewable energy sources, and to create synergies between existing and new business lines.

¹ see International Energy Agency <https://www.iea.org/reports/the-role-of-gas-in-todays-energy-transitions>

Transport is also one of the key sectors for achieving the EU climate-neutrality objective. The Tallink Group is developing its own transition plan for climate change mitigation to ensure compliance with the targets set by both the European Union and the International Maritime Organisation. Although the development of sustainable marine fuels to meet the ambitious climate targets set for maritime transport is unclear, Tallink has developed strategic principles to reduce its environmental impact, mainly through the implementation of energy-saving solutions.

As an investment holding company, Infortar's performance depends on the adequacy and feasibility of the chosen investment strategy. The main risk associated with capital-intensive investments is the strategic market risk, which is primarily the risk of making an erroneous strategic decision on the future prospects of a business sector. Therefore, Infortar's most valuable resource is a responsible team with long-term experience, contributing day by day to the development of the whole Group.

The Group hedges strategic market risk by preparing thorough and well-considered business plans and the necessary analyses both when developing existing business segments and when expanding into new markets and business areas. Long-term strategic management decisions always take into account the potential environmental and social impacts that may be involved. From 2025 onwards, a sustainability analysis will be carried out prior to the acquisition of new businesses as part of the pre-transaction due diligence. The pre-transaction analysis will assess the metrics, policies, and practices of the acquired company in the areas of climate change, resource use, employees, human rights, diversity, corporate governance, ethics, and stakeholder engagement.

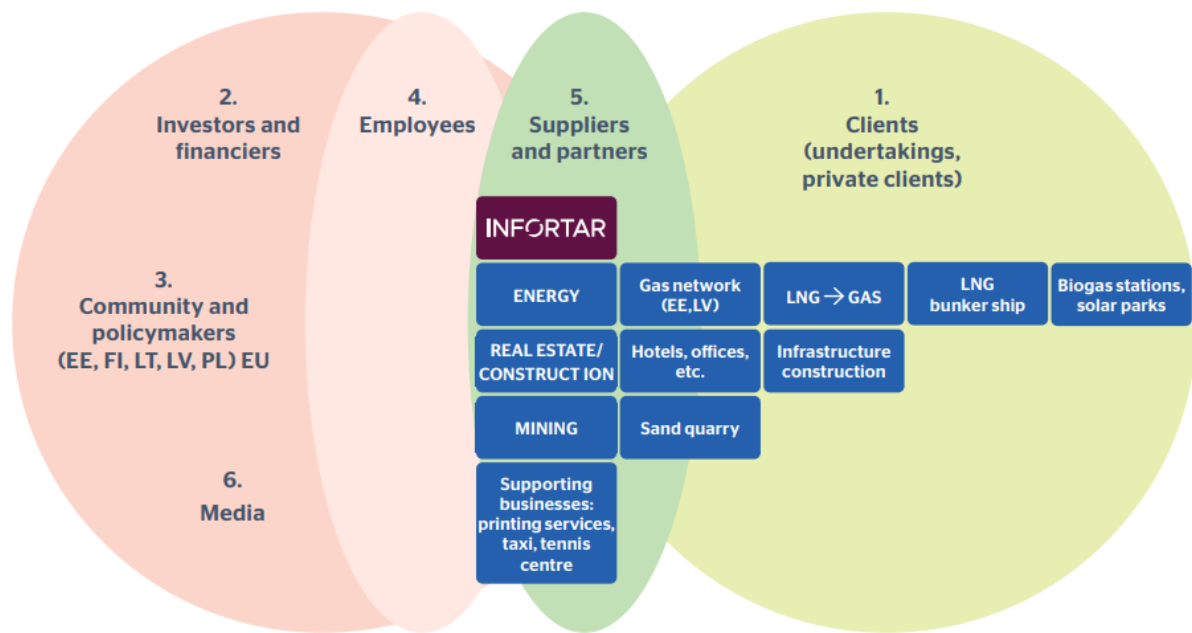
The Group is aware of the principles and practices set out in human rights documents and conventions, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights and takes these principles into account when investing in new ventures and in the Group's activities, incl. in their relationships with affected communities and consumers/end-users. These principles are also expected to be upheld by partners and suppliers, including in their relationships with employees. The Group has not established separate measures to remedy and/or enable impacts on human rights, and when remedying potential damage, the Group follows the regulatory requirements of the respective country of operation.

Strategic objectives

	Environment	People	Governance
Core Value	Innovation We believe excellent business results can largely be achieved through continuous technological innovation and innovative leadership thinking.	Openness Smile and commit – better cooperation begins with an open communication culture. We are open to new ideas and different ways of thinking. We value collaboration within the team and with partners. Everyone in our team has equal opportunities and supportive conditions for growth, creativity, and self-realization.	Reliability Good business is built on trust, respect, and mutual understanding at both individual and organizational levels.
Investment Principle	We invest in ventures that support mutual investment synergy.	We possess unique competence in managing large-scale investments.	We are active investors, participating in decision-making and taking responsibility.
Responsible Business Principle	We create long-term environmental value and reduce the group's direct and indirect environmental impact.	<ul style="list-style-type: none"> • We influence dialogue and work on solutions and offers that enable Infortar, its clients, and communities to make positive contributions to a sustainable future. • We contribute to the development of society and future generations. 	<ul style="list-style-type: none"> • Our entire activity is based on the principles of sustainability and responsibility. We are accountable for our actions and values, aiming for openness and transparency. • We manage risks, including environmental, social, and governance-related risks.

	Environment	People	Governance
Strategic Goal	<ul style="list-style-type: none"> • Reduction of group greenhouse gas (GHG) emissions. • Increase share of renewable energy production. • Align with the EU 2050 climate neutrality vision and policy. 	<ul style="list-style-type: none"> • Increase employee satisfaction. • Be an attractive employer. • Prevent workplace accidents and reduce absenteeism due to injuries/illnesses. • Contribute to community development. 	<ul style="list-style-type: none"> • Improve sustainability governance. • Align with international good corporate governance practices.
Strategic Actions	<ul style="list-style-type: none"> • Extend GHG measurement to Scope 3 and set footprint reduction targets. • Investments in biomethane and solar energy production. • Map and evaluate potential projects in other renewables (e.g. energy storage, wind parks). • Develop a transition plan to reduce climate impact in line with climate legislation. 	<ul style="list-style-type: none"> • Implement a group-wide employee satisfaction survey. • Support youth development, entrepreneurship, and sports opportunities via active partnerships. 	<ul style="list-style-type: none"> • Develop sustainability strategy and action plans. • Improve sustainability reporting systems and data collection processes. • Ensure transparency and responsibility in investment decisions.
Strategic KPI for 2024	<ul style="list-style-type: none"> • GHG emissions Scope 1: 203,871 t CO₂-eq • Scope 2 (market-based): 16,193 t CO₂-eq • Scope 3: 5,752,418 t CO₂-eq • Total GHG (market-based): 5,972,482 t CO₂-eq • Solar power plant capacity: 16.7 MW • Solar energy production: 9,739 MWh 	<ul style="list-style-type: none"> • Employee Net Promoter Score (NPS): 6 • Employee turnover: 16% • Average employee tenure in the group: 8.7 years 	<ul style="list-style-type: none"> • Group revenue: €1,371,775,300 • Investment return: EBITDA margin was 10.6% in 2024. Investment return varies by business segment and is considered in investment decisions.

Stakeholder interests and views



The Infotar Group believes that through the involvement of different stakeholders and an open and honest dialogue, the Group can continuously evolve and improve the quality and organisation of its services and products. Today, the main competitive advantage is no longer the price of products and services; instead, customers base their decisions not only on price but also on values. Infotar is open to new initiatives, ideas, and collaborative thinking that emerge from conversations and meetings with Infotar's staff, clients, partners, donors, and policy makers. In addition to taking into account its own workforce, Infotar also considers its role in the impacts on workers in the value chain and uses its position as a major general contractor to ensure healthy and safe working conditions for the employees of subcontractors and framework contractors in construction activities. The activities related to value chain workers are set out in the S2 thematic standard on page 87.

Infotar values people, community, and the environment. The Group is committed to engaging future generations and educating the community through its activities. To contribute to the development of communities, Infotar cooperates with community organisations and public authorities. An overview of collaborations and donations during the reporting year can be found in the S3 thematic standard on page 88. Infotar aims to be a trusted and recognised partner for its stakeholders.

The double materiality assessment process underlying this Sustainability Report and the related stakeholder engagement was carried out separately in the Tallink Group and the rest of the Infotar Group, as Tallink has a separate sustainability reporting obligation and the materiality assessment process was started when Tallink was still an affiliate of Infotar. The Infotar Group's main stakeholders affected are customers, the community, employees, and suppliers and partners. The main readers of the Sustainability Report are investors and financiers, policy makers, and the media.

As part of the materiality assessment process carried out by Infortar, investors and donors, the community and policymakers, as well as suppliers and partners, were involved in the identification phase of impacts, risks, and opportunities (IROs) through the exploration of indirect interests and positions. Indirect engagement with donors and partners was based on stakeholders' published sustainability information and their previous interactions with Infortar. Policies and plans affecting the area were developed to involve the community and policy makers. Employees were involved in the assessment of IROs through representatives in each company of the Group. There are no particularly vulnerable and/or marginalised members of the Group's workforce who would need to be specifically included.

The Tallink Group engaged employees, customers, suppliers, investors, and other business partners directly through an online survey, allowing them to rate the importance they attach to different sustainability issues. The results of the survey were discussed with stakeholders in focus groups and interviews.

The interests and views of stakeholders taken into account in the materiality assessment are set out in the description of the materiality assessment process on page 43.

DESCRIPTION OF THE PROCESS FOR IDENTIFYING AND ASSESSING SIGNIFICANT IMPACTS, RISKS, AND OPPORTUNITIES

Methods and assumptions

The process of identifying and assessing significant impacts, risks, and opportunities was carried out in accordance with the ESRS, based on the double materiality principle. The materiality assessment process, managed by the Infortar Group, covered all the companies in the Group, except Elenger Polska and Tallink Group. Although Elenger Polska was not included in the materiality assessment by Infortar, a double materiality assessment had previously been carried out by the group of Elenger Polska's previous owner. All the sustainability aspects assessed as material by Elenger Polska are covered by the IROs assessed as material by the Infortar Group and therefore, the exclusion of Elenger Polska from the assessment does not affect the results of the double materiality assessment. Tallink Group carried out the materiality assessment separately. The Infortar Group carried out the first double materiality assessment at the end of 2023 and the beginning of 2024. At the end of 2024, the previous process was validated, and the significant IROs of the agricultural company added to the Group were further assessed. The Tallink Group carried out a double materiality assessment for the first time in 2024.

In the context of double materiality, the Group's companies have been grouped into six segments based on similarities in potential IROs: maritime transport, energy, construction and mineral resources, agriculture, service companies, and Group-wide management. The selection of important topics was based on IROs that were considered important across the Group as well as IROs that were important for specific segments. Sustainability issues that Tallink considers important were integrated into the Group's results. In identifying IROs, the analysis covered the entire value chain.

The assessment of impacts took into account the severity of the impact and, in the case of potential impacts, the likelihood. The mapping of impacts carried out by Infortar only identified as potentially significant the impacts that have already occurred, i.e. actual impacts, and therefore, the assessment of the likelihood of impacts was not appropriate in this process. However, potential assessable impacts were identified in Tallink's materiality assessment process. The level and extent of the impact, as well as the irreversibility in the case of negative impacts, were taken into account in the assessment of severity. An impact was defined as material if the combination of the company-based assessment and the validation by of the group's executives resulted in an impact severity score of 'high'. A five-point scale (minimum to very high) was used to assess the severity, with 'high' being equal to a score of four. In the case of a high-severity negative impact, there will be widespread impacts with damage and costs and these impacts are very difficult to remedy. For positive impacts of high severity, there are widespread positive impacts.

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. up to five years. As with impacts, the scoring was based on a five-point scale, and the significance of the risk or opportunity is a combination of the magnitude of the financial impact and the likelihood of materialisation. A risk or opportunity is considered to be material if it has a significant impact on the achievement of the company's strategic objectives, revenues, profits, or profit margin, and if there is at least a possible probability of materialisation within five years. Impacts, risks and, opportunities assessed as insignificant in a five-year perspective were further analysed, but no IROs were identified that would become significant in the long term.

PROCESS

Business process analysis

In order to identify the relevant sustainability aspects, both Infortar and Tallink carried out an analysis of their own business operations. An important part of the analysis was the mapping of value chains by business segment and the review of existing processes, documents, and data. This process has resulted in an overview of the main sustainability issues where the Group has an impact on people and the environment, or which in turn could have a material impact on the Group's financial position.

Indirect stakeholder involvement

To determine the IROs, information disclosed by external stakeholders such as financiers and partners, as well as previous sustainability-related communication with Infortar, was analysed. It was also based on the general orientations and focus themes expressed by policy makers and the sector. From the analysis of external stakeholders, there was a general expectation that Infortar would systematically manage sustainability issues and ensure transparency of its sustainability performance through reporting. Among the environmental issues, climate change mitigation, both in terms of its GHG footprint and the role of natural gas as a transition fuel, was highlighted. Among the social aspects, issues related to the treatment of employees and data protection were the most prominent in the analysis of external stakeholders.

Direct stakeholder involvement

In both materiality assessment processes, employees were directly involved in the materiality assessment of IROs and their interests and views are reflected in the materiality assessment results. The Tallink Group's double materiality assessment process also included an online survey to engage stakeholders, allowing employees, customers, suppliers, investors, and other business partners to rate the importance of sustainability issues. In addition, the results of the survey were discussed with stakeholders in focus groups and interviews. The results of the online survey showed that all the main areas of sustainability are equally important to stakeholders. During further interviews, stakeholders highlighted the following aspects of importance to them. Meaningful work, equal treatment, fair pay, and opportunities for development are important for employees. Staff also highlighted the importance of reducing waste and put forward good new proposals to promote this. Open communication on sustainability aspects, the protection of customers' data, and the availability of sustainable choices among services emerged as important issues for customers. The need to actively and transparently manage sustainability issues across the value chain, to ensure that the sustainability objectives and regulatory requirements of all stakeholders are met, is a common thread among the different partners. Regarding the specific aspects, logistics partners and ports highlighted the reduction of greenhouse gases through the use of clean shore-side electricity, financiers also mentioned the need to ensure the recycling of materials at the end of the ships' life cycle, and investors stressed the importance of integrating sustainability aspects into risk management.

Mapping and assessing impacts, risks, and opportunities

Infotar used a company-based approach to identify and assess impacts and Tallink's process used a working group-based approach. In Infotar's process, employee representatives from each company or group were involved and were introduced to the double materiality principle, the assessment methodology, and the potentially important issues identified in the analysis of value chains and external stakeholders. Each company then individually identified and assessed its impacts based on the ESRS sub-themes. The results of the company-wide assessment were consolidated at segment level and validated by Infotar's management. In Tallink's process, employees were included in working groups based on sustainability topics. The working groups presented the methodology and carried out an assessment of the impacts as well as risks and opportunities. The quality of the evaluation results was verified by external experts and then discussed in working groups, with necessary improvements and refinements made. In Infotar's materiality assessment process, the risks and opportunities were assessed separately from the impacts. The identification and assessment of risks and opportunities involved the management of Infotar and the larger companies in the segments, with whom segment-specific workshops were organised. In order to identify risks and opportunities, the potential financial impacts of the material impacts assessed were first analysed. It also utilised Infotar's existing risk assessment framework and previously assessed risks, including the results of a comprehensive risk assessment conducted as part of the IPO. At Group level, a qualitative risk assessment framework was used and no specific risk assessment tools were applied. In addition, based on an analysis of the value chains of the Group's business segments, the main resource and business relationship dependencies that could give rise to risks and opportunities were identified.

Risks and opportunities were identified as material on the basis of consensus. The impacts, risks, and opportunities assessed as material and the key issues identified on this basis were validated by Infortar's management and approved by the board. The management of sustainability risks assessed as material is critical to ensuring business sustainability in the Group's segments with high climate impact, and therefore all risks related to sustainability issues assessed as material are integrated into the Group's normal risk management practices.

PROCESS FOR IDENTIFICATION AND ASSESSMENT OF CLIMATE-RELEVANT IROS

Measurement of GHG emissions

Infortar's climate impacts were assessed based on the results of the 2022 GHG emissions measurements and Tallink's GHG emissions were assessed based on the results of the 2023 GHG emissions measurements. Infortar has not carried out a specific analysis to identify future GHG emissions, but is guided by the principle that the strategic direction is to increase investments that have a low or positive GHG impact. In particular, investments that support the production and deployment of renewable energy and alternative fuels have a potentially positive GHG impact. In order to support bioenergy production, an investment was made in the year under review in an agricultural enterprise whose output resources can be used to produce biomethane. In the energy business segment, the Group is also focusing on investments in the natural gas distribution network, which currently supports the use of natural gas as a transitional energy source and potentially enables the wider uptake of biomethane. During the year, investments in this area were made in the acquisition of the Elenger Polska gas network in Poland. However, the Group continues to invest in areas that do not have a small or positive GHG impact, such as the investment in the Tallink Group during the reporting year.

Analysis of climate-related physical and transition risks and resilience analysis

In order to understand the climate risks, Infortar carried out a scenario analysis for the first time in 2023. The analysis was carried out on the basis of the methodology of the Task Force on Climate-Related Financial Disclosures (TCFD). The analysis was carried out across the value chain. In 2024, climate risks from agriculture and maritime transport were added to the analysis. From the perspective of maritime transport, AS Tallink Group has already analysed its climate risks in the past and the results were integrated into this analysis. Infortar's analysis of transition risks has taken into account a short-term timeframe (> 5 years), a medium timeframe (5–15 years), and a long-term timeframe (> 15 years). For physical climate risks, the time horizons considered are short term (2030), medium term (2040), and long term (2050). AS Tallink Grupp has analysed the short-term time frame (2024–2027), the medium-term time frame (2027–2035), and the long-term time frame (2035–2050).

To analyse the physical climate risks, the Infortar analysis used the Intergovernmental Panel on Climate Change (IPCC) scenarios RCP4.5 and RCP8.5, which assume an average temperature increase of 2 and 4.3 degrees Celsius respectively by 2100. In Tallink's analysis, a low-carbon transition scenario (1.5 °C or 2 °C warming limit) and a high-impact climate change scenario (3 °C+ warming scenario) were used. These scenarios were chosen because they are widely used and accepted scientific models that provide a comprehensive overview of the evolution of climate change.

Physical climate risks are highlighted and focused on 2050, as the analysis identified that the greatest risks and impacts from physical climate risks will occur over the longer term. As Infortar's portfolio includes a number of companies with a rather long life expectancy, long-term planning decisions are important. The timeframe for the 2050 analysis will allow a better understanding of the long-term impacts and risks and allow informed decisions on long-term investments. To analyse the transition risks, the International Energy Agency (IEA) scenarios 'Announced Pledges' and 'Stated Policies' were used, which foresee an average temperature increase of 1.7 and 2.4 degrees Celsius by 2100, respectively. These scenarios were chosen because the IEA is an internationally recognised organisation whose scenarios provide reliable and comprehensive climate change projections. In addition, these scenarios focus on policies and developments in the energy sector, which are critical for climate change mitigation. The analysis of the transition risks has been highlighted and focused mainly on 2030, as this timeframe allows focusing on short-term changes and urgent strategic decisions that will affect the company's operations and adaptability during the transition period. Policy and regulatory changes aimed at reducing carbon emissions can happen faster. The 2030 timeframe will help assess the impact of these short-term changes. In addition, the indicators were also analysed in the context of 2040 and 2050. This will help to better understand medium and long-term transition risks and their impact on strategic planning and investment decisions. In the case of physical risks, a scenario analysis was performed in the Estonian and Latvian context and in the segments where the Infortar Group has the largest number of physical assets: energy, real estate, and mineral resources. In 2024, agriculture and maritime transport segments were added to the analysis. Publicly available climate models (Climate Impact Explorer, WWF Risk Filter Suite, ThinkHazard, Climate Change Knowledge Portal) were used to identify significant physical climate risks. Focusing on climate change impacts from the perspective of the local ecosystem (including potential threats to biodiversity), the results of the scenario analysis of Infortar and the climate risk analysis of AS Tallink Group indicate that physical climate risks may have a weak or significant impact on the infrastructure of Infortar's business operations in the Estonian and Latvian context, but can be mitigated by measures. For example, AS Tallink Group takes into account the risks of climate change when planning its business activities. Relevant adaptation measures are implemented by the company in its environmental action plan and in the ships' operating manuals. No significant climate-related assumptions have been applied in the Group's financial reporting.

The transition risk analysis workshops mapped Infortar's key risks and assessed the magnitude and likelihood of their impact. In addition, an overview of policy changes, market trends, and stakeholder expectations was provided. A scenario analysis of transition risks was carried out in the context of the European Union. In the context of the European Union's 2050 climate neutrality, the scenarios foresee an increase in the share of renewable energy and electricity consumption and a consequent reduction in demand for fossil fuels. The reduction in demand for natural gas is a significant transition risk with high impact for Infortar. While the sale of natural gas as a transition fuel is in line with the transition to a climate-neutral economy, producers of natural gas will have to make significant efforts to comply with the technical requirements of the taxonomy regulation. Infortar's business as a natural gas distribution network operator can also contribute to the transition to a climate-neutral economy by enabling the infrastructure needed for the wider deployment of biogas. Medium impact risks stem from additional taxation of GHG and energy efficiency requirements for buildings. The transition risk with a lower impact comes from the increase in input prices. In the case of the Tallink Group, the existing vessels are exposed to the risks arising from stricter emission standards, which require investments in hybrid vessels and vessels using low-emission fuels. Tallink Group's strategic focus is to prioritise early investments in decarbonisation technologies, fleet renewal, and resilience measures to ensure sustainability and mitigate potential financial impacts. Certain older vessels cannot be decarbonised, which makes these assets incompatible with the transition to a climate-neutral economy and such vessels must be disposed of. As the Infortar group is a very dynamic investment company, the resilience analysis is uncertain as to whether new investment, especially in new business segments, may bring additional risks and opportunities.

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

In order to identify IROs related to pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy, Infortar's business activities and upstream and downstream value chains were analysed. The identification of IROs relied on the expert knowledge of the Group's employees about the companies' operating methods and the volumes of necessary inputs and outputs. The analysis was also based on environmental permits issued to the companies and environmental impact assessments. The identification of IROs related to water and marine resources was based on the specificity of the business activities and did not include a separate assessment of impacts at the water basin level, except where such an assessment was included in the environmental permit documentation. No specific criteria were taken into account in the determination of the status of water bodies, based on the relevant Annexes to Directive 2000/60/EC (Water Framework Directive) and the guidance documents for its implementation. The Water Framework Directive has been taken into account indirectly through the analysis of environmental permits, which have been issued taking into account the requirements of this directive. No specific consultations were held with affected communities. No specific tools were used to identify and assess IROs.

In identifying IROs related to biodiversity and ecosystems, the workshop analysed whether and how the Group's activities could have an impact on direct drivers of biodiversity loss, the status of species, ecosystem extent and condition, and ecosystem services. It also assessed how factors related to biodiversity and ecosystems could have a negative or positive financial impact on the Group. The relevant IROs identified were then included in the materiality assessment. The identification of IROs also included an analysis of ecosystem dependencies and systemic ecosystem risks across the value chain, and the relevant IROs identified were included in the materiality assessment. The analysis did not assess ecosystem services that are being or are likely to be disrupted.

Geospatial data was used to identify whether the Group's sites are located in or near areas of biodiversity sensitivity. None of the Group's sites are located in protected areas, but some agricultural plots and mines are located near habitats of protected bird species. The Group's activities do not have a negative impact on these habitats, as they fully comply with environmental requirements and implement the conditions and measures set out in the mineral extraction permits. The analysis did not identify the need for additional biodiversity mitigation measures.

Process for the identification and assessment of IROs relevant to business conduct issues

Governance impacts were identified through a mapping exercise with business representatives. For risks and opportunities, the mapping was done at business segment level, taking into account all the Group's locations, strategic objectives, and market trends.

Significant impacts, risks, and opportunities

The following tables present the impacts, risks, and opportunities assessed as material, by ESRS thematic area. The relationships between the material IROs and the Infortar strategy and business model are presented along with the topic-based information to be disclosed under the ESRS. A list of the disclosure requirements fulfilled in the preparation of this Sustainability Report and the other information required to be disclosed under other legislation is set out in Annexes 2 and 3 to the Sustainability Report. All the impacts assessed as material have an impact in both the short and medium term. Upon long-term analysis, none of the impacts initially assessed as immaterial in the short and medium term turned out to be material. Material risks and opportunities have no current financial impact on the financial position, financial performance, and cash flows.

E1 Climate change

E1	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Production and sale of renewable energy and alternative fuels	Energy Agriculture Service Providers Group-level management	Own operations; Downstream
	Enabling infrastructure for the adoption of alternative fuels	Energy	Own operations; Downstream

	Providing access to data for managing gas consumption through the installation of smart gas meters	Energy	Own operations; Downstream
Negative impact	GHG emissions	All	Upstream; Own operations; Downstream
	Energy and fuel consumption	Maritime transport Construction and minerals Agriculture Service Providers	Upstream; Own operations; Downstream
Opportunity	Growing demand for renewable energy and alternative fuels	Energy Agriculture Group-level management	-
	Increased demand for construction due to climate adaptation and energy efficiency regulations	Construction and minerals Group-level management	-
	Improving competitive position through investments in new technologies	Energy Group-level management	-
	Opportunity to use higher-yield crop varieties in agriculture due to climate change	Agriculture	-
Risk	Decline in demand for natural gas	Energy Group-level management	-
	Additional taxation of GHG emissions or obligation to participate in emissions trading	Energy Agriculture Group-level management	-
	Reduced access to financing due to poor sustainability performance	Energy Group-level management	-
	Investments in new technologies are not economically viable	Energy Group-level management	-
	Weaker competitive position due to lack of enforcement of sustainability regulations	Construction and minerals	-
	Yield reduction in agriculture due to drought and lack of snow	Agriculture	-

	Need to invest in GHG reduction and energy efficiency improvements	Agriculture Service Providers	-
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E2 Pollution

E2	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Negative impact	Air pollution from construction, mining, maritime transport, and livestock farming	Maritime transport; Construction and minerals; Agriculture	Own operations
	Water pollution from livestock farming	Agriculture	Own operations
	Exposure of construction workers to asbestos and chemicals	Construction and minerals	Own operations

E3 Water and marine resources

E3	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Negative impact	Water use in agriculture	Agriculture	Own operations

E4 Biodiversity and ecosystems

E4	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Improving soil condition through responsible agricultural practices	Agriculture	Own operations

E5 Resource use and circular economy

E5	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Use of agricultural output resources in energy production	Agriculture	Downstream
Negative impact	Use of input resources in construction and livestock farming	Construction and minerals	Own operations
		Agriculture	Own operations
	Generation of construction waste, mineral residues, and packaging waste	Construction and minerals; Service Providers	Own operations
Opportunity	Revenue opportunity from increased resource prices through material circulation	Construction and minerals	-

Risk	Increase in input resource prices	Construction and minerals	-
		Agriculture	
	Cost increases due to declining quality of extractable mineral resources	Construction and minerals	-
	Costs related to additional packaging regulations	Service Providers	-

S1 Own staff

S1	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Ensuring good and safe working conditions and adequate pay	All	Own operations
	Training and development of employees	All	Own operations
	Equal treatment of employees	All	Own operations
	Providing housing for agricultural workers	Agriculture	Own operations
Negative impact	High-risk working environment related to construction activities	Construction and minerals	Own operations
Opportunity	Employees prefer employers with a better sustainability reputation	Energy; Service Providers; Group-level management	-
	Improving working conditions and increasing efficiency through automation in agriculture	Agriculture	-
Risk	Shortage of qualified workforce	Construction and minerals; Agriculture	-

S2 Employees in the value chain

S2	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Regulation of occupational health and safety for construction subcontractors and framework agreement partners	Energy; Construction and minerals	Own operations
Risk	Reputational damage related to poor working conditions or misconduct by subcontractors	Energy; Construction and minerals	-

S3 Affected communities

S3	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Ensuring security of supply, gas distribution network continuity, and energy security	Energy; Construction and minerals; Group-level management	Own operations; Downstream
	Societal contribution	Energy; Service Providers; Group-level management	Own operations
	Providing employment opportunities in rural areas through agriculture	Agriculture	Own operations
Opportunity	Positive reputation due to societal contribution	Group-level management	-

S4 Consumers and end-users

S4	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Ensuring client and product safety	Maritime transport; Energy; Construction and minerals; Agriculture; Service Providers	Own operations; Downstream
	Ensuring access to sports facilities	Service Providers	Own operations; Downstream
	Ensuring access to transport	Service Providers	Own operations; Downstream
Negative impact	Holding large volumes of customer data	Maritime transport; Energy; Service Providers; Group-level management	Own operations
Risk	Costs and reputational damage related to cybersecurity incidents	Energy; Service Providers; Group-level management	-
	Costs and reputational damage related to safety incidents	Energy; Agriculture; Service Providers	-

G1 Business conduct

G1	Relevant IRO	Business Segments that Assessed IRO as Material	Location of Impact in Value Chain
Positive impact	Ensuring an ethical corporate culture	Energy; Construction and minerals; Service Providers; Group-level management	Own operations
	Contributing to legislation through participation in industry associations	Energy; Construction and minerals; Agriculture; Group-level management	Own operations
	Responsible selection of suppliers and partners	Maritime transport; Construction and minerals; Service Providers; Group-level management	Own operations
	Ensuring animal welfare in agriculture	Agriculture	Own operations
Negative impact	Operating in a sector with high corruption risk	Construction and minerals	Own operations
	Potential human rights violations in the maritime transport value chain	Maritime transport	Upstream
Risk	Fines and reputational damage related to non-compliance with regulations	Energy; Construction and minerals; Agriculture; Group-level management	-
	Reputational damage related to corruption incidents	Construction and minerals; Group-level management	-
	Supply chain disruption risk in maritime transport	Maritime transport	-

ENVIRONMENTAL INFORMATION

Information to be disclosed pursuant to Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)

Pursuant to Article 8 (1) of the Taxonomy Regulation, the Infortar Group is obliged to disclose information on how and to what extent the Group's activities are related to economic activities classified as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation. An economic activity is considered to be environmentally sustainable if it complies with the technical screening criteria set out in the Commission Delegated Regulation (EU) 2021/2139 (hereafter the Climate Act) or (EU) 2023/2486 (hereafter the Environment Act). The taxonomy report presents the key performance indicators related to the consolidated turnover, capital expenditure, and operating expenses of the Infortar Group, in accordance with the disclosure methodology set out in the Commission Delegated Regulation (EU) 2021/2178 (hereafter the Disclosure Regulation). The performance indicators to be disclosed are the share of economic activities not covered by the taxonomy, covered by the taxonomy, and aligned with the taxonomy in sales revenue, capital expenditures, and operating expenses.

Definitions

An economic activity is considered to be covered by the taxonomy if it is described in a climate or environmental act, regardless of whether it meets some or all of the technical screening criteria set out in those acts. An activity is considered to be taxonomy-aligned if it complies with the technical screening criteria defined in the climate or environmental act and is carried out in compliance with the minimum safeguards set out in Article 18 of the taxonomy regulation. Minimum safeguards are the procedures that a business implements to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the eight core conventions referred to in the ILO's Declaration of Fundamental Principles and Rights at Work, and the International Bill of Human Rights. An economic activity not aligned with taxonomy is any activity not described in a climate or environmental act.

CALCULATION METHOD AND BACKGROUND INFORMATION FOR THE KEY PERFORMANCE INDICATORS

Sales revenue

The Group's sales revenue (page 159 in the financial statements) has been included in the numerator in accordance with the accounting policies set out in Note 3 to the consolidated accounts.

The taxonomy-aligned sales revenue numerator includes sales revenue generated by activities that meet the compliance criteria. The taxonomy of sales revenue includes sales revenue generated by activities included in the taxonomy but not meeting the compliance criteria. The sales revenue included in the numerator was calculated based on project- or account-based accounting entries, taking into account the projects for which the required criteria for consideration or compliance were met. This avoids double counting of the turnover performance indicator across economic activities.

Almost all of the taxonomy-aligned sales revenue is related to Tallink Group's activities in the maritime transport segment. The volume of passenger and freight related sales revenue significantly exceeds the sales revenue from solar and electric vehicle charging station activities, which was in line with the previous reporting year, i.e. before the addition of the Tallink Group. In the current reporting year, these activities account for less than two per cent of compliant revenue. In addition to the sales revenue included in the sales revenue performance indicator, the Infortar Group has sales revenue from taxonomy-aligned activities related to internal consumption: installation, maintenance, and repair of charging stations for electric vehicles (0.004% of turnover) and installation, maintenance, and repair of renewable energy equipment (0.01% of turnover).

