

# 2024 Executive Summary

AS Merko Ehitus

April 2025

**merko**

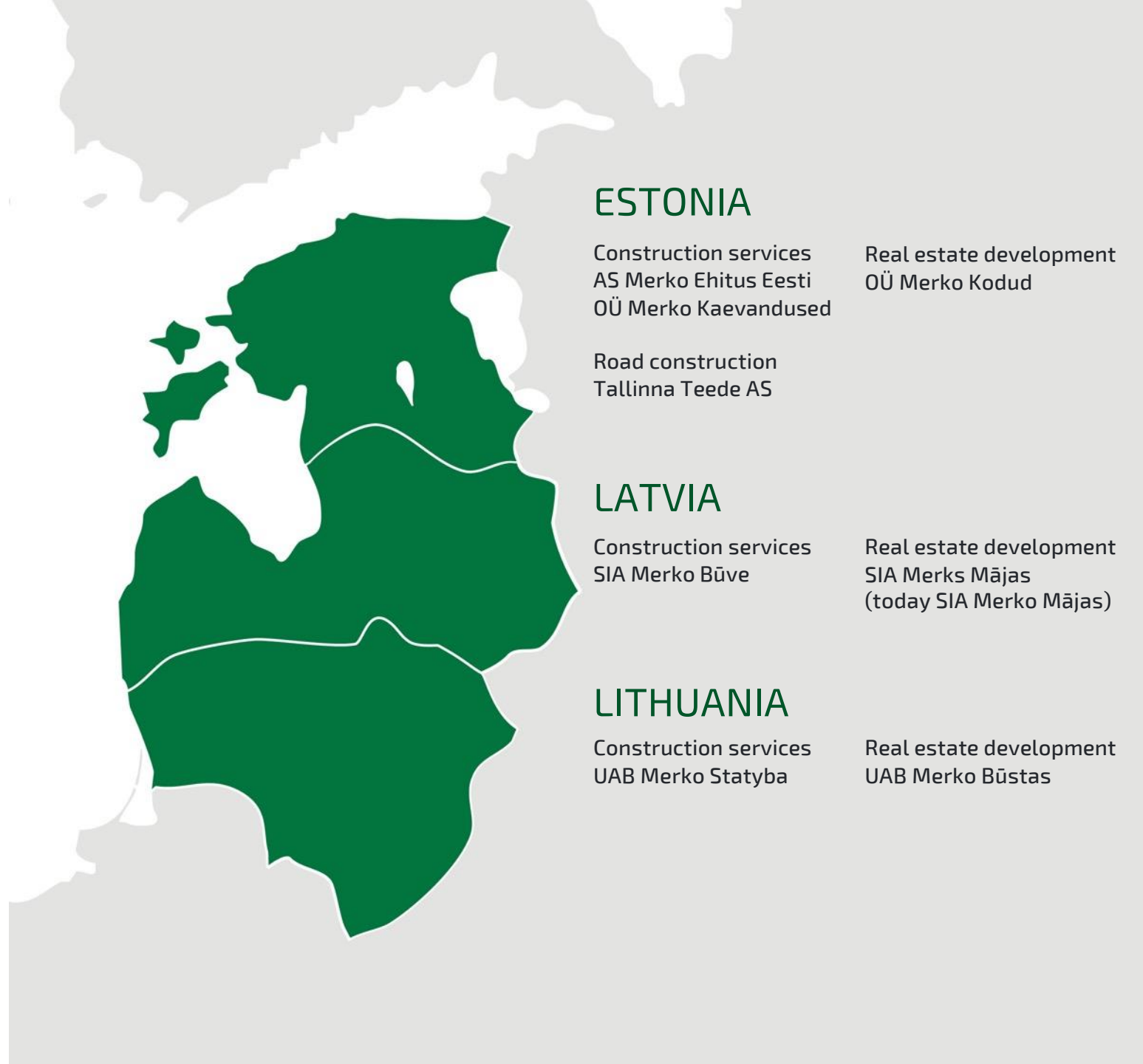
# Main facts

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**The Merko Ehitus group has two business areas:  
the sale of construction services and  
real estate development.**

**We operate in Estonia, Latvia and Lithuania.  
We create a better living environment  
and build the future.**

We are the largest listed construction company  
and residential developer in the Baltics.



