

# Tallinn Airport | Annual Report 2024

Management Report

Consolidated Financial Statement



# Contents

<b>Management Report</b>	<b>3</b>
Chairman's statement	3
Overview of the Group	7
Focus topics and operating environment	9
Corporate governance	10
Risk management	15
Financial results and investments	20
Outlook for 2025	26
Strategy and target fulfilment	27
Air traffic at our airports	32
Airport and passenger services	36
Our team	48
<b>Sustainability Report*</b>	<b>53</b>
<b>Consolidated Annual Report 2024</b>	<b>65</b>

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\* The sustainability report on pages 53-64 is unaudited and is based on company data.

# Management Report

## Chairman's statement

Dear reader,

Another busy and challenging year has come to an end, and it's time to wrap it up.

I am glad that 2024 was our new record year, when at the beginning of December, we exceeded the level of passengers in 2019, which was a record holder so far. However, this does not mean we can rest on our laurels. On the contrary, new passenger records bring with them large investments and work that we must do to continue to offer as many destinations as possible from the world's cosiest airport.

A wide range of destinations and a passenger numbers record are great, but we must not forget that the economic environment around us is still changing, and inflationary pressures are high. As such, when making every decision, we have to think about how we can ensure the investment capacity of Tallinn Airport and remain a financially strong company in the future.

We never compromise on safety, service quality or connectivity. Our mission is to connect Estonia to the world, but we must also be a commercially profitable company that is able to make forward-looking investments and pay dividends to the state.

To ensure ourselves a stable and sustainable financial position in the future, we decided in 2024 to introduce a security fee in 2025. This will be reflected in a three euro increase in passenger ticket prices. We believe that this will not diminish passengers' desire to fly and explore new places.

For years, I have shared the idea that an airport is not just a place from which you go off to explore the world. It is like a shopping centre, offering infrastructure,

entertainment and additional services as well as the possibility to fly. Although our name suggests that our company should make a living mainly from aviation, most of our revenue comes from non-aviation businesses.

*"Our mission is to connect Estonia to the world, but we must also be a commercially profitable company."*

We are glad that our youngest company, AS Airport City, got off the ground in 2024. We laid the cornerstone for several buildings that will help us increase our revenue base in the future and attract new aviation-related companies to the area for whom it is important to be close to air transport. The first buildings will be completed in 2025, and lease agreements have already been signed. We are preparing for the development of the region as a whole.

We also took a big step forward to increase passenger comfort: in March we introduced new-generation security screening equipment. As a result, passengers no longer have to take liquids and large devices out of their hand luggage in Tallinn. In addition, we opened a renovated and much larger lounge in April, and in December we introduced new gates for non-Schengen flights.

Last year, we designed the next extension to the passenger terminal, construction work on which will start as early as 2025. We are expanding the areas for passengers and at the same time eliminating a number of bottlenecks.

However, for us to be able to implement all our plans and offer a diverse schedule of flights from the world's cosiest airport in the future, we need passengers who choose Tallinn as the starting point of their trip.

In 2024, a record 3.49 million travellers passed through Tallinn Airport, and 42,403 flight operations were performed. Passenger numbers increased by 18% compared to 2023. These indicators make us the fastest-growing airport anywhere in the Nordic-Baltic region.

Thank you to everyone who visited our airports this year! I can assure you that work goes on every day to guarantee that there are destinations to fly to from them. The good work of our route development team has also been noticed elsewhere, as they were voted by airlines as one of the top five in the world.

Tallinn Airport has once again been awarded the title of the best airport in Europe among airports with less than 5 million passengers. In addition, the airport was awarded in three subcategories: the most enjoyable airport in Europe, the airport with the easiest route in Europe and the cleanest airport in Europe.

All of this recognition is a sign that we are doing the right thing and gives us the strength to keep going.

In 2024, it was possible to fly direct from Tallinn Airport to 60 destinations, including 45 regular routes and 15 regular charter flights.

This year, two new airlines started flying to Tallinn: Eurowings, part of the Lufthansa Group, and Transavia France, a French low-cost airline. The latter started flights to Paris Orly Airport. In addition, airBaltic opened five new routes: it is now also possible to fly to Billund, Malta, Burgas, Kittilä and Palma de Mallorca.

In addition to Tallinn, we ensured regular flight connections from Estonia's major islands, and Pärnu Airport served seasonal regular and charter flights to Ruhnu.

We faced a new kind of challenge in Tartu, where Finnair suspended flights in April due to interference with GPS signals. Fortunately, by working together, the airline and Estonian Air Navigation Services found an answer to the problem: a solution for ground-based rangefinders was implemented for use whenever GPS communication is affected. As such, in June, we were able to restore regular connections on the Tartu-Helsinki route.

As the owner of the company, the state made decisions that will affect our financial results in 2024 and subsequent years. The owner's expectation is that the company will pay ownership income (dividends) for 2024 in 2025 and in each year thereafter and continue to contribute to Estonia's connectivity.

The test of the recoverable value of assets of regional airports at the end of the year revealed that the value has decreased due to cuts in targeted financing, and that the value recorded in accounting exceeds the actual value of the asset object that can be covered by future income. As such, at the end of the year, a write-down was made on the value of assets at regional airports which affected the company's financial results and will affect future investments in regional airports.

In conclusion, we can say that the past year was a very successful one from a business point of view. However, due to the write-down of assets at regional airports, the Group ended the financial year with a profit that was significantly lower than expected (0.5 million euros).

The Group's EBITDA was EUR 19.7 million. EBITDA is important to us, as it largely reflects our investment capability. We will continue to act with the aim of making long-term, forward-looking investments regardless of the current economic environment, so as to be prepared for continued growth in the number of passengers.

In 2024, we invested a total of EUR 28.6 million in the development and expansion of Tallinn Airport, real estate and new technologies, as well as green technology and employees and their workplace. We know that it is our employees who create our

image as the world's cosiest airport. We do everything we can to provide them with a supportive and development-oriented work environment.

In April, a long-term project was completed: Tallinn Airport became a CAT II certified airport. This means that instead of the previous minimum runway visibility of 550 metres, aircraft can also land with a minimum runway visibility of 300 metres and a cloud height of 30 metres. Bad weather conditions are now less disruptive to flights.

Last year, we launched a variety of construction work in the southern area of Tallinn Airport. In April, we signed a contract with Nordecon AS for the construction of stands for E-class aircraft there. The cost of the contract is EUR 7.5 million (plus VAT), and the work will be completed by autumn 2025. This is part of the longer-term development plan of Tallinn Airport, which will increase our capacity to receive large and heavy aircraft. In addition, AS Airport City commenced construction of two cargo terminals and three aircraft hangars in the southern area. A total of 23,000 square metres of commercial space will be completed there in 2025. In the coming years, the potential is to build up to 82,000 square metres in the southern area based on the existing detailed plan.

With logistics centres and hangars, we are enabling our partners to support their businesses and, through this, the Estonian economy as a whole. Our wish is to contribute to Estonia's economic growth. This is exactly what these buildings created by Airport City will do, allowing aviation-related companies to gain a stronger foothold in the country.

In the midst of all this, we must not forget about environmental protection and becoming CO<sub>2</sub> neutral. We have set ourselves the goal of being a CO<sub>2</sub> neutral airport by 2025 and are making consistent efforts to reduce our CO<sub>2</sub> footprint. We have reduced it by 95% since 2018. All signs indicate that we will achieve CO<sub>2</sub> neutrality by 2025.

To reduce its impact on the environment in the future, our subsidiary Tallinn Airport GH purchased three more electric cars. To be ready for the technology of the future,

Tallinn Airport Annual Report 2024

we joined the Baltic Sea Region (BSR) HyAirport project, which aims to accrue knowledge and create the preconditions for the introduction of hydrogen in aviation. We know that together with our partners, we will go further. Our passengers and partners also expect us to reduce our environmental impact.

In aviation, we need to keep the long-term perspective in mind, because investments are large and the design and construction of the infrastructure necessary for servicing passengers takes a lot of time.

We have prepared a strategy for 2025–2030, on which our focuses, goals and action plans for the coming years are based. Our ambition is to grow into an airport serving 5 million passengers by the end of the period. In the strategy, we have formulated the guiding principles and actions that will help us achieve this ambitious goal.

2025 awaits with new challenges and opportunities. I know that we can handle anything, because our team is always united and strong. This will help us remain the world's cosiest airport in the future.

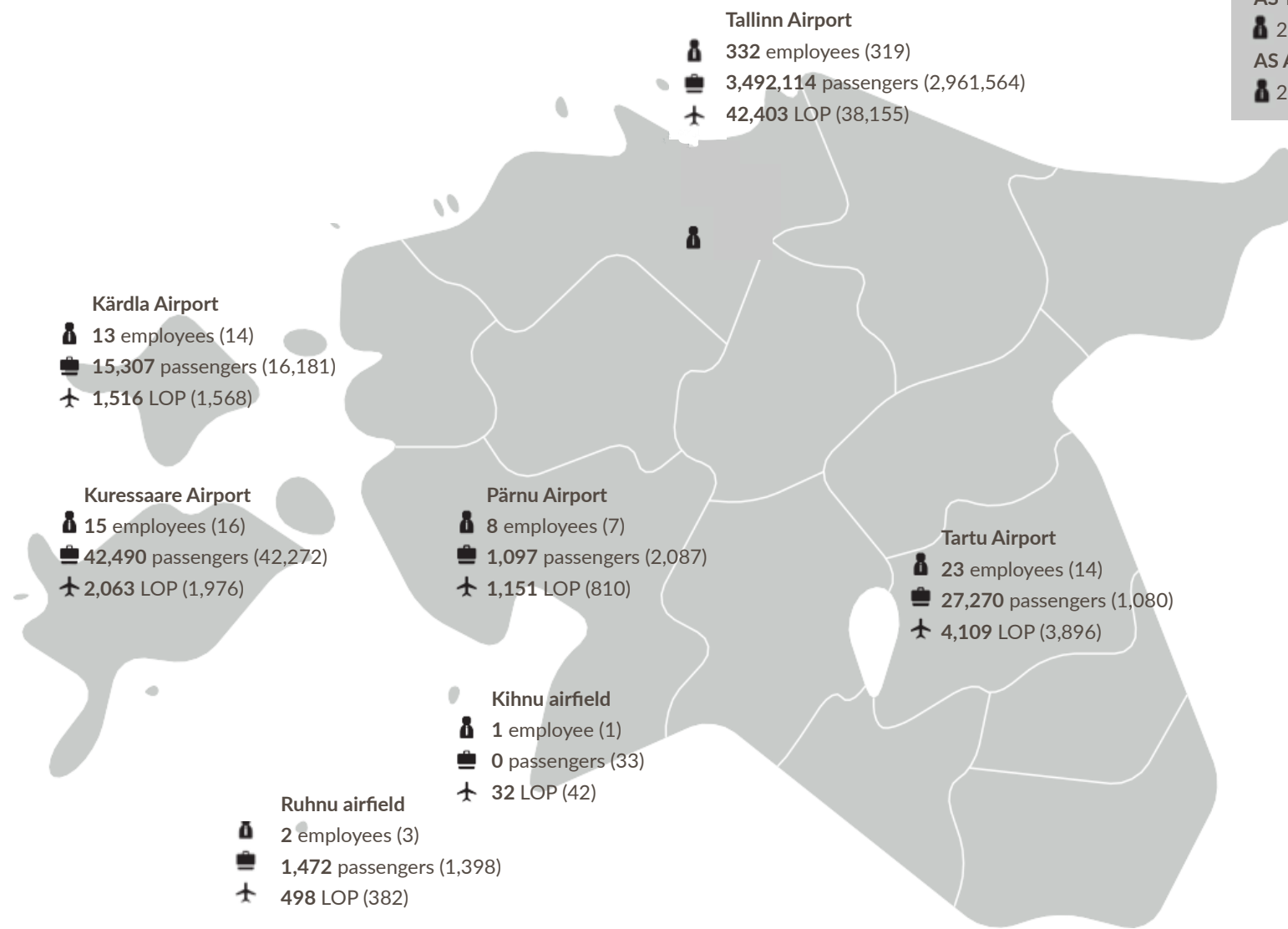
We are Estonia's calling card and air gateway: a role we are proud to fulfil.