Capital costs

Additions to fixed assets during the accounting year, before depreciation and any revaluation, other than changes in fair value, are included in the denominator. The following additions have been included in the denominator in accordance with Note 8 to the consolidated accounts: investment property based on the fair value model (page 139); tangible fixed assets (page 140); intangible assets (page 142); right-of-use assets (page 142). It also includes additions to tangible and intangible assets resulting from business acquisitions.

The numerator of the taxonomy-aligned capital expenditure includes the capital expenditure that is related to activities meeting the compliance criteria. The numerator of the capital expenditure covered by the taxonomy includes capital expenditure related to activities covered by the taxonomy but not meeting the compliance criteria. The capital cost included in the numerator was calculated based on project- or account-based accounting entries, taking into account projects that met the criteria for consideration or compliance. This avoids double counting of the turnover performance indicator across economic activities. As the Tallink Group carries out both passenger and freight transport with the same vessels (activities CCM 6.11. and CCM 6.10.), the capital costs of the vessels' technical investments have been divided equally between both activities and the costs of the common areas of the vessels have been divided proportionally according to the number of passenger and freight drivers. Additions to right-of-use assets, intangible fixed assets, and tangible fixed assets are included in the numerator. The quantitative breakdown of the numerator at the level of economic activity is presented in the capital cost performance indicator table (page 61).

Approximately half of the taxonomy-aligned capital costs are related to Tallink's passenger and freight transport and 40% to the construction of solar power plants. The remaining eligible capitalised costs relate to the installation of smart gas meters. In the previous reporting year, due to the absence of Tallink, almost 80% of capital expenditure related to solar power plants and the rest to gas meters.

Operating expenses

In accordance with Annex I, section 1.1.3.1 of the Disclosure Regulation, the following non-capitalised costs are included in the denominator:

- labour costs for R&D staff (development and quality managers);
- outsourced consulting services for development activities;
- staff training costs;
- short-term rentals (construction activities);
- services, materials, and IT costs used for the maintenance and repair of tangible fixed assets.

Taxonomy-aligned operating expenses include operating expenses related to activities meeting the compliance criteria. The Infotar Group does not have operating expenses pursuant to the Disclosure Regulation (Annex, Section 1.1.3.2, Subsections 1(b) and (c)). Operating expenses included in the taxonomy include operating costs related to activities included in the taxonomy but not meeting the compliance criteria. The operating expenses included in the numerator was calculated based on project- or account-based accounting entries, taking into account projects for which the necessary criteria for consideration or compliance were met. This avoids double counting of the turnover performance indicator across economic activities. In the case of Tallink's vessels that carry both passengers and freight, the operating expenses are split equally between the two activities. In particular, the operating expenses relates to maintenance and repairs.

Similar to the performance indicator for sales revenue, almost all taxonomy-aligned operating expenses are related to the servicing of vessels due to the addition of the Tallink Group. Less than one percent of the performance indicator for operating expenses is accounted for by maintenance costs for solar power plants. In the previous reporting period, more than 90% of the taxonomy-aligned operating expenses related to the maintenance of the Group's owned solar power plants, with the remainder related to the construction of solar power plants and electric vehicle charging stations.

Assessment of compliance with the Taxonomy Regulation

In order to identify the economic activities covered by the taxonomy, the conformity of all the Group's activities with the activity descriptions and NACE codes of the Climate and Environment Act was assessed on a company-by-company basis. Although there is a large overlap in the descriptions of activities related to climate change mitigation and adaptation objectives in the Climate Act, pursuant to point 18 of the Commission Communication C/2023/305, only those activities carried out in accordance with the company's climate change adaptation plan can be considered to be covered by the taxonomy from the perspective of adaptation. As the Infortar Group has not established a climate change adaptation plan, none of the Group's activities are considered to be covered by the taxonomy from a climate change adaptation perspective.

Twenty-one activities covered were identified, one of which is covered under the environmental objectives for water, and two under the environmental objectives for biodiversity. There are three activities related to the circular economy objective, two of which are also covered under the climate change mitigation objective. All other activities are addressed in the taxonomy from a climate change mitigation perspective. None of the activities identified contributes significantly to more than one environmental objective.

Minimum safeguards

The Infortar Group, through its due diligence process, ensures compliance with international human rights guidelines and conventions, including the United Nations 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 fundamental conventions, and the UN Universal Declaration of Human Rights.



Activities covered by or aligned with the taxonomy

Activity	Description
Electricity generation using solar photovoltaic technology (CCM 4.1.)	Group companies produce solar electricity. This inherently contributes significantly to climate change mitigation and no additional substantial contribution criteria apply. Activities are aligned with DNSH technical screening criteria and no significant physical climate risks were identified. Construction follows environmental impact assessments. Solar parks are not located in biodiversity-sensitive areas. Therefore, the activity is taxonomy-aligned.
Transmission and distribution of electricity (CCM 4.9.)	The group's construction company is involved in building transmission and distribution infrastructure. It meets substantial contribution criteria but cannot guarantee DNSH criteria at the end of asset life cycle.
Efficient cogeneration of heat/cool and power from fossil gas (CCM 4.30.)	The group operates one cogeneration plant using fossil gas, but its emissions do not meet substantial contribution criteria.
Anaerobic digestion of bio-waste (CCM 5.7.)	Group companies have built anaerobic digestion facilities, but lack sufficient information to demonstrate taxonomy alignment.
Transport by motorcycles, passenger cars and light commercial vehicles (CCM 6.5.)	Group companies buy, rent, lease, or use such vehicles, but these do not meet CO ₂ emissions thresholds.
Freight transport by sea and coastal waters, service and support vessels (CCM 6.10.)	Tallink Group uses compliant and non-compliant vessels. For compliant ones, the activity qualifies as a transitional activity under Article 10(2).
	The group also charters the LNG bunkering vessel Optimus for the transport of liquefied natural gas. However, due to the transport of fossil fuels, this activity does not meet the substantial contribution criteria.
Passenger transport by sea and coastal waters (CCM 6.11.)	Tallink uses the same vessels for passenger transport, which are partially taxonomy-aligned under Article 10(2).
Rail transport infrastructure (CCM 6.14.)	The group's construction company builds rail infrastructure but the activity does not meet taxonomy criteria due to infrastructure specifics.
Construction of new buildings (CCM 7.1. / CE 3.1.)	The group's construction company builds buildings that do not meet primary energy demand or circular economy criteria.
Renovation of existing buildings (CCM 7.2. / CE 3.2.)	The group's agricultural entity renovates buildings that do not meet primary energy demand or circular economy criteria.
Installation, maintenance and repair of energy efficiency equipment (CCM 7.3.)	The group maintains district heating-related equipment, but lacks data on material composition to assess alignment.

Installation, maintenance and repair of EV charging stations (CCM 7.4.)	The construction company installs EV charging stations. This inherently contributes to mitigation, meets DNSH criteria, and is taxonomy-aligned. It qualifies as a supporting activity under Article 10(1)(i).
Installation, maintenance and repair of energy performance measuring equipment (CCM 7.5.)	Gas distribution companies install smart gas meters. This contributes inherently, meets DNSH criteria, and is taxonomy-aligned. It qualifies as a supporting activity under Article 10(1)(i).
Installation, maintenance and repair of renewable energy technologies (CCM 7.6.)	Group companies install and maintain solar PV. The activity contributes inherently, meets DNSH criteria, and is taxonomy-aligned. It qualifies as a supporting activity under Article 10(1)(i).
Acquisition and ownership of buildings (CCM 7.7.)	The group leases buildings that do not meet energy performance thresholds.
Data processing, hosting and related activities (CCM 8.1.)	The group procures data services, but lacks sufficient information about refrigerants and end-of-life handling to determine alignment.
Data-driven solutions for GHG emission reductions (CCM 8.2.)	Gas distribution companies use ICT to detect methane leaks. However, alignment cannot be proven due to lack of lifecycle GHG calculations.
Sustainable urban drainage systems (WTR 2.3.)	The group has built sustainable drainage systems, but cannot prove technical alignment.
Use of concrete in civil engineering (CE 3.5.)	Construction companies use concrete in civil works but fail to meet criteria for waste handling and recycled materials.
Protection and restoration of habitats, ecosystems and biodiversity (BIO 1.1.)	Group companies have implemented biodiversity-related construction works, but projects do not meet substantial contribution criteria.
Hotels, holiday camps and other short-stay accommodation (BIO 2.1.)	Tallink offers hotel services, but activities do not meet substantial contribution criteria.

Percentage of turnover derived from products or services related to economic activities aligned with the taxonomy – information for 2024

Financial Year 2024	2024			Substantial contribution criteria						Do no significant harm (DNSH) criteria							Share of revenue for activities aligned (A.1) or covered (A.2) by taxonomy, 2023	Category (enabling activity)	Category (transitional activity)
Economic activity	Code	Revenue	Share of revenue, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Bio-diversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Bio-diversity	Minimum safeguards	%	E	T
Text		thousand €	%	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO			
A. ACTIVITIES COVERED BY THE TAXONOMY																			
A.1. Environmentally sustainable activity (taxonomy-aligned)																			
Electricity generation using photovoltaic technology	CCM 4.1.	887	0.06%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.07%		
Sea and coastal freight water transport, vessels required for port operations and auxiliary services	CCM 6.10.	17 047	1.24%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.00%		T
Sea and coastal passenger water transport	CCM 6.11.	29 877	2.18%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.00%		T
Installation, maintenance and repair of electric vehicle charging stations in buildings (and car parks attached to buildings)	CCM 7.4.	5	0.00%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.01%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	13	0.00%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.02%	E	
Revenue from environmentally sustainable activities (taxonomy-aligned, A.1)		47 830	3.49%	3.49%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.09%		
of which enabling activity		18	0.00%	0.00%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.02%	E	
of which transitional activity		46 924	3.42%	3.42%						YES	YES	YES	YES	YES	YES	YES	0.00%		T
A.2. Activities covered by the taxonomy but not environmentally sustainable (not aligned)																			
			Assessed / Not assessed	Assessed / Not assessed	Assessed / Not assessed	Assessed / Not assessed	Assessed / Not assessed	Assessed / Not assessed											
Transmission and distribution of electricity	CCM 4.9.	9 408	0.69%	Assessed	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed								0.00%		
Anaerobic digestion of bio-waste	CCM 5.7.	1 771	0.13%	Assessed	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed								0.15%		
Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5.	2 278	0.17%	Assessed	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed								0.22%		
Sea and coastal freight water transport, vessels required for port operations and auxiliary services	CCM 6.10.	25 189	1.84%	Assessed	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed								0.60%		
Sea and coastal passenger water transport	CCM 6.11.	59 437	4.33%	Assessed	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed								0.00%		
Rail infrastructure	CCM 6.14.	16 442	1.20%	Assessed	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed								0.65%		
Construction of new buildings	CCM 7.1./CE 3.1.	12 087	0.88%	Assessed	Not assessed	Not assessed	Not assessed	Assessed	Not assessed								2.46%		
Acquisition and ownership of buildings	CCM 7.7.	14 377	1.05%	Assessed	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed								1.24%		
Sustainable urban drainage systems	WTR 2.3.	63	0.00%	Not assessed	Not assessed	Assessed	Not assessed	Not assessed	Not assessed								0.00%		
Use of concrete in civil engineering	CE 3.5.	1 502	0.11%	Not assessed	Not assessed	Not assessed	Not assessed	Assessed	Not assessed								0.00%		
Protection and restoration of habitats, ecosystems and species	BIO 1.1.	349	0.03%	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	Assessed								0.00%		
Hotels, holiday camps, camping grounds and similar accommodation services	BIO 2.1.	11 006	0.80%	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	Assessed								0.00%		
Revenue from taxonomy-covered but non-aligned activities (A.2)		153 908	11.22%	10.28%	0%	0.00%	0%	0.99%	0.83%								5.36%		
A. Revenue from activities covered by the taxonomy (A.1 + A.2)		201 738	14.71%	13.76%	0%	0.00%	0%	0.99%	0.83%								5.46%		
B. NON-TAXONOMY ACTIVITIES																			
Revenue from non-taxonomy activities		1 170 038	85.29%																
TOTAL		1 371 775	100%																

— climate change mitigation: CCM
— water and marine resources: WTR
— circular economy: CE
— biodiversity and ecosystems: BIO

Percentage of capital expenditure on products or services related to economic activities aligned with the taxonomy – information for 2024

Financial year 2024	2024			Substantial contribution criteria						Do no significant harm (DNSH) criteria							Share of CapEx in line with taxonomy (A.1) or covered by taxonomy (A.2), 2023	Category (enabling activity)	Category (transition activity)
Economic activity	Code	Capital expenditures	CapEx share, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
(thousand €)		%	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T	
A. TAXONOMY-ALIGNED ACTIVITIES																			
A.1. Environmentally sustainable activities (in line with taxonomy)																			
Electricity generation using photovoltaic technology	CCM 4.1.	3,736	0.25%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.45%		
Freight transport by sea and coastal waters, including vessels necessary for port operations and auxiliary activities	CCM 6.10.	508,928	34.48%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.00%		T
Passenger transport by sea and coastal waters	CCM 6.11.	257,179	17.42%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.00%		T
Installation, maintenance, and repair of equipment for measuring, regulation and controlling energy performance of buildings	CCM 7.5.	667	0.05%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.12%	E	
Capital expenditures for environmentally sustainable activities (A.1)		770,511	52.20%	52.20%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.57%		
of which enabling activity		667	0.05%	0.05%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.12%	E	
of which transitional activity		766,108	51.90%	51.90%									YES	YES	YES	YES	YES	YES	YES
A.2. Taxonomy-covered but not environmentally sustainable activities (not in line with taxonomy)																			
Electricity transmission and distribution	CCM 4.9.	119	0.01%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Anaerobic digestion of bio-waste	CCM 5.7.	60	0.00%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Transport with motorcycles, passenger cars and light commercial vehicles	CCM 6.5.	3,149	0.21%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Freight transport by sea and coastal waters (non-aligned)	CCM 6.10.	929	0.06%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Passenger transport by sea and coastal waters (non-aligned)	CCM 6.11.	1,868	0.13%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Rail infrastructure	CCM 6.14.	71	0.00%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Renovation of existing buildings	CCM 7.2./CE 3.2.	365	0.02%	Covered	Not assessed	Not assessed	Not assessed	Covered	Not assessed										
Acquisition and ownership of buildings	CCM 7.7.	7,866	0.53%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Data processing, hosting, etc.	CCM 8.1.	994	0.07%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Data-based GHG emission reduction solutions	CCM 8.2.	1,164	0.08%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Sustainable urban drainage systems	WTR 2.3.	1	0.00%	Not assessed	Not assessed	Covered	Not assessed	Not assessed	Not assessed										
Hotels, holiday homes, campsites and similar accommodation	BIO 2.1.	26	0.00%	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	Covered										
Capital expenditures for taxonomy-covered but non-aligned activities (A.2)		16,611	1.13%	1.12%	0%	0.00%	0%	0.02%	0.00%										
A. Capital expenditures for taxonomy-covered activities (A.1 + A.2)		787,123	53.33%	53.33%	0%	0.00%	0%	0.02%	0.00%										
B. NON-TAXONOMY-ACTIVITIES																			
Capital expenditures for non-taxonomy-covered activities		688,863	46.67%																
TOTAL		1,475,986	100%																

Percentage of operational expenditure on products or services related to economic activities aligned with the taxonomy – information for 2024

Financial year 2024	2024			Substantial contribution criteria						Do no significant harm (DNSH) criteria							Share of OpEx in line with taxonomy (A.1) or covered by taxonomy (A.2), 2023	Category (enabling activity)	Category (transitional activity)
Economic activity	Code	Operating expenditure	OpEx share, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
(thousand €)		%	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES; NO; Not assessed	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T	
A. TAXONOMY-ALIGNED ACTIVITIES																			
A.1. Environmentally sustainable activities (in line with taxonomy)																			
Electricity generation using photovoltaic technology	CCM 4.1.	11	0.02%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.26%		
Freight transport by sea and coastal waters, including vessels necessary for port operations and auxiliary activities	CCM 6.10.	5,392	10.76%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.00%		T
Passenger transport by sea and coastal waters	CCM 6.11.	4,366	8.71%	YES	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	YES	YES	YES	YES	YES	YES	YES	0.00%		T
Operating expenditures for environmentally sustainable activities (A.1)		9,77	19.50%	19.50%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.28%		
of which enabling activity of which transitional activity		0	0.00%	0.00%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.02%	E	
A.2. Taxonomy-covered but not environmentally sustainable activities (not in line with taxonomy)		9,758	19.48%	19.48%										YES	YES	YES	YES	YES	YES
Electricity transmission and distribution	CCM 4.9.	47	0.09%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Efficient cogeneration of heat/cool and power from fossil gaseous fuels	CCM 4.30.	9	0.02%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Anaerobic digestion of bio-waste	CCM 5.7.	226	0.45%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Transport with motorcycles, passenger cars and light commercial vehicles	CCM 6.5.	862	1.72%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Freight transport by sea and coastal waters (non-aligned)	CCM 6.10.	4,318	8.62%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Passenger transport by sea and coastal waters (non-aligned)	CCM 6.11.	3,781	7.55%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Rail infrastructure	CCM 6.14.	176	0.35%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Construction of new buildings	CCM 7.1./CE 3.1.	63	0.13%	Covered	Not assessed	Not assessed	Not assessed	Covered	Not assessed										
Renovation of existing buildings	CCM 7.2./CE 3.2.	189	0.38%	Covered	Not assessed	Not assessed	Not assessed	Covered	Not assessed										
Installation, maintenance, and repair of energy efficiency equipment	CCM 7.3.	16	0.03%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Installation, maintenance, and repair of equipment for measuring, regulation and control of energy performance of buildings	CCM 7.5.	335	0.67%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Acquisition and ownership of buildings	CCM 7.7.	49	0.10%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Data processing, hosting etc.	CCM 8.1.	1,021	2.04%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Data-driven solutions for GHG emission reduction	CCM 8.2.	119	0.24%	Covered	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed										
Conservation, restoration of habitats, ecosystems, species	BIO 1.1.	1	0.00%	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	Covered										
Hotels, holiday homes, campsites and similar accommodation	BIO 2.1.	1,104	2.20%	Not assessed	Not assessed	Not assessed	Not assessed	Not assessed	Covered										
Operating expenditures for taxonomy-covered but non-aligned activities (A.2)		12,316	24.58%	22.37%	0%	0%	0%	0.50%	2.21%										
A. Operating expenditures for taxonomy-covered activities (A.1 + A.2)		22,086	44.08%	41.87%	0%	0%	0%	0.50%	2.21%										
B. NON-TAXONOMY- ACTIVITIES																			
Operating expenditures for non-taxonomy-covered activities		28,021	55.92%																
TOTAL		50,106	100%																

— Climate change mitigation: CCM

— Circular economy: CE

— Biodiversity and ecosystems: BIO

For activities listed under A.2, non-financial undertakings may complete columns 5–17 voluntarily.

Activities related to nuclear energy and natural gas

Row	Nuclear-related activity	Yes / No
1	The company is engaged in the research, development, demonstration, and deployment of innovative electricity generation facilities using nuclear processes with minimal waste from the fuel cycle, finances them or is otherwise connected to them.	No
2	The company is engaged in the construction and safe operation of new nuclear installations using the best available technology for electricity or heat production, including district heating or industrial processes such as hydrogen production, and enhancing their safety, finances them or is otherwise connected to them.	No
3	The company is engaged in the safe operation of existing nuclear installations that produce electricity or process heat, including for district heating or for industrial processes such as hydrogen production from nuclear energy, and enhancing their safety, finances them or is otherwise connected to them.	No
Gas-related activity		
4	The company is engaged in the construction or operation of power generation facilities using fossil gas, finances them or is otherwise connected to them.	No
5	The company is engaged in the construction, refurbishment or operation of cogeneration facilities using fossil gas for heat/cool and electricity, finances them or is otherwise connected to them.	Yes
6	The company is engaged in the construction, refurbishment or operation of facilities using fossil gas for heat/cool production, finances them or is otherwise connected to them.	No

E1 CLIMATE CHANGE

A transition plan to mitigate climate change

Infotar's strategic objective is to develop a transition plan for climate change mitigation in line with the guidelines of the Climate Resilient Economy Act to be adopted. As the law has not yet been adopted, the transition plan is still being finalised.

Material impacts, risks, and opportunities and how they relate to strategy and business model

For a list of relevant IROs related to the E1 thematic standard, see page 49

Positive impact

Infotar's main positive impacts related to climate change come from the energy business segment. Driven by the European Union's climate targets and the likely reduction in demand for natural gas, Infotar's strategy in the energy sector is to increase the share of renewable energy production. Infotar has a stake in biomethane production through affiliated companies and plans to continue investing in biomethane production either through possible new acquisitions or the construction of new biomethane plants. Biomethane produced using membrane purification technology in biogas plants can be used wherever natural gas is used, for example, by injecting biomethane into the natural gas network or using it as a motor fuel in compressed natural gas (CNG) vehicles.

The nominal capacity of Infortar's solar power plants as of the reporting year is 16.7 MW. The Group has several development projects underway for additional solar power plants in Estonia and Latvia, for which Infortar will make an investment decision after the necessary preparatory work has been completed. Key investments in Latvia in 2024 include a 4 MW solar power plant to be built by SIA Solar Nica and a 4.9 MW solar power plant to be built by SIA Solar Olaine. The Group's strategy is to increase the share of renewable energy production.

An important element of Infortar's strategy is to invest in businesses that support synergies between Infortar's investments. In addition to the production of renewable energy, Infortar contributes to the development of the infrastructure needed for the wider deployment of alternative and lower GHG emission fuels, in particular biomethane. As a gas distribution network operator in both Estonia and Latvia, the Infortar Group enables producers of green gas to market their production through the gas network. Infortar also owns and operates one of the largest networks of compressed natural gas filling stations in Estonia. The vast majority of compressed natural gas sold at the Group's filling stations (78% in 2024) is biomethane-based, and the sale of biomethane as a motor vehicle fuel will make a significant contribution to achieving the climate targets set for the transport sector. This will involve the purchase of biomethane from the affiliates of Infortar. In addition, the Infortar Group provides bunkering services for the use of LNG suitable as a transition fuel for ships and offers off-grid LNG station solutions.

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

Negative impact

Infortar's negative impact on climate change is linked to the Group's GHG footprint. Infortar and Tallink have measured their GHG emissions in impact areas 1, 2, and 3, with the largest impacts in impact areas 1 and 2 coming from the energy and vehicle fuel used in the maritime transport, energy, and construction and mineral resources segments. However, the Group's largest impact comes from emissions in impact area 3, with the largest impact coming from natural gas purchased and resold in the energy segment. In the Infortar Group, 11,306 MWh of energy was produced from fossil fuels in the reporting year.

Opportunities

The growth 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 will ensure that the business opportunities associated with the growth in demand for cleaner energy solutions are exploited. Infortar's strong financial position and unique competence in managing large investments can give the Group a competitive advantage in making the technology investments necessary to participate in the green transition.

In addition to the energy business segment, measures to meet climate goals create business opportunities for the construction segment. The need to adapt to climate change and stricter energy efficiency requirements could lead to increased demand for both infrastructure and general construction. In addition, the possibility of cultivating higher-yielding varieties, thereby reducing the cost of growing animal feed, has already materialised to some extent in agriculture in the context of climate change.

Risks

All of the Infortar Group's climate risks assessed as material are transition risks, with the exception of the physical climate risk affecting agriculture, where droughts and lack of snow can lead to a reduction in yields. A scenario analysis was conducted to identify climate risks, the description and results of which are presented on page 46. Natural gas consumption may be reduced by changes in consumer preferences driven by meeting climate targets, expansion of district heating areas, regulatory preference for alternative local heating solutions (e.g. heat pumps), replacement of natural gas-fired district heating plants with renewable energy, and additional taxation of fossil energy. The obligation for gas distribution networks to participate in the Emissions Trading Scheme (ETS) may also impose additional costs on the Group.

Investment in new technologies as a result of the green transition is associated with higher business risk. In order to mitigate the risk, Infortar's strategy is to base its investment decisions on the specific objectives and measures of the legislator. Especially in the construction business segment, there may be a significant risk of inadequate state supervision of compliance with the new requirements if smaller competitors manage to offer services at a significantly lower price by violating the new requirements. Infortar considers the improvement of its sustainability performance an important strategic objective, among other reasons, because the company's access to financing and investment on favourable terms increasingly depends on this aspect.

Climate change mitigation and adaptation policies, actions, and objectives

Infortar will develop the principles for the governance of the issue and specific objectives and action plans as part of the transition plan for climate change mitigation. In addition, a unified policy will be developed that addresses climate change mitigation, climate change adaptation, and other sustainability aspects. The timeframe for the transition plan and policy development will depend on the relevant provisions of the Climate Resilient Economy Act. As the law has not yet been adopted, the Group's policy is also in the process of being completed. The strategic level objectives and actions related to climate change are set out on page 40. Although no common policy has yet been developed at group level, Tallink and Gaso have their own guidelines and policies. Gaso has developed an environmental policy that addresses Gaso's environmental impact.

The Tallink Group, part of the Infortar Group, has set itself targets to reduce absolute CO₂ emissions from its activities in areas 1 and 2 by 2% per year. This target will be reviewed before 2027. The Group's ability to set scientifically more accurate and longer-term emission reduction targets will depend on advances in cross-sectoral technologies and fuel solutions.

INDICATORS

Energy consumption and distribution of energy sources

In the calculation of the reported energy demand, processes owned or controlled by Infortar have been taken into account and the same scope as in the calculations of the emissions in GHG impact areas 1 and 2 has been applied. Overall, the Infortar Group owns solar power plants with a total rated capacity of 16.7 MW, generating 9,739 MWh of renewable energy during the reporting year. In the Infortar Group, 10,881 MWh of energy was produced from fossil fuels in the reporting year. Infortar Group companies are active in the following sectors with a high climate impact as defined by the ESRS²: electricity, gas, steam, and air conditioning supply; wholesale and retail trade, repair of motor vehicles and motorcycles; construction; mining and quarrying; manufacturing; transport and storage; agriculture; real estate; maritime and coastal freight transport, ships required for port operations and auxiliary activities; sea and coastal passenger transport. The metrics have not been validated by any other external body.

Energy consumption and distribution by energy sources	Infortar (2024 data)	Tallink (5 months, 2024)
1) Coal and coal-based fuel consumption (MWh)	-	-
2) Crude oil and oil-derived fuel consumption (MWh)	7 878	479 176
3) Natural gas-based fuel consumption (MWh)	12 671	153 047
4) Fuel consumption from other fossil sources (MWh)	-	11
5) Purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	10 512	21 392
6) Total fossil energy consumption (MWh)	31 061	653 652
Share of fossil sources in total energy consumption (%)	97%	41%
7) Nuclear energy consumption (MWh)	-	2 228
Share of nuclear energy in total energy consumption (%)	-	0,01%
8) Renewable fuel consumption (incl. biomass, biogenic waste, biogas, renewable hydrogen) (MWh)	613	-
9) Purchased or acquired renewable electricity, heat, steam, and cooling (MWh)	337	-
10) Self-produced renewable energy for non-fuel use (MWh)	43	-
11) Total renewable energy consumption (MWh)	992	2 243
Share of renewable energy in total energy consumption (%)	3%	0,2%
Total energy consumption (MWh)	32 054	657 252
Energy consumption from activities in highly climate-relevant sectors (MWh)	28 216	657 252

Almost all of the Group's sales revenue is related to activities in sectors with a high climate impact. Revenue from other sectors is shown in Note 12 to the consolidated accounts (page 159) under the headings 'Management of sports facilities' and 'Income from services for maritime passengers'.

Energy Intensity Based on Net Turnover	Infotar	Tallink
Net turnover from activities in high-climate-impact sectors used for energy intensity calculation (€)	997 239	
Other net turnover (€)	57 773	
Total net turnover (€)	1 371 775	
Total energy consumption from high-climate-impact sectors per net turnover from those sectors (MWh/€)	0,03	208

Impact area 1–3 GHG emissions and total GHG emissions

Infotar's calculation of greenhouse gas (GHG) emissions is based on the GHG Protocol Corporate Standard (hereinafter the GHG Protocol) and the Corporate Value Chain (Scope 3) Standard. Infotar's GHG calculations were carried out on the basis of the financial control principle for the consolidated parent companies and subsidiaries in impact areas 1–3 in this Sustainability Report, in addition, GHG emissions related to the use of assets leased/rented by Infotar companies were reported (based on the principle of operational control). Greenhouse gas emissions included in the calculations include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃. Infotar has previously calculated GHG emissions in impact areas 1 and 2, but from 2024 onwards, GHG emissions will also be calculated in impact area 3. As compared to 2023, the agricultural company Halinga OÜ, the maritime transport company Tallink Grupp AS, and the energy company Gaso AS have been added to the calculations, Infotar has decided to use the results of 2024 as the base year to ensure comparability and relevance.

Due to the fact that Tallink calculates its carbon footprint separately, we present Tallink's methodology and results separately. Tallink calculates its greenhouse gas emissions on the operational control principle and the calculations have been carried out on the platform of an external consultancy. The calculations are based on the KHG protocol and ISO 14040 and 14044 guidelines.

Emissions in impact areas 1 and 2 include all direct emissions from sources owned or controlled by the company and emissions from purchased electricity and heat. For the calculation of impact areas 1 and 2, specific emission factors issued by the Ministry of Climate's model, the Latvian Environment, Geology and Meteorology Centre, the Association of Issuing Bodies (AIB), and the model commissioned by the Ministry of Regional Affairs and Agriculture were used. For the calculation of purchased electricity emissions in impact area 2, both a market-based and a location-based approach were used. Market-based approach emissions have been calculated using the specific emission factors of the AIB electricity residual mix. The emissions of the location-based approach are calculated using the specific emission factors of the supplier mix issued by AIB. In addition, Infotar has reported biogenic emissions from the combustion of biofuels only in impact area 1 based on 2024 data, and biogenic emissions were not calculated in impact areas 2 and 3 due to lack of data availability.

Tallink's specific emission factors for impact areas 1–2 originate from the Estonian Ministry of Climate's model and the corresponding national inventory reports (NIR) of other countries. Tallink has also used both a market and location-based approach. No biogenic emissions are generated by Tallink's activities in impact area 1 and are not calculated in the other impact areas due to lack of data availability.

The emissions in impact area 3 include indirect emissions across the value chain. For the calculation of impact area 3, a mapping of the important categories of impact area 3 was carried out in 2024 and the calculations were performed according to the Corporate Value Chain (Scope 3) Standard. Infortar divided the mapping of important impact area 3 categories among the company segments (energy; construction and mineral resources; general management, services, and real estate) and conducted workshops with them to identify key categories and data collection opportunities. The categories for the maritime transport and agriculture segments were calculated separately. In agriculture, the tool mentioned above was used for the calculations, and in maritime transport, the Tallink Group has carried out a separate materiality assessment and used the Corporate Value Chain (Scope 3) Standard as a basis for mapping and calculating material categories. Infortar identified all impact area 3 categories where data could be collected and then started collecting data. Calculations were carried out on both a quantity and a cost basis for all categories identified. No calculations were carried out with the primary data. The calculations were based on specific emission factors from the Ministry of Climate Change's model, a model commissioned by the Ministry of Regional Affairs and Agriculture, the DEFRA database, and the Exiobase database. Cost-based specific emission factors were adjusted for inflation. Tallink performs the calculations on both a quantity and a cost basis, using specific emission factors from the Exiobase database, supplemented with information from the scientific literature. Tallink included in impact area 3 calculations suppliers with an annual turnover above EUR 100,000, reaching around 380 suppliers, covering more than 80% of the volume. The table below highlights the significant and non-significant categories for Infortar and Tallink, with reasons provided.

In the calculation of impact area 3 emissions, neither the linking of emissions nor purchased or sold carbon credits are taken into account.

Scope 3 Category	Infortar		Tallink	
	Materiality	Was it included in the assessment?	Materiality	Was it included in the assessment?
1. Purchased goods and services	+	Yes, cost-based calculations	+	Yes, cost-based calculations
2. Capital goods	+	Yes, cost-based calculations	+	Yes, cost-based calculations
3. Fuel- and energy-related activities (excluding those in Scope 1 and 2)	+	Yes, quantity-based calculations	+	Yes, quantity-based calculations
4. Upstream transportation and distribution	+	Yes, cost-based or proxy data	+	No, due to limited data availability. Will be included in future years.
5. Waste generated in operations	+	Yes, quantity-based calculations	+	Yes, quantity-based calculations

6. Business travel	+	Yes, cost-based calculations	+	Yes, cost-based (only air travel); other transport modes not deemed material
7. Employee commuting	+	Yes, partially. Quantity-based (survey)	+	Yes, partially. Proxy-based using Baltic market peer data
8. Upstream leased assets	–	Not applicable; emissions already included in Scope 1 and 2	–	Not a material category
9. Downstream transportation and distribution	–	Not a material category	+	No, due to limited data availability. Will be included in future years.
10. Processing of sold products	–	Not a material category	–	Not a material category
11. Use of sold products	+	Quantity-based calculations (e.g., gas at point of use)	+	No, due to limited data availability. Will be included in future years.
12. End-of-life treatment of sold products	–	Not a material category	+	No, due to limited data availability. Will be included in future years.
13. Downstream leased assets	–	Not applicable; emissions already included in Scope 1 and 2	–	Not a material category
14. Franchises	–	Not applicable; no franchise activity	–	Not a material category
15. Investments	+	Yes, quantity-based or proxy-based calculations	+	No, due to limited data availability. Will be included in future years.