## ESTONIA

Construction services  
AS Merko Ehitus Eesti  
OÜ Merko Kaevandused

Real estate development  
OÜ Merko Kodud

Road construction  
Tallinna Teede AS

## LATVIA

Construction services  
SIA Merko Būve

Real estate development  
SIA Merks Mājas  
(today SIA Merko Mājas)

## LITHUANIA

Construction services  
UAB Merko Statyba

Real estate development  
UAB Merko Būstas

# Value offering

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**Merko is the preferred choice for construction service customers and home buyers who value quality.**

## **Construction services**

- We offer our customers complete construction service, managing the entire process and taking responsibility for the whole result.
- Complete construction service according to the customer's needs: preparation, design, engineering, construction, fit-out and warranty service.
- At the customer's request, we can also offer a property development service, from the acquisition of suitable land and the organisation of detailed planning procedures to the completion of the project.
- We have extensive experience in both private and public-private partnerships, including PPP (Public Private Partnership) projects.
- Merko's quality, environmental and safety management is certified to ISO standards.

## **Real estate development**

- We are among the strongest residential developer brands. Quality makes us a reliable choice for homebuyers.
- We focus on creating large and modern living environments.
- To ensure the highest quality, Merko manages all stages of the residential development process: land acquisition, detailed planning, architectural competition, design, construction, marketing and sale of apartments and commercial spaces, and after-sales service.

# Competitive advantages

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- We offer a full service
- Flexibility to deliver projects of different sizes, including major projects
- Strong management system
- Excellent teams
- Innovative technical and construction solutions
- 35 years of experience and a trusted brand
- Financial strength



**merko**



## PURPOSE

We create a better living environment. We build the future.

## BUSINESS

We construct buildings and infrastructure and develop real estate. We operate in Estonia, Latvia and Lithuania.

## PRINCIPLES

We operate as one Merko.  
We see opportunities, act upon them and have a long-term view.  
Our focus is on profitable growth.

## MERKO VALUES

-  I am competent
-  I keep my word
-  I care and take responsibility
-  I initiate and make it happen
-  I look for new ideas

## MERKO ESSENCE



# Business model: Construction services to customers

Merko offers strategic advisory services and high-quality full-scale solutions throughout the entire process as part of its full construction service, according to the customer's needs: preparation, design, construction, fittings and warranty-period service.

At the customer request, we offer a real estate development service in addition to the construction service, from acquiring a suitable property and organizing the detailed planning procedure to the completion of the object. For the best outcome, Merko should be engaged already at the outset of the construction project planning period, and cooperation should take place in the framework of the design and construction agreement.



## 7 WARRANTY-PERIOD SERVICE

The construction-period site team is responsible for warranty problems and ensures continuity and quality.



## 1 SUITABLE PLOT AND DETAIL PLAN

Detailed plan for the customer's property. Industrial, business and residential properties in the portfolio. Finding and acquisition of necessary property.



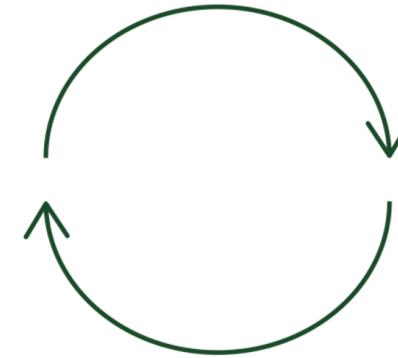
## 2 CONCEPT

Mapping customer needs. Advisory services and concept development. Long-term experience of participating in PPP projects.



## 3 OFFER AND PRICE ESTIMATE

A well-thought-out and realistic offer includes the experience and knowledge of various units: design, construction, concrete works, road construction.



## 6 FURNISHING

Interior designs and furnishings pursuant to customer's needs and standards.



## 5 GENERAL CONTRACTING OF CONSTRUCTION

Site office and team based physically on the site every day, team includes at least project manager, site manager and engineer. Back-office support (occupational safety, quality oversight, budgeting staff, designers, financial experts, lawyers, etc.). Specialists: electricity, heating, ventilation, water and sewerage fields and concrete department with its own workers. Use of BIM system. Long-term, reliable partners and suppliers.



## 4 ENGINEERING AND DESIGN

BIM (Building Information Modeling) general contracting. In-house design team which involves the necessary specialists (electricity, heating, ventilation, water and sewerage).

# Business model: Property developments

Merko is one of the leading apartment developer brands in the Baltics. To ensure the best quality, we manage all phases of the development project: acquisition of the property, planning, design development, construction, sales, and service during the warranty period.