Until new encounters at the world's cosiest airport,

**Riivo Tuvike**  
*Chairman of the Management Board*



**Figure 1.** Group's key operating indicators for 2024 (2023 figure in brackets) LOP  
 - flight operation, i.e. take-off or landing of an aircraft

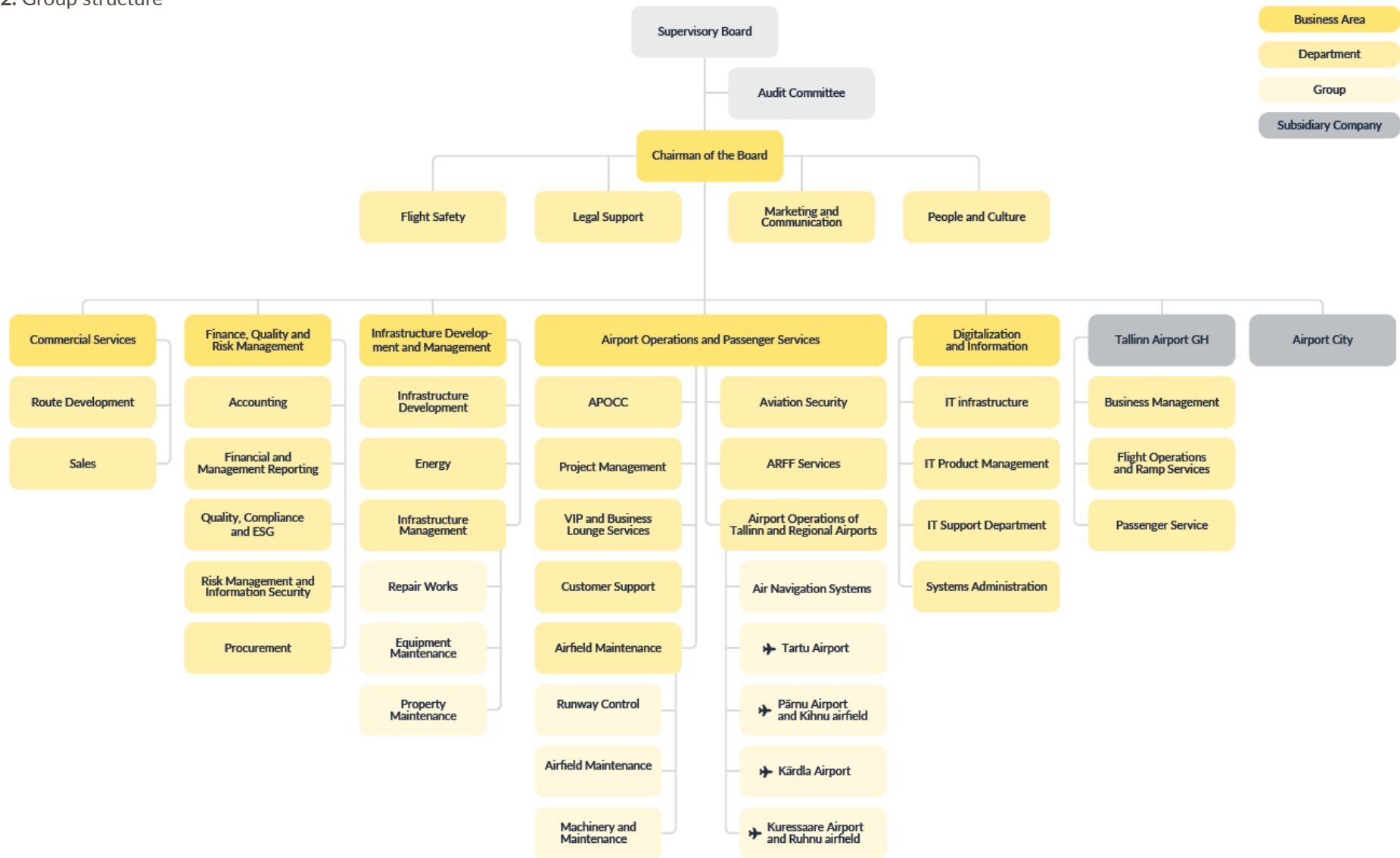


**AS Tallinna Lennujaam**  
 👤 394\* employees (374)  
**AS Tallinn Airport GH**  
 👤 269\* employees (258)  
**AS Airport City**  
 👤 2\* employees (1)

\* Figures as of 31.12.2024



Figure 2. Group structure



## Focus topics and operating environment

2024 was a year of rapid growth for Tallinn Airport. Although the Estonian economy remained in recession in 2024, the supply of airlines in terms of destinations and seats increased significantly.

Despite the uncertainty in the economy, this increase in supply led to a marked increase in demand. Overall, the number of passengers at Tallinn Airport increased by 18% in 2024.

Inflation in Estonia was 3.5% in 2024, of which 1.6% came from an increase in consumption taxes. The rise in consumer prices was somewhat mitigated by lower energy prices: both electricity and motor fuel cost less on average than in 2023. The six-month Euribor fell from 4% at the end of 2023 to 2.43% at the end of 2024. At the same time, labour costs in Estonia increased by an average of 8% during the year.

In 2024, the state decided to reduce targeted financing and start taking ownership income (dividends) from 2025. Estonia's location on the periphery of Europe, price pressure and the expectations of the owner will make it exceedingly difficult for the company to maintain the competitiveness of airport fees in the future.

In 2024, we consulted with airlines on the establishment of a security fee at all airports and changes to the infrastructure charges and service charges for passengers with special needs at Tallinn Airport from 2025. The reason for this is the increase in costs, the change in the owner's expectations, the reduction of the state's targeted financing and the changes made in central infrastructure in connection with the opening-up of the ground handling market at Tallinn Airport in 2025.

The focus of the past year was on laying the foundations for new growth. We started preparing and implementing large strategic projects that will allow us to grow our activities in the future.

In 2024, AS Tallinna Lennujaam and Eesti Varude Keskus AS started working together to build infrastructure suitable for handling large quantities of aircraft fuel on the territory of Tallinn Airport and to find an operator to do so. In this context, the parties will contribute a significant amount of financial resources to the construction of infrastructure through the joint venture, which aims to increase the efficiency and security of supply of aviation fuel to Tallinn Airport and the Republic of Estonia. This joint undertaking will be established in 2025.

We designed the extension to Tallinn Airport's passenger terminal and the self-service concept and prepared for the introduction of new information systems. This will improve the availability of management information and increase the punctuality and transparency of operations. We replaced pre-flight security screening equipment to improve passenger safety and the user experience.

At the same time, we brought our activities into compliance with the requirements of ISO 27001 for information security and significantly increased the visibility and capabilities of information security.

We also focused on improving the working environment. Approximately 76% of our employees work in shifts around the clock, as Tallinn's remote location from European destinations necessitates the need to keep the airport open to ensure connections to European capitals within 24 hours. The first wave of departures starts at 4.00 am, while the evening wave of arrivals ends at around 1.00 or 2.00 am.

Shift work, the higher risks inherent in aviation and rapid growth tested our employees and the company as a whole in 2024. This was reflected in the overall decline in employee satisfaction.

# Corporate governance

## Management policies



In organising its business activities, Tallinn Airport is guided by the company's Articles of Association and national legislation.

As a state-owned company, we are committed to following the **principles of good corporate governance**, which we have published on our website.

The owner expects the Group to be a role model in Estonian business in terms of leadership, social responsibility and business culture. We integrate the principles of responsible corporate governance into our daily operations, management and strategy.

The Management Board makes decisions based on the interests of both the companies of the Group and the shareholder. The Management Board also ensures the sustainable development of the Group based on its mission, vision, objectives and strategy, and takes care of risk management and the functioning of internal control.

**Following the principles of sustainable development**, we are committed to reducing the environmental impact of our activities and raising awareness of their social impact.

To harmonise the quality of management, **uniform management principles** apply in the Group. The Group has implemented **an integrated management system** that aims to help the organization achieve its strategic goals through a unified and coordinated management framework.

- **The objective of safety management** is to ensure that the Group fulfils its business objectives safely, as well as to prevent and avoid accidents and to protect people, property and the environment.
- **The objective of quality and compliance management** is to support the Group's strategic development through leadership, involvement, continuous improvement, fact-based decision-making and impact management. In this way, we ensure quality and compliance obligations, and at the same time achieve stakeholder satisfaction with our services.
- **Performance management** is a group-wide process that supports improved performance and meeting the owner's expectations. We use systematic metrics to evaluate results and monitor the achievement of goals regularly.



## Reporting principles

To make high-quality management decisions, the Group has created a reporting system.



The Management Board of AS Tallinna Lennujaam prepares the Group's annual financial report in accordance with the internationally recognised principles of financial reporting. The report is verified by the auditor and the Supervisory Board of AS Tallinna Lennujaam. The Group publishes quarterly reports as required on its website.

## Principles of Good Business Ethics

The Group has agreed on rules of conduct that are followed when acting on behalf of the Group companies.



All employees must undergo mandatory training in business ethics. According to the principles of good business ethics, employees must act ethically, responsibly, and law-abiding while protecting the company's good reputation. In the absence of specific guidelines, the general principles of ethics are followed.

The principle of zero tolerance applies to corruption at the Group.

We are responsible for our decisions and actions that affect our employees, customers, partners and the wider community. We support fair and open competition in every market and are reliable partners for companies, local governments and the state.

Our internal and external communication is open. We will ensure that sufficient, important and timely information is forwarded to interested parties.

Management acts in a way that values employees and creates an environment of trust. All employees are treated equally regardless of their gender, marital status, parental status, membership of organisations and political parties, nationality, race, colour, religion, belief, age, disability or sexual orientation. The same principles of equal treatment apply to relations with customers, service providers and cooperation partners, including payment terms and other agreements.

*"According to the principles of good business ethics, employees must act ethically, responsibly and in a law-abiding manner."*

The Group has a hotline designed to enable employees to report violations of legislation, internal norms and rules of conduct, as well as the concealment of such violations. We ensure the anonymity of the users of the hotline so that bottlenecks can be reported without fear of consequences.

## General Meeting of AS Tallinna Lennujaam

The General Meeting of AS Tallinna Lennujaam convened three times in 2024.

At the general meetings, the following were approved:

- the annual report for 2023 and the auditor's opinion and the distribution of profit;
- Change in the members of the Supervisory Board. Sir John Elvidge and Märten Vaikmaa were recalled from among the members. André Küüsvek and Michael Kerkloh were elected as new members of the Supervisory Board, whose mandate is valid for three years;
- to give consent to the Management Board of AS Tallinna Lennujaam to establish a joint venture with AS Eesti Varude Keskus with a 55% shareholding by means of a monetary and, if necessary, non-monetary contribution;
- new wording of the statutes.

## Supervisory Board of AS Tallinna Lennujaam

According to the Articles of Association, the Supervisory Board of AS Tallinna Lennujaam has up to six members. The Supervisory Board supervises the activities of the Management Board and participates in the making of important decisions. The Supervisory Board acts independently in the best interests of the Group and the shareholder. Supervisory Board approves the strategy, the overall action plan, the risk management principles and the annual budget.

The members of the Supervisory Board are appointed for three years, and their remuneration is determined by the general meeting. The labor costs of the members of the Supervisory Board are shown in the Supervisory Board's report, which is available on the website of Tallinn Airport.

<i>Chairman</i>	<b>Märten Vaikmaa</b>	Date of appointment 17.08.2023 Term of mandate 11.03.2024
	<b>André Küüsvek</b>	Date of appointment 11.03.2024 Term of mandate 11.03.2027
<i>Members</i>	<b>John Elvidge</b>	Date of appointment 16.09.2021 Term of mandate 16.09.2024
	<b>Dr Michael Kerkloh</b>	Date of appointment 14.10.2024 Term of mandate 14.10.2027
	<b>Jaak Viilipus</b>	Date of appointment 08.06.2022 Term of mandate 08.06.2025
	<b>Anne Samlik</b>	Date of appointment 17.08.2023 Term of mandate 17.08.2026
	<b>Tarmo Karotam</b>	Date of appointment 17.08.2023 Term of mandate 17.08.2026

The Council convened 12 times in 2024. The main topics of the meetings were related to the preparation of the strategy for 2025–2030, economic results, investments, the establishment of a joint company with AS Eesti Varude Keskus and the discussion of the fulfilment of strategic goals.

In addition, issues related to targeted financing, the change in airport fees and the write-down of assets of regional airports, strategic goals and budget for 2025, and important investment projects were discussed.

In 2024, the Supervisory Board decided to extend the mandate of all members of the Management Board for the following period.

The Management Board gave an overview of the financial results to the supervisory board once a quarter.

## Audit Committee

*Chairman*      **Tarmo Karotam**

*Members*      **Jaak Viilipus**  
**Piret Kübbar**

The Audit Committee convened nine times in 2024, and on one occasion a decision was made without convening a meeting.