GHG Results

The GHG data for Infortar, Tallink, and Halinga are presented separately in the table below due to fundamental differences in the calculation methodologies. Tallink's data reflect five months (August to December), as Infortar increased its ownership in Tallink starting in August. Halinga's data reflect nine months of emissions for the same reason. The data have been calculated proportionally and under the assumption that monthly variations are not significant.

GHG Emissions Results (t CO ₂ eq.)	Infotar	Tallink (5 months)	Halinga (9 months)
Scope 1 GHG Emissions			
Scope 1 total GHG emissions	15 213	175 881	12 777
Share of Scope 1 emissions under regulated ETS (%)	-	28	-
Scope 1 biogenic emissions	110	-	-
Scope 2 GHG Emissions			
Location-based Scope 2 GHG emissions	6 446	9 050	908
Market-based Scope 2 GHG emissions	6 206	9 079	908
Scope 3 GHG Emissions			
Scope 3 total GHG emissions	5 653 836	92 076	6 506
1. Purchased goods and services	121 178	50 135	5 382
2. Capital goods	41 545	835	-
3. Fuel- and energy-related activities (not included in Scopes 1 and 2)	1 933 861	39 607	267
4. Upstream transport and distribution	80 139		402
5. Waste generated in operations	95	765	26
6. Business travel	22	248	1
7. Employee commuting	10	486	427
8. Upstream leased assets	-	-	-
9. Downstream transport and distribution	-	-	-
10. Processing of sold products	-	-	-
11. Use of sold products	3 399 458	-	-
12. End-of-life treatment of sold products	-	-	-
13. Downstream leased assets	-	-	-
14. Franchises	-	-	-
15. Investments	114 920	-	-
Total GHG Emissions			
Total location-based GHG emissions	5 675 495	277 008	20 190
Total market-based GHG emissions	5 675 255	277 037	20 190
Grand total location-based GHG emissions	5 972 694		
Grand total market-based GHG emissions	5 972 482		

In the GHG emissions calculations, the Infotar Group's sales revenue (consolidated financial statements, p. 159) is used to determine the emissions volume.

GHG Intensity (2024)	Infotar	Tallink
Location-based total GHG emissions per net turnover (t CO ₂ eq./thousand €)	5	493
Market-based total GHG emissions per net turnover (t CO ₂ eq./thousand €)	5	493

Total GHG Emissions by Segment (Market-based approach)	2024 (t CO ₂ eq.)
Energy	5 526 190
Construction and minerals	26 688
Maritime transport	391 956
General management, real estate, and services	7 457
Agriculture	20 190

E2 POLLUTION

Material impacts, risks, and opportunities and how they relate to strategy and business model

In the Infortar Group, the environmental aspect of pollution has significant negative impacts in several business segments. Construction and excavation work involves air pollution (dust), noise and vibration, and construction workers may also be exposed to asbestos and chemicals. These impacts are unavoidable with construction and extraction activities and the focus is on implementing effective mitigation measures.

In the maritime transport segment, ship emissions represent a significant area of impact. Air pollution from ships is directly related to ships' GHG emissions, reducing which is one of the main challenges for Tallink Group due to regulatory pressure. To reduce emissions in the long term, an alternative fuel solution for ships is needed. In the short term, emission reductions are mainly feasible through improving the energy efficiency of ships.

In the agricultural segment, air and water pollution is particularly important in relation to livestock production. Livestock farming inherently poses a risk of water pollution if manure is not properly managed, but measures set out in the environmental permits are taken to prevent this risk from materialising.

Significant impacts have been identified in the value chain in its own operations and in the geographical area. The interests of stakeholders have not been specifically taken into account. There are no timeframes for the implementation of the actions and there are no cases with significant impacts.

Pollution policies and measures

Set out below are the pollution policies and measures by relevant business segment. Stakeholder interests have not been specifically taken into account in the establishment of pollution management policies for all segments and the policies have not been made available to external stakeholders. For pollution-related measures, Tallink Group has a separate action plan with specifically allocated resources. For the other business segments, pollution-related measures are part of the normal activities of the companies and no significant financial resources are allocated to them separately.

Construction and mineral resources

Each of the Group's construction companies has an environmental management system in place, which includes the assessment of environmental impacts, the definition and implementation of guiding principles, and the evaluation of performance. An environmental action plan will be drawn up for each construction project, based on the environmental impact assessment, legal requirements, and the environmental register. The environmental action plan includes the procedures for obtaining the necessary permits, a list of environmental aspects with mitigation measures, waste management, responding to environmental incidents, and the identification of responsible parties. The environmental action plan is also presented to subcontractors and subcontractors' compliance with the environmental action plan is verified during the weekly general inspection of construction sites. The policy does not specify how substances of concern will be replaced or minimised and how substances of very high concern will be phased out. Each company's management is responsible for the environmental management system and its implementation, in cooperation with the quality manager and the heads of unit.

The environmental aspects register also covers aspects of noise, vibration, and dust generation and possible control measures. The aim of vibration and noise management is to prevent damage to buildings, disturbance of living organisms, and damage to workers' health. According to the Group's environmental management system for construction companies, headphones or earplugs are used to prevent adverse effects when noise levels exceed 85 dB or when required by the equipment's operating instructions. This takes into account the fact that a worker may not be able to hear an approaching vehicle or warning signals when wearing headphones. Noisy work is not carried out at night. To reduce the harmful effects of vibration, care is taken to ensure that the time spent working with the equipment during a shift is not too long. Alternatives to vibration-inducing work and tools are always sought and vibration-damped tools are selected. The noise limits for residential and recreational areas and the vibration limits for residential buildings are also respected. Vibration and noise management is the responsibility of the site manager and the subcontractor.

As regards dust, the aim is to prevent the spread of dust to neighbouring properties. To this end, the environmental management system stipulates that excessive dusting must be avoided and that machinery must be shut down during downtime. If possible, the work routes will be watered using a water truck. For work where dust cannot be avoided, workers use personal protective equipment and follow work protection and safety rules. The design of the works will seek to plan measures to minimise dust where possible and use the technologies identified in the project. Dust management is the responsibility of the site manager and the subcontractor.

When handling chemicals, safety cards and instructions are presented to workers to manage potential harmful effects. Where possible, materials are delivered to the site in the quantities required for a particular stage of the works to prevent chemical spills from the storage of materials on site. Materials are stored properly, taking into account the specific nature of the product.

In the case of asbestos, the asbestos content of old buildings is determined before demolition or repair. In the case of asbestos, the respective work is contracted out to specialised subcontractors and carried out in accordance with the requirements laid down in the Regulation 'Health and Safety Requirements for Asbestos Works'.

Maritime transport

As part of its own safety management system, Tallink Group has adopted an environmental policy for the management of air pollution in maritime transport, based on the provisions of the International Convention for the Prevention of Pollution from Ships (MARPOL). The environmental policy is the basis for specific procedures and routines to avoid unwanted outcomes or incidents that could have a negative impact on the environment. All incidents are thoroughly analysed and, where necessary, policies and procedures are reviewed and amended as a result. Responsibility for implementing the safety management system lies with the management of Ship Management (a subsidiary of the Group) and with the captain of each ship.

Since 2019, Tallink Group has installed high voltage shore connection (HVSC) equipment on most of its vessels to further reduce emissions and noise in ports. All of the company's current passenger vessels were equipped with HVSC receivers between 2019 and 2024. Emissions from HVSC-equipped ships have decreased by 3% per ship in absolute terms. In addition, catalysts have been installed on some ships to reduce NOx and particulate emissions, and solutions are being sought in cooperation with technology partners to reduce methane emissions from LNG ships. We collaborate with current and prospective fuel partners to identify the optimal fuel mix and explore future fuel options, along with the technological advancements needed for a transition to more sustainable and lower-emission fuels.

During 2024, Tallink Group has invested EUR 0.8 million in various projects, such as Romantika HVSC and Silja Symphony's energy efficiency improvement project. Further energy efficiency projects are on the agenda for the coming years, such as the HVAC optimisation of Silja Symphony and the modernisation of Superfast IX's machinery and hydrodynamics. No microplastics will be used or generated during the activities. In addition, there is a lack of information on the production, use, distribution, marketing, and import/export of substances of very high concern and substances of very high concern on their own, in mixtures, or in products.

Agriculture

There is no separate policy for managing agricultural air and water pollution and Halinga OÜ bases its activities on the provisions of the integrated environmental protection permit. As we are currently focused on mapping the situation, concrete measures and policies are still being finalised. Outdoor air pollution primarily results from cows, natural processes, and manure management. In a free-range barn for cows, operating conditions that reduce the air emissions of pollutants are implemented, such as optimally sized resting pens, regular manure removal with automated scraper equipment, and the use of sufficient bedding. To reduce odour pollution, manure storage facilities are located as far as possible from residential buildings and positioned downwind of prevailing winds. Outdoor air pollution is also generated by the production of heat in a local boiler plant. In order to reduce the need for thermal energy production, the residual heat from milk cooling is reused to heat the farm's utility block.

Potential water pollution is mainly related to the risk of animal feed or manure getting into the water. When storing silage, the silo is waterproofed, and collection pits are used to prevent silage effluents from leaking into the environment. Livestock buildings and manure storage facilities are insulated from the soil with leakproof materials. When manure is spread, it is immediately moved into the soil and adequate clearance is ensured from areas where there is a risk of run-off into water. Solid manure is not used in the windrows. Procedures are also in place to prevent accidents and minimise the potential consequences of manure storage by containing the spread of manure with peat or straw.

Liquid manure storage facilities are monitored quarterly for leakage by taking a water sample from the drainage system at the bottom of the manure storage facility and organoleptically assessing for signs of pollution. Semi-annual rainwater sampling is also carried out.

POLLUTION-RELATED METRICS AND TARGETS

Objectives

The Infortar Group does not have any pollution targets other than to comply with all local and international regulations on pollutants. The Tallink Group is preparing to set targets for the reduction of nitrogen oxides (NOx), particulate matter (PM), and sulphur oxide (SOx) emissions and is currently in the process of gathering the necessary data to set targets.

Indicators

The disclosure of pollutant quantities is based on the pollutants reported under each environmental permit or regulation (such as MARPOL for maritime transport) that are deemed to have a significant impact. Therefore, not all pollutants listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European PRTR Regulation) that are released into air, water, and soil are reported. The existing regulatory requirements are based on the pollutant register of the aforementioned directive. The Group assumes that reporting under environmental permits and MARPOL covers pollutants relevant to the specific activity, ensuring no relevant information has been omitted for the reader.

As significant pollution impacts from construction and mining activities involve dust, noise, and vibration – which are not measurable pollutants – no emissions data are reported for this segment.

In the maritime transport segment, air pollutants are monitored in accordance with MARPOL requirements and methodology. In 2024, the ships of Tallink emitted 154 tonnes of sulphur oxides into the air. For nitrogen oxides and particulate matter, the NOx emissions for a specific engine are defined in its type of approval certificates. Actual NOx and particulate emissions can be measured directly through exhaust gas analysis, conducted on a vessel-by-vessel basis. For MARPOL-compliant ships, the Group relies entirely on the engine manufacturer's certificate as the basis for compliance. However, for vessels that are performing significantly better than regulatory requirements due to the technical improvements installed, the Group carries out NOx and PM measurements every three years to verify and document their improved environmental performance. The last measurements were carried out in May 2024 on the Baltic Princess and the results were consistent with the expected emission levels.

In agriculture, air and water pollutants are measured in accordance with the requirements and methodology of environmental permits. In 2024, 261 tonnes of methane, 71 tonnes of ammonia, and 0.3 tonnes of nitrous oxide was emitted to the atmosphere. The pollutants entering the water are measured both at the farm's discharge point and in rainwater. The total effluent load figures for 2024 are presented in the table below. The metrics have not been validated by any other external body.

Indicator	Average annual measurement result	Unit
Biochemical oxygen demand (BOD7)	5,67	mg/l
Suspended solids	3,03	mg/l
Chemical oxygen demand (COD)	58,67	mg/l
Hydrogen ion concentration (pH)	7,15	mg/l
Total phosphorus (P total)	0,07	mg/l
Total nitrogen (N total)	4,64	mg/l

E3 WATER AND MARINE RESOURCES

Material impacts, risks, and opportunities and how they relate to strategy and business model

In the Group, the only water-related impact assessed as significant is water consumption for livestock production. Water consumption is essential for livestock production and the strategic focus is on the implementation of water-saving measures. The impact of water consumption is directly linked to the impact of water pollution, as outlined in the thematic standard on pollution. The implementation of measures will always consider both water consumption and pollution prevention aspects.

Water-related policies and measures

No specific policy has been adopted to manage water consumption, as we are currently focused on mapping the situation and it will take time to finalise a concrete policy. However, Halinga OÜ, an agricultural company part of the Infortar Group, holds an integrated environmental permit and two special water use permits, the requirements and measures of which guide the company. The permits ensure the use and procurement of water, water treatment, and the prevention and reduction of pollution.

The activities of the agricultural company pay attention to the sustainable use of water and the prevention of water pollution. Drinking water is always available to the cattle and group drinkers are used to ensure the purity of the water and reduce the risk of contamination. The technical condition of the group drinkers is monitored by the workers on a daily basis and regular maintenance is carried out by the technicians. Freeze-proof group drinkers are located at the ends of the resting pens to avoid contamination of drinking water with feed and the run-off water is directed directly into the manure chute, preventing contamination of the drinkers with bedding.

Water meters are used in cattle barns to monitor water consumption and prevent water losses. The workers monitor the watering systems daily and any leaks discovered are quickly repaired by mechanics. Pressure washers are used to wash the cattle barns and faeces are removed mechanically. The waiting area for milking is cleaned using wash water intended for cleaning the equipment, if necessary.

Milking is carried out using a stable vacuum milking system, operating at optimal levels, ensuring animal welfare and milk quality. The milk is delivered from the udder to the cooler without contact with the air in the barn and the milking equipment is washed using automatic washing machines that ensure optimal quantities of water and detergents. Wash water from the milking equipment is reused to clean manure from the milking area, helping to reduce freshwater consumption and promote sustainable water use. Rainwater collected for this purpose is also used. In addition, water used to wash technological equipment is also used for cleaning the rooms and is sent to a wastewater treatment plant or storage facility before being discharged.

The company is committed to the sustainable use of water, using water-saving equipment, such as automatic group drinkers, level drinkers, and pressure washers. Monitoring the condition of pipes and the regular maintenance of equipment will help reduce water losses. Sensors, pressure washers, and a fully automatic pump are used to reduce the consumption of process water and the wash water from the milking equipment is reused to clean the milking area.

Water-related metrics and targets

The Group has not set any water-related targets, but complies with local requirements, as the situation is currently being mapped, and it will take time to set concrete targets.

In agriculture, water consumption is measured in accordance with the requirements and methodology of environmental permits to assess compliance. The quantities of water used are determined based on direct measurement. Water is not reused. Total water consumption is shown in the table below. In total, 1% of water consumption is for domestic purposes and 99% is for agricultural use. The metrics have not been validated by any other external body. As water consumption significantly impacts only the agricultural company, the metric 'total water consumption in own operations' is calculated based solely on Halinga's net income, not the entire Group's.

Indicator	Amount
Total water consumption (m ³)	101 617
Water consumption in water-stressed areas, including high water stress areas	-
Total volume of water reused and recycled	-
Total stored water and changes in the volume of stored water	-
Water consumption from own operations (m ³ per million euros of net revenue)	13 688

E4 BIODIVERSITY AND ECOSYSTEMS

Material impacts, risks, and opportunities and how they relate to strategy and business model

Regarding biodiversity and ecosystem sustainability, the Group's agriculture segment has been recognised for having a significant positive impact on soil condition through the implementation of responsible agricultural practices. Ensuring good soil condition is critical to the overall sustainability of the agricultural company. Responsible soil management practices determine business performance, both through production efficiency and qualification for public subsidies. The identified impacts are manifested in the work areas of the agricultural company itself. The company has not identified any activities that could affect endangered species. The ecological status of the agricultural company's work areas has not been compared with the baseline status of that ecosystem.

No separate analysis has been carried out on the resilience of the business model and strategy to physical, transitional, and systemic risks to biodiversity and ecosystems. In addition, there are no timeframes for planning activities.

Policies and measures related to biodiversity and ecosystems

No specific policy has been adopted on biodiversity and ecosystem management, as we are currently focused on mapping the situation and it will take time to finalise a concrete policy. However, Halinga OÜ, an agricultural company within the Infortar Group, holds an integrated environmental permit, complies with its conditions, and implements the required measures. The integrated environmental permit does not monitor the coverage of the value chain.

Agricultural activities have an impact on soil condition and biodiversity. In order to minimise the impacts, Halinga OÜ implements a number of sustainable agricultural practices that focus on protecting soil health and ecosystems. To this end, the rules of environmentally friendly management are followed. Organic fertilisers are used in the fields to help maintain and improve soil carbon and promote the activity of micro-organisms. Grasslands play a key role in crop rotation by reducing invasive interference with soil biota, with each field remaining as grassland for two to three years. Fields with peat soils are predominantly used as permanent grassland, which requires the least intervention and supports the natural balance of the soil. Minimised tillage is used to maintain soil structure and tractors use dual wheels to help prevent soil compaction. Chemical herbicides are used only when absolutely necessary. Fertilisation and plant protection are carried out with precision equipment that ensures the desired rate per unit area.

The integrated environmental permit sets out monitoring measures to help conserve and protect biodiversity. The waste management site is monitored to ensure that waste management is carried out in a safe and environmentally sound manner, avoiding contamination of soil and water, which are essential for the preservation of biodiversity. Emission monitoring helps to monitor and control the release of pollutants into the environment, thereby reducing potential damage to ecosystems and biodiversity. Odour monitoring reduces odour pollution, which can affect the health and biodiversity of local ecosystems. Water pollution monitoring helps maintain water quality, which is critical for sustaining the species that live in aquatic environments. The progress of measures taken in previous periods has not been monitored.

Metrics and targets related to biodiversity and ecosystems

The Infotar Group has not set specific targets and metrics for biodiversity and ecosystems but monitors compliance with local requirements. We are currently focusing on mapping the situation to determine what data can be collected, what metrics can be set, and how to establish the targets based on that. Setting targets now would be premature. We are therefore currently focusing on monitoring compliance with local requirements.

In agriculture, activities supporting soil condition are carried out on a regular basis, including during this reporting year. These actions are part of the regular activities and are not allocated significant financial resources.

- Liming of acidic soils. Liming of acidic soils is done to reduce acidity and enhance biodiversity. This measure improves the physico-chemical balance of the soil and supports the activity of soil biota.
- Fertilisation based on soil samples and soil maps. Fertilisation is based on soil maps drawn up on the basis of soil samples to ensure an even distribution of nutrients in the soil. This helps to maintain the right balance of nutrients in the soil and reduces over-fertilisation.
- Use of cover crops. Planting cover crops helps retain nutrients in the soil's surface layer, conserve soil moisture, and promote microbial activity. It also helps to reduce soil erosion and degradation.

E5 RESOURCE USE AND CIRCULAR ECONOMY

Material impacts, risks, and opportunities and how they relate to strategy and business model

Positive impact

Positive impacts on the circular economy result from the use of agricultural outputs in energy production. The Group's strategic investment policy is to invest in businesses that support synergies between investments, with investments in agriculture directly supporting the Group's activities in biomethane production.

Negative impact

The use of input resources has a significant impact on the Group in relation to resource-intensive construction and animal husbandry. In addition to the construction and mineral resources segments, waste is also a significant factor in service companies, where packaging waste and, to a lesser extent, hazardous waste from printing services are generated.

Opportunity

The activities of the construction and mineral resources segments generate large volumes of residual materials, but these are mainly recyclable materials. It is therefore possible to generate revenue from the recycling of these materials, especially in the context of a general increase in the price of input resources.

Risks

While recycling materials in construction and mining offers an economic opportunity amid rising input resource prices, these segments – along with agriculture – also face negative financial impacts, as input prices significantly affect company performance. In mining, alongside the rising price of purchased input resources, there is also a significant risk of increased costs due to the declining quality of mineral resources available for extraction. Service businesses face a significant risk to their resource output if additional packaging regulations result in substantial added costs.



Policies and actions related to resource use and the circular economy

In the Group's construction companies, the principles of resource use and circular economy are established in the environmental management system described in the E2 standard (page 71). The environmental management system aims at the careful and sustainable use of resources. The management system emphasises design and informed procurement as key measures for enhancing environmental awareness and preventing environmental damage and inefficient resource use. The environmental management system establishes the general principles of waste management, including waste prevention, a preference for the reuse of materials and excavated soils, proper waste storage to enable recycling, and cooperation with authorised waste handlers. The policy does not include other recovery, recycling, and disposal activities, or the prioritisation of waste prevention or minimisation. The principles of resource use and circular economy cover the Group's own activities and those of subcontractors on all sites. The company's management is responsible for the environmental management system and its implementation, in cooperation with the quality manager and the heads of unit. All waste generated at construction sites is sorted at the source into at least the following categories: hazardous waste, mixed municipal waste, mixed construction waste (handed over to a waste handler for further sorting), and soils by type. If it is economically feasible and can be done with reasonable effort, then untreated wood, film and plastic, paper and cardboard, mineral construction and demolition waste, and metal waste are also collected separately.

There is no specific policy in place in service companies to manage the impacts, risks, and opportunities related to resource use and the circular economy, as we are currently focused on mapping the situation. For service companies, the main impact is the generation of waste, which is managed in line with legal requirements and collected separately, and hazardous waste is transferred to an authorised partner for disposal.

There is no specific resource use and circular economy policy in agriculture either, as we are currently focused on mapping the situation. Today, our activities are carried out under the conditions of the integrated environmental permit and we implement the measures required by the permit. Among other measures, we implement actions to ensure the sustainable use of raw materials, chemicals, auxiliary materials, and water, reduce energy and fuel consumption, and minimise waste. We also monitor the consumption of raw materials, auxiliary materials, water and electricity, and the amount of waste generated.

Stakeholder interests have not been specifically considered in the development of the policies, nor have the policies been shared with external stakeholders. The policies do not cover the sustainable purchase and use of renewable resources. In addition, there are no measures, as the focus is currently on mapping the situation.

Metrics and targets

The Group has not set any targets for resource use and circular economy.

Due to the size of the Infortar Group and the diversity of its data management systems, a group-level system for collecting data on resource input and output flows is under development, with efforts underway to standardise and automate data management. In this Sustainability Report, the collection of circular economy data is linked to the calculation of GHG impact area 3 and covers the business segments and resource types included in the impact area 3 calculations. The table below shows the resource input and output flows, which are the most important in terms of size and were collected on a volume basis during the reporting period. Resource input flows reflect the quantities of LNG, natural gas, and electricity purchased, as well as the amounts used for transportation, primarily from the energy segment. Output flows reflect the volumes of LNG, CNG, and natural gas sold. The data comes from internal company invoices. Other outsourced products and services are not included in the energy segment due to the lack of quantity-based information. In addition, for the same reason, there are no input flows from the construction and mineral resources, general management, agriculture, and maritime transport segments. In the coming years, the Group will seek to collect quantity-based information. The metrics referred to have not been validated by any other external body.

Resource input and output flows	Unit	2024
Resource inputs		
Products and materials purchased during the reporting period	TWh	19
Fuel used for the transport of products purchased during the reporting period	t	22 416
Share of sustainably sourced biological materials (and biofuels used as non-energy sources) used for the production of products and services (incl. packaging), with information on the certification system applied and cascading use principle		-
Mass of secondary, recycled, or reprocessed components, intermediates, and materials used for the production of products and services (incl. packaging) in absolute terms		-
Mass of secondary, recycled, or reprocessed components, intermediates, and materials used for the production of products and services (incl. packaging) as a percentage		-
Resource outputs		
Products and materials sold during the reporting period	TWh	17

In addition, one of the output flows of the Infortar Group is waste, which is mostly collected separately. For example, in the general management, energy, and maritime transport segments, separate collections are made of packaging waste, paper and cardboard, and bio-waste. In the construction and mineral resources segments, there is a wide variety of waste types, including construction waste, hazardous waste (such as batteries and oil-containing waste), non-hazardous waste, and wood waste. There is no further information on the materials contained in the waste. Only mixed municipal waste is included in the agriculture segment. Information on waste quantities is derived from waste reports, with a conservative approach taken when including quantity data in the report if more detailed information on the waste management method is unavailable. Therefore, such waste is recorded under disposed quantities. The table below gives an overview of the quantities of waste from the construction and mining, general management, energy, agriculture, and maritime transport segments. The metrics have not been validated by any other external body.

Waste

Waste category	Quantity (t)
Total waste generated	3 508
Total hazardous waste	37
Total waste diverted from disposal	685
Hazardous waste	
– Prepared for reuse	-
– Recycled	-
– Other waste treatment	2
Non-hazardous waste	
– Prepared for reuse	-
– Recycled	3
– Other waste treatment	682
Total waste directed to disposal	5 379
Hazardous waste	
– Incineration (with or without energy recovery)	36
– Landfilling	-
– Other disposal operations	-
Non-hazardous waste	
– Incineration (with or without energy recovery)	385
– Landfilling	2 403
– Other disposal operations	-

SOCIAL INFORMATION

S1 OWN STAFF

Material impacts, risks, and opportunities and how they relate to strategy and business model

Important IROs related to our staff are set out on page 52. Disclosures related to material impacts include all employees of the Infortar Group, except for those of Elenger Polska, who joined the Group at the end of 2024.

Positive impact

The most important social impact of the Infortar Group stems from Infortar's role as a large employer. Infortar's strategic advantage as an investment firm is its staff with unique expertise in managing large and complex investments. Complex and highly regulated operations are carried out in all business segments of the Group: in the energy business segment – the operation of the gas network and trading in financial derivatives; in the real estate business segment – development and construction, etc. These complex processes require technical precision, care and attention, strict compliance with applicable regulations, including health and safety and competition rules. Therefore, it is important for Infortar to value its employees, to ensure good and safe working conditions, adequate pay, training and development opportunities, and equal treatment to remain competitive.

Negative impact

The negative impact on workers is especially relevant for construction companies, where the working environment is inherently higher-risk. In order to protect its employees, Infortar prioritises compliance with the principles of occupational safety and implements continuous internal controls in its activities related to buildings and infrastructure. The process of the double materiality assessment did not identify any significant impacts on the workforce, resulting from the transition plans to reduce negative environmental impacts and to achieve greener and more climate neutral activities. The materiality assessment also did not identify people with specific characteristics, in specific circumstances, or carrying out specific activities that may be at higher risk, in addition to a segmental view.

Risks and opportunities

Both the opportunities and the risks related to employees stem from the Group's dependence on its management and other key people to remain competitive and to execute its business strategy. As competition in the labour market for competent and skilled employees is intense, the Group may not be able to recruit or retain a qualified, skilled, and experienced workforce. The loss of key personnel or the inability to recruit and retain qualified personnel could have a material adverse effect on Infortar's business, financial condition, and business results. On the other hand, by enhancing its sustainability performance, Infortar can boost its appeal as an employer, particularly to the younger generation, who increasingly prioritise working for companies that value people and the environment. In the agricultural segment, automation solutions can be introduced to mitigate the risk of labour shortages, which will improve working conditions and also have a positive financial impact through efficiency gains. Monitoring the realisation of employee-related risks and the effectiveness of mitigation measures is the responsibility of every company's management.

Policies and actions relating to own staff

Infortar has established principles and priorities for people management at the Group level, as outlined in the principles of responsible business conduct. The principles of responsible business conduct apply to all activities of the Group's members and to all employees worldwide, but the details and implementation of each company's HR policy are the responsibility of the company or segmental group management. 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. The known interests of employees and other stakeholders were taken into account in the establishment of the principles of responsible business conduct, but there was no further stakeholder involvement in the policy-making process.

The Group has not adopted a general process for communicating with its employees. In addition to ongoing communication and the collection of employee feedback within each company, an annual group-wide satisfaction survey is conducted at the Group level to assess employee opinions. Employees of the Group can report their concerns to their line manager or use the email address rikkumine@infotar.ee to report violations. Whistleblower protection policies and processes are described under the G1 thematic standard. The Group does not evaluate whether its workforce is aware of or trusts these structures and processes as effective means for raising concerns or addressing their needs. Across the Group, employee feedback is taken into account in management decisions on an ongoing basis, but there is no formal process for informing employees how their feedback has influenced decisions. The code of conduct for companies in the construction segment requires managers at all levels to involve workers and their representatives in health and safety discussions and decision-making. The human resources manager of the Group is responsible for the involvement of employees across the Group. Group-wide policies have been communicated to the companies and each employee has access to the HR policies in force in his or her company.

Infotar Group's strategic objectives are to increase employee satisfaction, to be an attractive employer, to prevent accidents at work, and to reduce the time away from work due to accidents or illness. These objectives will be supported by the measures outlined below, which will continue to be implemented in the future. As the Infotar Group is an investment group with a very dynamic mix of companies, there are no group-wide measurable and time-bound workforce targets, and the results of the measures have not been evaluated separately.

One of the Group's priorities is to be a trustworthy employer by motivating people to promote Infotar's values and adapt the organisation to the needs of the future. For example, a share option scheme was set up for the Group's employees with the aim of motivating employees to become shareholders by allowing them to benefit from the increase in share value as a result of their work. The Infotar Group's working environment is based on the principle that employees should enjoy working for the Group. Employees are provided with opportunities to maintain and restore their health and improve their physical fitness. Employees are provided with a safe and healthy working environment and, where necessary, appropriate training to prevent accidents at work and to reduce the time away from work due to accidents or sickness. Construction companies with higher-risk work environments have established safety management systems with relevant policies and guidelines. The effectiveness of occupational safety measures is assessed by recording and analysing safety-related incidents. The remediation of negative impacts related to the work environment is based on the requirements of occupational health and safety regulations. Any loss or damage incurred is remedied based on the regulatory requirements of each country of operation.

Infotar also believes it is important to create opportunities for professional and personal development for everyone. Infotar helps employees feel valued and appreciated, involved and connected, and that their knowledge and skills are being used to the maximum. Infotar contributes to the development of its employees by providing professional training and supporting the acquisition of new knowledge. The Group values long-term employment and work-life balance and supports parenthood.

It is important to Infortar that all employees are treated fairly and equally, without discrimination. All employees are valued, regardless of their gender, race, religion, or social background. The definition of social background also includes sexual orientation, disability, age, political views, and ethnicity, but these characteristics are not specifically mentioned in the policy. Recruitment is based on the candidate's diligence, intelligence, reliability, professional qualifications, and openness to technological development. The Group's salary policies are based on the responsibilities of the position and the performance, competencies, and capabilities of the employee. Infortar does not use child, forced, or compulsory labour in its companies. Adherence to the above principles is an integral part of the Group's activities and Infortar has not established specific policies aimed at eliminating discrimination or promoting diversity and inclusion.

Indicators

In this Sustainability Report, Elenger Polska's employees are not included in the calculation of employee figures. The Group's full-time equivalent number of employees, including those at Elenger Polska, is presented on page 160 of the financial statements.

As a rule, the methodology, concepts, and definitions set out in the disclosure and application requirements of ESRS have been followed in the calculation of the measures. If the approach differs from the standard, an explanation is given for the specific metric. None of the company's workforce-related metrics have been externally validated, except by the insurer.

Characteristics of paid employees

The number of employees is reported as the total as at 31/12/2024. 58% of the Infortar Group's employees work in Estonia.

During the reporting period, 1,207 employees left the group and the employee turnover rate was 16%. When calculating the turnover rate, the numerator is the number of paid employees who left the Group during the reporting period, and the denominator is the number of paid employees who worked for the Group during the same period.

Number of employees by gender:

Gender	Number of employees
Women	3 126
Men	3 038
Other	0
Not disclosed	0
Total employees	6 164

The number of salaried employees by country, for countries where the Group has 50 or more employees and they represent at least 10% of the total workforce:

Country	Number of employees
Estonia	3 593
Latvia	998
Finland	957

Employee data by contract type, categorised by gender:

Employment type	Women	Men	Total
Permanent (indefinite-term) employees	2 921	2 842	5 763
Temporary (fixed-term) employees	204	197	401
Employees with zero-hour contracts	0	0	0

98% of temporary workers are employed by the Tallink Group, where seasonal demand and flexible work opportunities are common in the maritime transport and tourism sectors.