As a developer of apartments, Merko focuses on developing comprehensive and modern living environments.



## 7 WARRANTY-PERIOD SERVICE

A warranty specialist is the main contact in all matters related to the warranty.

Apartment buyer satisfaction surveys  
Analysis and implementation of warranty period feedback when launching new development projects.



## 1 THE OPTIMUM PLOT

Appropriate portfolio of immovable property.  
Acquisition of new properties.



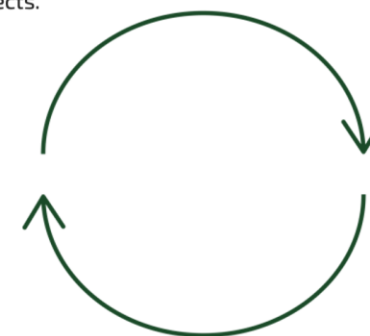
## 2 PLANNING THE AREA

Developing a concept suitable for the location and target group.  
Planning competition, involving experienced planners.  
Proceedings on the detailed plan.  
Organising an architecture competition.



## 6 SALES AND MARKETING

Merko itself organises sales and marketing.  
Professional sales managers are involved throughout the development process who know the product as a whole.  
Quality, realistic sale and marketing materials.



## 3 CONCEPT OF DEVELOPMENT

Application of Merko's nearly 35 years of experience and customer feedback.  
Integrated and modern living environments include a high-quality living environment both inside buildings (apartments and common areas) and around them (courtyards, green areas).



## 5 GENERAL CONTRACTING OF CONSTRUCTION

A strong project team at each site.  
Back-office support (occupational safety, quality oversight, budgeting staff, designers, financial experts, lawyers, etc.)  
Specialists: electricity, heating, ventilation, water and sewerage fields and concrete department with its own workers.  
Use of BIM system.  
Long-term, reliable partners and suppliers.



## 4 ENGINEERING AND DESIGN

BIM general contracting.  
Professional reliable partners in the field of design, supported by the group's own design development department.  
Involvement of necessary specialists (electricity, heating, ventilation, water supply and sewerage)  
Use of contemporary solutions (energy efficiency, automation).  
Our priorities are soundproofing, healthy indoor climate, insulation that meets the standards, passive cooling.





2024 results

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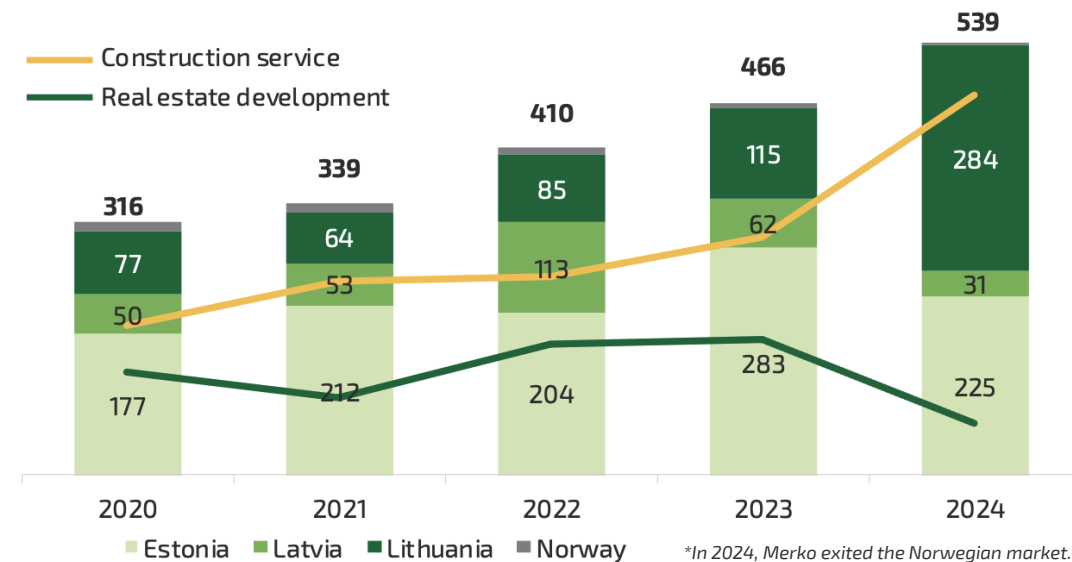
# Key indicators