The internal auditor analysed:

- payment machine management and cash transaction processes;
- whether issues related to risks are appropriately identified and managed;
- the ISO 27001 pre-audit results;
- the internal audit work plan and its implementation; and
- the work plan for procurements in the Air Operations and Passenger Services division.

The audit committee reviewed the results of the internal auditor's reports. The Committee also approved the results of both the 2023 annual report and the 2024 interim audit.

The internal auditor of AS Tallinna Lennujaam is Aktsiaselts PricewaterhouseCoopers. The Internal Auditor acts based on an approved work plan in the Audit Committee and manages the ethics, fraud and corruption tip-off email.

The General Meeting has approved Aktsiaselts PricewaterhouseCoopers as the financial auditor for the financial year 2024. Certified auditor Jüri Koltsov is responsible for the audit of the consolidated annual report.

The financial audit is conducted in accordance with international auditing standards.

## Management Board of AS Tallinna Lennujaam

The Management Board represents the Group and manages its work in accordance with legislation and the Articles of Association, acting in the most economically expedient manner.

In making decisions, the Management Board proceeds from the best interests of the companies and the owner and undertakes to ensure sustainable development, based on the set goals and strategy.

*Chairman* **Riivo Tuvike**

Date of appointment 01.06.2019  
Term of mandate 31.05.2029

*Members* **Katrin Hagel**

Date of appointment 01.04.2022  
Term of mandate 31.05.2028

**Eero Pärasmäe**

Date of appointment 01.04.2022  
Term of mandate 31.05.2027

**Anneli Turkin**

Date of appointment 01.04.2009  
Term of mandate 31.03.2029

In 2024, the Management Board held 96 meetings (2023: 100).

The labor costs of the members of the Management Board are shown in the Supervisory Board Report, which is available on the website of Tallinn Airport.



## Members of the Management

The Group's day-to-day operations are managed, and decisions are made by a ten-member management team, which includes the heads of strategic areas and departments and members of the Management Board. Decisions are made jointly at management meetings.

### Members of the Management Team

- Riivo Tuvike, Chairman of the Management Board
- Katrin Hagel, Member of the Management Board, Airport and Passenger Services; Accountable Manager of all airports within the meaning of Regulations 139/2014 and 2017/373
- Eero Pärasmäe, Member of the Management Board, Commercial Services
- Anneli Turkin, Member of the Management Board, Financial, Quality and Risk Management
- Indrek Nõlvak, Member of the Management Board of AS Tallinn Airport GH
- Margot Holts, Marketing and Communications
- Andrus Järg, Digitalization and Information Technology
- Anneli Lille, People and Organisational Culture
- Tõnu Mühle, Infrastructure Development and Management
- Kristina Randveer, Legal Support

## Management of AS Tallinn Airport GH

The main activity of AS Tallinn Airport GH is ground handling of passengers, cargo and aircraft.

The general meeting of Tallinn Airport GH is the Management Board of Tallinn Airport. The powers and responsibilities of the Supervisory Board are laid down in the Statutes.

The Chairman of the Management Board is appointed by the Supervisory Board of the company, and it consists of some members of the Management Board of AS Tallinna Lennujaam. The Chairman of the Supervisory Board is Riivo Tuvike, and the members are Anneli Turkin and Eero Pärasmäe. The supervisory board holds meetings as necessary and under the conditions provided by law. No separate remuneration is paid to the members of the Supervisory Board.

## Management of AS Airport City

The main activity of AS Airport City is the rental and operation of its own or rented real estate.

The general meeting of AS Airport City is the Management Board of AS Tallinna Lennujaam.

The powers and responsibilities of the Supervisory Board are laid down in the Statutes. The company's supervisory board has four members. The Chairman of the Supervisory Board is Riivo Tuvike, and the members of the Supervisory Board are Eero Pärasmäe, Tarmo Karotam and Andres Aavik, the latter two of whom are remunerated as members of the Supervisory Board. The Supervisory Board holds meetings as necessary and under the conditions provided by law.

The chairman of the management board is appointed by the supervisory board of the company.

# Risk management

Risk management is an important part of the Group's management process, the purpose of which is to create and protect value to improve performance, foster innovation and support the achievement of objectives. Risk management involves identifying, assessing and controlling risks to minimise negative impacts and ensure stable and sustainable business operations.

The company's risk management is based on the ISO risk management model and is coordinated with the Transport Administration. Our risk management process involves the systematic application of guiding principles, procedures and practices through planning, risk consideration, handling, monitoring, review, recording and reporting.

We classify identified risks into categories, i.e. operational, project, financial and business risks. We determine the risk level for each during assessment, combining the impact and probability of occurrence based on existing controls.

We assess the impact on a five-point scale, where 1 indicates an extremely low risk and 5 indicates a critical level of risk. The probability of occurrence is assessed on a similar scale, where a rating of A indicates an extremely unlikely risk and a rating of E indicates that the probability of a risk materialising is high.

Risk management is based on determining the level of risk, according to which we implement specific actions to reduce, share, accept or avoid risk. Starting from a significant risk level, we apply additional measures to the risks, which are coordinated by the Management Board. All risk management measures are recorded and monitored on an ongoing basis.

In the external environment, there is a high probability that geopolitical, environmental, cyber security and economic risks will materialise. Geopolitical risks

have increased sharply due to policy changes at the national level in different countries.

Risks that have a significant impact on the achievement of the Group's objectives are operational risk (including compliance risk), information system and information security risk, personnel risk, fraud risk, business risks related to the economic environment and third-party dependence, as well as price risk, credit risk and project risks.

*"Risk management involves identifying, assessing and controlling risks in order to minimise negative impacts and ensure stable and sustainable business operations."*

## Strategic risk

AS Tallinna Lennujaam reviews its strategy every year and assesses business risks that may affect the achievement of its strategic goals.

The risk to the economic environment remains high: the Estonian economy is starting to emerge from the recession, but inflation could increase in 2025 due to tax increases. At the same time, Estonia's main export partners are still in the early stages of economic recovery, which may increase the risk of stagflation.

Although 2024 showed that consumer confidence is low, growth in travel was supported by the supply of airlines. 84% of Tallinn Airport's revenue is directly dependent on passenger demand and airline supply.

The owner has set us the goal of managing regional airports within the framework of targeted financing, but this does not cover all costs and investments. The owner's expectation to start dividend payments from 2025 will lead to a need to increase the fees of Tallinn Airport, as the money allocated to regional airports is insufficient.

We invest 4–6 million euros every year in improving Estonia's connectivity, but at the same time, the limitations of the state budget reduce the state's contribution to covering security and rescue costs. As such, in 2025 we will be introducing an additional security fee at Tallinn Airport.

The parent company has invested 31.75% of its fixed assets with the help of European Union support measures. In this respect, depreciation is covered by targeted financing of assets, and this is not currently reflected in the cost price of services, but in the future, the company must be able to replace these assets itself.

Due to the reduction in the state's targeted financing, AS Tallinn Lennujaam carried out a test of the recoverable value of the assets of regional airports which identified the need for a write-down of the value of the assets. Since airports need investments every year to replace depreciated and unusable equipment and technology, it has been decided in agreement with the owner that these investments will be made from the funds of Tallinn Airport. As at the end of 2024, a total of EUR 8 million of such investments had been made.

The company cannot cover these costs on an ongoing basis without the owner's involvement, which is why every investment decision must be discussed with the owner in advance. This prolongs the investment process and may affect the continuity of services.

## Risk associated with Cohesion Fund grants

The Ministry of Finance conducts audits of the use of targeted financing obtained from the Cohesion Fund. In the course of such an audit, the risks that could have been realised in the organisation of the procurement due to the interpretation of its wording are highlighted.

According to Riigi Tugiteenuste Keskus, the company must consider the risk that at least 5% of each grant will be found to have violated the procurement rules of the

European Union, as the procurement conditions of the other stages contained similar potential errors. We have therefore taken up a provision in the amount of EUR 1.1 million to hedge this risk.

## Financial risk

AS Tallinna Lennujaam uses borrowed money. Of this, 24% has a fixed interest rate, and changes in Euribor do not affect loan costs. 76% has an unfixed interest rate, and a change in Euribor of 1% increases financial expenses by EUR 0.24 million per year.

The company has accumulated money for investment, which it deposits. If the interest rate on the deposit decreases by 1%, the company's financial income decreases by EUR 0.36 million.

## Compliance risk

The management system of AS Tallinna Lennujaam and Tallinn Airport GH complies with the principles of ISO 9001:2015 (quality management) and ISO 14001:2015 (environmental management). The Group's core and support services have been awarded ISO 9001:2015 and ISO 14001:2015 certificates. In addition, the management system of AS Tallinna Lennujaam is in accordance with the requirements of EU Regulations 139/2014 and 2017/373.

The Transport Administration has issued an air navigation service provider certificate to AS Tallinna Lennujaam and an aerodrome operator certificate to Tallinn, Tartu, Kuressaare, Kärdla and Pärnu airports.

At Kihnu and Ruhnu airfields, AS Tallinna Lennujaam has an aerodrome operator certificate, which has been issued by the Transport Administration on the basis of the requirements of the International Civil Aviation Organization (ICAO) and the regulation of the Minister of Economic Affairs and Communications.

To manage compliance risk, we regularly audit our operations through internal audits and compliance assessments. In addition, we carry out internal audits commissioned from the service provider based on the audit plan approved by the Audit Committee.

The Group's companies are also audited by external parties: audits are carried out by customers, aviation regulatory authorities and certification bodies.

In 2024, a total of 22 internal audits and 49 external audits were conducted.

## Information systems and information security risk

AS Tallinna Lennujaam pays great attention to ensuring information security and data protection. Estonia's critical infrastructure companies continue to be a target of cyber-attacks, which is why one of our main goals is to constantly improve the company's information security capabilities so as to protect the data of our employees and customers alike.

With the aim of ensuring that all employees are aware of information security risks, we organised training in this field and a group-wide phishing awareness campaign in 2024. In this way, we sought to gain an overview of the awareness and behaviour of our employees and to implement mitigation measures in view of the results.

In addition to the continuous identification, analysis and assessment of information security risks, we implement technical measures and improve the information security management system. We are preparing to apply for ISO 27001 certification in 2025.

## Personnel risk

In the aviation sector, employees are subject to stricter prerequisite requirements for competencies (background checks, language requirements, etc.) which make it harder to find suitable workers. Also, the acquisition of competencies arising from aviation requirements entails a long training period.

Finding employees is made more difficult by round-the-clock scheduled work (with people also working at night, on weekends and on public holidays), the dependence of working hours on the flight schedule and the weather, and the decrease in the number of people in the working-age population. In addition, recruitment is complicated by occupational safety risks, such as working in difficult conditions and meeting strict safety standards.

To mitigate risks, we will enhance working time planning, ensure external and internal succession for key positions, improve both the working environment and management quality and comply with occupational safety standards. We also strive to ensure an attractive employer value proposition and competitive remuneration.

*“The principle of zero tolerance applies to corruption in the Group.”*

## Risk of fraud and misuse

The principle of zero tolerance applies to corruption in the Group. All employees must act ethically, responsibly and in compliance with the law, and protect the company's good name and reputation.

To avoid corruption and agree on the norms of ethical behaviour, rules for the prevention of the risk of corruption and the principles of good business ethics apply in the company.

Members of the management boards and supervisory boards of companies submit a declaration of their economic interests to the external auditor once a year. Staff who procure and/or are responsible executors of the budget submit a declaration of conflicts of interest once a year.

In 2024, we identified two occurrences, and one incident related to ethics or corruption.

During the internal audit of AS Tallinna Lennujaam at the beginning of 2024, we identified a deficit of EUR 1.3 million related to payment machines for car parks. This damage had been caused to the company over a period of 10 years. Although many rules and procedures are followed in aviation and the day-to-day operations of the airport, no system is completely protected from malicious activities. The incident is being investigated by the police; we await answers to our questions and for all those involved to be held accountable. We have made improvements to the process so as to reduce the risk of fraud.

## Business continuity risk

The aim of AS Tallinna Lennujaam is to ensure the efficient and smooth operation of airports and air navigation services. We do this by ensuring business continuity.

Events and situations related to everyday activities are resolved by the departments responsible for them on an ongoing basis according to the goals, responsibilities and nature of the events in their field. If the situation requires the adoption of measures beyond the normal operation of aerodromes or if the impact of an event that has occurred results in the risk of disruptions to the main service, the management and resolution of the event is taken over by the airport crisis team.

The company has been a provider of vital services since 18 October 2024 (Resolution no. 461 of the Riigikogu, 02.10.2024). This will lead to a greater focus on ensuring business continuity in the coming years.