Characteristics of non-paid employees in own workforce

As of 31/12/2024, the total number of non-paid employees in the group was 76. Primarily, this refers to individuals working under a board member's contract and some 'self-employed' individuals working under civil law contracts.

Involvement in collective bargaining and social dialogue

The Group has 4,486 employees covered by collective agreements. In the case of the employees of Tallink Group, the data are based on information voluntarily provided by the employees and the company does not have accurate data on the number of persons covered by collective agreements. All employees of the Latvian gas network company Gaso are covered by a collective agreement. The Group has 185 paid employees represented by employee representatives. The Group has no employees outside the European Economic Area. The Group does not have any agreements with its employees to be represented on the European Works Councils, the European Company (SE) Works Council, or the European Cooperative Society (SCE) Works Council.

All Group locations with more than ten employees have an employee representative, either in the form of a work environment representative or a trade union representative.

The overall percentage of employees covered by collective bargaining agreements and the percentage of employees represented by employee

Country	Share of Employees Covered by Collective Agreements	Share of Employees with Representation
Estonia	0%	99.2%
Latvia	69%	100%
Finland	0%	99.6%

representatives at the company level in each country where the Group has a significant number of employees (i.e., at least 50 employees, representing at least 10% of the total workforce).

Diversity indicators

Women make up 22% of the Group's top management (21 women and 74 men). Tallink Grupp defines top management as the group and country management, which includes managers of

Age group	Number of employees
Under 30 years	1 160
30–50 years	2 738
Over 50 years	2 266

different fields, deputy CEOs, and other top managers who are responsible for the strategic and operational management of the entire organisation. In the rest of the Group, the members of the company's board of management are regarded as top management.

Age distribution of employees:

Adequate remuneration

All employees of the Infortar Group are paid an adequate remuneration in line with Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages.

Social protection

All Infortar Group employees in all countries of operation are covered by social protection through public programmes in the event of loss of income due to any of the following life-changing events: a) illness; b) unemployment that starts while the employee is working for the company; c) acquired disability, work-related injury; d) parental leave; e) retirement.

Persons with disabilities

The calculation of the disabled persons metric was based on the number of individuals with reduced work capacity known to the employer, as determined by the decisions issued by the Estonian Unemployment Insurance Fund. In view of legal and ethical constraints, no further identification of persons with disabilities was carried out. The proportion of people with disabilities among the Infortar Group's employees is 0.65%.

Training and skills development metrics

Among the Group's paid employees, 94.7% of women and 91.7% of men regularly participated in performance and career development appraisals. 100% of the annual interviews agreed by management were carried out.

The average number of training hours per employee was 6.44. The average number of training hours for women was 6.25 hours and for men, 6.62 hours.

Health and safety metrics

99.8% of the total number of Infortar Group employees are covered by the health and safety management system. There have been no fatalities in the Group due to work-related injuries and ill health. There were 76 registered workplace accidents, of which 74 occurred in the Tallink group. The workplace accident rate for the Group, excluding Tallink, is 0.8. This accident rate is an estimate and is calculated using the standard number of hours worked in 2024, taking into account a basic annual leave of 20 working days. In the Tallink Group, the workplace accident rate is 9.2. A total of 58 calendar days were lost due to accidents within the Group, excluding the Tallink Group. In the Tallink Group, the number of days lost due to workplace accidents is not measured, as the reasons for sick leave vary by country and cannot be directly attributed to workplace accidents. The Group is not in a position to collect data on work-related medical conditions because the cause of the employee's medical condition is not disclosed to the employer.

Work-life balance metrics

All Group employees are entitled to family leave through the social policies of the countries where they are located. Family leave was taken by 9% of women and 4% of men.

Remuneration metrics

The Group's gender pay gap was 20.03%. To calculate the gender pay gap, the average gross hourly wages of employees at each company within the Group were collected by gender. These were then used to determine the Group's weighted average gross hourly wages for women and men.

The data needed to calculate the ratio of the highest-paid person's annual total wages to the annual median wages of all employees (excluding the highest-paid employee) cannot be collected at the Group level. Therefore, this metric has been calculated at the level of each individual company.

Infortar AS has an overall pay ratio of 6.7, which is primarily due to the fact that the highest-paid employee receives bonuses, shares, and options in addition to their basic salary.

In the maritime transport business segment, the overall pay ratio is calculated on a country basis, ranging from 1.05 in Germany to 20.33 in Finland. In Estonia, the ratio is 11.58. In this business segment, high ratios result from substantial one-off bonuses and other special payments to the highest-paid employees and do not reflect permanent salary levels.

In the energy business segment, the ratio ranges from 1.62 to 7.73. The highest ratio is in a company with only four employees. In the energy business segment, the company with the most employees is the Latvian gas network company Gaso, with a ratio of 5.91. In Estonia, the largest employer in this segment is Elenger, with a ratio of 2.72.

In the construction and mineral resources business segment, the ratio ranges from 1.14 to 2.55. The ratio for the largest employer in the segment, AS EG Ehitus, is 2.55.

In the agriculture business segment, the ratio is 2.84.

In the services business segment, the ratios range from 1.68 to 4.27. The ratio for the largest employer in the segment, Tallinna Raamatutrükikoja OÜ, is 2.70.

Cases, complaints, and serious human rights impacts

During the reporting period, there was one reported case of discrimination and one pending employee grievance in the Group. Both incidents occurred in the Tallink Group. There were no cases of human rights violations in the Group.

S2 EMPLOYEES IN THE VALUE CHAIN

Material impacts, risks, and opportunities and how they relate to strategy and business model

For important IROs related to employees in the value chain, see page 53. Important IROs are related to the Group's construction companies, which use a significant volume of subcontractors for construction work. As the energy segment in turn uses the services of construction companies, the impacts related to subcontractors in the value chain were also assessed as material.

Positive impact

As general contractors, the construction companies of the Infortar Group have the ability to influence the working conditions of subcontractors' employees. In particular, impact management is about setting health and safety requirements.

Risk

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

Policies and actions for employees in the value chain

In line with the Group-wide principles of responsible business conduct, Infortar works with companies that operate in all markets in accordance with the law and the principles and rules established within the organisation, and adheres to ethical values, internationally recognised human rights standards, and working practices. The use of child labour, trafficking, and forced and compulsory labour is prohibited. While respect for human rights is also expected from partners, their staff are not involved in the process of policy setting. The Group's human rights policy also does not impose measures to remedy and/or enable the remediation of impacts on the human rights of employees in the value chain, in addition to the Group's obligations under occupational safety regulations.

The policies and processes related to employees in the value chain only cover the issue of safety at work, which has a significant impact, and not all aspects of human resources management. Infortar's construction site safety procedure stipulates that when different parties are working simultaneously on a common construction site or worksite, the parties must enter into a joint operation agreement on occupational health and safety (OHS) and environmental health and safety (EHS), which regulates the division of roles and tasks and responsibilities between the parties. The management of each construction company is responsible for the implementation of occupational safety principles. Based on the joint operation agreement, the subcontractor's employees must also follow Infortar's OHS and EHS guidance and management documents when carrying out the work, which may include, for example, the occupational safety plan, the work procedures for the joint construction site, work environment risk analyses and risk assessments, Infortar's OHS and EHS policy description, procedures for carrying out the work, as well as occupational safety, fire safety and electrical safety guidelines, and other documents with similar orientation and content. Based on the agreement, Infortar has access to the partner's documentary records and can carry out an internal audit of the working environment. Subcontractors can report infringements to a representative of Infortar or through the reporting email address. During the year under review, no significant human rights issues or cases were reported upstream or downstream in the value chain. The Group has no general process for communicating with employees in the value chain.

Construction companies regularly carry out self- and internal inspections of the working environment, both in the form of monitoring and audits, with the central objective of collecting and analysing information on the effectiveness and efficiency of the performance of the work environment management system and compliance with applicable requirements to ensure the safety of the working environment. The safety coordinator carries out a self-inspection of the construction site on a weekly basis and draws up a report on the inspection. The quality department staff regularly inspect the construction sites through internal monitoring on a monthly basis and carry out internal audits at least once a year. The quality department, together with the administrative manager, also carries out monitoring of work environment parameters and emergency preparedness checks. Emergency preparedness is assessed at least once a year on a structural unit basis.

The Infortar Group does not have established time-bound and performance-based objectives for the employees in the value chain and action plans to achieve these objectives. The strategic level objective of preventing accidents at work also applies to employees in the value chain. The management of health and safety impacts is an integral part of the Group's business and no dedicated resources have been allocated to it.

S3 AFFECTED COMMUNITIES

Material impacts, risks, and opportunities and how they relate to strategy and business model

Important IROs related to affected communities are listed on page 53. The identified IROs are not associated with any specific groups. The significant impacts of the Infortar Group are felt in the communities where the group operates and through economic and energy security impacts in Estonian society at large. The double assessment also took into account communities in the value chain and indigenous peoples, but impacts directly related to them were not assessed as significant.

Positive impact

The Infortar Group plays an important role in society, creating jobs and managing assets in a way that promotes economic growth and prosperity. Infortar supports projects that contribute to the development of future generations, both at the Group and subsidiary level. The agricultural segment also supports life in rural areas by providing employment opportunities there. In addition, Infortar's activities in the energy business segment are directly associated with a positive impact on communities. Gas distribution network companies play an important role in Infortar's business model, providing a vital service to communities. In line with the Group's strategy of investing in increasing local renewable energy capacity and developing the infrastructure necessary for the wider use of biogases, Infortar also contributes to Estonia's security of supply and energy security.

Opportunity

Contributing to the community and playing an important role in energy security has a positive impact on Infortar's reputation. As a listed company, a good reputation can be associated with a significant positive financial impact. In particular, this opportunity relates to the Estonian market, where Infortar has greater visibility compared to its other countries of operation.

Policies and actions for affected communities

The Infortar Group does not have a specific policy for managing impacts, risks, and opportunities related to affected communities. It has not been necessary to develop a policy because the Group does not have significant negative impacts on communities, and the management of positive impacts and the exploitation of potential opportunities are inherently covered either by the implementation of the strategy or by other policies. The process of contributing to the community is also managed separately at the level of each subsidiary. The Infortar Group has not established a general process for engaging with affected communities or for monitoring the effectiveness of community support measures. The Group does not take additional measures beyond regulatory compliance to ensure that its own practices do not cause or contribute to significant negative impacts on affected communities. The views of communities were taken into account in the double materiality assessment through a survey of the views expressed by the communities, and there is ongoing needs-based engagement with affected communities in each business segment. No serious human rights concerns and cases have been reported in relation to affected communities during the reporting year.

As a gas distribution system 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 consumers in the network area to the network. In addition, the gas network, as a provider of a vital service, is subject to additional requirements under the Emergency Act.

Infortar has played an important role in ensuring security of supply throughout the Baltic and Finnish region, especially in recent years. The full-scale war launched by Russia against Ukraine in February 2022 and the resulting tense security situation led to a complete change in the region's gas supply chains. The Group converted all gas supply to LNG for its customers during the 2022 financial year. Infortar buys LNG via Klaipėda (Lithuania) and Inkoo (Finland) terminals, which allow LNG to be regasified and transported through gas networks.

In line with the Group's principles of responsible business conduct, Infortar contributes consistently to Estonian society by supporting young people, their development and sports opportunities, and entrepreneurship through active partnerships. In the field of sports, the Group's biggest partners are the Estonian Tennis Association and the Estonian Golf Association. In recent years, the Group's main social entrepreneurship effort has focused on supporting the Tallink Tennis Centre through investment and operating grants. An overview of the Group's main charitable collaborations or donations during the year is presented in the table below. Infortar's strategic objective is to contribute to community development, unless the Group has set time-bound and result-oriented objectives for the affected communities, and specific action plans and allocated resources to achieve these objectives.

Business Segment	Key Charitable Partnerships or Recurring Donations, 2024
Group-level Management	Estonian Tennis Association; Tallink Tennis Centre; Estonian Golf Association; Niitvälja Golf Centre; Estonia Society
Maritime Transport	Tallinn Volunteer Maritime Rescue Association; My Dream Day; Tallink employee Christmas gifts for large and low-income families; Estonian National Opera; Vanemuine Theatre; John Nurminen Foundation (Finland); Kummit Children's Hospital Collaboration (Finland); Hope RY (Finland); Finnish Lifeboat Institution; Min Stora Tag or My Dream Day (Sweden)
Energy	Song and Dance Festival; Tallink Tennis Centre; Food Bank; Successful Estonia; Estonian Biathlon Federation; Celies Development Fund (Latvia); International Roma Humanitarian Foundation (Latvia); Latvian Movement for Independent Life (Latvia)
Construction and Mining	Carolín Illenzeer Fund; Tartu University Hospital Children's Foundation
Agriculture	Roof renovation of Pärnu-Jaagupi Church; Excursions for school and kindergarten groups
Service Sector	Supporting athletes with free training and facilities

S4 CONSUMERS AND END-USERS

Material impacts, risks, and opportunities and how they relate to strategy and business model

Important IROs relating to consumers and end-users are set out on page 53.

Positive impact

Ensuring the safety of customers and products is important in all areas of the Group's business. Infortar's gas distribution network companies play an important role in informing end users about safety. The gas network contributes to raising the awareness of customers, partners, and the general public on gas safety through information sharing, training, and cooperation exercises (with the Rescue Board, Elering, its partners) and participation in the work of the standards development committee. The Tallink Group carries over five million passengers annually on its ship routes, accommodates thousands of customers in its hotels, and serves many more across its markets with its products and services. The safety and security of their customers will always be one of the company's top priorities in all its activities and services. In dairy farming, ensuring milk quality and safety through the responsible treatment of animals and the prevention of contamination is a critical part of the business.

Among the Group's service companies, Tallink Taxi and Tallink Tennis Centre provide people with reduced mobility with better access to transport and sports opportunities. It is possible to play wheelchair tennis at the Tallink Tennis Centre and the centre supports the Estonian Invasport Association in using tennis courts and organising competitions.

Negative impact

Due to the large number of customers in the maritime transport, energy, and services segments, Infortar's companies hold a large amount of personal data. Therefore, failure to ensure the protection of personal data and cybersecurity may 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

The Infortar Group does not have a general policy for consumers and end-users. Instead, the management of issues related to them is handled through the management of specific themes. In each company of the Group, the company's management is responsible for the implementation of these policies. The Infortar Group has not adopted a generic process to communicate with consumers and/or end-users. Consumers and end-users can raise concerns through national formal channels, by contacting companies directly, or by reporting breaches via email, as detailed in the G1 TS thematic standard. The Group does not have separate processes to support the availability of channels for raising concerns in its business relationships and does not assess whether consumers and/or end-users are aware of and trust these structures or processes to raise their concerns or needs and have them addressed. There is no process in place within the Group to identify what actions are necessary and appropriate to respond to specific actual or potential negative impacts on consumers and/or end-users. Deciding on measures to counter negative impacts is a normal part of the business operations of consumer-related companies, the specifics of which depend on the particular characteristics of each business. In remedying potential damage, the Group complies with the requirements of the relevant country of operation.

Infortar values confidentiality and the protection of personal data. The Group complies with the general data protection principles, the rules under the General Data Protection Regulation, and the principles on the use of personal data established in the companies of the Group. Infortar treats all information obtained while providing services with strict confidentiality. It is the responsibility of each member of staff to ensure that confidential information is protected by appropriate safeguards that allow access only to authorised persons.

The safety and security of people, the environment, and property is a top priority for the Tallink Group. The implemented safety management system is kept up-to-date and fully operational at all levels of maritime operations. The safety management system fully complies with the requirements of ISM (International Safety Management) and ISPS (International Ship Port Facility Security) and the international standard for environmental management systems (ISO 14001:2015). Established routines and procedures provide a solid basis for preventing accidents and loss of life and minimising the environmental impact of ships and shore-based operations. Tallink Group's safety management system undergoes regular audits by various flag state authorities (the Estonian, Finnish, Latvian, and Swedish maritime administrations) or by recognised organisations authorised by these authorities, as well as the certification body LRQA (ISO 14001 Environmental Management System).

The principles for internal control of risks related to the safety and security of Infortar Group's infrastructure facilities and real estate, as well as compliance with regulatory requirements, are outlined in the risk management policy of the management report on page 26.

Infortar ensures that the goods and services it provides comply with the legal requirements and are safe for the health of the consumer. Where appropriate, the product is labelled with a health warning label and a product safety and information label. Infortar avoids providing misleading information to consumers and processes and resolves consumer complaints digitally and as quickly as possible.

Metrics and targets related to consumers and end-users

In the Infortar Group, the overall strategic objective is to prevent all safety incidents, both physical and cyber, and this is monitored through incident statistics. The Group does not have a time-bound and result-oriented target for consumers and/or end-users with a corresponding action plan. During the reporting year, the Group has not experienced any significant physical security incidents or data protection or cyber security incidents. Likewise, no serious human rights-related issues or incidents concerning consumers and/or end users have been reported.

MANAGEMENT INFORMATION

G1 BUSINESS CONDUCT

Material impacts, risks, and opportunities and how they relate to strategy and business model

Positive impact

The Infortar Group is committed to sustainability and accountability, ensuring responsibility in all its actions and values while striving for openness and transparency. Ensuring an ethical corporate culture and contributing to lawmaking through industry associations are therefore important impacts for the Group. In animal husbandry, ensuring animal welfare is also a key aspect of fostering an ethical business culture. Managing environmental, social, and management risks is also part of ethical behaviour, which is why suppliers and partners are chosen responsibly.

Negative impact

The Group's construction and mineral resources segment inevitably operates in a sector with a traditionally high risk of corruption. Managing this negative impact and avoiding corruption is a priority for the Group. In the maritime transport segment, due to the volume of goods and services provided and the extensive value chains, the potential for human rights abuses in the value chain is significant. To prevent involvement in human rights abuses, Tallink Group carefully selects and continuously monitors its suppliers and partners.

Risks

The Group's management risks arise from the above negative impacts. Non-compliance with the compliance requirements of regulations or involvement in corruption incidents can lead to reputational damage, which may significantly weaken the financial position of a publicly traded company. As the maritime transport segment depends on extensive international supply chains, disruptions in the supply chain can lead to significant costs.

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

The Infortar Group's business conduct policy is established by an anti-corruption guideline. Infortar, together with the companies in the Group, is committed to ethical business practices. Even the mere suspicion of corruption can harm Infortar's reputation, undermine the integrity of the entire Group, and tarnish the personal credibility of each director and employee. Infortar complies with all applicable anti-bribery and anti-corruption laws in every jurisdiction, even if it means foregoing new business, refraining from using certain third-party services or business partners, or tolerating delays in existing operations. The policy was not developed with consideration of the interests of stakeholders, and it has not been made available to external stakeholders of the Group.

The anti-corruption guidelines apply to all Infortar subsidiaries worldwide, their board members, employees, and affiliated persons. The management boards of Infortar and its subsidiaries are responsible for ensuring compliance with the anti-corruption guidelines, with assistance from the internal audit unit. Compliance is also overseen by the board of directors and the boards of the subsidiaries. The internal audit unit reports annually to the board of directors of Infortar on the execution of compliance monitoring. The management board reports annually to the board of directors on the execution of compliance monitoring and on any significant concerns that have arisen.

All persons to whom the anti-corruption guidelines apply must ensure that they understand and fully comply with the guidelines at all times. The guidelines have been published and communicated to the management boards of Infortar and its subsidiaries, whose duty it is to inform employees about the guidelines and the principles set out therein. All new Infortar employees are introduced to the anti-corruption guidelines when signing an employment contract. No additional anti-corruption and anti-bribery training programme has been implemented.

The Group's anti-corruption guidelines list potential areas of concern that may indicate that a bribe is given or received or give rise to suspicion. All members of the management bodies and employees of the Infortar Group who suspect that a violation of the law or the guidelines may have occurred or may occur in the future, or who become aware of suspicious, dangerous, or obviously corrupt activities by any person, must immediately report their suspicions to their line manager, who must immediately pass the information on to a member of the internal audit unit. Any suspicions can also be reported to the email address rikkumine@infortar.ee.

Reports made under the anti-corruption guidelines are first investigated by the internal audit unit, which subsequently involves relevant individuals from any other relevant unit. Persons who receive a notification of a suspected violation will consider whether it is necessary to notify the authorities in the relevant jurisdiction. The information prepared by staff and members of the management bodies is kept confidential until the internal audit unit confirms that it is no longer necessary.

Whistleblower protection

To manage the whistleblowing process and ensure protection against retaliation, the Group has adopted a whistleblowing guideline. The whistleblowing procedure applies to and is intended for all employees of the Group, members of management, persons providing services to the Group, regardless of their position or status, and other persons specified in section 3 of the Protection of Persons Reporting Work-Related Breaches of European Union Law Act to whom protection extends. The reportable violation may concern various areas, including public procurement, competition law, corruption, accounting, financial and tax law, environmental protection, privacy and personal data protection requirements, network and information system security, and other areas specified in section 2 of the Protection of Persons Reporting Work-Related Breaches of European Union Law Act. A breach report can be submitted either with personal information or anonymously, through the email address rikkumine@infortar.ee, by contacting the direct manager, or using other methods in line with the legislation governing breach reporting. The breach report is logged by the Group's internal audit unit, which then forwards the anonymised notification to a working group consisting of Infortar's head of legal unit, head of internal audit, and human resources manager. The Group ensures that whistleblowers are protected against retaliation.

Animal welfare

The Group does not have a specific animal welfare policy in place yet, as the current focus is on assessing the existing situation, and developing a policy will take time. Halinga OÜ follows the requirements of the integrated environmental permit and the best practices in the field when ensuring animal welfare. Animals are guaranteed free movement, a comfortable and clean lying area, and access to feed and water at all times. Feed rations are drawn up according to the age of the animals, milk production, and lactation stage and are reviewed weekly. The pens have proper lighting, a suitable temperature for the animals, and plenty of ventilation to ensure clean and fresh air.

The health and welfare of the animals is checked at least once a day by a qualified professional. Milk testing is conducted once a month, providing information on milk quality and, consequently, on animal health and metabolism. All cows have their hooves treated twice a year. Animal activities and key parameters are monitored and analysed in real time to identify animals in need of attention or treatment as quickly as possible. Cows are milked regularly and udders are cleaned and disinfected before and after milking to reduce the risk of infection. Animals with special needs are housed and treated in specially adapted conditions under the close supervision of a qualified specialist.

Animal records are carefully documented and maintained to ensure that mating between related animals does not occur. Calves up to one month old are kept in separate pens and are fed water from bottles in a natural manner. Young animals are provided with significantly more free space than legally required to support their development.

Relations with suppliers

As a general principle, the Infortar Group only cooperates with competent and trustworthy companies that operate in compliance with the law in all markets and adhere to high ethical values, internationally recognised human rights standards, and labour practices. For example, after Russia launched a full-scale war against Ukraine, the Infortar group completely reorganised its natural gas supply chains by transitioning to liquefied natural gas, now purchasing LNG instead of the historically dominant Russian natural gas. While the Group has set out responsible business principles to which suppliers and partners are expected to adhere, more specific supplier management processes have been managed by subsidiaries. Group-wide supplier sustainability policies and processes are being developed. Tallink Group has implemented a supply policy and supplier code of conduct to address significant value chain impacts, while also extending its human rights policy to suppliers and partners. Provisions in the supplier code of conduct cover, among other things, worker safety, precarious work, human trafficking, forced labour, and child labour. These provisions are in line with applicable ILO standards. Tallink monitors suppliers through regular audits.

Indicators

None of the metrics are externally validated.

Cases of corruption or bribery

There have been no cases of corruption or bribery in the Infortar Group during the reporting period.

Political influence and lobbying

In accordance with Infortar's anti-corruption guidelines, Infortar's funds and resources may not be used for political contributions, financial or in-kind. Group companies do, however, contribute to policy debates that address legitimate concerns about Infortar's business, employees, customers, or the communities in which the company and its subsidiaries operate. This contribution is primarily achieved through participation in sectoral alliances.

At the parent company level, Infortar is active particularly in the Estonian Employers' Confederation, advocating for the economy as the driving force of social development. Infortar's political activity as a parent company is therefore primarily concerned with ensuring the continued positive impact on employees and affected communities. In the maritime transport segment, a key lobbying focus is climate and air pollution, as related regulations present significant transition risks to the industry. The maritime transport segment is also actively involved in maritime safety and labour issues, which are among its primary areas of impact. Subsidiaries in the energy segment mainly participate in the work of the Estonian Gas Association. In particular, the Group's companies have been involved in the drafting and amendment of energy-related laws, such as the Electricity Market Act, the Natural Gas Act, and the Climate Resilient Economy Act. Subsidiaries are also involved in the development of energy-related development plans. Influencing these regulations is commercially crucial for managing the risks and opportunities posed by climate change. Subsidiaries in the construction segment belong to sectoral associations and have mainly contributed to the regulation of professional standards to ensure a high-quality and safe product for end users.

Annexes to the Sustainability Report

ANNEX 1. DISCLOSURE REQUIREMENTS BY REFERENCE

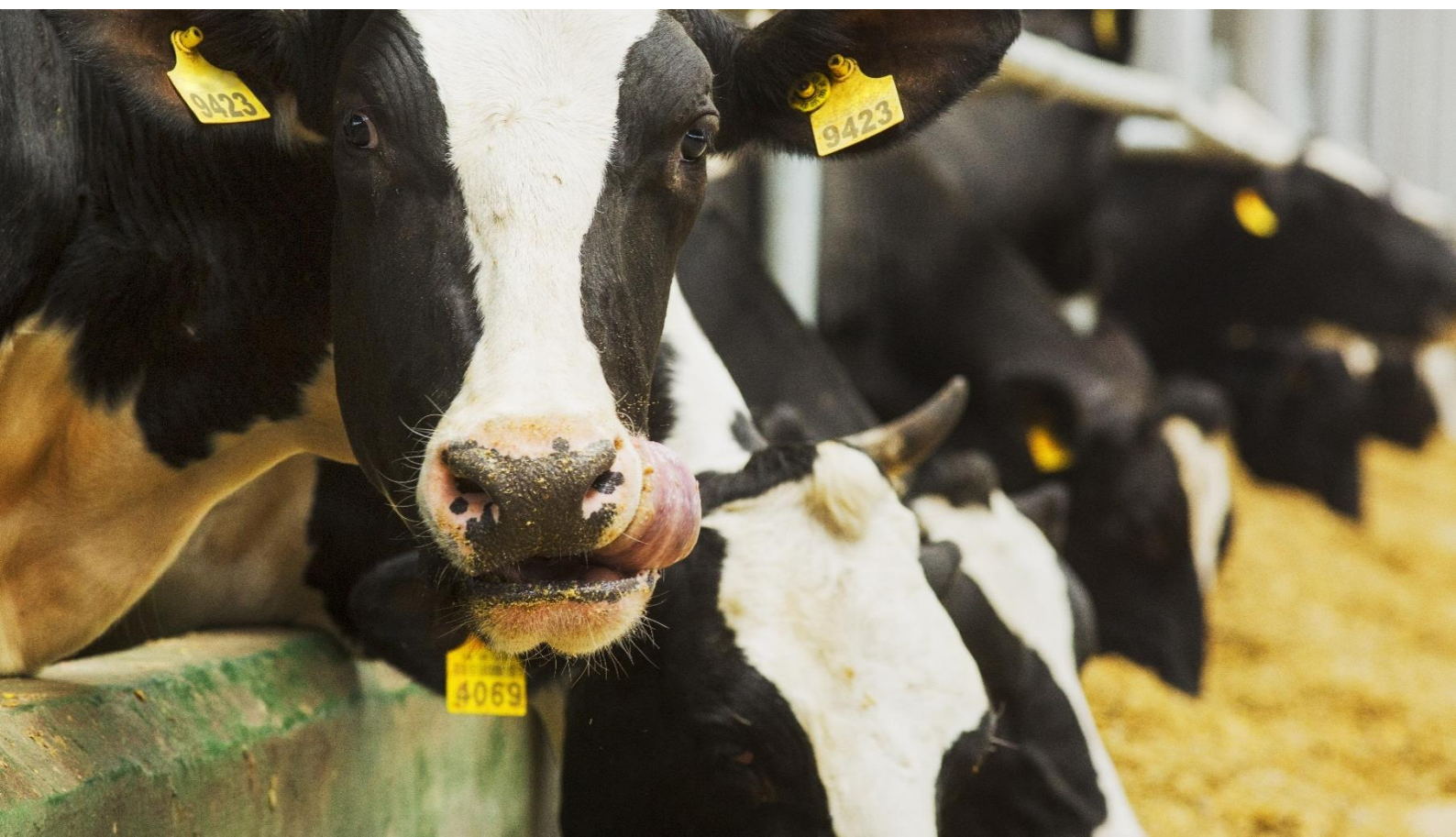
Disclosure Requirement	Referenced Document	Page in Annual Report
ESRS2 GOV-1 § 20 (a); § 21 (c)	Corporate Governance Report	23, 29
ESRS2 SBM-1 § 40 (a); § 42	Management Report	13, 14
ESRS2 SBM-1 § 40 (d)	Appendix 5 to the Consolidated Financial Statements	133
ESRS S4-1	Management Report	26

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ANNEX 3. INFORMATION TO BE DISCLOSED UNDER OTHER LEGISLATION

Disclosure Requirement (EN)	Sustainability report page	SFDR Regulation (23 53 66 88 93 108 132) reference	Pillar 3 (24 54 67 89 109) reference	Benchmark Regulation (25 55 110) reference	European Climate Law (26 56) reference
ESRS 2 GOV-1 Gender diversity of the administrative, management and supervisory bodies, paragraph 21(d)	35	Annex I table 1 indicator no 13		Commission Delegated Regulation (EU) 2020/1816 (27 57), Annex II	
ESRS 2 GOV-1 Percentage of independent members of the administrative, management and supervisory bodies, paragraph 21(e)	35			Delegated Regulation (EU) 2020/1816 Annex II	
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	36	Annex I table 3 indicator no 10			
ESRS 2 SBM-1 Involvement in fossil fuel-related activities, paragraph 40(d)(i)		Annex I table 1 indicator no 4	Regulation (EU) No 575/2013 Article 449a; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816 Annex II	
ESRS 2 SBM-1					

Involvement in chemical manufacturing activities, paragraph 40(d)(i)		Annex I table 2 indicator no 9		Delegated Regulation (EU) 2020/1816 Annex II	
ESRS 2 SBM-1		Annex I table 1 indicator no 14		Delegated Regulation (EU) 2020/1818 (29 59) Article 12(1), Delegated Regulation (EU) 2020/1816 Annex II	
Involvement in controversial weapons-related activities, paragraph 40(d)(iii)					
ESRS 2 SBM-1				Delegated Regulation (EU) 2020/1818 Article 12(1), Delegated Regulation (EU) 2020/1816 Annex II	
Involvement in tobacco cultivation and production, paragraph 40(d)(iv)					
ESRS E1-1	32, 63				Regulation (EU) 2021/1119 Article 2(1)
Transition plan for achieving climate neutrality by 2050, paragraph 14					
ESRS E1-1			Article 449a	Delegated Regulation (EU) 2020/1818 Article 12 points (d)–(g) and Article 12(2)	
Undertakings excluded from benchmarks aligned with the Paris Agreement, paragraph 16(g)			Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Form 1: Banking book – climate change transition risk: credit quality of exposures by sector, emissions and residual maturity		
ESRS E1-4	40		Article 449a		

GHG emission reduction targets, paragraph 34		Annex I table 2 indicator no 4	Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Form 3: Banking book – climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818 Article 6	
ESRS E1-5	66	Annex I table 1 indicator no 5 and table 2 indicator no 5			
Energy consumption from fossil fuels, broken down by source (only sectors with high climate impact), paragraph 38					
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Energy consumption and breakdown of energy sources, paragraph 37					
ESRS E1-5	66	Annex I table 1 indicator no 6			
Energy intensity related to activities in sectors with high climate impact, paragraphs 40–43					
ESRS E1-6	67	Annex I table 1 indicators no 1 and 2	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Form 1: Banking book – climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)	
Scope 1, 2 and 3 total emissions and GHG total emissions paragraph 44					
ESRS E1-6	67				

