

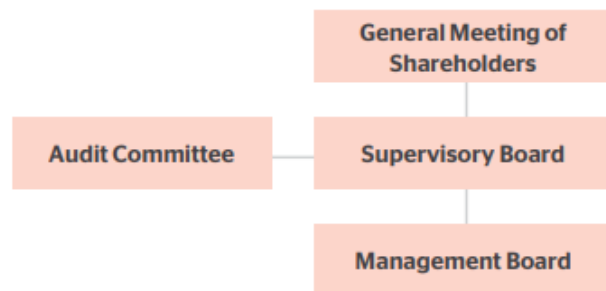
Corporate governance report

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) (see 2025 annual report page 32).

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:



General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest governing body. Its main responsibilities include approving the annual report and dividend distribution, electing and removing members of the Supervisory Board, appointing auditors, deciding on changes to share capital, amending the articles of association, and resolving other matters assigned by law. Amendments to the articles of association require a two-thirds majority of votes represented at the meeting.

The Annual General Meeting, which approves the annual report within six months after the end of the financial year, is held at least once a year. All shareholders or their duly authorised representatives may attend, participate in discussions, ask questions, make proposals and vote. The controlling shareholder refrains from unreasonably harming the interests of other shareholders and does not abuse its position.

The Supervisory Board determines the agenda of the General Meeting. The Management Board prepares draft resolutions for each agenda item, and the Supervisory Board presents its proposals. If the meeting is convened by shareholders or the auditor, they determine the agenda.

Notice of both annual and extraordinary general meetings is published at least three weeks in advance in a national daily newspaper, via the stock exchange information system and on the Company's website (www.infortar.ee). The notice includes the time, place and other information required by law.

The agenda, Supervisory Board proposals, draft resolutions, comments and other relevant materials are made available to shareholders before the meeting on the Company's website and via the stock exchange information system. Shareholders may submit questions in advance by email to investor@infortar.ee.

The Supervisory Board

The Supervisory Board has an oversight and long-term governance role. It supervises the Management Board and approves the Company's business plans, acting independently in the best interests of all shareholders. There are no residency requirements for its members, and the Supervisory Board reports to the General Meeting of Shareholders.

Members of the Supervisory Board elect a chairman from among themselves. Written consent is required for election. The General Meeting of Shareholders may remove any member without cause by a two-thirds majority of votes represented. A member may also resign at any time by notifying the General Meeting.

The Supervisory Board oversees the Company's management and ensures proper organisation of its activities. It determines the Company's strategy, structure, annual plans and budgets, financing and accounting principles, and appoints and remunerates the Management Board.

Members of the Supervisory Board avoid conflicts of interest and comply with non-compete requirements. The Supervisory Board and the Management Board work closely in accordance with the articles of association, ensuring confidentiality in information exchange.

The Supervisory Board and the Management Board cooperate closely to protect the best interests 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.

Tallink Grupp

The Corporate Governance Statement of Tallink, Infortar's publicly listed subsidiary, is available as a separate subsection in [Tallink Grupp's 2025 Annual Report](#).

INF Maavarad is Estonia's market leader in construction sand processing. Photo Jan Johanson



Risk management principles

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 2 GOV-5 (see 2025 annual report page 35).

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.

In managing market risks, we continuously analyze the strategic objectives set out in business plans, as well as the market developments and other critical success factors affecting them, including the potential escalation of military conflict in the Middle East, which may lead to increases in fuel prices and transportation costs as well as heightened market volatility.

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 Infortar Agro group companies, which have an audit agreement with AS PricewaterhouseCoopers and the associate companies of OÜ Infortar Agro, 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.

(in thousands of EUR)

Type of Engagement	2025
Audit fees (group, parent company, subsidiaries, and associates)	972
Costs related to the preparation and assurance of the sustainability report	157
Other assurance services	64



INF Infra is constructing the new Sindi–Lodja bridge over the Reiu River. Photo Kaspar Pokk