In 2024, we organised exercises of varying scope with both internal target groups and external parties to test our business continuity process. We wanted to ensure that the process works and to identify bottlenecks that need follow-up and improvements.

## Risk associated with change management

To manage the risk of changes affecting the operation of the aerodrome, a change management system in place which includes changes to the functional system and those affecting the operation of the aerodrome.

For all significant changes, we assess their potential impact on the safety and operational functioning of the aerodrome. In the course of risk analysis, we identify potential threats, assess their likelihood and potential impact, and develop mitigation measures. The changes are implemented in cooperation with the competent authority and in accordance with legal regulations so as to ensure the safe and smooth operation of the airport.

*"The company has been a provider of vital services since 18 October 2024."*

## Environmental risk

To manage environmental risks, AS Tallinna Lennujaam regularly conducts assessments of the company's activities in order to identify and reduce potential environmental impact.

With our annual environmental risk assessment, we ensure that all potential environmental hazards are identified, assessed and, where necessary, mitigated. The monitoring process includes monitoring CO<sub>2</sub> emissions, chemical pollution, wastewater and stormwater quality and waste generation, which allows us to

evaluate whether the activities correspond to the strategic direction we are taking in regard to the environment.

At all of our airports which have an environmental permit, we constantly monitor X-rays and water quality and submit the relevant reports to the Environmental Board as often as required by the permit.

We monitor CO<sub>2</sub> emissions every year within the framework of the Airport Carbon Accreditation (ACA) standard, which is an accreditation system recognised in the aviation sector. The ACA allows airports to calculate their environmental impact, set targets and reduce emissions each year based on a common methodology.

## Safety risk

The purpose of the assessment of risks affecting aviation safety is to ensure the safety of the provision of air navigation services and aerodrome services and the smooth operation of the safety management system. This includes implementing safety actions and risk mitigation measures and continuously monitoring their effectiveness.

Safety objectives and activities are described annually in our aerodrome safety programme, which brings together aerodrome-specific safety activities and planned activities to mitigate risks.

The risk assessment covers the safety of the airport's infrastructure and operations, as well as safety risks whose realisation has been increasing in recent years. These include GPS interference and the use of drones in the vicinity of the airport. In the event of which we work closely with competent authorities and other stakeholders to ensure timely and effective measures, airport safety and the continuity of flight operations.



# Financial results and investments

## The Group's financial results for 2024

2024 produced excellent financial results for the Group. The number of passengers at Tallinn Airport increased by 18% compared to the previous year. Excluding extraordinary impact factors, operating income increased by 9% and expenses (including depreciation and amortisation of fixed assets) by 7%.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 12% compared to 2023. Profit (excluding extraordinary impact factors) was EUR 11.3 million.

Considering extraordinary impact factors, the Group's profit for 2024 was 465 thousand euros. Extraordinary factors were dividend income tax and impairment of fixed assets at regional airports.

Regional airports are posting losses because the targeted financing of operations is not covering costs. We have looked for sources of additional income, and we have cut costs. In the case of the latter, we have reached a situation where the next cut with a significant impact could be that the owner closes a regional airport. Next year, the targeted financing of regional airports will decrease further, i.e. the losses will deepen.

In 2024, we tested the value of assets and found that the book value of fixed assets of some regional airports exceeds the actual value covered by future revenue. As such, we performed a write-down on the value of the property in the amount of EUR 6.6 million.

In 2025, we must consider that every investment made at the expense of self-financing will have to be written down at the end of the year, but keeping the airport in operation requires investments every year.

Another issue that did not arise in previous years was income tax on dividends and the recognition of deferred income tax expenses and liabilities. In 2025, the parent company will pay a dividend to the owner for the first time in history. To this end, the parent company took dividends from the subsidiary at the end of 2024, the payment of which generated income tax expenses and liabilities for the year.

In addition, since the amount of dividends paid exceeded the subsidiary's profit in the last year, the Group was obliged to assume the deferred income tax expense and liability on all retained earnings of the subsidiary, in accordance with International Financial Reporting Standards (IFRS).

The exceptional factors described above have an impact on the company's financial performance after EBITDA.

In 2024, 3.49 million passengers passed through Tallinn Airport, which was 18% more than in 2023 and 6.9% more than in 2019.

The Group's revenue increased by 12%, which was achieved due to the increase in operating volume. Net profit decreased by 95%. Firstly, on the basis of the impairment test performed on the assets of regional airports, it was necessary to carry out a write-down of fixed assets and, secondly, in connection with the payment of dividends from the subsidiary AS Tallinn Airport GH to the Group, income tax expense was incurred together with deferred income tax expense.

The Group's EBITDA increased by EUR 2.2 million or 12% compared to 2023.







## Investments



When making investments in 2024, we kept in mind the company's focus and long-term plans without compromising on safety and the quality of passenger service. We continued to invest in several areas that are important to us, such as the green transition and increased passenger comfort.

In total, we made investments in 2024 of EUR 28.6 million (2023: EUR 18.1 million; growth of 58%, +EUR 10.5 million).

We invested EUR 17.0 million in Tallinn Airport and EUR 0.5 million in regional airports. AS Airport City invested EUR 10.5 million, AS Tallinn Airport GH invested EUR 1.2 million and elimination was EUR 0.6 million due to intra-group transactions.

The largest investment projects were the expansion of the K-apron at Tallinn Airport, the construction of aviation fuel terminals, the purchase of new carry-on baggage screening equipment, the design of the extension to the passenger terminal, the reconstruction of non-Schengen areas for travellers and the expansion and refurbishment of the business lounge.

We invested a total of EUR 0.5 million in regional airports. Among them, the largest investments were in the construction of a car park at Kuressaare Airport, the expansion and purchase of a rescue boat, the first stage of the development of the heat supply system for Tartu Airport and the acquisition of security equipment for regional airports.

**Table 4.** Largest investments in 2024

Name of investment	Total, million euros	% of total volume
K-apron extension, TAMILA CEF project	3.32	11
Security screening equipment - passenger item control EDSCB C3	2.16	7
Construction of non-Schengen area of passenger terminal	1.59	5
Construction of aviation fuel terminals, TAMILA CEF project	1.54	5
Renovation of business lounge in passenger terminal	1.20	4
Purchase of tractor (curb weight 7 tons) and set of couplings	1.00	3
Design of passenger terminal extensions	0.99	3
Design and construction of lighting in section A of passenger terminal	0.68	2
Investments in southern area of airport according to detailed plan (communications, access roads, etc.)	0.68	2
Wheel loader (case) tractor replacement	0.68	2
Purchase of luggage and cargo trolleys	0.43	1
Other projects at Tallinn Airport	2.75	9
<b>Tallinn Airport total</b>	<b>17.03</b>	<b>58</b>
Extension of car park in Kuressaare	0.14	0
Development of Tartu's heat supply system (stage I)	0.10	0
Kuressaare rescue boat	0.08	0
Purchase of aviation security equipment	0.08	0
Other projects at regional airports	0.09	0
<b>Regional airports total</b>	<b>0.49</b>	<b>2</b>

<b>Investment</b>	<b>Total, million euros</b>	<b>% of total volume</b>
Purchase of passenger stairs	0.90	3
Procurement of category N1 vehicles	0.12	0
Electric toilet car (replacement) prepayment	0.08	0
Other projects	0.15	1
<b>Total investments of AS Tallinn Airport GH</b>	<b>1.24</b>	<b>4</b>
Fedex new building construction	4.28	15
DHL new building construction	4.22	14
Construction of universal hangar (3+1) and warehouse	1.73	6
Other projects	0.28	1
<b>Total investments of AS Airport City</b>	<b>10.51</b>	<b>36</b>
<b>Total of Group</b>	<b>29.27</b>	<b>100</b>





# Strategy and target fulfilment





The Group's mission is to connect Estonia with the world. Our vision is to be the most attractive airport in Europe and our values are reliability, openness and caring.

As the sole shareholder, the Republic of Estonia has set the following expectations for AS Tallinna Lennujaam:

- the company maintains and increases air traffic;
- the company's activities are commercially profitable and efficient;
- the company pays ownership income (dividends);
- the company operates sustainably and responsibly (safety and environmental sustainability);
- the company operates Estonian regional airports to support the development of the economic environment of different regions of Estonia to the extent of the targeted support received from the state.

The Group's strategic objectives are:

- to connect Estonia with the world in terms of the movement of people and goods;
- to be an attractive airport for passengers, companies, partners and talents;
- operate airports safely and securely;
- to be responsible for the natural environment in its activities and to manage it cost-effectively, profitably and responsibly;
- ensure that the company's properties are valued and generate income.

## Meeting 2024 targets

The following tables summarise the achievement of key objectives and results with the help of key indicators.

In 2024, a total of 3,492,114 travellers passed through Tallinn Airport. This is the highest annual number of passengers ever, exceeding the pre-pandemic level of 2019 by 6.9%. Compared to 2023, the number of passengers increased by 18%. This result was helped by the fact that airlines put more tickets on sale. This increased flight opportunities in the summer season by 23% compared to the year before.

The number of destinations exceeded the expected level. In 2024, we opened seven new routes, and two new airlines started flying to Tallinn Airport.

**Table 6.** Objective 1. Tallinn Airport connects Estonia to the world in terms of the movement of people and cargo

Indicator	Target for 2024	Achievement
Regular routes (summer and year-round)	45	49
Passengers in millions	3.09	3.49

Passenger satisfaction remained at a very high level: Tallinn Airport is ranked among the top five European airports. Passenger journey design remains our focus, and we are innovating in this area.

The completion of new non-Schengen waiting areas, the renovation of the airport lounge and the installation of new carry-on baggage scanners were the biggest projects during the year that increased passenger comfort. In addition, we launched preparations for the implementation of self-service gates.

The design of the extension of the passenger terminal at Tallinn Airport, which will be completed at the beginning of 2025, attracted a lot of attention and influence.

Punctuality, which is essential for airlines, continues to be ensured at Tallinn Airport.

The commitment of the Group's employees was at a satisfactory level in 2024 but fell below the expected level due to the difficult summer months and a significant increase in workload.

**Table 7.** Objective 2. Tallinn Airport is an attractive airport for passengers, airlines, partners and talent

Indicator	Target for 2024	Achievement
Increase in passenger satisfaction according to ASQ index	4.4	4.45
E-services for passengers	Deploy C3 security devices	Deployment completed
Expansion of passenger terminal	Construction of new non-Schengen waiting areas	Construction work completed
	Lounge renovation completed	Lounge completed
Punctuality of departures	99%	98%
Number of incidents in which we caused air traffic to be stopped for more than 30 minutes	0	0
Employee commitment	65 points in TRI*M index (Group)	58 points in TRI*M index (Group)
Results of employer reputation survey	Among top five employers	Second-best employer

Acting responsibly and sustainably has been something we have focused on for a long time. Over the past few years, we have reduced CO<sub>2</sub> emissions by a quarter. With the steps taken in that time, the company will achieve CO<sub>2</sub> neutrality five

years earlier than planned, i.e. as early as 2025.

To achieve this goal, we measure the CO<sub>2</sub> footprint of our direct and indirect activities and work consistently to reduce CO<sub>2</sub> emissions. In 2024, we were able to reduce CO<sub>2</sub> emissions per passenger by 92% thanks to the use of renewable electricity, alternative fuels and district heating. This figure was 0.25 kg (3.02 kg in 2023).

Despite the increase in the number of passengers and flight operations, there were no major changes in the number of incidents affecting aviation safety and security in 2024, and airports across Estonia operated safely. Although the number and intensity of cyberattacks increased in 2024, there were no high-impact incidents.

**Table 8.** Objective 3. Tallinn Airport is operated safely and securely, and the company behaves responsibly towards the natural environment

Indicator	Target for 2024	Achievement
Airport Carbon Accreditation (ACA) level	Maintaining Level 3	Level 3
CO <sub>2</sub> emissions per passenger, kg	3.5	0.25
Serious security incidents	0	0
Serious occupational safety incidents	0	0
Serious safety incidents per 1000 flight operations	0 plane crashes and 0 serious incidents	0 plane crashes and 0 serious incidents
Serious incidents in cyber security	0	0
Serious data protection incidents	0	0

The Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) were EUR 2.2 million higher than in 2023 (an increase of 12%). We exceeded the EBITDA margin by 5 percentage points. Sales revenue was EUR 4.1 million higher than budgeted (6.8%).

The number of passengers across the Group (Tallinn Airport and regional airports) was 12% higher than planned, and the Group's expenses (excl. depreciation and amortisation expenses) were EUR 0.2 million lower than planned. As a result, the cost per passenger was EUR 15.45, which is EUR 1.92 (11.1%) less than planned, demonstrating efficiency.