GHG emissions intensity, paragraphs 53–55		Annex I table 1 indicator no 3	Regulation (EU) No 575/2013 Article 449a; Commission Implementing Regulation (EU) 2022/2453 Form 3: Banking book – climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818 Article 8(1)	
ESRS E1-7					Regulation (EU) 2021/1119 Article 2(1)
GHG removals and carbon credits, paragraph 56					
ESRS E1-9				Delegated Regulation (EU) 2020/1818 Annex II; Delegated Regulation (EU) 2020/1816 Annex II	
Portfolio exposure to climate-related physical risks, paragraph 66					
ESRS E1-9			Regulation (EU) No 575/2013 Article 449a; Commission Implementing Regulation (EU) 2022/2453 points 46 and 47; Form 5: Banking book – physical risk: exposures subject to physical risk		
Breakdown of monetary amounts by acute and chronic physical risks, paragraph 66(a)					
ESRS E1-9					
Location of material assets exposed to significant physical risks, paragraph 66(c)					
ESRS E1-9 Real estate distribution by book value and energy performance classes, paragraph 67(c)			Regulation (EU) No 575/2013 Article 449a; Commission Implementing Regulation (EU) 2022/2453 point 34; Form 2: Banking book – climate change transition risk: real estate-backed loans – energy performance of collateral		

ESRS E1-9				Delegated Regulation (EU) 2020/1818 Annex II	
Portfolio exposure to climate- related opportunities, paragraph 69					
ESRS E2-4	74	Annex I table 1 indicator no 8; Annex I table 2 indicator no 2; Annex I table 2 indicator no 1, Annex I tables 2 indicator no 3			
Amount of each pollutant listed in Annex II of the E-PRTR Regulation released to air, water and soil, paragraph 28					
ESRS E3-1	75	Annex I table 2 indicator no 7			
Water and marine resources, paragraph 9					
ESRS E3-1	75	Annex I table 2 indicator no 8			
Specific policy, paragraph 13					
ESRS E3-1	75	Annex I table 2 indicator no 12			
Sustainable oceans and seas, paragraph 14					
ESRS E3-4	75	Annex I table 2 indicator no 6.2			
Total amount of water reused and recycled, paragraph 28(c)					
ESRS E3-4	75	Annex I table 2 indicator no 6.1			
Total water consumption (m3) relative to net revenue from operations, paragraph 29					
ESRS 2 – SBM 3 – E4	76	Annex I table 1 indicator no 7			
Paragraph 16(a)(i)					

ESRS 2 – SBM 3 – E4	76	Annex I table 2 indicator no 10			
Paragraph 16(b)					
ESRS 2 – SBM 3 – E4	76	Annex I table 2 indicator no 14			
Paragraph 16(c)					
ESRS E4-2	76	Annex I table 2 indicator no 11			
Sustainable practices or policies related to land/agriculture, paragraph 24(b)					
ESRS E4-2		Annex I table 2 indicator no 12			
Sustainable practices or policies related to oceans/seas, paragraph 24(c)					
ESRS E4-2		Annex I table 2 indicator no 15			
Policy related to deforestation, paragraph 24(d)					
ESRS E5-5	81	Annex I table 2 indicator no 13			
Non-recycled waste, paragraph 37(d)					
ESRS E5-5	81	Annex I table 1 indicator no 9			
Hazardous and radioactive waste, paragraph 39					
ESRS 2- SBM3 - S1	82	Annex I table 3 indicator no 13			
Risk of forced labor incidents, paragraph 14(f)					
ESRS 2- SBM3 - S1	82	Annex I table 3 indicator no 12			
Risk of child labor incidents, paragraph 14(g)					
ESRS S1-1	38, 87	Annex I table 3 indicator no 9			
Human rights-related policy commitments, paragraph 20					

		and tabeli 1 indicator no 11			
ESRS S1-1	38			Delegated Regulation (EU) 2020/1816 Annex II	
Due diligence policy on topics covered by ILO core conventions 1– 8, paragraph 21					
ESRS S1-1	87	Annex I table 3 indicator no 11			
Processes and measures to prevent human trafficking, paragraph 22					
ESRS S1-1	87	Annex I table 3 indicator no 1			
Occupational accident prevention policy or management system, paragraph 23					
ESRS S1-3	87	Annex I table 3 indicator no 5			
Grievance mechanisms, paragraph 32(c)					
ESRS S1-14	86	Annex I table 3 indicator no 2		Delegated Regulation (EU) 2020/1816 Annex II	
Number and rate of fatalities and occupational accidents, paragraph 88(b)(c)					
ESRS S1-14	86	Annex I table 3 indicator no 3			
Number of lost days due to injuries, accidents, fatalities or illnesses, paragraph 88(e)					

ESRS S1-16	86	Annex I table 1 indicator no 12		Delegated Regulation (EU) 2020/1816 Annex II	
Unadjusted gender pay gap, paragraph 97(a)					
ESRS S1-16	86	Annex I table 3 indicator no 8			
Excessive CEO pay ratio, paragraph 97(b)					
ESRS S1-17	87	Annex I table 3 indicator no 7			
Discrimination incidents, paragraph 103(a)					
ESRS S1-17 Non-compliance with UNGPs and OECD Guidelines, paragraph 104(a)	38	Annex I table 1 indicator no 10 and tabeli 3 indicator no 14		Delegated Regulation (EU) 2020/1816 Annex II; Delegated Regulation (EU) 2020/1818 Article 12(1)	
ESRS 2 --SBM3 – S2	87	Annex I table 3 indicators no 12 and 13			
Significant risk of child labor or forced labor in the value chain, paragraph 11(b)					
ESRS S2-1	87	Annex I table 3 indicator no 9 and tabeli 1 indicator no 11			
Human rights-related policy commitments, paragraph 17					
ESRS S2-1 Policy related to value chain workers, paragraph 18	87	Annex I table 3 indicators no 11 and 4			

ESRS S2-1 Non-compliance with UNGPs or OECD Guidelines, paragraph 19	38	Annex I table 1 indicator no 10		Delegated Regulation (EU) 2020/1816 Annex II; Delegated Regulation (EU) 2020/1818 Article 12(1)	
ESRS S2-1 Due diligence policy on topics covered by ILO core conventions 1–8, paragraph 19	38			Delegated Regulation (EU) 2020/1816 Annex II	
ESRS S2-4 Human rights issues and incidents linked to upstream and downstream parts of the value chain, paragraph 36	87	Annex I table 3 indicator no 14			
ESRS S3-1 Human rights-related policy commitments, paragraph 16	38, 87	Annex I table 3 indicator no 9 and tabeli 1 indicator no 11			
ESRS S3-1 Non-compliance with UNGPs, ILO principles and OECD Guidelines, paragraph 17	38	Annex I table 1 indicator no 10		Delegated Regulation (EU) 2020/1816 Annex II; Delegated Regulation (EU) 2020/1818 Article 12(1)	
ESRS S3-4	87				

Human rights issues and incidents, paragraph 36		Annex I table 3 indicator no 14			
ESRS S4-1 Policy related to consumers and end-users, paragraph 16	91	Annex I table 3 indicator no 9 and table 1 indicator no 11			
ESRS S4-1	38	Annex I table 1 indicator no 10		Delegated Regulation (EU) 2020/1816 Annex II; Delegated Regulation (EU) 2020/1818 Article 12(1)	
Non-compliance with UNGPs and OECD Guidelines, paragraph 17					
ESRS S4-4	92	Annex I table 3 indicator no 14			
Human rights issues and incidents, paragraph 35					
ESRS G1-1	38	Annex I table 3 indicator no 15			
UN Convention against Corruption, paragraph 10(b)					
ESRS G1-1	94	Annex I table 3 indicator no 6			
Whistleblower protection, paragraph 10(d)					
ESRS G1-4	93	Annex I table 3 indicator no 17		Delegated Regulation (EU) 2020/1816 Annex II	
Fines for breaches of anti-corruption and anti-bribery laws, paragraph 24(a)					
ESRS G1-4	93	Annex I table 3 indicator no 16			
Standards for anti-corruption and anti-bribery, paragraph 24(b)					

REMUNERATION REPORT

The Supervisory Board has concluded service agreements with the members of the Management Board. In 2024, the total remuneration paid to the members of Infortar's Management Board amounted to EUR 0.7 million. The remuneration of Management Board members is determined by the Supervisory Board. The Supervisory Board has adopted, and the General Meeting of Shareholders has approved, the principles for the remuneration of members of the Management Board of AS Infortar.

The general principles considered important for the long-term development of the Group and taken into account when determining remuneration are as follows:

Competitiveness

The remuneration of a Management Board member must be competitive, considering the specific company and the Group it belongs to, the company's field of activity, the member's skills and experience, their responsibilities, and the broader labour market conditions.

Performance orientation

The remuneration of a Management Board member, including the option programme, must motivate them to achieve results and act in the best interests of the Group. This performance orientation must be balanced by effective risk management. It is important to ensure alignment between the interests of the Management Board member and those of the Group and its shareholders.

Long-term perspective and sustainability

Remuneration must support the Group's long-term sustainable development, achievement of strategic goals, and growth in shareholder value, taking into account environmental and corporate social responsibility aspects.

Link to the Group's financial condition

The total payments made by the Group to a Management Board member must be reasonable in relation to their duties and the Group's financial condition. If the Group's financial condition deteriorates significantly and the continued payment of agreed remuneration or other benefits would be extremely unfair to the Group, a reduction of such payments and benefits may be demanded.

Clarity and transparency

The rules for Management Board remuneration must be clear and transparent, ensuring the protection of the legitimate interests of the Board members, the Group, investors, and creditors.

When determining base salary, the following are considered:

- The required professional experience and qualifications of the Board member;
- Their duties and scope of responsibility;
- Remuneration levels of Management Board members in other Group companies;
- Labour market conditions, including the salaries of Board members in similar sectors.

The Supervisory Board has the right to set performance-based pay, which depends on achieving set goals. In evaluating 2024 performance, the volume of new investments and efforts related to being a listed company are planned to be taken into account. The targets used to determine performance pay may be individual or relate to the Group's overall performance. According to the remuneration principles, Board members are also entitled to severance payments and a share option programme.

The following table provides an overview of the gross remuneration of the Management Board and Supervisory Board members of the Infortar Group, excluding social tax expenses.

	2024	2023	2022	2021	2020
Enn Pant	140 000	94 000	84 000	54 000	24 000
Toivo Ninnas	84 000	54 000	48 000	31 800	15 600
Kalev Järvelill	84 000	54 000	48 000	31 800	15 600
Mare Puusaag	84 000	32 477	-	-	-
Ain Hanschmidt	455 000	815 000	975 000	525 000	325 000
<i>base salary</i>	455 000	380 000	300 000	300 000	300 000
<i>performance-based pay</i>	-	435 000	675 000	225 000	25 000
Eve Pant	240 000	420 000	470 000	220 000	120 000
<i>base salary</i>	240 000	220 000	160 000	120 000	120 000
<i>performance-based pay</i>	-	200 000	310 000	100 000	-

The following table provides an overview of the share options granted to the members of the Supervisory Board and Management Board of the Infortar Group as of 31 December 2024:

Name	Stock options	Exercised
Enn Pant	42 900	18 900
Toivo Ninnas	42 900	18 900
Kalev Järvelill	42 900	18 900
Mare Puusaag	6 000	0
Ain Hanschmidt	42 900	18 900
Eve Pant	42 900	18 900

Infortar owns 722,610 own shares (as of 31 December 2023, it was 945,000), which represents 3.4% of the share capital. Own shares have been acquired for the purpose of the option program and do not grant shareholder or voting rights to the members of the Management Board or Supervisory Board.

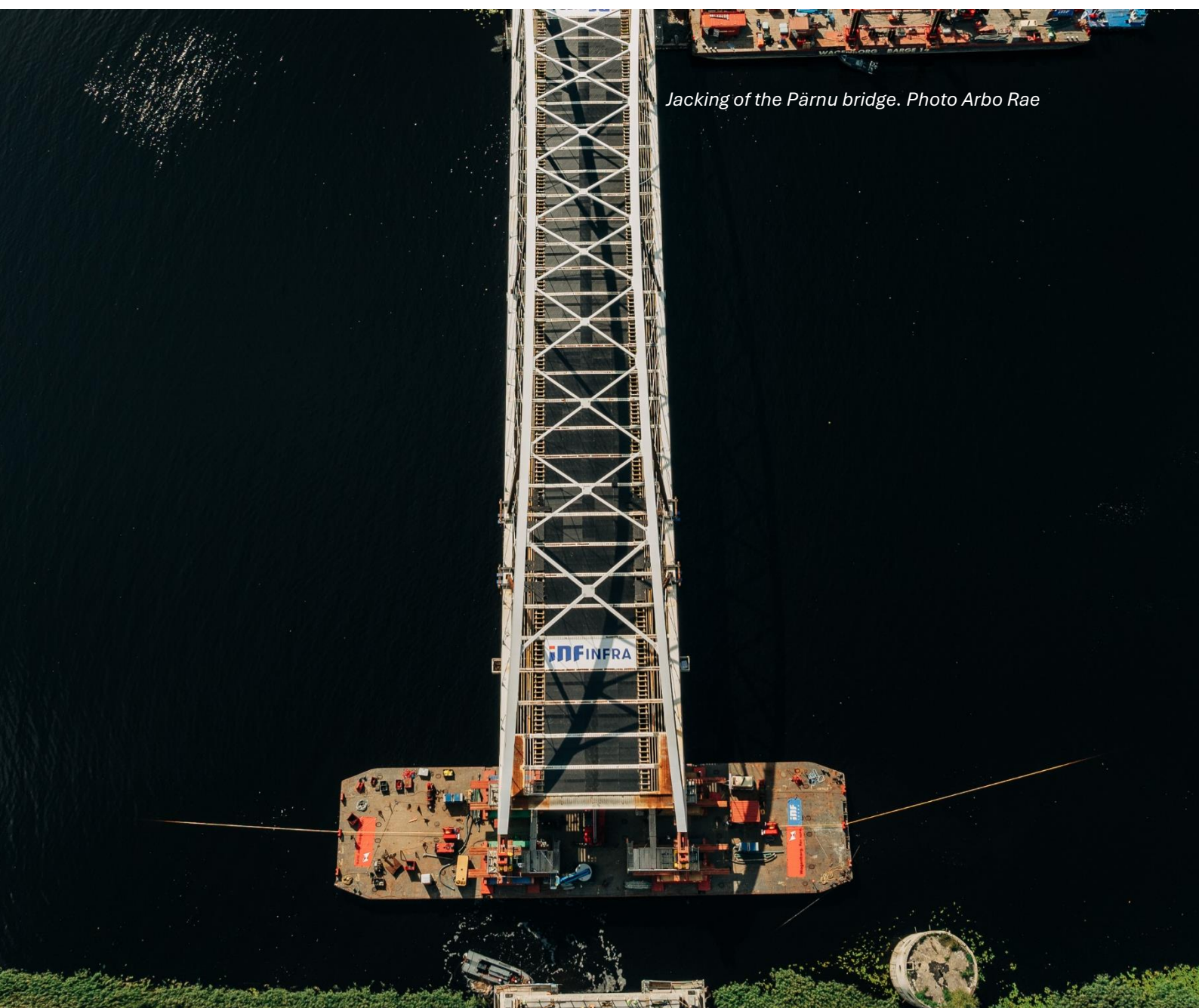
The General Meeting votes on the principles of remuneration at least once every four years. Any significant amendments to the remuneration principles must be submitted to the General Meeting for approval each time. The Supervisory Board reviews the remuneration principles as necessary to ensure their suitability, relevance, and effectiveness in supporting the Group's business and risk strategy, and to ensure that the principles align with changes in the internal and external environment.

Overview of labor costs

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

Year	(in thousands of EUR)				
	2024	2023	2022	2021	2020
Number of employees in the company	6228	1308	452	486	460
Total calculated remuneration	141 137	40 722	25 784	22 286	19 587
Total calculated remuneration/ number of employees	22,66	31,13	57,04	45,86	42,58
Annual change	-27,20%	-45,42%	24,40%	7,70%	40,48%
	(decrease)*	(decrease)*	(increase)	(increase)	(increase)

*In 2024, the Group acquired control over Tallink Group. Additionally, Elenger Polska with its subsidiaries, Halinga OÜ, and Tallinna Raamatutrükikoja OÜ, resulting in a significant increase in the number of employees. Since the Tallink transaction took place in the second half of the reporting period, the line 'Employee remuneration including taxes' for 2024 does not reflect the full annual labor cost of the Tallink Group, but only the cost for the post-acquisition period. Elenger Polska's labor costs will be included starting from January 2025.



Jacking of the Pärnu bridge. Photo Arbo Rae

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 sustainability report is following international sustainability reporting standards as adopted by the European Union;
- 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



CONSOLIDATED ANNUAL ACCOUNTS

Consolidated statement of Financial Position

Assets

Notes on pages 120-179 are integral part of the annual accounts.

<i>(in thousands of EUR)</i>	31.12.24	31.12.23	NOTE
Current assets			
Cash and cash equivalents	167 579	87 115	6.1
Short-term derivatives	8 333	28 728	14.4
Settled derivative receivables	676	5 958	7.1
Other prepayments and receivables	155 351	162 575	7.1
Prepaid taxes	3 831	925	7.1
Trade and other receivables	38 517	20 185	7.1
Prepayments for inventories	2 498	3 493	7.7
Inventories	215 914	146 884	6.2
Biological assets	941	0	
Total current assets	593 640	455 863	
Non-current assets			
Investments to associates	16 603	346 014	9.2
Long-term derivative instruments	3 214	1 125	14.4
Long-term loans and other receivables	35 163	9 072	7.1
Investment property	67 931	176 024	8.1
Property, plant and equipment	1 909 458	446 748	8.2
Intangible assets	38 874	14 366	8.3
Right-of-use assets	47 598	11 300	8.5
Biological assets	2 753	0	
Total non-current assets	2 121 594	1 004 649	
TOTAL ASSETS	2 715 234	1 460 512	

Liabilities and Equity

Notes on pages 120-179 are integral part of the annual accounts.

<i>(in thousands of EUR)</i>	31.12.24	31.12.23	NOTE
Current liabilities			
Loan liabilities	497 162	184 259	10.1
Rental liabilities	9 020	1 766	8.4
Payables to suppliers	87 941	74 751	7.3
Tax obligations	49 354	32 822	7.3
Buyers' advances	31 126	3 099	7.3
Settled derivatives	8 728	1 463	7.3
Other current liabilities	63 431	10 851	7.3
Short term derivatives	27 704	3 659	
Total current liabilities	774 466	312 670	
Non-current liabilities			
Long-term provisions	9 946	8 399	
Deferred taxes	2 816	33 233	7.3
Other long-term liabilities	43 209	30 679	7.3
Long-term derivatives	1 471	186	
Loan-liabilities	676 670	246 410	10.1
Rental liabilities	40 435	8 725	8.4
Total non-current liabilities	774 547	327 632	
TOTAL LIABILITIES	1 549 013	640 302	
<i>(in thousands of EUR)</i>	31.12.24	31.12.23	NOTE
Equity			
Share capital	2 117	2 105	11.1
Own shares	-72	-95	11.2
Share premium	32 484	29 344	11.1
Reserve capital	212	205	
Option reserve	6 223	3 864	11.6
Hedging reserve*	-21 674	24 118	11.5
Unrealised exchange rate differences	45	-39	
Post-employment benefit obligation reserve	-185	-44	
Retained earnings from previous periods	890 167	759 918	
Total equity attributable to equity holders of the Parent	909 317	819 376	
Minority interests	256 904	834	
Total equity	1 166 221	820 210	
TOTAL LIABILITIES AND EQUITY	2 715 234	1 460 512	

Consolidated Income Statement of Comprehensive Income

Notes on pages 120-179 are integral part of the annual accounts.

(in thousands of EUR)	12 months 2024	12 months 2023	NOTE
Revenue	1 371 775	1 084 626	12
Cost of goods (goods and services) sold	-1 243 034	-934 811	13.1
Write-down of receivables	-113	-342	13.1
Gross profit	128 628	149 473	
Marketing expenses	-21 086	-1 620	13.2
General administrative expenses	-50 438	-22 085	13.3
Profit (loss) from biological assets	-139	0	
Profit (loss) from the change in the fair value of the investment property	-949	-4 074	8.1
Profit (loss) from changes in the fair value of fixed assets	-8 691		
Unsettled gain/loss on derivative financial instruments	26 672	1 969	9.1
Other operating revenue	4 682	2 523	7.6
Other operating expenses	-1 655	-2 558	
Operating profit	77 024	123 628	
Profit (loss) from investments accounted for by equity method	22 974	39 639	9.2
Financial income and expenses	13 392	0	
Other financial investments	-50	-4	
Interest expense	-38 274	-22 573	10.3
Interest income	4 979	2 765	
Profit (loss) from changes in exchange rates	100	-173	
Gain from bargain purchase	93 659	159 158	9.1.2
Total financial income and expenses	73 806	139 173	
Profit before tax	173 804	302 440	
Corporate income tax	19 866	-8 610	7.5
Profit for the financial year	193 670	293 830	
including:			
Profit attributable to the owners of the parent company	191 253	293 778	
Profit attributable to non-controlling interest	2 417	52	
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of post-employment benefit obligations	-141	-44	
Items that may be subsequently reclassified to the income statement:			
Revaluation of risk hedging instruments	-45 792	-58 189	
Exchange rate differences attributable to foreign subsidiaries	53	-42	
Total of other comprehensive income	-45 880	-58 275	
Total income	147 790	235 555	
including:			
Comprehensive profit attributable to the owners of the parent company	145 514	235 503	
Comprehensive profit attributable to non-controlling interest	2 417	52	
Ordinary earnings per share (in euros per share)	9,36	14,62	11.8
Diluted earnings per share (in euros per share)	9,12	14,15	11.8

Consolidated Cash Flow Statement

Notes on pages 120-179 are integral part of the annual accounts.

Cash flows from operating activities

<i>(in thousands of EUR)</i>	12 months 2024	12 months 2023	NOTE
Profit for the financial year	193 670	293 830	
Adjustments:			
Depreciation, amortisation, and impairment of non-current assets	68 251	19 655	8.1,8.2
Change in the fair value of the investment property	-22 974	-39 639	9.2
Change in the value of derivatives	-1 483	54 122	14.4
Other financial income/expenses	-112 030	-161 965	
Calculated interest expenses	38 274	22 573	10.3
Profit/loss from non-current assets sold	-955	-91	0
Income from grants recognised as revenue	-643	784	7.6
Corporate income tax expense	-19 866	8 610	7.5
Income tax paid	-10 551	-267	
Change in receivables and prepayments related to operating activities	52 023	54 540	7.5
Change in inventories	-12 831	-61 914	7.1
Change in payables and prepayments relating to operating activities	-81 275	-406	6.2
Change in biological assets	-322	0	7.3
Total cash flows from operating activities	89 288	189 832	

Cash flows from investing activities

Purchases of associates	0	-10 314	
Purchases of subsidiaries	-111 684	-103 414	
Received dividends	20 862	0	9
Given loans	1 918	6 652	
Interest gain	4 953	2 691	15.1
Purchases Investment property	-10 352	-18 304	
Purchases of property, plant and equipment	-27 835	-18 143	
Proceeds from sale of property	1 561	-252	
Total cash flows used in investing activities	-120 577	-141 084	

Notes on pages 120-179 are integral part of the annual accounts.

	12 months 2024	12 months 2023	NOTE
Cash flows used in financing activities			
Proceeds from targeted financing	225	0	7.6
Changes in overdraft	12 863	14 348	10.4
Proceeds from borrowings	358 731	287 606	10.4
Repayments of borrowings	-151 790	-312 846	10.4
Repayment of finance lease liabilities	-11 300	-2 233	10.4
Interest paid	-39 153	-22 224	10.3
Dividends paid	-60 997	-15 750	
Gain from share emission	3 174	29 464	
Total cash flows used in financing activities	111 753	-21 635	
TOTAL NET CASH FLOW	80 464	27 113	
Cash at the beginning of the year	87 115	60 002	6.1
Cash at the end of the period	167 579	87 115	6.1
Net (decrease)/increase in cash	80 464	27 113	

Consolidated Statement of changes in equity

Notes on pages 118-178 are integral part of the annual accounts.

	Share capital	Share premium	Own shares	Option reserve	Reserve capital	Risk hedging reserve	Unrealised currency translation differences	Post employment benefit obligations reserve	Retained earnings	Minority interest	Total
<i>(in thousands of EUR)</i>											
Balance as at 31.12.24	1 985	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
Share capital expansion	12	3 140	0	0	0	0	0	0	0	0	3 152
Increase of mandatory reserve capital	0	0	0	0	7	0	0	0	-7	0	0
Stock options	0	0	23	2 359	0	0	0	0	0	0	2 382
Change in minority shareholding	0	0	0	0	0	0	0	0	0	253 685	253 685
Profit for the financial year	0	0	0	0	0	0	0	0	191 253	2 417	193 670
Other comprehensive income	0	0	0	0	0	-45 792	84	-141	0	-32	-45 881
Dividends paid	0	0	0	0	0	0	0	0	-60 997	0	-60 997
Balance as at 31.12.24	2 117	32 484	-72	6 223	212	-21 674	45	-185	890 167	256 904	1 166 221

Additional information on changes in equity is provided in Note 11 (p. 153)

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 25 subsidiaries and their 75 subsidiaries (hereinafter the 'group'). The group is mainly operating in the maritime transportation, energy, 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 25 April 2025. 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)

Changes in Accounting Policies

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2024.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Group applied the following amendments to standards initially on 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted. Specific transition requirements apply for companies that have early adopted the previously issued but not yet effective 2020 amendments.

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).

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Effective for annual periods beginning on or after 1 January 2024; to be applied retrospectively to the date when the entity initially applied IFRS 16. Early application is permitted.

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments. 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.

The amendments had no material impact on the Group's financial statements when initially applied.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

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

Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it will be endorsed by the EU in the foreseeable future.

- 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.

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

Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules

In May 2023, the IASB issued amendments to IAS 12 Income Taxes, which provides temporary relief from the requirement to recognise and disclose deferred taxes arising the Pillar Two model rules. The relief is effective immediately upon issuance of the amendments on 23 May 2023 and applies retrospectively. Disclosure requirements, other than those about the relief, apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

‘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 apply the amendments once the respective tax law is enacted.

The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements as Pillar Two rules include an exclusion for relevant shipping income.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

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.

The Group plans to apply the amendments from 1 January 2025.

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

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised.

The Group plans to apply the amendments from 1 January 2026.

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

Annual Improvements to IFRS Standards – Volume 11

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

In this volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The Group plans to apply the amendments from 1 January 2026.

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

IFRS 18 Presentation and Disclosure in Financial Statements

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the ‘most useful structured summary’ of its expenses by either:

- nature;
- function; or
- using a mixed presentation.

If any operating expenses are presented by function, then new disclosures apply.

The Group plans to apply the new standards from 1 January 2027.

Other changes

Other new standards, amendments to standards and interpretations that are not yet effective are not expected to have a significant impact on the Group’s financial statements.

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:

- vessels, which are measured at revalued amounts;
- financial instruments – pursuant to subsection 3.8
- investment property – pursuant to subsection 3.7
- buildings that are measured at revalued amounts
- affiliated undertakings – pursuant to principles on 3.4

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.

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

Recognition and Measurement

Property, plant and equipment (PPE) are recorded at acquisition cost, less accumulated depreciation and any impairment losses. Land is recorded at its actual acquisition cost and is not depreciated. If an item of PPE comprises parts with different useful lives, they are recognized as separate assets (significant components). Each component's depreciation rate is determined individually based on its estimated useful life.

Construction in progress reflects actual expenditures for assets being constructed for internal use. If bringing an asset to its intended use takes a significant amount of time and is financed by a loan (or another debt instrument), the directly attributable borrowing costs (including interest calculated using the effective interest rate method) must be capitalized into the acquisition cost of the asset. Capitalization of borrowing costs begins when such costs are incurred (the loan is issued) and construction has commenced, and ends when the asset is substantially complete and ready for its intended use by the entity.

The cost of self-constructed assets is determined based on the same principles as for acquired assets. Construction in progress is recognized as fixed assets based on an acceptance certificate that defines the asset's useful life. General administrative and other overhead costs are not included in the cost of property, plant and equipment. The acquisition cost of assets received through government grants is determined in accordance with the "Government Grants" accounting policy. Land and buildings are carried in the balance sheet at revalued amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation and any impairment losses. Fair value is determined based on an independent valuer's appraisal. Revaluations are performed at each reporting period to ensure that the carrying amount does not differ materially from the fair value. Increases in value resulting from revaluation are recognized in equity under the revaluation reserve, except to the extent that they reverse a previous revaluation decrease of the same asset recognized in profit or loss. Decreases in value are recognized as an expense, except to the extent that they reverse a previous upward revaluation recorded in equity.

Subsequent Expenditures

Depreciation is calculated using the straight-line method, allocating the acquisition cost of the asset, net of its residual value, over its estimated useful life. Depreciation is recognized 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.

Valuation of AS Tallink Grupp's Vessels

Tallink's vessels are measured at revalued amounts, with fair value determined at the end of the reporting period. Tallink used assessments from three independent appraisers to determine the fair value of the vessels. The fair value was based on market-based inputs, which are primarily unobservable. Where necessary, Tallink's management also considers expected cash flows from chartered vessels. The frequency of revaluations depends on changes in fair value, which are assessed at the end of each year. If the fair value differs significantly from the carrying amount, a revaluation is performed. Tallink's management believes that as of 31 December 2024, there were no material differences between the carrying amount and fair value of the vessels (similarly as of 31 December 2023).

3.7. Investment property

An investment property is a property asset (land or a building or part of a building, or both) held primarily to earn rental income, for capital appreciation, or both, rather than for use in the production or supply of goods or services, for administrative purposes, or for sale in the ordinary course of business. Investment property is initially recognized in the balance sheet at its acquisition cost, which includes the purchase price and any directly attributable transaction costs. If the fair value of an investment property can be reliably measured without undue cost or effort, it is subsequently measured at fair value. The fair value is determined annually based on market prices established by independent property valuers, recent transaction prices involving similar properties (adjusted for differences), or using the discounted cash flow method.

Investment properties for which fair value cannot be reliably measured without undue cost or effort are carried at cost, similar to property, plant, and equipment, until fair value becomes reliably measurable. Construction projects in progress are measured at acquisition cost.

Under the fair value model, investment properties are measured at fair value at each reporting date. Gains or losses arising from changes in fair value are recognized in the income statement under a separate line item: "Gain (loss) from changes in the fair value of investment properties. No depreciation is charged on investment properties measured using the fair value model. When the purpose of use of an investment property changes, the asset is reclassified in the statement of financial position, and from the date of the change, the accounting policies applicable to the new asset class are applied.

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 (p 155).

3.9. Recognition of revenue and other income

Revenue Recognition

Revenue represents income earned in the course of the Group's ordinary business activities. Revenue is recognized at the transaction price. The transaction price is the total amount the Group expects to be entitled to in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties.

The Group recognizes revenue when control of the goods or services is transferred to the customer. Revenue is recognized in an amount that excludes value-added tax (VAT) and various excise duties applicable to the Group.

Revenue recognition principles for the maritime transportation segment

Revenue in the maritime transportation segment is recognized based on the consideration specified in the customer contract. Revenue is recognized when control over the goods or services is transferred to the customer. The following specific criteria must also be met:

Sale of goods – includes sales on board ships and in onshore restaurants and shops. Revenue is recognized when goods are delivered and accepted by customers at their location—typically retail shops, bars, and restaurants—and usually paid for in cash or by card.

Ticket and cargo transport sales – revenue from the sale of passenger tickets and cargo transport services is recognized upon rendering of the service. At year-end, revenue related to tickets and transport services for departures not yet taken place is recorded as deferred revenue.

Hotel accommodation sales – revenue is recognized when guests have used the hotel rooms. At year-end, any sales related to unused accommodations are recognized as deferred revenue.

Travel package sales – consist of ferry tickets, hotel accommodation (operated by third parties), and excursions in various cities not organized by the maritime transportation segment. The total consideration from package sales is recognized as revenue, not just the agency commission for accommodation, excursions, or entertainment, as the Group has discretion over the content and pricing of the package and selects service providers at its own discretion. Revenue from travel packages is recognized when the customer uses the package. It is reported under ticket revenue.

Charter income – charter income under operating lease arrangements is recognized on a straight-line basis over the charter period. The term "charter" refers to rental arrangements as defined by IFRS 16.

Customer loyalty program – Tallink allocates a portion of the transaction price to Club One loyalty points, based on their relative stand-alone selling prices. The amount allocated to the loyalty program is recognized as deferred revenue and recognized as revenue when the loyalty points are redeemed or when redemption is no longer expected. Deferred revenue is recognized as a contractual liability.

Revenue Recognition Principles for the Energy Business Segment

Sale of natural gas, electricity, and network services

Revenue from the sale of natural gas and electricity is recognized on a gross basis, as the Group is responsible for fulfilling the promise of delivery, bears inventory risk, and has pricing discretion. Revenue is based on quantities determined by meter readings or agreed quantities. The quantities underlying the sale of natural gas and electricity are obtained from the system operator's data exchange platform. Quantities related to the sale of natural gas network services are measured by the network operator using metering data, forecasts, or, in exceptional cases, agreements based on mutually accepted quantity protocols. Where relevant, the Group also takes into account unreported, late-reported, or estimated misreported readings as of the reporting period end, to ensure revenue more accurately reflects actual consumption.