Sales revenue was EUR 17.92 per passenger, which was lower than the target level. The reason for this is that the number of passengers increased more than sales revenue.

Non-aviation revenue was EUR 2.6 million (6.6%) higher than planned. We earned more than planned mainly due to the increase in the number of passengers. Revenue from passenger and aircraft servicing, the sale of advertising spaces and infrastructure charges was higher than planned.

**Table 9.** Objective 4. The Group is a cost-effective, profitable and innovative company

Indicator	Target for 2024	Achievement
Group margin on earnings before interest, taxes, depreciation and amortisation (EBITDA), %	26%	31%
Group expenses (excl. depreciation) per passenger (Tallinn Airport and regional airports), EUR	17.3	15.5
Group revenue per passenger (Tallinn Airport and regional airports), EUR	18.8	17.9
Increase in non-aviation revenue (sales revenue), EUR	39.2 million	41.8 million

At Tallinn Airport, and at our regional airports, we consider it important to value the company's land and create a good business environment to attract new companies.

AS Airport City, a subsidiary of Tallinn Airport, was established with the aim of developing and managing commercial real estate in the vicinity of Tallinn Airport. We want to create a functioning business environment that supports the development of aviation. In the first stage, we will focus on the area on the south side of the runway, where we will be developing infrastructure related to aviation logistics and air trade. In 2024, we started construction activities on three sites, with the buildings due to be completed in the second half of 2025.

**Table 10.** Objective 5. The properties of AS Tallinna Lennujaam are valued and earn income

Indicator	Target for 2024	Achievement
Business plans have been prepared or are being prepared. Design and construction have begun.	The construction of the universal hangar and two logistics centres has begun. The buildings will be completed in 2025.	Projects are on schedule



# Air traffic at our airports







## Air traffic at regional airports

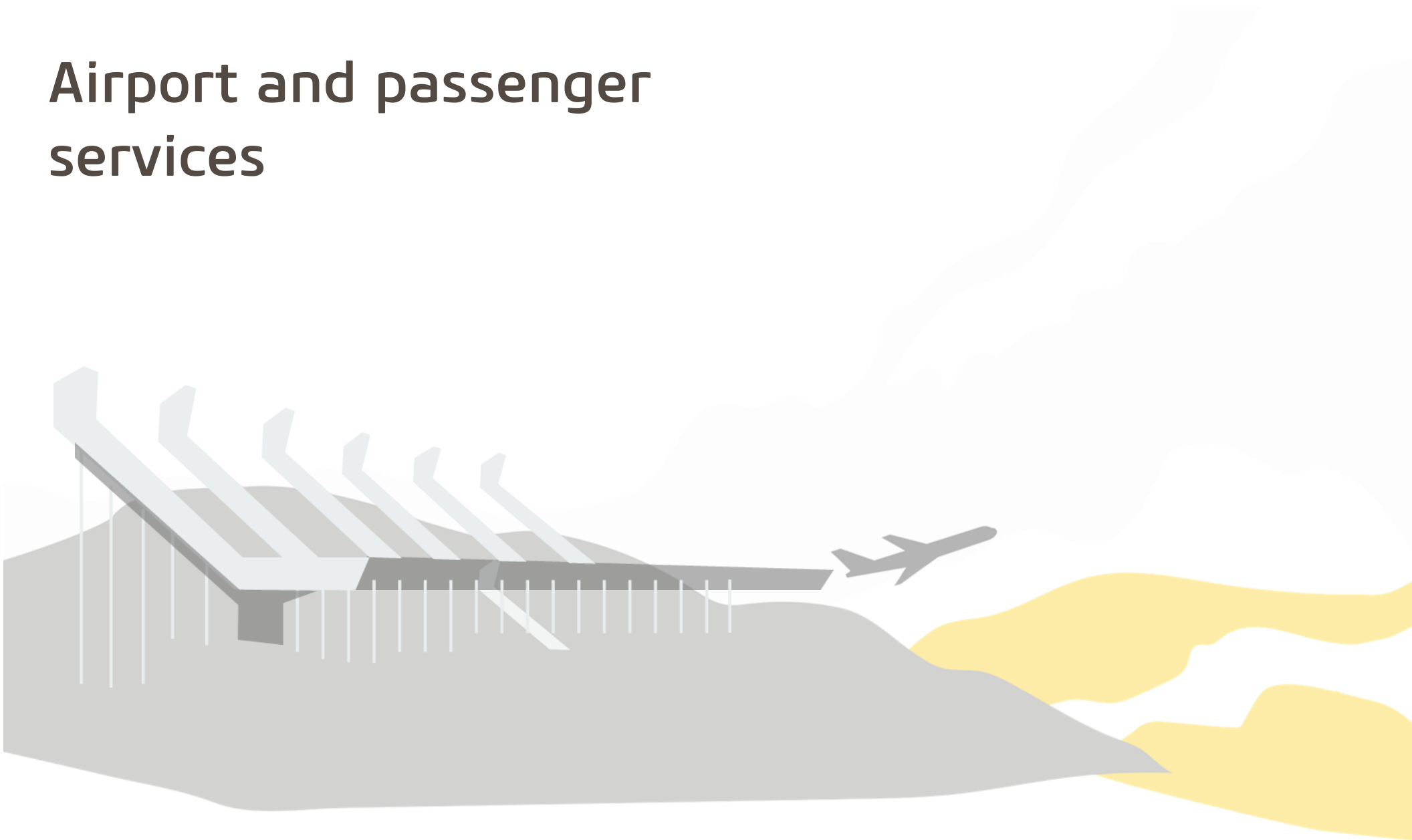
In 2024, a total of 87,636 travellers passed through our regional airports, which was 39% more than in 2023 (63,042 passengers). This large increase was due to the launch of the Tartu-Helsinki route on March 31. In total, 27,270 travellers passed through Tartu Airport during the year (2023: 1080).

Kuessaare Airport, Estonia's largest regional airport, served 42,490 passengers during the year (2023: 42,265).

Kärdla Airport was used by 15,307 passengers (2023: 16,181), Pärnu Airport by 1097 passengers (2023: 2085) and Ruhnu Airport by 1472 passengers (2023: 1398).



# Airport and passenger services



## Passenger experience and passenger journey design at Tallinn Airport

In designing development projects and the passenger journey for the passenger terminal at Tallinn Airport, we follow the concept of the cosiest airport and focus on annual priorities. In 2024, we concentrated our efforts on new non-Schengen areas, self-service and the passenger terminal expansion project.

The new non-Schengen areas of the passenger terminal have been completed and put into service. Along with them, the terminal obtained two new gates that can be used flexibly for both Schengen and non-Schengen flights. This will improve passenger service options and efficiency.

The reconstruction of the business lounge went smoothly. The renovated lounge has been given a fresh Nordic look, making it more pleasant and spacious. During the reconstruction, the old general meeting room was merged with the lounge area, providing more space for passengers. The design of the new lounge has already drawn the attention of the Estonian Association of Interior Architects, receiving praise from its designers.

The use of self-service baggage drop-off devices has increased. In 2024, a total of 74,639 pieces of baggage were checked in using these devices (2023: 28,829). This represents 9.5% of all departing passengers' luggage.

The self-service machines can be used by customers of airBaltic, SAS, Finnair, Lufthansa, Swiss International Air Lines and Norwegian.

### Tallinn Airport customer feedback and passenger survey

During the year, we registered 679 customer inquiries (2023: 660), most of which were related to the length of the check-in and security check queues.

Tallinn Airport Annual Report 2024

In 2024, we changed the service provider and locations of the real-time feedback measurement devices in the passenger terminal. We are now focusing on satisfaction with the pre-flight security checkpoint and border checkpoint service: 92% of departing passengers are satisfied with the pre-flight security check, while 83% of passengers departing from the border crossing point and 91% of those arriving are satisfied with this service.

*"In designing development projects and the passenger journey for the passenger terminal at Tallinn Airport, we follow the concept of the cosiest airport."*

We continued to work with Airport Council International (ACI) by participating in the Airport Service Quality (ASQ) global passenger survey with more than 300 other airports. The survey allows us to analyse the quality of the passenger journey at Tallinn Airport and the comfort of passengers at all mandatory points.

We surveyed 1426 passengers during the year, achieving an overall satisfaction score of 4.45 (2023: 4.42). Departing passengers highly appreciate our employees' helpfulness in the passenger terminal and the ease of passing through the pre-flight security check. The ease of finding their way, the convenience of the departure gates and the waiting time at the pre-flight security check were also highly praised.

### Serving passengers with special needs

It is very important for us to support the journey of passengers with special needs at the airport. We do everything we can to provide them with a safe, pleasant and high-quality service at all times.

In 2024, Tallinn Airport received 9,524 orders for passenger services with special needs, which was 2,119 or 28% more than in 2023. Among all passengers, 0.27%

were passengers with special needs, and this figure is growing every year. Their number was highest in July and August, when we provided support services to an average of 35 passengers with special needs each day.

We fulfilled 5,810 orders for passengers with special needs. (In those which we did not fulfil, the customer did not want our help.) 27% of these orders were placed with less than 12 hours' notice, including 5% which were last-minute orders. We used special equipment to fulfil 21% of orders.

The largest number of passengers with special needs (50%) needed the assistance of our employees to travel long distances (WCHR).

For example, 26% of customers sought support when using stairs (WCHS) and 11% when entering or exiting the aircraft (WCHC), among other things. The remaining 13% were passengers with other special needs.

Revenue from servicing passengers with special needs was EUR 535,867 and expenses were EUR 656,914 (2023: revenue EUR 302,372, expenses EUR 573,118).



## Aviation security

2024 was a year of settling in for new providers of security services at Tallinn Airport and regional airports. The lack of experience of AS Forus Security in providing aviation security services necessitated a period of learning and adaptation.

For the first time, security services were also outsourced at Kuressaare and Kärdla airports. In this regard, there was no longer a need for their own employees in this field.

Having invested in 2023 in new equipment for checking items carried by passengers, we introduced this equipment in April 2024. This made the passenger service process significantly more efficient. Unfortunately, we were only able to implement the new process for five months, as changes in EU requirements meant we again had to limit the volume of liquids that passengers can carry with them.

Although additional requirements were applied to liquid containers and the number of passengers increased, the queues for security checks at Tallinn Airport did not increase significantly.

Compared to 2023, the number of bomb threats against Tallinn Airport decreased significantly: there were just three such cases in 2024.

During the year, we introduced a permit information system (LIS) in the Group with which we made the processing of airport access permits completely digital and abandoned paper applications. Our next step will be to expand the LIS to all of the companies operating at the airport.

## Aviation safety and ground handling safety

### Aviation safety

Safety is a core value of the aviation industry, and one which we have placed first in our Group.

Our safety management system includes safety policy, risk management, safety assurance and promotion, and we involve all members of the Group and the community in this. We also set specific safety targets every year.

We apply the principles of just culture, i.e. we do not punish people for actions, omissions or decisions that have been made taking into account their work experience and training. An important part of the safety management system is the notification of all incidents affecting flight safety that occur in the course of work so that it is possible to determine the root cause and prevent such incidents from happening again.

To exchange important information, the safety committee at Tallinn Airport meets once a quarter, bringing together the employees responsible for flight safety in the companies operating at the airport and representatives of the airport. Its aims are to inform stakeholders about the main changes affecting safety, to raise public awareness and to involve stakeholders in the improvement of the safety management system.

In 2024, the airport safety committee met four times. The participants were given an overview of the development activities of Tallinn Airport and the related operational restrictions for airport tenants, as well as incidents affecting aviation safety and changes in the procedures of the aerodrome's operation and management system.

The safety and quality groups at regional airports, which include companies operating on airport premises, meet at least quarterly for the same purpose. Four meetings were held in Kuressaare, Tartu and Pärnu and 12 in Kärđla.

Tallinn Airport Annual Report 2024

Based on the requirements of aerodrome regulation, regular safety review board meetings are held. This unit includes members of the Group's management. The safety review board monitors the effectiveness of the company's safety management system, confirms safety objectives and assesses the level of safety as well as the efficiency and effectiveness of the implementation of safety measures. Meetings are held once a month. A total of 12 such meetings were held in 2024.

Thanks to attentive employees, community members and the coordination centre, 1,207 safety notifications were submitted to Tallinn Airport in 2024 (2023: 969). The increase in the number of such notifications shows that a culture of reporting has been established and correlates with the growth in air traffic.

Despite the increase in air traffic, the number of cases without direct impact was at the same level as the year before, and the number of actual cases decreased. In 2024, there were no serious incidents or plane crashes at Tallinn Airport.

During the year, we recorded seven incidents that affected the safe operation of aircraft or the safety of the passengers on board them or ground staff. Two of the incidents were related to aircraft tyre punctures on the runway, including one case in which the runway had to be closed. In another case, a motor vehicle collided with an aircraft, clipping its wing.

Of all safety reports registered at our airports, 258 were related to birds and animals (2023: 185), and most of them concerned the movement of birds and animals in the traffic area. There were a total of three (2023: three) serious incidents that affected the occurrence or cancellation of a flight, as birds and animals pose a great danger to the aircraft and can cause extensive damage.

To prevent incidents and hazards, we actively use measures to scare birds and animals away at airports. To manage the risks posed by birds and animals more effectively, and to take the best deterrent measures, we actively cooperate with an ornithologist.

To support safety culture, six newsletters were published at Tallinn Airport and four at regional airports in 2024, covering changes to the aerodrome, traffic safety and other important topics such as the human factor.

In April 2024, CAT II flight procedures were implemented at Tallinn Airport. These allow aircraft to land safely even in more severe weather conditions, ensuring flight safety and the regularity of flights. To implement these procedures, we developed airport infrastructure and adapted our operating procedures. The Aviation Safety Department organised training for all users in the manoeuvring area to introduce the updated procedures and requirements. In this way, we ensure that employees know how to safely perform their duties in the event of bad weather.

**Table 12.** Number of registered safety incidents reported in AS Tallinna Lennujaam, 2020-2024

Severity of safety incident	2024	2023	2022	2021	2020
Accident	0	0	0	0	0
Serious incident	0	1	0	1	1
Incident	7	21	17	18	28
Safety incident with no immediate impact	271	246	296	244	183
Observation	929	701	425	384	196
<b>Total</b>	<b>1207</b>	<b>969</b>	<b>738</b>	<b>647</b>	<b>408</b>

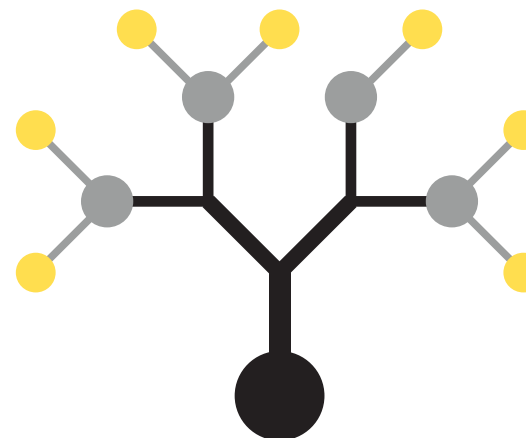
## Ground handling safety

At Tallinn Airport GH, ground services are provided around the clock, in all conditions and in an operationally complex environment. Safety incidents can never be completely eliminated, but their number can be limited through the continuous training of workers. A total of 97 ground handling employees received safety training this year.

Although the number of flight operations has increased, the number of incidents has been reduced thanks to consistent work. In 2024, there were nine incidents at AS Tallinn Airport GH (2023: 11). There were no accidents or serious incidents, but 112 cases without direct impact and 187 observations were registered.

The number of notifications also increased in 2024: 17.6 notifications per 1000 flight operations (2023: 17.2).

In 2024, nine safety review meetings were held at which incidents were thoroughly analysed and practical recommendations shared. The results were also presented to operational staff to raise their awareness and enhance their everyday safety behaviour.



## Air navigation service

AS Tallinna Lennujaam provides communication and navigation services and flight information services. The type of air navigation service depends on the airport.

In 2024, we offered:

- flight information services in Kärdla and Pärnu;
- communication and/or navigation services in Kuressaare, Kärdla, Pärnu and Tallinn.

The availability of communication and air navigation services was 99.7% at Tallinn Airport, 100% in Kuressaare and 99% in Kärdla.

We have successfully completed the remote tower project at Tartu and Kuressaare airports. The service is provided from the digital tower of the Estonian Air Navigation Services.

To enable the transition to a digital tower, we installed new automatic weather observation systems (AWOS) at Tartu, Kuressaare and Kärdla airports and upgraded the weather observation system in Tallinn. The official introduction and certification of these systems took place in early 2024.

During the year, we certified new meteorological equipment in Tallinn, Kuressaare, Kärdla and Tartu. In addition, we will have implemented a fully automated weather observation service at Tartu, Kuressaare and Kärdla airports by the beginning of 2025.

## Airport operations

Airport operations is a complex and highly regulated field. It includes a range of procedures and activities to ensure safe and efficient flight operations to and from the aerodrome, both during the day and at night, in good and bad weather conditions alike.

Tallinn Airport Annual Report 2024

The Airport Operations of Tallinn and Regional Airports Department establishes and maintains the operating procedures and aerodrome manuals necessary for the provision of aerodrome and air navigation services. It also participates in the certification of these services and the retention of the certificate, in continuous conformity assessment processes and in development projects related to airports. The department is responsible for the smooth, efficient and safe operation of seven Estonian airports and their services.

In 2024, an average of 116 flight operations were carried out at Tallinn Airport per day. The runway was used for take-offs and landings in an eastbound direction in 46% of cases and in a westbound direction in 54% of cases.

Tallinn aerodrome provides rescue category CAT8 around the clock, with the possibility to raise the level to CAT9. In 2024, the category was downgraded to CAT7 seven times (2023: 19).

During bad weather conditions, safe landings are ensured by CAT II-compliant infrastructure and procedures, which can be used in addition to satellite-based approach procedures.

Peak hours at the airport are usually from 5:30-7:30, 11:00-15:00, 17:00-19:00 and 22:30-1:00.

2024 was a very busy year in terms of airport operations. Several important projects were initiated, implemented and completed, as set out below.

### Tallinn

- CAT II approach procedures were implemented, which allow aircraft to land with runway visibility of at least 300 metres and cloud height of at least 30 metres.
- New backup meteorological equipment was introduced.

- Procedures related to aircraft de-icing processes were improved, as a result of which completely separate de-icing areas were introduced.

#### **Tartu**

- Scheduled flights between Tartu and Helsinki were restored.
- Flight procedures were amended due to GPS interference (DME-DME flying).
- Meteorological equipment was replaced, and a fully automated weather observation service was implemented.

#### **Pärnu**

- For the first time in the history of Estonia's regional airports, an A320 aircraft was serviced outside of Tallinn: at the new Pärnu aircraft hangar, which was completed in early 2023.
- From spring to December 2024, Pärnu Airport served as a base for air force M28 aircraft, as the manoeuvring area at Ämari Airport was being reconstructed.
- At the end of the summer, British military drones carried out flight operations from Pärnu Airport.

#### **Kärdla**

- Meteorological equipment was replaced, and a fully automated weather observation service was implemented.

#### **Kuressaare**

- A digital tower was launched, as part of which the flight information service was handed over to Estonian Air Navigation Services.
- Meteorological equipment was replaced, and a fully automated weather observation service was implemented.

## **Airfield maintenance services**

To ensure the smooth provision of aerodrome services, both daily and regular maintenance of aerodrome territory must be ensured. The Airfield Maintenance Department employs 68 people whose task is to provide high-quality, trouble-free maintenance services at all of the Group's airports. In so doing, they ensure the continuity and flight safety of the airport, starting with passenger transport, snow removal and de-icing, and ending with mowing an area of up to 60 hectares.

Winter 2023-2024 was exceptional in terms of snow: in November and December 2023, 50% of the usual four-month amount of snow fell in just 1.5 months. A total of 130,000 m<sup>3</sup> of snow (4327 loads) was cleared from Tallinn Airport, necessitating 200,000 km of driving and using EUR 251,500 of diesel fuel and 783,670 kg (EUR 1.8 million) of de-icing chemicals.

Procurements were successfully organised in the field of technical management, as a result of which our fleet of equipment was renewed at the end of 2024: three new loaders, runway controllers' cars and four tractors were purchased. The reduction of our CO<sub>2</sub> footprint continued when, in addition to the renewal of our technical fleet, the company switched to the use of HVO diesel fuel (Neste MY).

During the summer period, the pavements at our airports were repaired and marked, including in the outdoor car park. We successfully managed the increased number of passengers and the volume of bus transport, ensuring smooth and safe operations.

## Fire and rescue services

The rescue units at Tallinn Airport and regional airports play a major role in saving people's lives in the event of a plane crash or incident that takes place at the airport or in its immediate vicinity (within a radius of up to 5 nautical miles).

In addition, the airport's fire and rescue service ensures safety and security on the territory of the airport, performs refuelling supervision, prepares for aircraft emergencies and is the first to respond to fire hazards at the airport.

A total of 46 employees work in the rescue unit at Tallinn Airport, and 16 in our regional airports.

398 calls were responded to at Tallinn Airport in the first 10 months of 2024. Of these, 127 calls were to perform refuelling supervision, 75 were to respond to notifications from the automatic fire extinguishing system, eight were to provide first aid, 85 were to service people with reduced mobility, 97 were to clean up chemical pollution and six were to respond to emergency calls.

Throughout the year, the readiness of the rescue units was tested through regular inspection drills, confirming their response capabilities. A new lifeboat was procured for Kuressaare Airport, which will boost its water rescue capacity in the event of air accidents.

We also organised exercises. These included large-scale exercises in Tallinn and Kärdla, where we practised working with other agencies to deal with air accidents. During a search and rescue exercise in November, we practised effective cooperation with the Rescue Board, the Police and Border Guard Board and the Volunteer Reserve Rescue Group. An exercise to combat fuel pollution was also held on Lake Ülemiste, and an exercise entitled FERVENS 24 for mass casualties took place at Tallinn Airport. We successfully achieved all of the objectives of these exercises.

In 2024, we switched to using an environmentally friendly fire-extinguishing foaming agent at Kuressaare and Kärdla airports. We introduced ECOPOL A6+, a foaming agent with performance level B that meets the ICAO standard. It is a 100% biodegradable and completely fluorine- and silicone-free foaming agent that meets the requirements of European Commission Regulation (EU) 2017/1000 and the management program EPA 2010/15 PFOA.



## Provision of passenger and aircraft ground handling services

At Tallinn Airport, ground handling of aircraft and passengers is provided by the Group's subsidiary AS Tallinn Airport GH. In addition to regular flights, we also serve private, charter and military flights.

The strategic goal of the subsidiary is to become the highest-quality ground handling company in Northern Europe, and its vision is to be the best ground handling service provider in Estonia. To achieve this, its focus is on efficiency, safety and innovation.

Day-to-day work is based on its mission to provide a timely, high-quality service, ensuring equal benefits for customers, owners and employees. The quality goal is to serve all departing flights with at least 97.5% punctuality and to be in the top five in airport quality ratings.

To achieve this goal, its quality and safety management system is constantly being enhanced, following best practice in the field and the requirements of the International Air Transport Association (IATA) "Safety Audit for Ground Operations" (ISAGO).

Feedback, target levels of performance and performance indicators and possible factors are regularly analysed in order to meet the client's expectations. To maintain a high standard of service, the code of good service practice is followed.

Until 2024, AS Tallinn Airport GH was the only ground handling service provider in Estonia.

## Opening of the ground handling market

In 2022 and 2023, the State Shared Service Centre organised a procurement for the opening up of the ground handling market at Tallinn Airport, as the number of passengers had increased beyond the threshold above which at least two service providers must be allowed to operate in each category of ground handling services at the airport.

The opening up of the ground handling market at Tallinn Airport only concerns baggage and apron handling services. The remaining services have already been provided at the airport based on free market principles without restrictions, and airlines have at least two service providers to choose from for all basic services.

In the procurement of the State Shared Service Centre, the successful bidder was a company based in Belgium and founded in 1949 under the brand name Aviapartner. It operates at nearly 50 airports, primarily in Western Europe. At the end of September, a seven-year contract was signed with Aviapartner. The company is undertaking to achieve operational readiness in Tallinn within the next 12 months. At the time of writing the annual report, Aviapartner has not yet announced a start date for its operations in Tallinn. This largely depends on the negotiations for the contract with its first customers.

Regardless of the opening of the ground handling market, the Group's subsidiary AS Tallinn Airport GH will continue to provide high-quality services in Tallinn without any changes. Thus, the opening of the market for airport users will mean a choice between two service providers in the future.

At the same time as the procurement process, Tallinn Airport continued to update and adjust its work processes in 2024. These must be in line with the new market situation, where main ground handling services will also be provided by an external company at Tallinn Airport in the future.

## Construction and development activities at Tallinn Airport and regional airports

For the airport to develop and grow, it is necessary to develop the infrastructure that surrounds us. Everything is based on a vision, detailed plans and high-level projects.