Revenue from network services is based on the volume of natural gas delivered through the distribution network. In accordance with regulations in Estonia and Latvia, the network operator must submit the prices and pricing methodology for network services to regulators for approval and justify the price structure. The network operator must publicly disclose the approved network service prices for its service area and inform customers under the terms set by applicable legislation. Revenue from the sale of natural gas, electricity, and network services is generally recognized over time, except when natural gas is sold from storage. In such cases, revenue is recognized at the point in time when ownership is transferred. Payment terms are short-term.

For certain products (such as compressed gas and renewable gas), customer cards are offered that provide discounts. Revenue is recognized when the goods are transferred to the customer. Payment terms are short-term.

Connection Fees

Customers pay a connection fee when connecting to the gas network, which is determined based on the costs incurred to establish the connection. The portion of the performance obligation related to activities required to establish the connection is considered fulfilled over the period during which network services are provided through the connection point using the fixed asset acquired with the connection fee. This period is considered to be either the weighted average useful life of the fixed asset acquired with the connection fee or the estimated duration of the customer relationship. The weighted average useful life is calculated by dividing the average annual acquisition cost of fixed assets by the annual depreciation charge. Connection fees are recognized as revenue over a period of up to 67 years. At AS Gaasivõrk, the amortization period for connection fees is up to 30 years (2023: 30 years), at AS Gaso it is 55 years (2023: 20 years), and in the EWE Polska Group it is 67 years. Connection fees not yet recognized as revenue are reported in the statement of financial position as long-term contract liabilities.

Revenue recognition principles for the real estate business segment

Revenue includes income earned during the reporting period, including sales revenue, rental income, and other income related to the real estate segment—such as rental and development of buildings and electricity sold to the grid from the Group's solar parks.

Operating lease income from investment properties is recognized on a straight-line basis over the lease term. Foreign exchange gains or losses are reported on a net basis. Interest income and dividend income are recognized when it is probable that the income will be received and the amount can be measured reliably. Interest income is recognized using the effective interest rate method, unless the receipt of interest is uncertain, in which case it is recognized on a cash basis. Dividend income is recognized when the legal right to receive the dividend has been established.

Revenue recognition principles for supporting business areas

Revenue is recognized from the sale of goods (including mineral resources, construction materials, printed products, and retail and wholesale trade) when the performance obligation is fulfilled—i.e., when the goods are transferred to the customer.

Operating lease income from investment properties is recognized on a straight-line basis over the lease term.

Revenue from construction contracts is recognized over time using the cost-based input method. Costs related to the performance of the service are recognized in profit or loss when incurred. Advance payments received are recorded as contract liabilities. The duration of contracts depends on the object being constructed and may exceed one year.

3.10. Taxation

According to the Estonian Income Tax Act, the profit earned by companies registered in Estonia is not subject to corporate income tax. Instead, income tax is charged on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business-related disbursements, and transfer pricing adjustments.

In 2024, the income tax rate was 20% (calculated as 20/80 of the net distribution), and a reduced rate of 14% (14/86 of the net dividend) applied to regularly paid dividends. As of 1 January 2025, the tax rate will increase to 22% (22/78 of the net distribution), and the previously applicable reduced rate of 14% for regular dividends will be abolished.

Personal Income Tax on Dividends and Security Tax

Dividends paid to individuals that were previously subject to the reduced 14% tax rate remain subject to an additional 7% personal income tax withholding.

Income tax related to dividend distributions is recognized as an income tax expense in the period in which the dividends are declared. The maximum potential income tax liability, which could arise if the entire undistributed profit were paid out as dividends, is disclosed in Note 11.3.

In addition, a temporary security tax has been introduced in Estonia, consisting of the following components:

The standard VAT rate will increase from 22% to 24% as of 1 July 2025.

An additional 2% tax will apply to the taxable income of individuals starting in 2026.

A 2% tax on corporate profits will be introduced in 2026. Companies will be required to make advance payments based on the previous financial year's (or in some cases, the previous quarter's) profit.

The aim of the security tax is to fund national defense expenditures and investments related to national security.

Income Tax Accounting

In accordance with paragraph 39 of IAS 12, the Group recognizes deferred tax liabilities for all taxable temporary differences arising from investments in subsidiaries, associates, joint ventures, and branches, unless both of the following conditions are met:

- 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.
- If both criteria (a) and (b) are fulfilled, no deferred tax liability is recognized.

The Group's management has reviewed investments in subsidiaries and concluded that, where temporary taxable differences exist, both conditions are met and therefore no deferred tax liability arises.

Applicable Corporate Income Tax Rates as at 31 December 2024:

Estonia: 20/80 on distributed profits

Finland: 20%

Latvia: 20% on distributed profits (effective rate 25% on gross profits)

Poland: 19%

Income tax expense is calculated in accordance with the tax laws of each jurisdiction in which the Group operates.

3.11. 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.

3.12. 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 BIGGEST IMPACT

In accordance with the Group's accounting policies described in Note 3, management is required to make judgments and use estimates and assumptions concerning the carrying amounts of assets and liabilities where sufficient information is not available from other sources. These estimates and judgments are based on historical experience and other relevant factors deemed appropriate. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the change occurs.

4.1. Management estimates with the biggest impact

The following are the significant judgments made by management in applying the Group's accounting policies that have the most significant impact on the information presented in the consolidated financial statements.

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:

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

Fair value measurement is applied across all four business segments of the Group — maritime transport, energy, real estate, and supporting business areas. Independent appraisers are used to determine fair value.

Useful life of Property, Plant and Equipment

When estimating the useful lives of property, plant and equipment (PPE), the Group considers the operating conditions and scale of business, past experience in the relevant field, and future plans. The useful life is based on management's assessment of the period during which the asset will actually be used. The actual useful life may turn out to be somewhat longer or shorter than the estimated life. Additional information on the useful lives of PPE assets is provided in Note 3.6 (p. 124).

4.2. Management decisions with the biggest impact

Classification of Property

The classification of a property asset as either investment property or property, plant and equipment (PPE) is based on management's intention regarding its future use. Properties held to earn rental income or for capital appreciation are recognized as investment property. This also includes properties intended to be held for the long term and that have multiple potential uses.

Properties are classified as PPE if they are intended to be used for the provision of services or for administrative purposes for a period longer than one year.

Recognition of Connection Fees

The Group's subsidiary, Elenger Group, provides customers with continuous access to natural gas in exchange for a connection fee to the gas network. In accordance with IFRS 15, the portion of the performance obligation that involves the activities necessary to establish the connection is considered fulfilled over the period during which network services are provided through the connection point using the fixed asset acquired with the connection fee.

This period is, in management's judgment, equivalent to the weighted average useful life of the asset acquired with the connection fee, as future reconstructions of the asset will be financed through network service charges. The weighted average useful life is calculated by dividing the average annual acquisition cost of the assets by the annual depreciation charge.

4.3. Uncertainties of assumptions and estimations

Management makes its judgements based on experience and information available as of the date of the completion of the annual report. As a result, there is a risk that estimates related to the assets and liabilities, and the income and expenses recognized as of the reporting date, may require adjustment in the future. The following assumptions and sources of estimation uncertainty involve a significant risk of material adjustment within the next financial year:

In the maritime transportation segment, key assumptions and uncertainties relate to the potential difference between the fair value and carrying amount of vessels, which may require revaluation. Uncertainties may also arise in assessing the impairment of right-of-use assets such as buildings and premises, and in estimating the useful lives of tangible and intangible assets. The value of goodwill in the maritime segment is reviewed for impairment at least twice a year. In addition, management assesses the recognition of deferred tax assets related to unused tax losses. In the energy segment, significant assumptions and uncertainties are associated with determining the useful lives of property, plant and equipment, and with the recognition of provisions and contingent liabilities for potential future losses.

In the real estate segment, the fair value of properties depends on various factors, including rental yield and discount rates. The Group uses independent appraisers to determine fair value. Revaluation depends on changes in the fair value of the properties. If the fair value of a property differs significantly from its carrying amount, revaluation is required. Revaluation gains or losses are presented in the income statement on a separate line item: "Gain (loss) from changes in the fair value of investment properties."

Additional information on fair value measurement of fixed assets is provided in Note 8.1 (p 139).

Impairment assessment of right-of-use buildings and premises

At each reporting date, the Group assesses whether there are any indications of impairment for buildings and premises classified as right-of-use assets. If such indications exist, an impairment test is performed at the reporting date.

To assess impairment, the recoverable amount of the asset is determined based on its value in use. The value in use is calculated using the discounted cash flow method.

Additional information on right-of-use assets is provided in Note 8.4 (p 142).

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':

- Maritime transport (includes Tallink Grupp and its subsidiaries);
- Energy (includes resale and distribution of natural gas, sale of electricity and biomethane production);
- Real estate (includes all companies in the group that lease or develop investment property);
- Other (smaller companies that provide services to the segments and other smaller enterprises).

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 maritime transport 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.

The sales revenue of the companies in the energy segment is mainly earned from the sale of gas and other energy products. The result of the business operations of Elenger Grupp 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.

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.

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 companies in the group are managed, its assets are located, and its economic activity takes place mainly in Finnish-Baltic region. The maritime segment company, Tallink, operates in the markets of Estonia, Finland, Sweden, Latvia, Lithuania, and Cyprus. The energy segment company, Elenger Grupp, is active in Estonia, Latvia, Lithuania, Finland, Poland, and Germany. Additionally, the real estate segment company, SIA Happy Trails, operates in the Latvian market, and Infortar Marine Ltd. operates in the Cyprus market. With the acquisitions of Tallink, Gaso and EWE Polska the group's workforce has significantly increased. However, the addition of new employees does not affect the company's management principles at the group level.

	Maritime Transport	Energy	Real Estate	Other Segments	Total
12 months 2024					
External sales revenue	785 222	966 180	9 354	79 477	1 840 233
Intersegment sales revenue	600	14 611	8 564	24 022	47 797
Total segment sales revenue	785 822	980 791	17 918	103 499	1 888 030
Profit/loss based on the equity method	0	1 219	0	934	2 153
Segment profit	40 274	54 497	5 088	3 157	103 016
Operating profit before depreciation and revaluation of non-current assets (EBITDA)	175 181	77 235	10 295	2 736	265 447

	Maritime Transport	Energy	Real Estate	Other Segments	Total
31.12.2024					
Assets of the segment	1 468 105	1 034 123	212 037	130 540	2 844 805
Liabilities of the segment	682 592	613 321	127 135	264 313	1 687 361

	Maritime Transport	Energy	Real Estate	Other Segments	Total
Investments 2024					
in property, plant, equipment and real estate of the segment	20 356	12 897	9 386	1 896	44 535
in intangible assets of the segment	1 904	2 977	0	0	4 881
Depreciation of property, plant, and equipment	91 738	17 903	33	1 830	111 504
Change in the fair value of the investment property	0	0	-6 808	58	-6 750
Amortisation of intangible assets	6 013	2 242	0	306	8 561

Comparison of financial information with the consolidated report

	Turnover	Profit	Assets	Liabilities
Reported segments	1 784 531	99 859	2 714 265	1 423 048
Other segments	103 499	3 157	130 540	264 313
Elimination and adjustment in the line-by-line consolidation	-47 505	93 672	-129 571	-138 348
Elimination of affiliated undertakings	-468 750	-3 018	0	0
Total in group report	1 371 775	193 670	2 715 234	1 549 013

	Maritime Transport	Energy	Real Estate	Other Segments	Total
12 months 2023					
External sales revenue	834 983	1 021 523	14 379	48 724	1 919 609
Intersegment sales revenue	342	3 189	1 454	38 068	43 053
Total segment sales revenue	835 325	1 024 712	15 833	86 792	1 962 662
Profit/loss based on the equity method	0	1 259	0	155	1 414
Segment profit	78 872	121 524	7 846	-5 742	202 500
Operating profit before depreciation and revaluation of non-current assets (EBITDA)	214 528	135 999	9 528	-2 244	357 811

31.12.2023	Maritime Transport	Energy	Real Estate	Other Segments	Total
Assets of the segment	1 555 221	879 722	229 835	114 510	2 779 288
Liabilities of the segment	769 467	464 494	126 343	125 812	1 486 116

Investments 2023	Maritime Transport	Energy	Real Estate	Other Segments	Total
in property, plant, equipment and real estate of the segment	32 123	5 349	25 710	2 655	65 837
in intangible assets of the segment	0	2 930	2 498	22	5 450
Depreciation of property, plant, and equipment	1	11 088	94 635	2 730	108 454
Change in the fair value of the investment property	-9 935	0	0	-770	-10 705
Amortisation of intangible assets	0	1 516	6 589	245	8 350

Comparison of financial information with the consolidated report

	Turnover	Profit	Assets	Liabilities
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 the 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

In the real estate segment, the management report for the following 12 months of 2024 shows an NOI (Net Operating Income) of 17,550 thousand euros and an EBITDA of 13,567 thousand euros. Compared with segment report where deduction of consolidated revaluations is taken into account, the actual companies figures are used for management reporting.

NOTE 6. CASH AND INVENTORIES

6.1. Cash and Cash Equivalents

(in thousands of eur)	31.12.24	31.12.23
Cash on hand	1 748	13
Current accounts in banks	160 385	87 102
Short-term deposits in banks	5 417	0
Cash in transit	29	0
Total	167 579	87 115

6.2. Inventories

(in thousands of eur)	31.12.24	31.12.23
Natural gas inventory in storage	152 075	140 891
Inventories and production progress	15 627	3 217
Unfinished goods	3 557	1 977
Finished goods	44 655	799
Total	215 914	146 884

6.3 Prepayments for inventories

<i>(in thousands of eur)</i>	31.12.24	31.12.23
Prepayments for construction subcontracting	2 456	3 311
Other prepayments for inventories	42	182
Total	2 498	3 493

6.4 Inventories according to segments

The increase in inventories is mainly due to the addition of raw materials, supplies, and goods in the maritime transportation segment. In the Other business segment, inventories increased by EUR 2.1 million from Halinga OÜ and EUR 0.846 million from Tallinna Raamatutrükikoda.

<i>(in thousands of eur)</i>	31.12.24	31.12.23
Energy	154 881	142 878
Maritime transport	54 984	-
Construction	2 304	2 741
Other business areas	3 745	1 264
Total	215 914	146 884

NOTE 7. RECEIVABLES, LIABILITIES AND PROVISIONS

7.1. Short-/Long-Term Receivables

<i>(in thousands of euros)</i>	31.12.24	31.12.23	LISA
Trade receivables:			12
Remaining term up to 12 months	155 351	162 576	
Remaining term 1–5 years	531	5	
Including receivables from related parties	12	2 370	15
Loans issued:	7 147	9 065	14.3.1, 15
Including loan receivables from related parties			
Remaining term 1–5 years	7 147	9 056	
Interest receivables:	450	424	
Including interest receivables from related parties	354	335	15
Accruals and deferred income:			
Remaining term up to 12 months	8 641	2 039	
Remaining term 1–5 years	23 041	2	
Other short-term receivables and prepayments	29 426	17 721	
Prepaid taxes	3 831	925	7.4
Receivables from realized derivative instruments	676	5 958	
Other long-term receivables and prepayments	4 444	0	
Total receivables	233 538	198 715	

7.2. Change in provisions

Employee-related provisions	2024	2023
Initial balance at the beginning of the financial year	584	645
Provisions set up and revalued during the year	1 977	44
Calculated interest	150	6
Provisions used during the year	-362	-111
Balance at the end of financial year	2 349	584
incl. short-term portion	31	31
incl. long-term portion	2 318	553
Other provisions		
Initial balance at the beginning of the financial year	7 649	108
Provisions set up and revalued during the year	-631	5 536
Added provisions through business combinations	0	1 781
Calculated interest	639	308
Provisions used during the year	0	-84
Balance at the end of financial year	7 657	7 649
incl. short-term portion	29	0
incl. long-term portion	7 628	7 649

7.3. Short-/Long-Term Liabilities

<i>(in thousands of euros)</i>	31.12.24	31.12.23	NOTE
Term up to 1 year:			
Trade payables	87 941	74 751	
Including debts to related parties	908	16	
Tax liabilities	49 354	32 822	
Liabilities from realized derivative instruments	8 728	1 463	
Employee related liabilities	36 291	7 462	
Interest liabilities	2 179	724	
Prepayments received	31 126	3 099	
Derivatives	27 704	3 659	
Short-term provisions	60	31	
Other liabilities	24 901	2 634	
Term 1-5 years:			
Revenue from government grants in future periods	8 646	5 662	
Other liabilities	401	197	
Long-term provisions	9 946	8 202	
Derivatives	1 471	186	
Term over 5 years:			
Deferred income tax liability*	2 816	33 233	
Revenue from connection fees in future periods	34 162	25 017	
Total	325 726	199 142	
Including short-term liabilities	268 284	126 645	
Deferred income tax liability	2 816	33 233	
Other long-term liabilities	54 626	39 264	

As of December 31, 2024, additional provisions were recorded as follows: A pension provision for AS "Gasó" in the amount of 0.476 million euros. Post-employment benefits for members of the Infortar group's management board totalling 1.971 million euros and Tallink Grupp management board post-employment benefits totalling EUR 1.768 million euros. AS "Gasó" recorded environmental provisions of 0.904 million euros. Additionally, a provision was added for AS Elenger Grupp related to detrimental contracts associated with long-term electricity purchase agreements in the amount of 5.598 million euros. The provision was based on the amount by which the unavoidable costs associated with fulfilling the contracts exceed the expected economic benefit from the contracts.

7.4. Tax liabilities and prepaid taxes

<i>(in thousands of euros)</i>	31.12.24	31.12.23
Prepaid taxes:		
Income tax	3 332	919
VAT	499	6
Total prepaid taxes	3 831	925
Tax liabilities:		
VAT	27 793	28 192
Social tax	5 153	1 571
Personal income tax	4 319	762
Mandatory funded pension	586	21
Unemployment insurance	213	40
Income tax on fringe benefits	158	301
Excise duty*	11 132	1 935
Total tax liabilities	49 354	32 822

*Taxes attributable to the maritime transport segment's operations.

7.5. Income tax

<i>(in thousands of euros)</i>	2024	2023
Income tax related to dividend distribution	-5 443	0
Income tax of foreign subsidiaries	-5 108	-267
Deferred tax assets/change in liabilities	30 417	-8 343
Total income tax expense/income	19 866	-8 610

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 income tax liability that arises when dividends are distributed from retained earnings of the group.

7.6. 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.

NOTE 8. FIXED ASSETS

8.1. Investment Property

Investment property

<i>(in thousands of EUR)</i>	Real estate
As of 31.12.22	160 540
Acquisition of real estate	18 304
Transfer from tangible fixed assets	1 254
Profit/loss from change in fair value	-4 074
As of 31.12.23	176 024
Reclassification 01.08.2024	-117 796
Acquisition	10 352
Addition through business acquisition	300
Change in asset value	-949
As of 31.12.24	67 931

	2024	2023	NOTE
Lease and rental income earned	8 793	13 497	12, 15
Direct administrative costs of investment property	-2 358	-1 667	

The fair value of real estate, including land and buildings, is based on market prices determined by an independent property valuer. The valuation is based on the discounted cash flow method and the comparable sales method. Where the discounted cash flow method cannot be applied, the value of development properties is determined based on market prices of similar purchase and sale transactions, adjusted for changes in the real estate market.

Assumptions used in property valuation

2024	Hotels	Offices	Ware- houses*	Premises under development*
Discount rate	8,25%-9%	7,8%-8,1%	8,20%	appraised
Cost growth rate	2%-4%	2%-4%	2%-4%	mostly based
Capitalization rate	8%-10,25%	6,5%-7,2%	7,2%	on the
Cash flow forecast	5+1 years	5+1 years	5+1 years	comparison
Fair value level	3	3	3	

2023	Hotels	Offices	Ware- houses*	Premises under development*
Discount rate	7,6%-9%	8,50%	8,50%	appraised
Cost growth rate	kuni 3%	kuni 3%	kuni 3%	mostly based
Capitalization rate	7,5%-8%	6,5%-7,2%	7,2%	on the
Cash flow forecast	5+1 years	5+1 years	5+1 years	comparison
Fair value level	3	3	3	

Among development properties, there are investment properties amounting to EUR 14.85 thousand that were either acquired or under construction in 2024 and are measured at acquisition cost.

The largest change in property value occurred in hotels located in Estonia and Latvia. The challenging situation in the tourism sector affected the entire industry, resulting in a decrease in the value of these investments by approximately 29% (EUR 7.9 million). In early 2025, signs of economic recovery are visible, and a recovery in value is expected.

The Group uses the services of Colliers International Advisors OÜ as its property valuer.

The Group has prepared a sensitivity analysis of the fair value of investment properties, which shows that if the discount rate used in the valuation changes by $\pm 1.0\%$, the fair value of the properties would increase/decrease by EUR +5,563/-5,830 thousand (2023: +6,630/-6,212 thousand). If the capitalization rate changes by $\pm 1.0\%$, the fair value of the properties would increase/decrease by EUR +14,290/-11,087 thousand (2023: +18,350/-14,380 thousand). The estimated value of revalued property, plant, and equipment, had the cost method been applied, would be EUR 107,534 thousand.

8.2. Property, Plant and Equipment

Property, plant and equipment measured at fair value

(in thousands of EUR)	Land and buildings	Ships
Reclassification 1.01.2024	28 116	0
As at 1.08.2024	28 116	0
Reclassification 1.08.2024	117 796	
Acquisition	2769	3133
Addition through business acquisition		1 196 283
Depreciation	-2 221	-24 238
Change in asset value	-6 470	0
At 31.12.24	139 990	1 175 177

Hotels, office buildings, warehouse space, and a tennis center are recognized as right-of-use assets. These buildings were originally constructed for lease or sale and are currently used under intra-group lease agreements. The buildings are revalued annually to fair value in a manner consistent with investment properties.

Revaluations of buildings and vessels are recognized in equity under a separate revaluation reserve.

Property, plant, and equipment acquired through the acquisition of Tallink on 1 August 2024 is accounted for in accordance with Infortar's accounting policies.

To determine the fair value of vessels, Tallink uses three independent appraisers. The fair value assessment is based on market information, primarily using unobservable inputs (Level 3 in the fair value hierarchy). For chartered vessels, Tallink's management also considers expected cash flows, where necessary. As of 31 December 2024, Tallink's management concluded that the carrying amount of the group of vessels did not differ materially from their fair value. Therefore, no revaluation of vessels was performed as of that date.

Property, plant and equipment measured at cost

<i>(in thousands of EUR)</i>	Land and buildings	Assets under construction	Plant and equipment	Other	TOTAL
Book value as of 01.01.23	90 643	9 789	46 231	1 061	147 724
Cost or valuation as of 01.01.23	147 097	9 789	66 011	2 477	225 374
Accumulated depreciation as of 01.01.23	-56 454	0	-19 780	-1 416	-77 650
Additions	359	11 955	616	2 261	15 191
Additions due to acquisitions of subsidiaries	276 957	3 567	12 995	2 919	296 438
Depreciation charge	-7 482	0	-3 500	-712	-11 694
Reclassification	1 530	-4 279	923	572	-1 254
Disposals	554	-13	-28	-170	343
Book value as of 31.12.23	362 561	21 019	57 237	5 931	446 748
Reclassifications	-11 520	-13 656	0	0	-25 176
Book value as of 01.01.2024	351 041	7 363	57 237	5 931	421 572
Cost or valuation as of 01.01.24	413 613	7 363	80 236	7 781	508 993
Accumulated depreciation as of 01.01.24	-62 572	0	-22 999	-1 850	-87 421
Additions	170	8 786	8 802	489	18 247
Additions due to acquisitions of subsidiaries	120 717	9 847	48 118	9	178 691
Depreciation charge	-11 054	0	-10 929	-1 624	-23 607
Reclassification	7 610	-13 458	4 954	887	-7
Disposals	-281	-38	-158	-129	-606
Book value as of 31.12.24	468 203	12 500	108 024	5 563	594 290
Cost or valuation as of 31.12.24	552 813	12 500	248 814	8 707	822 834
Accumulated depreciation as of 31.12.24	-84 610	0	-140 790	-3 144	-228 544

*The column "Land and Buildings" includes, under the line "Carrying Amount as at 31.12.24," an amount of EUR 422,046 thousand for gas pipelines, which are presented separately under the column "Infrastructure" in the Elenger Group report.

**The column "Machinery and Equipment" includes, under the line "Carrying Amount as at 31.12.24," an amount of EUR 35,618 thousand for the LNG vessel Optimus.

**In 2024, through the acquisition of Elenger Polska, Elenger Group additionally acquired net assets amounting to EUR 128.597 million, of which EUR 109.852 million was property, plant, and equipment. Purchase price allocations are disclosed in Note 9.2.

As of the balance sheet date, the Group had no binding contractual commitments for the acquisition of property, plant, and equipment.

8.3. Intangible Assets

<i>(in thousands of EUR)</i>	Goodwill	Value of contracts	Computer software	Mining rights	Total
Residual value on 01.01.23	0	2 884	3 000	2 969	8 853
Acquisition of intangible assets		0	2 952	0	2 952
Additions after acquisitions of companies		0	4 323	0	4 323
Calculated depreciation		-306	-1 354	-102	-1 762
Residual value on 31.12.23	0	2 578	8 921	2 867	14 366
Acquisition of intangible assets		0	3 693	10	3 703
Calculated depreciation	11 066	0	14 718	0	25 784
Additions after acquisitions of companies	0	-245	-4 686	-48	-4 979
Residual value on 31.12.24	11 066	2 333	22 646	2 829	38 874

Additions through business acquisitions are disclosed in more detail in Note 9.2 (p. 145).

8.4. Lease Liabilities

<i>(in thousands of EUR)</i>	31.12.24	31.12.23
Lease liabilities	49 456	10 491
	<1 year	1 766
	1-5 year	5 623
	>5 years	3 102
Book value of leased assets	47 598	11 300
Lease payments in the year	11 300	2 233
Interest payments on lease in the reporting year	1 344	368

Lease agreements have been concluded with terms extending up to 2033 and are denominated in euros. The lease liabilities are secured by the corresponding right-of-use assets. During the financial year, lease interest rates ranged between 1–5%.

There are no potential future increases in lease payments or obligations to extend lease terms under the current agreements.

The Group leases office and warehouse space, vehicles, and other machinery and equipment, and has entered into superficies and personal right-of-use agreements for land use.

Costs related to these agreements are disclosed in Note 13 (p. 160) of the report.

<i>(in thousands of EUR)</i>	Land and buildings	Plant and equipment	Total
Balance as of 01.01.23	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 of 31.12.23	624	10 676	11 300
New right-of-use assets	38 426	4 806	43 232
Calculated depreciation	-3 326	-2 461	-5 787
Revaluation and write-off of lease liabilities		-1 147	-1 147
Balance as of 31.12.2024	35 724	11 874	47 598

In 2023, a new health center was completed in Tallinn at Põllu 63. The concluded lease agreements are valid until 2033, lease payments are fixed for the contract period, and the lessor has the right to increase the rent based on the consumer price index. Both parties have the option to extend the lease term by an additional 5 years.

In 2024, INF Saue OÜ signed a long-term lease agreement with Rimi Eesti Foods AS for the lease of a warehouse and office building located at Saue tee 10 in Laagri. The lease term is 10 years, with an option for both parties to extend the agreement by 5 years. Lease payments consist of base rent and additional rent.

8.5. Leased assets (the Group as the lessor)

<i>(in thousands of EUR)</i>	NOTE	2024	2023
Operating lease income	12	8 793	13 497
	term up to 1 year	term between 1-5 years	term over 5 years
Payments for future periods	1 481	5 924	6 112
Carrying amount of assets leased as the lessor	NOTE	31.12.24	31.12.23
Investment property	8.1	22 280	139 041

A reclassification took place as of 1 August 2024, when control over AS Tallink Grupp was obtained.

8.6. Leased Assets (The Group as the lessor)

INF Mustakivi OÜ, as the lessor, has entered into a lease agreement concerning a property under which the lessor will construct a warehouse and retail space for the tenant. A building permit has been issued for the construction of approximately 30 000 m² DEPO (DIY Store) on the property.

NOTE 9. SUBSIDIARIES AND AFFILIATED UNDERTAKINGS

9.1. Subsidiaries, Affiliates and Associated Companies

<i>(in thousands of EUR)</i>	Established	Holding 31.12.24	Holding 31.12.23	Equity 31.12.24	Equity 31.12.23
AS Tallink Grupp	01.09.94	68%	42%	782 306	783 700
AS Elenger Grupp	10.01.97	100%	100%	409 290	406 197
AS H.T.Valuuta	22.01.97	100%	100%	1 635	1 504
OÜ Tallinna Raamatutrükikoja	30.06.97	100%	0%	3 207	0
AS Vaba Maa Grupp	07.01.98	100%	100%	-463	-492
OÜ INF Liivalaia	28.03.02	100%	100%	4 357	-3 371
OÜ INF Sadama 11	03.10.02	100%	100%	16 585	38 252
SIA Happy Trails	24.11.03	100%	100%	7 728	12 636
OÜ INF Sadama 579	19.03.04	100%	100%	23 688	20 804
OÜ INF Mustakivi	07.01.05	100%	100%	12 551	14 273
OÜ INF Kaldase	11.01.05	100%	100%	11 636	12 523
OÜ INF Tennisekeskus	11.01.05	100%	100%	1 281	1 260
AS Gastrolink	07.10.05	100%	100%	145	618
AS Tallink Takso	19.09.07	100%	66%	-284	-1
OÜ EG Biofond	14.05.08	100%	100%	5 280	4 219
OÜ Aianurga	26.05.10	100%	100%	19	31
OÜ Lasnamäe Spordikeskus	18.07.16	100%	100%	129	8
OÜ INF Communications	12.04.18	100%	100%	557	-238
OÜ Taxitech	19.12.18	0%	100%	0	-9
OÜ Farmatar	21.02.20	0%	80%	0	-874
OÜ Medifort	15.06.20	100%	100%	0	0
Infotar Marine Ltd	11.08.20	100%	100%	-132	-471
OÜ INF Saue	23.08.21	90%	90%	334	1 516
OÜ INF Tähesaju 9	06.09.22	100%	100%	304	-213
OÜ INF Engineering Grupp	07.09.22	100%	100%	10 293	5 925
OÜ INF	06.03.23	100%	100%	-37	-41

There are 110 companies in Infotar Group, including 101 group companies (the parent company, 25 subsidiaries, and their 75 subsidiaries), as well as 4 associates and 5 subsidiaries of associates. The group structure is presented as part of the management report.

Tallink Grupp operates in the Estonian, Latvian, Finnish, Swedish, and German markets under the Tallink and Silja brands. Additionally, as the franchise owner of Burger King in the Baltic states, it manages 21 restaurants of this fast-food chain.

The energy group Elenger Group is headquartered in Estonia. In addition, the group operates in Latvia through SIA Elenger, in Lithuania through UAB Elenger, in Finland through OY Elenger, and in Poland under the names Sp. z o.o. Elenger and Elenger Polska Sp. z o.o. For solar energy production, Latvian subsidiaries have been established: SIA Solar Nica, SIA Elenger Partners, SIA Solar Marupe, and SIA Solar Olaine. On October 28, Elenger Group founded a new subsidiary, OÜ Elenger W1, whose main area of activity is renewable energy production. Infotar Marine Ltd is registered in the Republic of Cyprus. The energy segment company EG Biofond and its associated companies within the Eesti Biogaas group operate in Estonia.

Infortar's subsidiary SIA Happy Trails is in the Republic of Latvia; Infortar Marine Ltd is located in the Republic of Cyprus, while the other subsidiaries are located in the Republic of Estonia.

Infortar's real estate segment companies are in Estonia and Latvia. SIA Happy Trails is registered in the Republic of Latvia. Companies operating in Infortar's supporting segments are based in Estonia.

The ownership percentages presented in Table 9.1 as of 31 December 2024 reflect Infortar's voting rights in the respective companies.

Some subsidiaries of the Infortar Group had negative equity as of 31 December 2024. From the Group's perspective, the amounts are small and relate to start-up and fixed asset development costs, which are expected to be covered by operating profits as the companies continue their activities. If necessary, the parent company is prepared to increase the share capital of its subsidiaries.

In 2024, Infortar received intragroup dividends from its subsidiaries as follows: AS Gastrolink – 400 thousand euros; OÜ INF Sadama¹¹ – 20,000 euros; OÜ INF Kaldase – 2,000 thousand euros (in 2023, 9,603 thousand euros from SIA Happy Trails and 36,209 thousand euros from AS Elenger Group).