In 2024, we made significant progress in processing the detailed spatial plans necessary for the development of Tallinn Airport, although the local government procedural deadlines were extended.

In the detailed plan for Valukoja 24 and 26, we reached an agreement on the extension of Sepise Street and submitted a new application to the City of Tallinn. The detailed plan for Kuusiku was approved by the key parties, including Rail Baltic.

The plan for Suur-Sõjamäe 60 has been approved and is awaiting adoption. Despite the snowy winter, we successfully carried out a pollution survey at Suur-Sõjamäe 48 and 50 and submitted materials for approval.

Thorough studies of the detailed plan for the northwest area have largely been completed, although the most extensive of these remain in progress. The solution for the plan for solar parks has reached the local government for review, and we have submitted the plan for the south-western area for initiation.

Tallinn Airport has set itself an ambitious goal of achieving climate neutrality by 2030. To contribute to this with infrastructure, we have applied for support from the EU's Connecting Europe facility (CEF) for the project "etAIR" (aimed at airport electrification) and an application for support from the INTERREG program for the project BSR HyAirport (aimed at the use of hydrogen at airports).

We prioritise passenger comfort and the development of all of the airports we operate. To increase the capacity of the passenger terminal at Tallinn Airport, new Tallinn Airport Annual Report 2024

non-Schengen waiting areas were completed in 2024, and design work on the terminal's extension continued. In this way, we will be ready to serve up to 4.2 million passengers by 2030.

One of our goals is to increase Tallinn Airport's capacity to serve aircraft that require large amounts of fuel and to add stands on the K apron for E-class aircraft.

Within the framework of the TAMILA projects funded by the CEF programme, we also carried out important development activities in 2024 to ensure the enhancement of the dual use of the infrastructure and military mobility of Tallinn Airport.

To expand the fuel terminal, we entered into a construction contract on 16 April in cooperation with AS Eesti Varude Keskus for the design and construction of four aviation fuel tanks (total volume: 4000 m<sup>3</sup>). These vertical cylinders, with a diameter of 9 metres and a height of 18 metres, will store part of Estonia's national reserve of JET-A1 aviation fuel. The fuel terminal will be completed and go into commission by the end of 2025.

The construction of four new E-class aircraft stands on the K apron has also begun.

Up to 50% of the cost of TAMILA projects is co-financed by the EU's Connecting Europe Facility (CEF), helping to ensure the strategic capability of Tallinn Airport to support both civilian and military operations.

In addition, we carried out significant development work in the southern area of Tallinn Airport in 2024 to support the development of the area and of the Airport City business campus. The project for the water and sewerage lines in the southern area was completed during the year, and we found a builder for the infrastructure.

We also started preparing for the construction of the southern entrance, which will connect the K-platform to the areas under development in the southern area. The

power grid lines in the latter have been designed and built, with final completion planned for spring 2025.

## Airport City and developments



As passengers, we often perceive the airport as the start and end point of a journey, but Tallinn Airport strives to fulfil its mission of connecting Estonia to the world – to find ways to increase revenue that do not depend solely on passenger transport. With this additional revenue, we can invest in the airport's infrastructure, technology and passenger comfort.

European airports are earning an increasing share of their turnover from the sale of goods and services. The proximity of the runway and the availability of related services represent significant added value for transport and logistics companies, aircraft maintenance and service companies, hotels, warehouse service providers and industrial companies.

We have been engaged in real estate development for more than 20 years. Our portfolio includes approx. 6,000 m<sup>2</sup> of retail and commercial space in the passenger terminal and approx. 45,000 m<sup>2</sup> of hangar and warehouse space. We have a strong infrastructure development and management team of 32 people. As the real estate development business grows, so does the team of our subsidiary AS Airport City.

Airport City was established by AS Tallinna Lennujaam in March 2023 to develop and manage the commercial real estate located in the immediate vicinity of Tallinn Airport. Airport City creates new opportunities for companies for whom it is important to be located near the airport or runway and aircraft. The aim of the subsidiary is to create a functional and well-functioning business environment and modern infrastructure for aviation-related companies, thereby supporting the development of aviation.

Airport City will continue to develop the southern area of Tallinn Airport in 2025 to create a strong aviation, logistics and cargo terminal centre.

In 2024, the cornerstone was laid for two important building complexes, including the 7,260 m<sup>2</sup> and 5,200 m<sup>2</sup> air cargo terminals of DHL Express Estonia AS with a fully automated sorting system. Both terminals will be completed in Q3 2025, significantly increasing aviation logistics capabilities.

The construction of an 11,000 m<sup>2</sup> aircraft maintenance and repair hangar complex also began in the second half of 2024, which is scheduled to be completed by the end of 2025.

With these developments, Airport City is realising its vision of becoming a leading international aviation and logistics centre, supporting the competitiveness and economic growth of Tallinn Airport.



## The Group's digitalisation development plan: "Airport 4.0"

The world around us is developing rapidly, and the expectations of employees, passengers and partners alike are changing. To keep up with these expectations and offer the highest level of quality, we have continued to work actively on the implementation of efficient, digital and automated solutions.

The aim of the Group's development plan "Airport 4.0" is to help boost the level of digitalisation of the airport and to make work processes more efficient, placing us among the ranks of airports that are technologically advanced. Many other international airports are also operating on a model with this concept, thus creating an innovation network of which we form a part.

In 2024, we reached the following key milestones in the implementation new digital tools and solutions:

- **Website:** We have completely updated the Group's website ([www.airport.ee](http://www.airport.ee)), which is now simpler, more logical and more user-friendly. The new site was created with the needs of passengers, future employees and cooperation partners in mind.
- **Access card management system:** We introduced a new system that streamlines the application, management and tracking of access passes, making the process more secure and more convenient.
- **Resource management solution in ground handling:** We implemented a system that optimises the resource use of ground handling, improving the efficiency of both personnel and equipment.

- **Service Desk:** We introduced a case and order management environment that allows us to quickly and efficiently register, analyse and process cases and ensure convenient and easy ordering and fulfilment of services.
- **Self-service baggage drop-off system:** We have replaced the software for self-service baggage drop-off devices. This ensures an even smoother and seamless experience for passengers when checking in and dropping off baggage.
- **Geoinformation portal:** We created a new geoinformation portal where we have gathered the airport's infrastructure and location data.
- **Consumption data sharing system:** We introduced a new system that allows us to automatically collect and manage data on energy consumption, utilities and rental properties and to automatically share this information with customers.

In addition, other IT projects at Tallinn Airport will be completed in 2025. The most important of these are the certification of the information security standard ISO27001, the implementation of a new application for sharing operational information at the airport, the renewal of the parking lot management system and the implementation of an audits and conformity assessment system.

We will also be making a significant contribution to improving IT infrastructure in the coming years, ensuring that the airport's IT systems are sustainable and even better protected.

We are convinced that this digitalisation journey will bring us closer to the standards of the world's leading airports and help fulfil our vision of the airport of the future.

# Our team



## Our team



The Group operates in Estonia and complies with the legislation applicable to the workforce here. We are committed to promoting equal opportunities, supporting employee well-being and contributing to the development of the community. We focus on health promotion and valuing diversity to create a positive impact within the company and in society at large, while being an attractive and trustworthy employer.

As at the end of 2024, the Tallinn Airport Group employed 665 people. The average length of service of employees is 7.9 years. 37% of the employees of AS Tallinna Lennujaam have worked there for more than 10 years, and the same figure is 23% at AS Tallinn Airport GH. This reflects the team's commitment to the career-building and self-improvement opportunities offered by the aviation industry.

**Table 13.** Age distribution of the Group's employees

	AS Tallinna Lennujaam %	AS Tallinn Airport GH %	AS Airport City %
Under 30	12	41	0
30-50	57	54	100
Over 50	31	6	0

Voluntary employee turnover was approximately 9% (2023: 5%) in the parent company and approximately 23% (2023: 16%) in the subsidiary. Total turnover, which includes redundancies, was 13% in the parent company and 28% in the subsidiary. We regularly monitor the reasons for employee departure in order to take measures to reduce total turnover.

We treat our employees equally regardless of their gender and other characteristics. In total, 66% of the Group's employees are men and 34% are women. 20% of the

members of the Supervisory Board, 40% of all managers and 50% of the members of the Management Board are women.

In regard to our principles of remuneration, we are guided by external competitiveness, the division of occupational groups and the practice of equal treatment. We are making preparations to ensure compliance with the European Equal Pay Directive, which will enter into force in June 2026. We regularly monitor pay gap statistics to ensure that men and women are paid equally for equal work.

During the reporting period, there were no reported cases of discrimination or human rights violations in the Group. There are no collective agreements or employee representatives in the Group.









# Sustainability Report

The Group's first report compliant with the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD) will be completed in 2026, reflecting the results of 2025. Previous reports have been prepared based on the Global Reporting Initiative (GRI) standard, supporting the transition to the new requirements.

The report does not cover preparations for CSRD reporting.



## Sustainable Development Goals

Our business operations are guided by the principles of sustainability. Since 2018, we have been following the United Nations (UN) Sustainable Development Goals (SDGs) and have aligned our operations with them.

A sustainable and responsible attitude towards the environment around us is a value that is appreciated by all employees of the company and members of the community. Every day, we strive to ensure the effectiveness of our environmental management efforts and to achieve a balance between social, economic and environmental aspects.

To illustrate how our activities contribute to achieving sustainable operations, we have linked them to key topics that are relevant to us. We have marked them with SDG icons throughout this report.

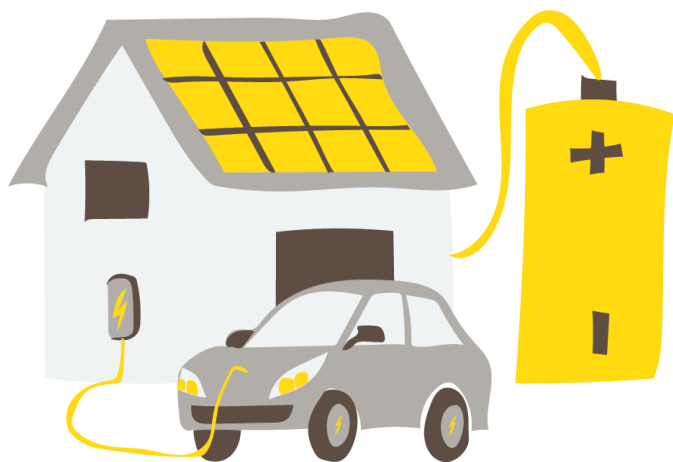








We collaborate with stakeholders and value chain partners to reduce CO<sub>2</sub> emissions by collecting data from their activities at Tallinn Airport. To strengthen our impact, we are updating contracts to require key partners to implement a CO<sub>2</sub> reduction plan, use emission-free vehicles and conduct environmental impact assessments. In 2024, emissions from partner activities totalled 1,915 tonnes of CO<sub>2</sub>.