9.2. Business combinations

Tallink Grupp

On 6 August 2024, Infortar announced the results of its voluntary takeover offer for shares in Tallink Grupp, acquiring an additional 161,395,930 shares, representing 21.71% of all Tallink shares. Following the transaction, Infortar holds a total of 509,092,817 shares, equivalent to 68.47% of all issued shares in Tallink.

As a result of the public offer, Infortar gained control over Tallink and began full line-by-line consolidation of Tallink's results. A purchase price allocation (PPA) was conducted to determine the fair value of the acquired assets as at the closest balance sheet date to the acquisition date—1 August 2024. The transaction date is considered to be 9 August 2024, when the shares were transferred to Infortar's account.

As Infortar and Tallink Grupp were not under common control prior to the business combination, the transaction does not qualify as a business combination under common control.

Tallink Grupp has been consolidated into the Group's financial statements as of 1 August 2024. Had the acquisition taken place on 1 January 2024, management estimates that the Group's consolidated revenue for the year would have amounted to EUR 1,840,233 thousand and consolidated profit to EUR 230,742 thousand. For the five months ended 31 December 2024, Tallink contributed EUR 316,764 thousand in revenue and EUR 3,201 thousand in profit to the Group. In determining these amounts, management assumed that the fair value adjustments initially recognized at the acquisition date would have been the same if the acquisition had occurred on 1 January 2024.

Through this business combination, Infortar is executing its strategy in the maritime transport segment—its shareholding in Tallink may be increased further if the stock market price is favourable and regulatory conditions permit.

The table below presents the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred	(in thousands of EUR)
Cash	88 768
Impact of settlement of previous intercompany relationships	7 569
Total consideration transferred at fair value	96 337

The nature of previous related party relationships primarily consisted of lease agreements, the terms of which were in line with market conditions. Accordingly, the assessment of their impact was based on the carrying amounts of assets and liabilities related to these transactions.

Acquired Identifiable Assets and Assumed Liabilities:	(in thousands of EUR)
Cash and cash equivalents	45 804
Trade receivables	18 988
Other receivables	46 744
Inventories	50 002
Property, Plant, and Equipment	1 251 005
Intangible Assets	25 285
Right-of-Use Assets	36 284
Borrowings	-514 915
Lease liabilities	-38 199
Trade and other payables	-35 931
Other liabilities	-98 607
Total Acquired Net Assets	786 460
Non-controlling interest	247 971
Acquirer's share of acquired assets	538 489

(in thousands of EUR)	Due from customers	Other receivables	Total receivables
Contractual gross amounts receivable	15 977	3 063	19 040
Estimated cash flows not expected to be received at acquisition date	-469	-	-469
Fair value of receivables	15 508	3 063	18 571
Transferred consideration			96 337
Share attributable to non-controlling interest			247 971
Fair value of Tallink's previous holding			364 386
Fair value of acquired net assets			-786 460
Gain from bargain purchase			-77 766

The gain on a bargain purchase arises from the excess of the fair value of the net assets acquired over the consideration transferred, adjusted for the settlement of pre-existing relationships and the fair value of Tallink's previously held interest.

The non-controlling interest in the acquiree's equity is measured based on the acquirer's proportionate share of the acquiree's net assets, without considering the potential impact of share options or convertible instruments.

The remeasurement of the Group's previously held 46.76% interest to its fair value resulted in a gain of EUR 10,359 thousand (EUR 364,386 thousand fair value less the carrying amount of the equity-accounted investment of EUR 354,027 thousand at the acquisition date). This amount has been recognized in the income statement under "Income from financial investments."

Transaction costs related to legal and due diligence services amounted to EUR 121 thousand. These costs were recognized under other operating expenses.

The fair value of property, plant, and equipment was determined based on Tallink's valuation using a discounted cash flow method.

As a result of the business combination, a fair value analysis was performed, which concluded that the fair values of the acquired assets and liabilities were approximately equal to their carrying amounts. The assets were recognized based on the carrying amounts reported in AS Tallink Grupp's financial statements, and no revaluations were made. No impairments were applied to the acquired receivables.

Elenger Polska sp. z o.o.

On 31 October 2024, Elenger signed an agreement with the German energy group EWE AG for the purchase of 100% of the shares in the Polish company Elenger Polska (EWE Polska sp. z o.o.). The transaction was completed on 19 December 2024 following the receipt of merger clearance from the Polish Competition Authority and the fulfilment of other preconditions, resulting in Elenger becoming the sole owner of Elenger Polska sp. z o.o. The Elenger Polska group includes Elenger Energia (EWE Energia sp. z o.o.) and Elenger Prezesy (EWE Prezesy sp. z o.o.), both of which are wholly owned subsidiaries of EWE Polska sp. z o.o.

The acquisition of EWE Polska group marks a significant milestone in the continued growth of the group. According to the group's assessment, the acquired entity qualifies as a business, and therefore, the transaction has been accounted for as a business combination.

The consolidation of the EWE Polska Group commenced on 31 December 2024. Revenue and profit for the period from 19 December to 31 December 2024 have not been included in the Group's results, as their impact on the Group's 2024 financial performance is considered immaterial.

Had the acquisition taken place on 1 January 2024, the consolidated revenue for the reporting year would have amounted to EUR 1,159,945 thousand and the consolidated profit to EUR 66,784 thousand, based on management's estimates. In determining these amounts, management assumed that the fair value adjustments initially identified as of the acquisition date would have been the same as if the acquisition had occurred on 1 January 2024.

The table below presents the consideration transferred and the recognized amounts of the acquired assets and assumed liabilities as at the acquisition date.

Consideration transferred	(in thousands of EUR)
Cash	111 771
Total consideration transferred	111 771
Acquired Identifiable Assets and Assumed Liabilities:	
Cash and Cash Equivalents	43 059
Trade Receivables	12 887
Other Receivables	3 678
Derivative Instruments (Assets)	2 582
Other Prepayments	144
Deferred Tax Asset	3 918
Energy Efficiency Certificates	794
Inventories	3 646
Property, Plant, and Equipment	109 852
Intangible Assets	516
Right-of-Use Assets	2 292
Loan Liabilities	-2 709
Trade Payables and Other Liabilities	-37 173
Derivative Instruments (Liabilities)	-1 908
Capital Grants for Fixed Assets	-3 401
Deferred Income from Connection Fees	-9 580
Total Acquired Net Assets	128 597

(in thousands of EUR)	Due from customers	Other receivables	Total receivables
Contractual gross amounts receivable	14 176	3 678	17 854
Estimated cash flows not expected to be received at acquisition date	-1 289	-	-1 289
Fair value of receivables	12 887	3 678	16 565

The costs related to the acquisition, including legal advisory and due diligence expenses, amounted to 209 thousand euros, while the transaction tax paid in connection with the acquisition was 1117 thousand euros. These expenses have been recorded under other operating expenses.

The fair value of property, plant and equipment was determined based on the estimated value of EWE Polska Group's tangible fixed assets using the discounted cash flow method.

Gain from a bargain purchase	(in thousands of EUR)
Consideration transferred	111 771
Fair value of identifiable net assets	-128 597
Gain from a bargain purchase	-16 826

The business combination resulted in a gain from a bargain purchase, which represents the difference between the fair value of the identifiable assets acquired and liabilities assumed, and the consideration transferred. The gain arose due to a favourable negotiation position and additional earnings generated during the period between the offer submission and the transaction closing.

The gain from the bargain purchase has been recognized in the income statement as a separate line item under net financial income/expense.

AS Gaso

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 "Gaso". 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 "Gaso".

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 "Gaso" 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.

Transaction costs related to legal services and due diligence amounted to EUR 123 thousand. These costs have been recognized under other operating expenses.

The table below presents the consideration transferred and the recognized amounts of the acquired assets and assumed liabilities as at the acquisition date.

Transferred Consideration	(in thousands of EUR)
Cash	122 069
Total Transferred Consideration	122 069
Acquired Identifiable Assets and Assumed Liabilities:	
Cash and Cash Equivalents	18 656
Trade Receivables	4 151
Other Receivables	80
Derivative Instruments (Assets)	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 Payables and Other Liabilities	-7 280
Derivative Instruments (Liabilities)	-1 781
Capital Grants for Fixed Assets	-13 621
Total Acquired Net Assets	281 279

<i>(in thousands of EUR)</i>	Due from customers	Other receivables	Total receivables
Contractual gross amounts receivable	4 784	80	4 864
Estimated cash flows not expected to be received at acquisition date	-633	0	-633
Fair value of receivables	4 151	80	4 231

The fair value of property, plant and equipment was determined based on the revalued amounts of tangible assets as reported by AS Gaso. In management's assessment, the fair values of other assets and liabilities were also approximately equal to their carrying amounts.

Gain from a bargain purchase	<i>(in thousands of EUR)</i>
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 "Gaso", 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.

Acquisition of Halinga

Infotar's subsidiary OÜ EG Biofond acquired a 51% shareholding in OÜ Halinga on 2 April 2024. As of 30 June 2024, Infotar conducted a purchase price allocation analysis, which resulted in the recognition of a new asset class for the group: biological assets. Infotar analyzed the fair values of OÜ Halinga and concluded that the fair values of the acquired assets and liabilities are approximately equal to their carrying amounts. The assets were valued based on OÜ Halinga's carrying amounts, and no revaluations were performed. As of 30 June 2024, the total amount of acquired assets was 21 million euros and the amount of acquired liabilities was 7 million euros.

Acquisition of Tallinna Raamatutrükikoda

On 16 October 2024, Infotar acquired a 100% shareholding in Tallinna Raamatutrükikoda OÜ. As of 30 October 2024, Infotar conducted a purchase price allocation analysis. Infotar analyzed the fair values of Tallinna Raamatutrükikoda OÜ and concluded that the fair values of the acquired assets and liabilities are approximately equal to their carrying amounts. The assets were valued based on the carrying amounts in the balance sheet of Tallinna Raamatutrükikoda OÜ, and no revaluations were made. The total amount of acquired assets was 4 million euros, and the total amount of acquired liabilities was 1 million euros.

9.3. Investments in Affiliated Undertakings

<i>(in thousands of EUR)</i>	31.12.24	31.12.23
Total investments	16 603	346 014
OÜ Vara HTG	50%	50%
value of holding	7 389	6 595
AS Tallink Grupp*		42%
value of holding		331 564
value in stock market price		216 467
OÜ Vana-Posti Kinnisvara	50%	50%
value of holding	178	20
OÜ Eesti Biogaas	50%	50%
value of holding	3 741	2 522
Pakrineeme Sadama OÜ	50%	50%
value of holding	5 295	5 313

*AS Tallink Grupp is consolidated line by line as of 30 Spetember 2024.

9.4. Group Structure

A diagram reflecting the structure of the Infortar Group is presented as part of the management report.

NOTE 10. FINANCIAL LIABILITIES

10.1. Loan and Lease Liabilities

<i>(in thousands of EUR)</i>	Maturity date	31.12.24	31.12.23
Short-term liabilities	under 1 year	506 182	186 025
Long-term liabilities	1-5 years	714 003	252 033
Long-term liabilities	over 5 years	3 102	3 102
TOTAL		1 223 287	441 160
Breakdown of liabilities by type and term:			
Short-term loan liabilities:			
Overdraft		43 390	30 527
Short-term loans		343 000	123 050
Short-term portion of long term loan liabilities		110 772	30 682
TOTAL		497 162	184 259
Long-term loan liabilities:			
Investment loan		676 669	246 410
TOTAL		676 669	246 410
Lease liabilities			
Short-term portion of lease liabilities		9 020	1 766
Long-term portion of lease liabilities		40 436	8 725
TOTAL		49 456	10 491

Key Borrowings

The Group's real estate entities have obtained property-backed loans from banks totaling EUR 94,824 thousand, with final maturities of less than five years. In connection with business acquisitions, the Group has obtained syndicated loans from banks totaling EUR 379,298 thousand, with maturities in 2028, 2029, and 2034.

The Group also received a bank loan of EUR 24,480 thousand for the acquisition of the LNG vessel Optimus. In addition, the Group obtained short-term bank loans totaling EUR 203,000 thousand for the purchase of gas reserves.

Information on loans received from related parties is disclosed in Note 16 (p. 174).

The Group's loan agreements include both financial and non-financial covenants that must be met by the parent company as well as the Group as a whole. As of 31 December 2024, all such covenants have been complied with.

10.2. Loan Collateral

The loans of the group's entities are secured with the following collateral and their carrying amounts:

<i>(in thousands of EUR)</i>	31.12.24	31.12.23	NOTE
Land and buildings	3 848	3 437	8.2
Machinery and equipment	35 618	36 581	8.2
Investment property	184 179	178 138	8.1
Financial assets	137 033	160 969	

Financial assets consist of shares pledged as collateral for long-term loans. According to the loan agreements, lenders have the right to demand additional collateral from the Group in the event of a decline in the value of the shares.

10.3. Interest

<i>(in thousands of EUR)</i>	12 months 2024	12 months 2023
Initial balance at the beginning of the year	724	375
Interest of the reporting year	38 274	22 573
Change through business combinations	2 334	0
Interests paid	-39 153	-22 224
Final balance	2 179	724

The interest rates on the Group's loan and lease liabilities are linked to 1-month, 3-month, or 6-month EURIBOR or €STR. The applicable margins ranged between 1.2% and 4.1% (2023: 3- or 6-month EURIBOR + 0.1% to 4%). The functional currency is the euro.

10.4. Changes in Liabilities Arising from Financing Activities

<i>(in thousands of EUR)</i>	Overdrafts	Loans	Lease liabilities
Opening balance as of 01.01.23	16 179	401 535	9 491
Changes from financing cash flows			
Proceeds from borrowings	0	287 606	0
Additions through business combinations	0	23 847	0
Repayments of borrowings	0	-312 846	0
Principal repayments of lease liabilities	0	0	-2 233
Total changes from financing cash flows	0	-1 393	-2 233
Other changes			
Change in overdraft balance	14 348	0	0
Recognition of new lease liabilities	0	0	3 376
Termination of lease liabilities	0	0	-143
Total other changes	14 348	0	3 233
Closing balance as of 31.12.23	30 527	400 142	10 491
Changes from financing cash flows			
Proceeds from borrowings	0	358 731	0
Additions through business combinations		523 358	44 431
Repayments of borrowings	0	-151 790	0
Principal repayments of lease liabilities	0	0	-11 300
Total changes from financing cash flows	0	730 299	33 131
Other changes			
Change in overdraft balance	12 863	0	0
Recognition of new lease liabilities	0	0	6 015
Termination of lease liabilities	0	0	-181
Total other changes	12 863	0	5 834
Closing balance as of 31.12.24	43 390	1 130 441	49 456

NOTE 11. SHARE CAPITAL, CONTINGENT LIABILITIES AND RESERVES

11.1. Share Capital

	31.12.24	31.12.23
Total number of ordinary shares issued	21 166 239	21 045 000
including fully paid	20 443 629	20 100 000
Nominal value (EUR)	0,10	0,10
Share capital (thousands EUR)	2 117	2 105
Own shares (thousands EUR)	-72	-95

The share capital of 2,116,624 euros is divided into 21,166,239 ordinary shares, with a nominal value of 0.10 euros per share (as of 31.12.23, 21,045,000 ordinary shares, with a nominal value of 0.10 euros per share). The minimum share capital of the company is one million (1,000,000) euros, and the maximum share capital is four million (4,000,000) euros. Within these limits, the share capital of the company may be increased or decreased without amending the Articles of Association.

In 2024, 121,239 shares were issued at a premium of 25.90 euros per share.

Share capital expansion	pcs	Euro
New shares	121 239	12 124
Share premium		3 140 100
Share issuance cost		0
Total	121 239	3 152 224

Changes in share capital 01.01.2024-31.12.2024	Euro
Share capital 01.01.2024	20 100 000
Exercise of share options	222 390
Newly issued shares (01.01.2024-31.12.2024)	121 239
Total number of ordinary shares issued 31.12.2024	20 443 629

11.2. Own Shares

Infotar holds 722,610 shares (945,000 as of December 31, 2023), acquired for the realization of an option program. These shares represent 3.4% of total equity. In 2024, a total of 222,390 shares were issued under the option program.

11.3. Contingent Liabilities

Potential income tax liability	31.12.24	31.12.23
Retained earnings	890 167	759 918
Including taxable profit	12 801	166 167
Maximum potential income tax liability	193 021	118 750
Dividends paid if all retained earnings are distributed	697 146	641 168

The calculation is based on the tax rate (22/78) that has been in effect since the beginning of the financial year for dividends paid out, with the assumption that the total of the distributed dividends and the resulting income tax will not exceed the retained earnings balance as of the reporting date.

Supervisory Procedure by the Finnish Energy Authority

In 2023, the Finnish Energy Authority (*Energiavirasto*) initiated a supervisory procedure to assess the activities of AS Elenger Grupp and its subsidiaries, Elenger Oy and SIA Elenger, under Article 5 of the REMIT Regulation (prohibition of market manipulation or attempted market manipulation).

Elenger Grupp considers that there has been no breach of the REMIT Regulation. However, should the Finnish Energy Authority conclude that the actions of AS Elenger Grupp, Elenger Oy, and SIA Elenger during the relevant periods constitute market manipulation or attempted market manipulation as defined under REMIT, potential consequences may include a warning or a fine of up to 10% of the violating market participant's turnover for the previous financial year, or the termination of the procedure without any warning or fine.

11.4. Legal Reserve

The reserve capital is formed from annual allocations of net profit, as well as other allocations transferred to the reserve capital in accordance with the law or the Articles of Association. The size of the reserve capital is stipulated in the Articles of Association and must not be less than 1/10 of the share capital. At least 1/20 of the net profit must be transferred to the reserve capital each financial year. Once the reserve capital reaches the size specified in the Articles of Association, further allocations from net profit to the reserve capital are discontinued.

The reserve capital may be used, by decision of the general meeting, to cover losses if it is not possible to cover them from the company's free equity, or to increase the share capital. Payments to shareholders cannot be made from the reserve capital. At the general meeting of shareholders held on May 20, 2024, it was decided to transfer an additional 7,145.11 euros to the reserve capital.

11.5. Hedging Reserve

	(in thousands of EUR)
As at 31.12.2023	24 118
Cash flow hedges – effective portion of changes in fair value	-40 898
	290
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	
incl. from swap contracts to hedge the price risk of gas sales at a floating price	-64 816
	27 259
incl. from swap contracts to hedge the price risk of gas purchases for storage	
incl. from swap contracts for buying and selling electricity	-3 419
incl. from currency exchange forwards	-212
Gain(-) / loss(+) reclassified to line "Revenue" of the statement of profit or loss and OCI (Note 6)	-18 433
incl. from swap contracts to hedge the price risk of gas sales at a floating price	-17 538
incl. from swap contracts for buying and selling electricity	-895
Gain(-) / loss(+) reclassified to line "Raw materials and consumables used" of the statement of profit or loss and OCI	41 515
	38 641
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	
incl. from swap contracts for buying and selling electricity	2 874
Gain(-) / loss(+) transferred to line "Inventories" of the statement of financial position	-1 304
	-1 304
incl. from swap contracts to hedge the price risk of gas purchases for storage	
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 (Note 7)	-29 603
	-680
incl. from swap contracts to hedge the price risk of gas sales at a fixed price	
	-25 356
incl. from swap contracts to hedge the price risk of gas purchases for storage	
incl. from swap contracts for buying and selling electricity	-3 567
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 (Note 10)	2 931
incl. from swap contracts to hedge the price risk of gas sales at a floating price	2 605
incl. from swap contracts for buying and selling electricity	11
incl. from currency exchange forwards	315
As at 31.12.24	-21 674

Additional information is provided in Notes 3.8 (p. 126) and 14.4 (p. 171).

The hedging reserve contains the effective portion of the change in the fair value of cash flow hedging instruments, which will be subsequently recognized in profit or loss when the hedged cash flows affect profit or loss.

11.6. Share Options Programme

As of August 1, 2024, control over Tallink was acquired, after which Tallink's stock option program was added to the group. Infortar shows Tallink's option reserve as a minority interest in the equity statement, in accordance with the interpretation of IFRS 10.

Key terms of a stock option program were developed for Infortar in 2021 and for Tallink in 2023 to motivate employees and management. The purpose of the program is to incentivize management and employees by making them shareholders, allowing option holders to benefit from the increase in the value of shares as a result of their work.

The cost of stock options for the 12 month 2024 was 1,6 millions euros, and it is reflected in the income statement under "Administrative Expenses" in the line "Personnel Expenses." The option validity period is 36 months, and the value is measured according to the Black-Scholes-Merton formula.

The main terms related to the stock option program are as follows:

The date of issue of options	The condition for earning the right for receiving options	Exercise period of options
<p>Infortar</p> <p>November 2021</p> <p>June 2022</p> <p>November 2023</p> <p>June 2024</p>	<p>a) Three years have passed from the issue of options.</p> <p>b) The option has not expired when it is exercised.</p>	<p>Starts when three years have passed from the date of issue of the options.</p>
<p>Tallink</p> <p>August 2023</p> <p>June 2024</p>		

11.7. Shares and stock options belonging to the members of the management and supervisory board

Direct holdings and holdings through controlled companies as of 31.12.2024:

Name	Position	Number of shares in Infortar	Holding %	Stock options in Infortar
Ain Hanschmidt	Chairman of the Management Board	4 882 855	23,07%	42 900
Eve Pant	Member of the Management Board	161 200	0,76%	42 900
Enn Pant	Chairman of the Supervisory Board	5 536 216	26,16%	42 900
Kalev Järvelill	Member of the Supervisory Board	4 924 966	23,27%	42 900
Toivo Ninnas	Member of the Supervisory Board	1 303 900	6,16%	42 900
Mare Puusaag	Member of the Supervisory Board	1 000	0,00%	6 000

Name	Number of shares in Tallink	Holding %	Stock options in Tallink
Ain Hanschmidt	4 719 494	0,63%	600 000
Eve Pant	781 000	0,11%	600 000
Enn Pant	17 868 562	2,40%	600 000
Kalev Järvelill	0	0,00%	600 000
Toivo Ninnas	3 668 770	0,49%	600 000
Mare Puusaag	140 000	0,02%	0

11.8. Earnings per Share

	12 months 2024	12 months 2023
Profit attributable to the owners of the parent (thousands EUR)	191 253	293 778
Weighted average number of ordinary shares	20 443 629	20 100 000
Ordinary earnings per share (EUR)*	9,36	14,62
Number of options issued	534 300	662 250
Purchase price in the options contract (EUR)	0,10	0,10
Average market price (EUR)	39	26
Number of shares that would've been issued at market price	1370	2547
Weighted average number of shares	20 976 559	20 759 703
Diluted earnings per share (EUR)	9,12	14,15

As of 31.12.2024, Infortar holds 722,610 own shares (945,000 as of 31.12.2023). The weighted average number of shares is calculated by subtracting the own shares from the total number of shares.

11.9. Principles of Capital Management

The Group's business strategy is to expand outside of Estonia by increasing energy sales volumes in existing markets (Finland, Latvia, and Lithuania) and entering new markets (Poland, Germany). In addition, investment opportunities are being sought in green energy and real estate segments, provided the investments align with the Group's business plan and create synergies within the existing Group structure.

The growth of energy sales volumes abroad requires ongoing investments, including investments in working capital. The goal of the Group's working capital management is to maintain sufficient buffers to capitalize on market opportunities and to protect the Group against potential market price fluctuations. Most of the profit generated by the subsidiaries of the Infortar Group is planned to be reinvested into business growth and to maintain sufficient reserves. It should also be noted that most of the Group's profit is earned by Elenger Group, which is capable of paying dividends to the shareholders if desired. Other subsidiaries have limited capacity to pay dividends.

Financial management of the Infortar Group is centralized, and the Group supports subsidiaries with short-term liquidity needs through an internal group account system. However, subsidiaries remain independently responsible for their sales and financial results and enter into contracts with customers themselves. The supervisory boards of the subsidiaries regularly monitor the achievement of these independent sales and financial targets.

Given the circumstances described above and the specific nature of the subsidiaries outlined below, there are no current plans or possibilities to distribute dividends from them in the near future.

The Infortar Group does not foresee any changes to its capital management principles in the near future and continues to follow its business strategy when entering into new short- and long-term loan agreements.

NOTE 12. REVENUE

12.1. Sales Revenue by Categories

<i>(in thousands of euros)</i>	12 months 2024	12 months 2023	NOTE
Total revenue	1 371 775	1 084 626	
Revenue from hedging instruments	18 433	80 448	
Revenue from customer contracts	1 354 237	1 004 178	
Revenue from customer contracts by type:			
Passenger and freight transport	290 229	0	
Energy sales	940 699	934 220	
Lease and rental of real estate	8 793	13 497	8.5, 15
Intermediation of utility services for real estate objects	737	880	
The revenue from chartering services	30 708	6 556	
Agricultural produce	7 362	0	
Sale of construction and repair services	51 527	29 619	
Printed products	9 747	6 928	
Taxi services	2 119	2 355	
Management of sports facilities	1 090	1 126	
Sale of minerals and construction materials	4 641	5 710	
Retail and wholesale	2 091	2 317	
Income from services for maritime passengers	324	293	
Other services	3 275	677	

12.2. Sales Revenue by Segments

<i>(in thousands of euros)</i>	2024	2023
Total revenue in companies under Infortars control	1 371 775	1 084 626
Maritime transport	316 764	0
Energy	966 180	1 021 523
Real estate	9 354	14 379
Supporting businesses	79 477	48 724
Total sales revenue in all segments, including affiliated companies	1 840 233	1 919 609
incl. maritime transport	785 222	834 983

As an exception, the Group's figures consolidate Tallink's revenue line-by-line starting from 1 August 2024. However, 100% of Tallink's revenue is presented in the segment report (Note 5), which includes a comparison with the consolidated report, as well as in this Note 12.2 (p. 159).

12.3. Sales Revenue by Geographical Regions

<i>(in thousands of euros)</i>	2024	2023
Estonia	803 338	541 665
Finland	364 675	303 451
Lithuania	55 026	131 651
Latvia	137 513	103 680
Rest of the European Union	10 573	3 802
Countries not in the EU	651	376
Total	1 371 775	1 084 626

Tallink uses shipping routes as segments for the geographical distribution of maritime revenue. In this report, the consolidatable maritime revenue has been allocated to geographical segments based on the country of departure of the vessels (Finland for the Finland–Sweden route and Estonia for other routes).

12.4. Customer Agreement Balances

The following table provides an overview of contractual assets and contractual liabilities with customers.

<i>(in thousands of euros)</i>	31.12.24	31.12.23	NOTE
Trade receivables			
Remaining term up to 12 months	155 351	162 576	
Remaining term 1-5 years	531	5	
Prepayments received	31 126	3 099	
Future income from connection fees	34 162	25 017	

12.5. Connection Fees

<i>(in thousands of euros)</i>	2024	2023
Future income from connection fees in the beginning of the period	25 017	13 023
Connection fees received	636	224
Connection fees received due to acquisitions	9 580	13 621
Connection fees recognised as income	-1 071	-1 851
Future income from connection fees at the end of the period	34 162	25 017

NOTE 13. OPERATING EXPENSES

13.1. Cost of Sales (Goods, Services)

<i>(thousands of euros)</i>	12 months 2024	12 months 2023	NOTE
Raw materials	-752 895	-779 979	
write-down and write-off of inventories	-9 758	-19	
Goods bought for reselling	-79 719	-7 513	
Services bought for reselling	-122 320	-57 958	
Energy	-1 320	-720	
Fuel	-28 311	-731	
Subcontracting	-72 501	-37 821	
Transport expenses	-11 734	-2 515	
Miscellaneous office expenses	-6 158	-3 227	
Allowance for doubtful receivables	-118	-342	
Labor costs	-98 993	-23 874	13.4
Depreciation and amortisation	-54 481	-14 348	8
Travel expenses	-3 048	0	
Other	-1 791	-6 106	
Total	-1 243 147	-935 153	

The cost of goods purchased for resale, cost of services, subcontracting costs, office expenses, personnel expenses, depreciation, and other expenses increased due to the inclusion of Tallink's expenses in Infortar's consolidated financial statements for the period August–December 2024, following its addition to the Group on 1 August 2024. No other significant increases in expenses occurred during the reporting period.

The cost of services purchased for resale mainly includes electricity and gas brokerage by Elenger, utility expenses brokered by real estate entities, and subcontracting costs brokered by construction entities.

13.2. Marketing Expenses

<i>(thousands of euros)</i>	12 months 2024	12 months 2023	NOTE
Labor costs	-10 419	-859	13.4
Depreciation expense	-866	-70	8
Advertising expenses	-7 229	0	
Other	-2 572	-691	
Total	-21 086	-1 620	

Personnel expenses increased due to the inclusion of Tallink's expenses in Infortar's consolidated financial statements for the period August–December 2024. No other significant increases in personnel expenses were noted during the reporting period.

13.3. General Administrative Expenses

<i>(thousands of euros)</i>	12 months 2024	12 months 2023	NOTE
Office expenses	-7 897	-287	
Travel expenses	-1 408	-81	
Labor costs	-31 725	-17 598	13.4
Amortisation cost	-3 264	-1 163	8
Other	-6 144	-2 956	
Total	-50 438	-22 085	

Various office expenses, personnel expenses, and other expenses increased due to the inclusion of Tallink's expenses in Infortar's consolidated financial statements for the period August–December 2024. No other significant increases in these expense categories were observed during the reporting period.

13.4. Labour Costs

<i>(thousands of euros)</i>	31.12.24	31.12.23	NOTE
Number of employees in the company	6 228	1 308	
including employees under employment contracts	6 174	1 265	
Members of management or supervisory bodies	54	43	

<i>(thousands of euros)</i>	12 months 2024	12 months 2023	NOTE
Total calculated remuneration	-102 006	-31 294	
Payroll taxes	-39 131	-9 428	
Total labor costs	-141 137	-40 722	

Personnel expenses increased due to the inclusion of Tallink's expenses in Infortar's consolidated financial statements for the period August–December 2024. No other material increases were recorded in personnel expenses during the reporting period.

NOTE 14. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

14.1. Accounting Classification and Fair Values

As at 31.12.24 (in thousands of EUR)	Fair value - hedging instruments	Financial assets at amortised cost	Other financial liabilities	Total	Fair value	
					Level 2	Level 3
Financial assets measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	11 547	0	0	11 547	11 547	0
Financial assets not measured at fair value						
Loans issued	0	7 147	0	7 147		7 147
Trade and other receivables (Note 7)		233 538	0	233 538	***	***
Cash and cash equivalents (Note 6)	0	167 579	0	167 579	***	***
TOTAL	0	408 264	0	408 264		
Financial liabilities measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	-29 173	0	0	-29 173	-29 173	
Financial liabilities not measured at fair value						
Overdraft and loans (Note 10)**		0	-1 173 831	-1 173 831	-	-1 173 831
Lease liabilities (Note 10)	0	0	-49 456	-49 456	0	-49 456
Trade and other payables (Note 7)		0	-237 265	-237 265	***	***
TOTAL	0	0	-1 460 552	-1 460 552		

* Does not include liabilities to employees

** In the opinion of management, the fair value of floating rate bank loans and overdrafts did not differ from their carrying amount, as the credit spreads were in line with market levels as at the end of the reporting period.

*** The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, trade receivables, other receivables, trade payables, and other payables, as their carrying amounts are approximately equal to their fair values.

As at 31.12.23 (in thousands of EUR)	Fair value - hedging instruments	Financial assets at amortised cost	Other financial liabilities	Total	Fair value	
					Level 2	Level 3
Financial assets measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	29 852	0	0	29 852	29 852	0
Financial assets not measured at fair value						
Loans issued	0	9 065	0	9 065		9 065
Trade and other receivables (Note 7)		198 715	0	198 715	***	***
Cash and cash equivalents (Note 6)	0	87 115	0	87 115	***	***
TOTAL	0	294 895	0	294 895		
Financial liabilities measured at fair value						
Derivatives - swaps for buying and selling natural gas and electricity	-3 845	0	0	-3 845	-3 845	
Financial liabilities not measured at fair value						
Overdraft and loans (Note 10)**	0	0	-430 669	-430 669	-	-430 669
Lease liabilities (Note 10)	0	0	-10 491	-10 491	0	-10 491
Trade and other payables (Note 7)	0	0	-125 625	-125 625	***	***
TOTAL	0	0	-566 785	-566 785		

* Does not include liabilities to employees

** In the opinion of management, the fair value of floating rate bank loans and overdrafts did not differ from their carrying amount, as the credit spreads were in line with market levels as at the end of the reporting period.

*** The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, trade receivables, other receivables, trade payables, and other payables, as their carrying amounts are approximately equal to their fair values.

14.2. Measurement of fair values

Financial assets and liabilities measured at fair value	Valuation technique	Significant unobservable inputs
Derivative financial instruments - swap contracts for buying and selling natural gas	The fair value is determined using settlement prices for futures contracts at ICE Endex market at the reporting date	-
Derivative financial instruments - swap contracts for buying and selling electricity	The fair value is determined based on the observed market prices of Nasdaq electricity futures, historical Nasdaq and Nordpool electricity prices, border capacity auction prices, and feedback from market participants	-
Derivative financial instruments - currency exchange forwards	The fair value is determined based on forward rates	-
Financial liabilities not measured at fair value		
Loans, overdrafts and lease liabilities	Discounted cash flows: the valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate	Interest rates of borrowings

14.3. Financial Risk Management

The Group is exposed to the following financial risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Management Board of the parent company is responsible for establishing and regularly reviewing the Group's risk management framework. The overall objective of the Group's risk management program is to mitigate financial risks and reduce the volatility of financial results in order to minimize potential adverse effects on the Group's financial performance.

The Group's risk management activities focus on identifying and analysing potential risks, setting appropriate risk limits and controls, and monitoring compliance with those limits. The effectiveness of the Group's risk management and internal control systems is overseen and assessed 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. This risk primarily arises from the Group's trade receivables and other receivables. The maximum exposure to credit risk is the carrying amount of the financial assets.

The maximum exposure to credit risk is as follows:

<i>(in thousands of EUR)</i>	31.12.2024	31.12.2023
Trade receivables	155 882	162 581
Interest receivables	450	424
Other receivables and prepayments	33 257	18 646
Receivables from settled derivative instruments	676	5 958
Derivative instruments	11 547	29 852
Bank account balances	160 385	87 102
Loans granted	7 147	9 065
Total exposure to credit risk	369 344	313 628

Trade receivables and other receivables

The Group's exposure to credit risk from outstanding trade receivables is primarily affected by the individual characteristics of each customer. For business customers, credit assessments are performed both prior to entering into contracts and regularly during the term of the agreement.

In the case of residential customers, the gas supplier holding the largest market share within a network area is legally obligated to supply gas—subject to the technical capabilities of the network—to all household customers connected to that network who wish to purchase gas.

Customer payment behaviour is monitored on a daily basis. Where necessary, additional measures are applied, such as interim invoices, advance payments, or security deposits. In the event of overdue receivables, reminder notices are sent and follow-up contact is made by phone. If required, debt collection proceedings are initiated either through legal action or by engaging a collection agency. Gas supply disconnection is permitted in accordance with applicable legislation after the expiry of the statutory notice period.

Estimate of expected credit loss on trade receivables

The Group uses a provision matrix to measure expected credit losses on trade receivables consisting of a large number of balances. The impairment rates are based on historical credit loss experience and are calculated separately for different risk exposures, segmented by geographic region and type of goods or services.

Where necessary, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic conditions.

As at 31 December 2024, the Group had not observed any deterioration in customer payment behaviour.

As at 31 December 2024 (in thousands of EUR)	Weighted average loss rate	Carrying amount	Calculated impairment
Accounts receivables not yet due	0,10%	147 260	140
1-30 days past due	0,74%	5 979	44
31-179 days past due	4,57%	2 081	95
More than 180 days past due	85,77%	562	482
Total accounts receivable (Note 12)		155 882	761

As at 31 December 2023 (in thousands of EUR)	Weighted average loss rate	Carrying amount	Calculated impairment
Accounts receivables 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

(in thousands of EUR)

Doubtful receivables	31.12.24	31.12.23
Doubtful receivables for natural gas and network services, incl.		
business consumers	-204	-330
household consumers	-23	-37
Doubtful receivables for other goods and services	-65	-112
Total doubtful receivables (Note 12)	-292	-479

Change in doubtful receivables	2024	2023
Allowance for doubtful receivables at the beginning of the period	-479	-175
Classified as doubtful and collected during the accounting period	-488	-343
Classified as irrecoverable	206	39
Allowance for doubtful receivables at the end of the period	-761	-479

Bank current accounts represent the Group's available cash held with financial institutions. The Group's cash and cash equivalents are primarily held in banks within the European Union that have an A1 credit rating. Based on the credit ratings assigned to these financial institutions, management considers that the Group is not exposed to significant credit risk in respect of cash and cash equivalents.

14.3.2. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting its financial obligations as they fall due, requiring the transfer of cash or other financial assets. The Group's liquidity management policy is to ensure, as far as possible, the availability of sufficient liquidity to meet its obligations on time, both under normal conditions and in stressed circumstances, without incurring unacceptable losses or damaging the Group's reputation.

Long-term liquidity risk refers to the risk that the Group may not have sufficient free cash or other sources of liquidity to meet future funding needs related to the execution of its business plan and the settlement of its obligations, or that the Group may need to raise funds urgently, potentially at higher cost.

Short-term liquidity risk is mitigated by maintaining a buffer of available cash in bank accounts to cover potential deviations from cash flow forecasts. To ensure sufficient liquidity, the Group has entered into overdraft agreements, factoring agreements, and working capital loan agreements. Short-term financing needs may arise particularly in connection with the purchase of natural gas for storage.

For financing investments in various equipment, the Group has entered into lease agreements.

As at 31 December 2024, the equity of certain subsidiaries within the Infortar Group was negative. From the Group's perspective, the amounts are not material and relate to start-up and development-phase capital expenditures. These are expected to be covered by future operating profits. If necessary, the parent company is prepared to increase the share capital of the respective subsidiaries.

The table below presents the contractual undiscounted cash flows of financial liabilities as at the end of the reporting period, classified by maturity. The amounts disclosed are gross and undiscounted and include contractual interest payments.

For loans with variable interest rates, overdrafts, and lease liabilities, interest payments have been calculated based on the interest rates applicable at the reporting date. These amounts are subject to change if market interest rates fluctuate.

The Group's significant financing agreements include covenants. In the event of non-compliance, such breaches can be remedied within the agreed-upon cure period.

As at 31.12.24

<i>(in thousands of EUR)</i>	Carrying amount		Balance sheet value for liabilities			
			1-6 months	7-12 months	1-5 years	more than 5 years
Non-derivative financial liabilities		Total				
Bank loans (Note 10.1.)	1 130 441	-1 130 441	-412 725	-41 047	-676 669	0
Bank overdraft (Note 10.1.)	43 390	-43 390	-43 390	0	0	0
Lease liabilities (Note 10.1.)	49 456	-49 456	-4 961	-4 059	-37 334	-3 102
Trade and other payables (Note 7.3.)	201 127	-201 127	-200 726	0	-401	0
Total non-derivative financial liabilities	1 424 414	-1 424 414	-661 802	-45 106	-714 404	-3 102
Derivatives						
Outflow	29 175	-46 664	-37 576	-4674	-3414	0
Inflow	0	16 489	8489	6057	1943	0
Total derivatives (Note 14.4.)	29 175	-29 175	-29 087	1383	-1471	-

As at 31.12.23

<i>(in thousands of EUR)</i>	Carrying amount	Balance sheet value for liabilities				
			1-6 months	7-12 months	1-5 years	more than 5 years
Non-derivative financial liabilities		Total				
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	-

As at the reporting date, information related to the settlement of financial liabilities is disclosed in Note 10.1 on borrowings (p. 151).

14.3.3. Market risks

Currency Risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Financial assets and liabilities denominated in euros are considered free of currency risk if the entity's functional currency is the euro. The Group does not have significant financial assets or liabilities that are exposed to currency risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Group's financial assets are not exposed to price risk. The Group's main commodity price risks arise from fixed-price gas sales contracts, floating-price gas sales, and floating-price electricity purchase agreements.

To hedge against these risks, the Group uses derivative instruments—natural gas and electricity purchase and sale swap contracts. These swaps are contracted for the purchase or sale of a specific quantity of gas or electricity per hour, with prices denominated in euros.

Changes in the fair value of derivative instruments that are designated and qualify as cash flow hedges are recognized in other comprehensive income to the extent the hedge is effective.

Market Risk

Market risk is the risk that changes in market prices—such as commodity prices, foreign exchange rates, interest rates, or equity prices—will affect the Group's income or the value of its investments in financial instruments. The objective of market risk management is to control and maintain exposures within acceptable limits while optimizing returns.

Hedge Effectiveness and Derivatives

A hedging relationship qualifies as effective if there is an economic relationship between the hedged item and the hedging instrument, the effect of credit risk does not dominate the value changes, and the hedge ratio reflects the actual quantities of hedged items and hedging instruments used by the Group. The Group aims to maintain a hedge ratio close to 1:1 (i.e. 100%).

Sources of hedge ineffectiveness may include differences in the notional amounts, underlying assets, or reference prices of the hedged items and hedging instruments. Changes in the fair value of other derivative transactions that do not qualify for hedge accounting are recognized through profit or loss.

As at 31 December 2024, the Group had entered into natural gas purchase and sale swap contracts totaling -1,899,919 MWh for the years 2024–2028 (31 December 2023: -308,488 MWh for the years 2024–2027), and electricity purchase and sale swap contracts totaling 1,254 MWh for the years 2024–2027 (31 December 2023: 67,163 MWh for the same period).

The fair values of these instruments are determined based on ICE Endex and NordPool market quotations.

Cash Flow and Fair Value Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

Cash flow interest rate risk arises from the Group's borrowings with variable interest rates and relates to the risk that finance costs will increase if interest rates rise. The Group's interest rate risk is primarily associated with its short- and long-term borrowings (Note 10).

As at 31 December 2024, the weighted average interest rate on the Group's borrowings was 4.60% (31 December 2023: 5.20%). A change of 3 percentage points in the weighted average interest rate would have affected the Group's net profit for 2024 by EUR 24,966.7 thousand (2023: EUR 13,025.5 thousand).

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

31. December 2024 (in thousands of EUR)	1-6 months	7-12 months	more than 1 year	Total
Nominal amount of swap contracts to hedge the price risk of gas sales at a fixed price	5 990	5 179	2 740	13 909
Nominal amount of swap contracts to hedge the price risk of gas sales at a floating price	-30 224	0	0	-30 224
Total nominal amount of swap contracts for buying and selling natural gas (Note 17)	-24 234	5 179	2 740	-16 315
Nominal amount of swap contracts for buying electricity	-629	-1 646	-815	-3 090
Nominal amount of swap contracts for selling electricity	-437	-7	-159	-603
Total nominal amount of swap contracts for buying and selling electricity (Note 17)	-1 066	-1 653	-974	-3 693
Nominal amount of currency exchange forwards (Note 17)	-54	0	-2	-56
Quantity of swap contracts to hedge the price risk of gas sales at a fixed price (MWh)	215 676	364 253	627 740	1 207 669
Quantity of swap contracts to hedge the price risk of gas sales at a floating price (MWh)	-3 107 588	0	0	-3 107 588
Total quantity of swap contracts for buying and selling natural gas (MWh)	-2 891 912	364 253	627 740	-1 899 919
Quantity of swap contracts for buying electricity (MWh)	461 831	341 728	315 360	1 118 919
Quantity of swap contracts for selling electricity (MWh)	-289 543	-223 682	-604 440	-1 117 665
Total quantity of swap contracts for buying and selling natural gas (MWh)	172 288	118 046	-289 080	1 254
Average price of swap contracts to hedge the price risk of gas sales at a fixed price (€/MWh)	32	32	33	
Average price of swap contracts to hedge the price risk of gas sales at a floating price (€/MWh)	38	0	0	
Average price of swap contracts for buying electricity (€/MWh)	41	34	52	
Average price of swap contracts for selling electricity (€/MWh)	56	48	36	

The electricity purchase swap contracts include EPADs (Electricity Price Area Differentials); therefore, the average price presented does not reflect the total fixed price.

31. December 2023 (in thousands of EUR)	1-6 months	7-12 months	more than 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	51 920	0	210	52 130
Nominal amount of swap contracts to hedge the price risk of gas purchases for storage	-599	0	0	-599
Total nominal amount of swap contracts for buying and selling natural gas (Note 17)	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 (Note 17)	481	843	-153	1 171
Quantity 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 (MWh)	-2 776 488	-	-105 000	-2 881 488
Quantity of swap contracts to hedge the price risk of gas purchases 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
Quantity of swap contracts for buying electricity (MWh)	144 345	101 591	-	245 936
Quantity of swap contracts for selling electricity (MWh)	-12 664	-12 809	-153 300	-178 773
Total quantity of swap contracts for buying and selling natural gas (MWh)	131 681	88 782	-153 300	67 163
Average price of swap contracts to hedge the price risk of gas sales at a fixed price (€/MWh)	47	47	30	
Average price of swap contracts to hedge the price risk of gas sales at a floating price (€/MWh)	52	-	40	
Average price of swap contracts to hedge the price risk of gas purchases for storage (€/MWh)	38	-	-	
Average price of swap contracts for buying electricity	33	14	-	
Average price of swap contracts for selling electricity	117	117	3	

The electricity purchase swap contracts include EPADs (Electricity Price Area Differentials); therefore, the average price presented does not reflect the total fixed price.

14.4. Derivatives

The Group's derivative contracts are subject to netting arrangements, which allow for the offsetting of financial assets and liabilities with the same counterparty in the statement of financial position.

(in thousands of EUR)	31.12.2024		31.12.2023	
Non-current derivative financial instruments	Assets	Liabilities	Assets	Liabilities
Swap contracts for buying and selling natural gas	2 954	-235	1 092	0
incl. derivative financial instruments for which hedge accounting is applied	2 864	-124	1 092	0
incl. swap contracts to hedge the price risk of gas sales at a fixed price	2 864	-124	882	0
incl. swap contracts to hedge the price risk of gas sales at a floating price	-	-	210	0
Swap contracts for buying and selling electricity	260	-1 234	33	-186
incl. derivative financial instruments for which hedge accounting is applied	260	-1 234	33	-186
Currency exchange forwards	-	-2		
Current derivative financial instruments				
Swap contracts for buying and selling natural gas	4 672	-23 257	27 347	-3 445
incl. derivative financial instruments for which hedge accounting is applied	2 982	-22 037	27 347	-3 445
incl. swap contracts to hedge the price risk of gas sales at a fixed price	3 142	8 027	-23 310	-4 109
incl. swap contracts to hedge the price risk of gas sales at a floating price	-160	-30 064	51 224	696
incl. swap contracts to hedge the price risk of gas purchases for storage	-	-	-567	-32
Swap contracts for buying and selling electricity	3 661	-4 393	1 380	-56
incl. derivative financial instruments for which hedge accounting is applied	1 097	-3 816	1 380	-56
Currency exchange forwards	-	-54	0	-158
Total derivative financial instruments (Note 24)	11 547	-29 173	29 852	-3 845

The purpose of the natural gas purchase and sale swap contracts is to hedge against the risk of changes in natural gas purchase prices and the value of sales transactions. The purpose of the electricity purchase and sale swap contracts is to hedge against the risk of changes in electricity purchase prices.

The fair value of natural gas purchase and sale swap contracts is determined based on settlement prices of futures contracts traded on the ICE Endex market as at the reporting date.

The fair value of electricity purchase and sale swap contracts is determined based on the settlement prices in the Nord Pool market for the Estonian and Latvian price areas as at the reporting date.

Equity sensitivity analysis for derivative instruments

Equity (in thousands of EUR)	10% increase in settlement prices	10% decrease in settlement prices
31 December 2024		
Derivative financial instruments	-2 403	2 403
31 December 2023		
Derivative financial instruments	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.

The group has made transactions with related parties, and the group's balances with related parties are:

15.2. Related party transactions

<i>(in thousands of EUR)</i>		related party	2024	2023
Goods and services sold (Note 12)	Affiliated undertakings		25 638	11 396
Lease of real estate	Affiliated undertakings		12 005	12 699
Total sales to related parties			37 643	24 095
Calculated interest	Affiliated undertakings		374	527
Goods and services purchased	Affiliated undertakings		2 492	627
Interest expense	Members of the management and supervisory boards and companies associated with them		691	646
Total purchases from related parties			3 183	1 273

15.3. Balances of related parties

15.3. Balances of related parties

		31.12.24	31.12.23
Receivables			
Receivables from the sale of goods and services (Note 7)	Affiliated undertakings	12	2 370
Loan and interest receivables (Note 7, 10)	Affiliated undertakings	7 501	9 391
Liabilities			
Payables for the purchase of goods and services (Note 7)	Affiliated undertakings	908	16
Loan and interest liabilities (Note 10)	Members of the management and supervisory boards and companies associated with them	30 100	8 900
Calculated remuneration for the members of the management and supervisory boards of the companies in the group		3 458	4 122
Including calculated remuneration for the members of the management and supervisory boards of the group		1 091	1 469

Remuneration accrued to the members of the Management and Supervisory Boards includes base salaries, vacation pay, bonuses, allowances, and compensation. Payments are subject to a 33% social tax obligation. More detailed information is provided in the Remuneration Report.

In 2024, 224,400 shares were sold to members of the Management Board and employees under the company's share option program at a weighted average price of EUR 0.10 per share. Further information on share-based payments is disclosed in Note 11 (p. 153).

Transactions related to share capital are disclosed in Note 11, and investments in subsidiaries are disclosed in Note 9 (p. 144).

Transactions with related parties consist of services purchased and sold in the ordinary course of business with related entities.

NOTE 16. BALANCE SHEET OF THE PARENT COMPANY

16.1. Accounting Principles

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. Infotart 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

	<i>(in thousands of EUR)</i>	
	31.12.24	31.12.23
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	40 180	44 495
Short-term financial investments	1	1
Trade and other receivables	1 992	5 186
Loans granted	5 921	0
Total current assets	48 094	49 682
NON-CURRENT ASSETS		
Investments to subsidiaries	189 605	28 413
Investments to associates	4 827	45 853
Other financial assets	16 976	25 241
Real estate investments	8 123	7 998
Tangible non-current assets	1 164	1 331
Total non-current assets	220 695	108 836
TOTAL ASSETS	268 789	158 518
LIABILITIES		
CURRENT LIABILITIES		
Loan and leasing obligations	149 831	32 471
Payables to suppliers	86	940
Prepayments	23	15
Other current liabilities	2 484	1 704
Total current liabilities	152 424	35 130
NON-CURRENT LIABILITIES		
Loan and lease obligations	68 140	53 380
Total non-current liabilities	68 140	53 380
TOTAL LIABILITIES	220 564	88 510
EQUITY		
Share capital	2 117	2 105
Own shares	-72	-95
Share premium	32 484	29 344
Reserve capital	212	205
Option reserve	5 540	3 864
Retained earnings	-26 419	-7 271
Net profit	34 363	41 856
Total equity	48 225	70 008
TOTAL LIABILITIES AND EQUITY	268 789	158 518

16.3. Income Statement of the Parent

<i>(in thousands of euros)</i>	12 months 2024	12 months 2023
Revenue	6 493	5 761
Cost of sales	-82	-70
Gross profit	6 411	5 691
Administrative expenses	-10 116	-10 592
Revaluation result of real estate investments	59	-770
Other operating income	21	0
Other operating expenses	-43	-6
Operating profit	-3 668	-5 678
Profit (loss) from investments accounted for by equity method	-5 003	-490
Financial income and expenses		
Interest expense	-7 666	-3 801
Interest gain	8 644	6 013
Other financial income and expenses	-1 206	0
Received dividend	43 262	45 812
Total financial income and expenses	38 031	47 534
Net profit of the financial year	34 363	41 856

16.4. Cash Flow Statement

(thousands of euros)	2024	2023
Cash Flow from Operating Activities		
Net profit/loss	34 363	41 856
Adjustments		
Profit/loss from financial investments	-37 053	-51 335
Change in fair value of investment properties	-59	770
Depreciation and impairment of fixed assets	326	94
Interest expenses	-978	3 801
Profit/loss from fixed assets	-21	0
Change in receivables and prepayments related to operating activities	3 178	-2 580
Change in liabilities related to operating activities	1 117	2 116
Total cash flow from operating activities	873	-5 278
Cash Flow from Investing Activities		
Purchases of associates	0	-10 314
Purchase, sale and/or capital expansion of subsidiaries	-126 375	-5 062
Given loans	0	0
Paybacks from given loans	2 344	25 105
Dividends received	43 262	45 812
Interest received	6 877	5 769
Purchases of investment properties	-67	-805
Purchases of property, plant and equipment	-167	-1 126
Proceeds from sale of real estate investments and fixed assets	30	0
Total change in cash flow from investing activities	-74 096	59 379
Cash Flow from Financing Activities		
Gain from share emission	3 174	29 464
Changes in overdraft	-7 640	-19 153
Proceeds from borrowings	141 200	900
Repayments of borrowings	-1 440	-1 440
Interest paid	-4 222	-3 627
Dividends paid	-60 997	-15 750
Total change in cash flow from financing activities	68 908	-9 606
Total net cash flow	-4 315	44 495
Cash at the beginning of the year	44 495	0
Cash at the end of the period	40 180	44 495
Net decrease/increase in cash	-4 315	44 495

16.5. Parent Company Statement of Changes in Equity

<i>(in thousands of EUR)</i>	Share Capital	Share Premium	Own Shares	Option Reserve	Reserve Capital	Retained Earnings	Total
Balance 01.01.23	1 985	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
Net profit	0	0	0	0	0	41 856	41 856
Balance 31.12.23	2 105	29 344	-95	3 864	205	34 585	70 008
Share capital expansion	12	3 140	0	0	0	0	3 152
Statutory reserve capital increase	0	0	0	0	7	-7	0
Dividends paid	0	0	0	0	0	-60 997	-60 997
Stock options	0	0	23	1 676	0	0	1 699
Net profit	0	0	0	0	0	34 363	34 363
Balance 31.12.24	2 117	32 484	-72	5 540	212	7 944	48 225
Adjusted Unconsolidated Equity Calculation as of 31.12.24						31.12.24	31.12.23
Unconsolidated equity						48 225	70 008
Carrying value of associates						-194 432	-74 266
Fair value of associates by equity method						1 055 960	823 121
Adjusted unconsolidated equity						909 753	818 863

NOTE 17. EVENTS AFTER THE REPORTING DATE

On 6 January 2025, Infortar announced its decision to exit the taxi services business segment and initiated the liquidation of Tallink Takso AS.

On 31 January 2025, as part of an intra-group reorganisation, Infortar announced that on the same date, Tallinna Raamatutrükikoja OÜ (TRT) acquired the shares of AS Vaba Maa's subsidiary, AS Printon, from AS Vaba Maa, and acquired the shares of AS Vaba Maa from Infortar. As a result of these transactions, both AS Vaba Maa and AS Printon continue as subsidiaries of Tallinna Raamatutrükikoja OÜ.

As at the date of preparing the financial statements, loans originally classified under “Short-term borrowings” in Note 10 and maturing in 2025 were extended: EUR 20,000 thousand to 2028 and EUR 9,074 thousand to 2030.

On 2 April 2025, Tallink announced that it had signed a sale agreement for the vessel Star1 with Irish Continental Group plc.

3D render of DEPO DIY store in Lasnamäe



INDEPENDENT AUDITORS REPORT

Independent auditors' report

To the Shareholders of Aktsiaselts Infortar

(Translation of the Estonian original)

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 2024, 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 2024, 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.

Value of the ships and buildings included in property, plant and equipment	
Refer to notes 3.6 (accounting policies for property, plant and equipment), 4.1 (fair value measurement), 4.3 (uncertainty of assumptions and estimates) and 8.2 (non-current assets measured at fair value) to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit

<p>The group's property, plant and equipment include:</p> <ul style="list-style-type: none"> ships, which are measured at revalued amounts (i.e. at fair value less depreciation charged subsequent to the date of the revaluation). The carrying amount of the group's ships as at 31 December 2024 was EUR 1,175,177 thousand; buildings, which are measured at revalued amounts (i.e. at fair value less depreciation charged subsequent to the date of the revaluation). The carrying value of the group's buildings as at 31 December 2024 was EUR 139,990 thousand. <p>The group measures the fair value of the above assets using the market (sales comparison) approach or the discounted cash flow method.</p> <p>The fair value of the ships depends on many factors, including changes in the fleet composition, current and forecast market values and technical factors, which may affect the expected useful lives of the assets and therefore could have a material impact on any impairment or depreciation charge for the year. In order to assess the fair value of the ships, the group's management uses the assistance of independent appraisers.</p> <p>Using the discounted cash flow method for the valuation of buildings is inherently subjective, and judgements and estimates must be made when choosing and applying the valuation methodology and assumptions. The group's management engages certified independent appraisers each year to determine the fair values of the buildings measured at fair value.</p> <p>We have identified the carrying amount of the non-current assets measured at fair value as a key audit matter because of its significance to the consolidated financial statements and because applying the group's accounting policies in this area involves significant judgements by management relating to the nature, timing and likelihood of changes in the factors noted above which may affect both the carrying amount of the group's non-current assets measured at fair value as well the depreciation charge for the current year and future years.</p>	<p>Our audit procedures in the area of the fair value of the ships and buildings included, among others:</p> <ul style="list-style-type: none"> assessing the methodologies used by the external appraisers to estimate the fair values of the assets; evaluating the external appraisers' qualifications, expertise and objectivity and making inquiries of the external appraisers regarding the terms of their engagement to determine whether there were any circumstances that could affect the independence of the external appraisers or impose limitations on their engagement; evaluating the historical accuracy of the fair value estimates of the group's ships by comparing them to the transaction prices in prior years; testing the adequacy of the capitalised expenditures of the ships; analysing the estimates of the useful lives and residual values of the ships and comparing them to the published estimates for other international ship operators; verifying the appropriateness of the valuation methods used to determine the fair value of the buildings against the relevant requirements of international financial reporting standards; challenging the key assumptions and inputs used to determine the fair value of the buildings (e.g. rental growth rates and capitalisation, vacancy and inflation rates) by reference to our independent expectations developed based on our experience with the group's industry and external sources; making alternative calculations for the discount rate of the buildings (WACC – weighted average cost of capital) based on available market data and comparing it to the rate used in the group's calculations; requesting additional information and explanations from management regarding the inputs and assumptions used, where the assumptions used were outside the expected range or otherwise unusual, or where the valuation results showed unexpected movements not consistent with general trends in the market; and assessing the appropriateness of the disclosures in the consolidated financial statements.
<p>Business combinations</p>	
<p>Refer to note 9.2 (business combinations) to the consolidated financial statements.</p>	
<p>The key audit matter</p>	<p>How the matter was addressed in our audit</p>

<p>On 6 August 2024, the group announced the results of a voluntary takeover offer regarding the shares of Tallink Grupp, as a result of which an additional 21.71% of the shares in Tallink Grupp were acquired, and control of Tallink Grupp was obtained. The purchase price was EUR 88,768 thousand.</p> <p>On 31 October 2024, Infotar's subsidiary Elenger entered into a contract for the purchase of 100% of the shares in the Polish company EWE Polska sp. z o.o. The acquisition was completed on 19 December 2024 after obtaining all necessary regulatory approvals. The purchase price was EUR 111,771 thousand.</p> <p>The assets acquired and the liabilities assumed were recognised at the fair values determined by applying the acquisition method.</p> <p>The allocation of the purchase price to the fair values of the assets acquired and the liabilities assumed and the recognition of the bargain purchase gain require management to make significant judgements, estimates and assumptions.</p> <p>We focused on this area because of the size of the acquired businesses and the complexity of the related estimates.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • verifying the obtaining of control on the basis of the takeover offer, the purchase agreements, the agreements under the company law and the criteria defined in IFRS 10; • verifying the correctness of the methodology used to measure the assets and liabilities recognised in the business combinations; • examining the subsequent recognition of the acquired investments in the consolidated financial statements and the subsequent consolidation process; • assessing the fair value of the assets acquired and the liabilities assumed and the determination of the acquisition date; • verifying the correctness of the recognition of the amount of the bargain purchase gain; • testing the reasonableness of the key assumptions used in the discounted cash flow valuation model, including the cash flow projections and the discount rates; and • assessing the appropriateness and adequacy of the disclosures in the consolidated financial statements.
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Other Information

Management is responsible for the other information. The other information comprises the information included in the management report (including the consolidated sustainability statement) 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.

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.

We have issued a separate assurance report on the consolidated sustainability statement.

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.

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.

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 49300LS1K5S7AWHV603-2024-12-31-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

2024;

- 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 49300LS1K5S7AWHV603-2024-12-31-et.zip for the year ended 31 December 2024 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 appointed by those charged with governance on 20 May 2024 to audit the consolidated financial statements of Aktsiaselts Infortar Grupp for the year ending 31 December 2024. Our total uninterrupted period of engagement is 2 years, covering the periods ending 31 December 2023 to 31 December 2024.

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, 25 April 2025

/signed digitally/

Andris Jegers
Certified Public Accountant
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INDEPENDENT AUDITORS REPORT FOR THE SUSTAINABILITY REPORT

Independent Auditor's Limited Assurance Report
To the Shareholders of Aktsiaselts Infotar

(Translation of the Estonian original)

Report on the Consolidated Sustainability Statement

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of Aktsiaselts Infotar and its subsidiaries (the 'Group') as at and for the year ended 31 December 2024 included in the *Consolidated Sustainability Report* section of the Group's Management Report (the 'Consolidated Sustainability Statement').

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with subsection 4 of § 31 of the Estonian Accounting Act, which transposes Article 29a of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards, including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement (the 'Process') is in accordance with the description in the section *Description of the process for identifying and assessing significant impacts, risks, and opportunities* of the Consolidated Sustainability Statement; and
- that the disclosures in the *Information to be disclosed pursuant to Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)* section of the chapter *Environmental Information* of the Consolidated Sustainability Statement comply with Article 8 of EU Regulation 2020/852.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE (EE) 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the *Auditor's Responsibilities for the Limited Assurance Engagement* section of our report.

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the International Ethics Standards Board for Accountants, together with the ethical requirements that are relevant to limited assurance engagements on sustainability statements in Estonia.

Our firm applies International Standard on Quality Management (Estonia) 1 (Revised) and accordingly maintains 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 believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Sustainability Statement

Management is responsible for designing, implementing and maintaining a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the European Sustainability Reporting Standards and for disclosing this process in the section *Description of the process for identifying and assessing significant impacts, risks, and opportunities*. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as the risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- selecting and applying methodologies and making assumptions and estimates that are reasonable in the circumstances.

Management is further responsible for the preparation of the Consolidated Sustainability Statement in accordance with subsection 4 of § 31 of the Estonian Accounting Act, which transposes Article 29a of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards;
- preparing the disclosures in the section *Information to be disclosed pursuant to Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)* within the *Environmental Information* chapter of the Consolidated Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (*Taxonomy Regulation*);

- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent Limitations in Preparing the Consolidated Sustainability Statement

In reporting forward-looking information in accordance with the European Sustainability Reporting Standards, the Group's management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosure requirements for the Consolidated Sustainability Statement, the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation, and, accordingly, are subject to uncertainty.

Auditor's Responsibilities for the Limited Assurance Engagement

Our responsibility is to design and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

Our responsibilities in respect of the Consolidated Sustainability Statement and the Process of its preparation include:

- obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- designing and performing procedures to evaluate whether the Process is consistent with the Group's description of the Process, as disclosed in the section *Description of the process for identifying and assessing significant impacts, risks, and opportunities*.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;

- obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular controls, obtaining evidence about their implementation or testing their effectiveness; and
- designing and performing procedures to detect potential material misstatements in the Consolidated Sustainability Statement. 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.

Summary of the procedures we performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement. We designed and performed our procedures to obtain evidence about the Consolidated Sustainability Statement that is sufficient and appropriate to provide a basis for our conclusion. The nature, timing and extent of our procedures depended on our professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement. We exercised professional judgment and maintained professional scepticism throughout the engagement.

In conducting our limited assurance engagement, with respect to the Process, the procedures we performed included:

- obtaining an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation of its Process; and
- evaluating whether the evidence obtained from our procedures about the Process applied in the Group was consistent with the description of the Process set out in the section *Description of the process for identifying and assessing significant impacts, risks, and opportunities*.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, the procedures we performed included:

- obtaining an understanding of the Group's reporting processes relevant to the preparation of the Consolidated Sustainability Statement by:
 - obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular controls, obtaining evidence about their implementation or testing their effectiveness; and

- obtaining an understanding of the roles and responsibilities in the preparation of the Consolidated Sustainability Statement, including communication within the Group and between management and those charged with governance; and
- evaluating whether material information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluating whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the European Sustainability Reporting Standards;
- conducting interviews with relevant personnel and performing analytical procedures on disclosures in the Consolidated Sustainability Statement;
- performing assurance procedures on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- where applicable, comparing disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the Consolidated Financial Statements and the Management Report;
- evaluating the methods, assumptions and data for developing material estimates and forward-looking information;
- obtaining an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement; and
- performing assurance procedures on a sample basis on the taxonomy-eligible and aligned revenue, capital expenditure (CapEx) and operating expenditure (OpEx).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other matter

Our limited assurance engagement did not extend to the comparative information as at and for the year ended 31 December 2023 disclosed in the Consolidated Sustainability Statement. Our conclusion is not modified in respect of this matter.

Tallinn, 25 April 2025

/signed digitally/

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