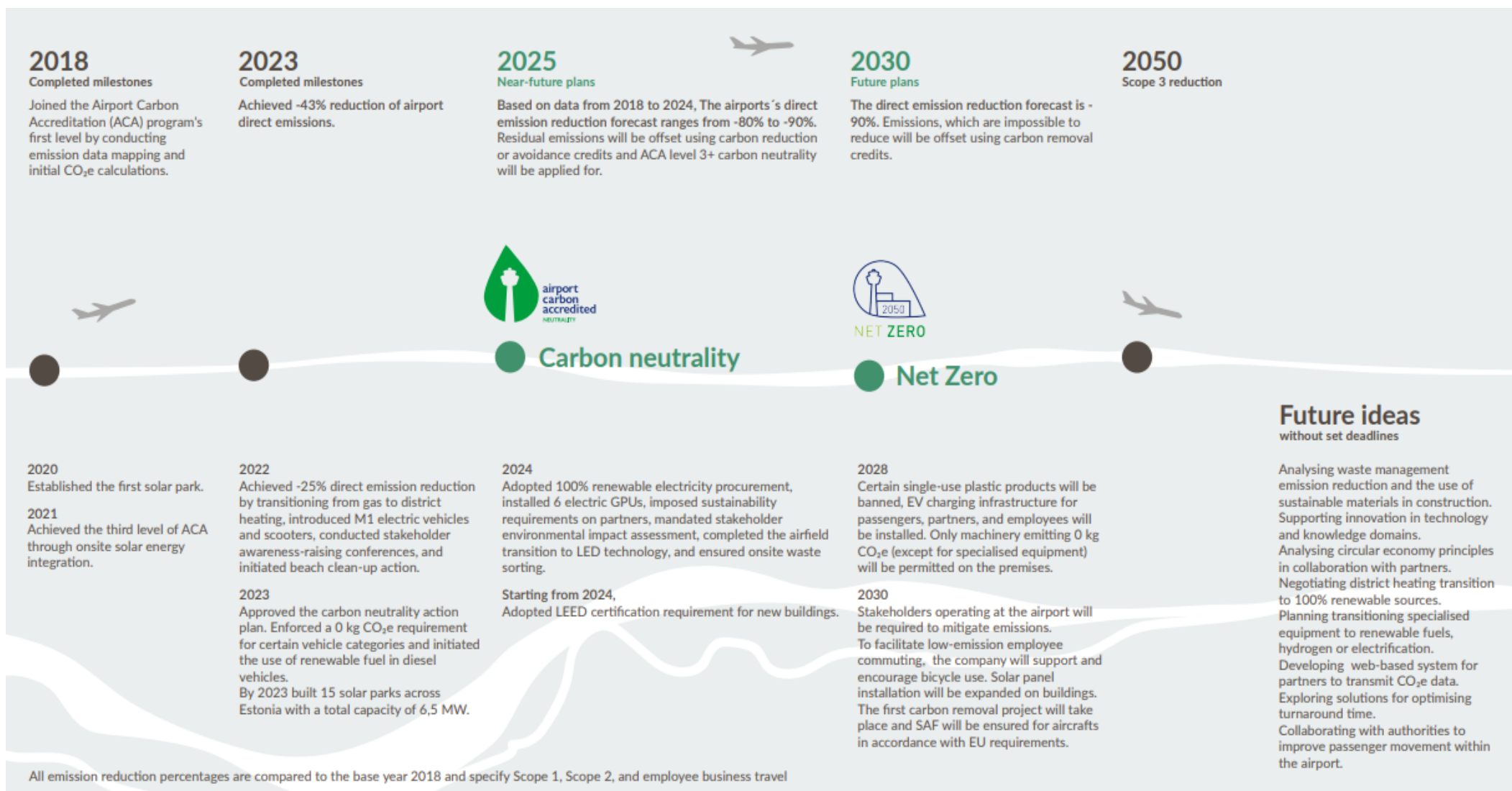
"All our patrol cars at the airport are hybrids, and in 2025 we will transition to electric vehicles. We measure our footprint and invest in environmentally sustainable choices."

Kalev Reiljan, chairman of the management board of Forus Eesti  
<https://forus.ee/forus-alustab-detsembrist-tallinna-lennujaamas-lennundusjulgestusteenusega/>

**Table 15.** Net zero roadmap, scope 3 action plan

Scope	Coverage	Action	Target	Indicator	
Scope 3	Partners	We organise the Green Forum for the transport sector, Green Mornings for partners and community events, including World Cleanup Day	Awareness-raising events (incl. presentations) are held quarterly	Number of awareness-raising activities per year	
	Partners	We expect partners operating on our premises to meet the 0 kg CO <sub>2</sub> /km requirement by 2028 and to set clear targets for CO <sub>2</sub> emission reduction	By 2029, we will have achieved a 40% reduction in CO <sub>2</sub> emissions from our partners' vehicle fleets	Emissions from partners' vehicle fleets (excluding GSE) (kg CO <sub>2</sub> )	
		We are establishing electric vehicle charging infrastructure for partners, passengers and employees	By 2028, the charging infrastructure will be installed and fully operational	We will install at least one charging point for every 50 parking spaces	Electric vehicle charging infrastructure (pcs)
	Partners	We are expanding the use of solar panels on leased buildings	TBD	TBD	
	Partners	Certain single-use plastic products will be banned at Tallinn Airport	We will reduce packaging waste in the passenger terminal by 30%	Share of packaging waste (%)	
	Partners	We communicate openly with partners, airlines, flight schools and private and recreational pilots	N/A	N/A	

Figure 6. Climate neutrality roadmap





## Minimising waste

Waste management plays a key role in achieving our environmental goals, as we prioritise waste sorting on site. In 2024, we introduced a new waste sorting system to separately collect paper, packaging and biodegradable waste in all buildings where this was previously not possible. We will continue raising awareness among passengers and employees about proper waste sorting.



**Table 17.** Waste management indicators at Tallinn Airport

Waste management indicator	unit	2024	2023	2022	2021	2020
Mixed waste	tonne	196	369	415	361	215
Waste per passenger	kg	0.10	0.14	0.18	0.29	0.26
Waste sorted by type	%	34	12	16	9	7

We are committed to reduce waste generation and are actively seeking ways to support the circular economy goals, which we have already begun implementing through procurement requirements.

Reducing single-use plastic consumption is a one priority. We encourage passengers to bring their own containers for food and drinks and are exploring the best solutions for using biodegradable or recycled materials. To minimise single-use plastic bottles, we ensure access to clean drinking water for all passengers. Travelers can refill their water bottles for free at designated stations throughout the airport, eliminating the need to purchase bottled water after security screening.

## Compliance with noise regulations

While noise is an unavoidable aspect of aviation and urban development, we are committed to minimising noise disturbances as much as possible. Reducing the noise generated by our operations is a key priority.

To achieve this, we implement quieter, environmentally friendly equipment to help lower everyday noise levels. We have built noise barriers for aircraft engine testing and ensure that construction activities take the surrounding environment into consideration.



## Responsible taxpayer

We are a responsible taxpayer. In our activities, we are guided by legislation, adhere to deadlines, perform transactions at market prices and attach importance to open and helpful communication with the tax authority.

In 2024, the Group's tax footprint was EUR 12.6 million (2023: EUR 11.1 million). This shows our contribution to society through the payment of taxes.

**Table 18.** Taxes paid and collected by the Group in thousands of euros

<i>thousands of euros</i>	2024	2023	Change 2024-2023 %
Employer's taxes (taxes paid)	7,303	6,472	13%
Land tax (taxes paid)	325	325	0%
Taxes withheld from employees (taxes collected)	4,681	4,123	14%
Other taxes paid and collected	309	211	47%
Total taxes	12,618	11,131	13%

Note: In the case of taxes paid, the Group is the bearer of the expense. In the case of collected taxes, the Group acts as a collector, transferring the taxes to the Tax and Customs Board.

## GRI Content Register

In the Sustainability Report, we rely on the reporting standard of the globally recognised Global Reporting Initiative (GRI), which supports the topical issues in the report.

In accordance with the GRI standard, we have based the identification of significant areas of influence and the delimiting of the scope on interviews with the company's employees and management, literature, data and media analysis, visitor observation and expert assessments. To determine the significance of the impact, we have used interviews with the company's employees and management. The assessment of significance is also influenced by national legislation and the compliance of society with the law, which, in the case of good functioning, reduce the importance of the topic for the company and vice versa. The stakeholders involved are described in more detail in this chapter.

The key topics that have been identified are as follows (currently marked with the SDG label in the GRI content register and report below):

- Energy
- Emissions
- Wastewater and waste
- Environmental compliance
- Employment
- Occupational health and safety
- Training and education
- Antidiscrimination
- Socio-economic compliance
- Financial results
- Indirect economic impact
- The fight against corruption





# Consolidated Annual Report 2024





# Group profile and contact details

The Group operates in the Republic of Estonia, managing airports in Tallinn, Kärđla, Kuressaare, Tartu, Pärnu and airfields in Ruhnu and Kihnu.

The Group's main areas of activity are the maintenance and development of airports and the ground handling of aircraft and passengers. In 2024, the Group employed 654 (2023: 618) people on average. The number of employees in the Group at the end of the financial year was 665 (2023: 633).

The Republic of Estonia holds the shares of AS Tallinna Lennujaam and the company belongs in the area of administration of the Ministry of Climate of the Republic of Estonia.

Legal address: Tartu mnt 101, 10112 Tallinn, Republic of Estonia  
Telephone: +372 605 8700  
Email: [administration@tll.aero](mailto:administration@tll.aero)  
Website: [www.tallinn-airport.ee](http://www.tallinn-airport.ee)  
Auditor: Aktsiaselts PricewaterhouseCoopers





















































































## Unconsolidated statement of comprehensive income

<i>in EUR thousand</i>	2024	2023
Revenue	45,034	40,412
Other operating income	14,641	14,763
Goods, materials and services	-19,959	-18,821
Other operating expenses	-1,917	-1,716
Personnel costs	-19,357	-16,991
Depreciation, amortisation and impairment	-18,426	-12,690
Other expenses	-116	-154
<b>Operating profit/- loss</b>	<b>-100</b>	<b>4,803</b>
Finance income	11,235	916
Finance cost	-1,397	-1,396
<b>Net profit for financial year</b>	<b>9,738</b>	<b>4,323</b>
<b>Comprehensive profit for the financial year</b>	<b>9,738</b>	<b>4,323</b>





## Separate statement of changes in equity

<i>in EUR thousand</i>	Share capital	Statutory reserve capital	Retained earnings	Total
Balance as at 31.12.2022	45,617	2,625	63,200	111,442
Distribution of profits to reserve capital	0	434	-434	0
Comprehensive income for 2023	0	0	4,323	4,323
Balance as at 31.12.2023	45,617	3,059	67,089	115,765
Distribution of profits to reserve capital	0	424	-424	0
Comprehensive income for 2024	0	0	9,738	9,738
Balance as at 31.12.2024	45,617	3,483	76,403	125,503

## Adjusted unconsolidated statement of equity of AS Tallinna Lennujaam (parent company)

<i>in EUR thousand</i>	2024	2023
Unconsolidated equity of parent company	125,503	115,765
Carrying amount of subsidiaries in the separate statement of financial position of the parent (minus)	-1,194	-1,194
Value of subsidiaries under the equity method (plus)	9,609	18,882
<b>Total</b>	<b>133,918</b>	<b>133,453</b>



## Profit allocation proposal

<u>Retained earnings 31.12.2023</u>	<u>EUR 84,777 thousand</u>
Transferred from the 2023 net profit to the statutory reserve capital	EUR -424 thousand
Net profit for 2024	EUR 465 thousand
<u>Total distributable profit as at 31.12.2024</u>	<u>EUR 84,818 thousand</u>

The Management Board proposes to distribute the net profit for 2024 in the amount of EUR 465 thousand as follows:

- to transfer EUR 23 thousand into the reserve capital;
- to retain EUR 442 thousand and transfer it to retained earnings.

The balance of retained earnings after the distribution of profit is EUR 84,795 thousand.

Riivo Tuvike	<i>Chairman of Management Board</i>	20.03.2025
Anneli Turkin	<i>Member of the Management Board</i>	20.03.2025
Katrin Hagel	<i>Member of the Management Board</i>	20.03.2025
Eero Pärgmäe	<i>Member of the Management Board</i>	20.03.2025

## Signatures to the annual report

The Management Board has prepared the management report and financial statements for the year 2024. The Management Board confirms the correctness of information presented in the annual report.

### Management Board:

Riivo Tuvike	<i>Chairman of Management Board</i>	<i>/signed digitally/</i>	20.03.2025
Anneli Turkin	<i>Member of the Management Board</i>	<i>/signed digitally/</i>	20.03.2025
Katrin Hagel	<i>Member of the Management Board</i>	<i>/signed digitally/</i>	20.03.2025
Eero Pärgmäe	<i>Member of the Management Board</i>	<i>/signed digitally/</i>	20.03.2025

The Supervisory Board has reviewed and approved the annual report prepared by the Management Board, which consists of the management report and the financial statements, to which the independent auditor's report and profit allocation proposal have been added. The Supervisory Board confirms the correctness of the information presented in the annual report.

### Supervisory Board:

André Küüsvek	<i>Chairman of the Supervisory Board</i>	28.03.2025
Anne Samlik	<i>Member of the Supervisory Board</i>	28.03.2025
Tarmo Karotam	<i>Member of the Supervisory Board</i>	28.03.2025
Jaak Viilipus	<i>Member of the Supervisory Board</i>	28.03.2025
Dr Michael Antonius Kerkloh	<i>Member of the Supervisory Board</i>	28.03.2025





As part of an audit in accordance with ISAs, we exercise professional judgment 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 the Management Board.
- Conclude on the appropriateness of the Management Board'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, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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.

AS PricewaterhouseCoopers

*Original report is signed in Estonian language.*

Jüri Koltsov  
Auditor's certificate no. 623

20 March 2025  
Tallinn, Estonia

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

# Sales revenue of the Tallinna Lennujaam Group according to EMTAK 2025

*In EUR thousand*

EMTAK code		2024	2023
35141	Distribution of electricity	1,116	992
52231	Operation of airports and airport passenger terminals	44,693	37,730
52239	Other air transport service activities	18,226	18,468
85599	Other education	117	126