Income statement summary	2024	2023
Revenue <i>million EUR</i>	539.0	466.3
Gross profit <i>million EUR</i>	95.9	65.0
Gross margin %	17.8	13.9
EBITDA <i>million EUR</i>	75.7	48.1
EBITDA margin %	14.0	10.3
Operating profit <i>million EUR</i>	72.5	44.5
Operating profit margin %	13.4	9.5
*Net profit <i>million EUR</i>	64.7	46.0
*Net margin %	12.0	9.9

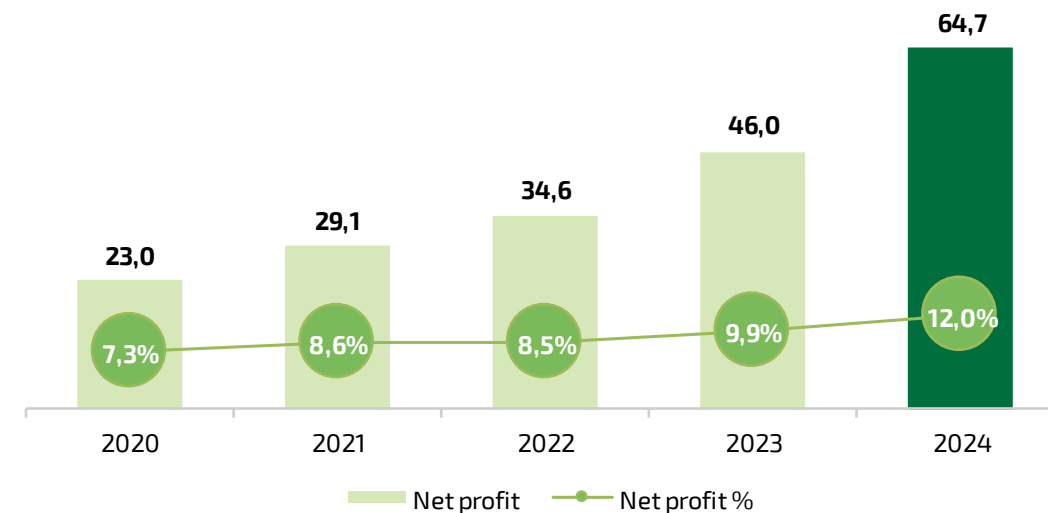
Other significant indicators	31.12.2024	31.12.2023
Assets <i>million EUR</i>	447.1	425.3
Equity <i>million EUR</i>	254.3	211.9
*Return on equity %	28.4	23.4
*Equity ratio %	56.9	49.9
Debt ratio %	7.5	12.9
Number of employees as at 31.12	605	635
Order book <i>million EUR</i>	340.6	477.5

\*Attributable to equity holders of the parent

DISTRIBUTION OF GROUP REVENUE BY GEOGRAPHICAL LOCATION  
in million euros



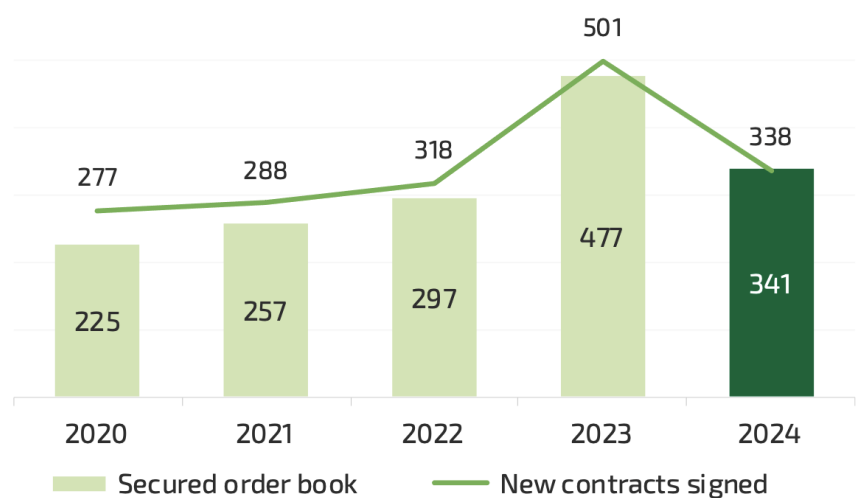
NET PROFIT / NET PROFIT MARGIN  
in million euros / percentages





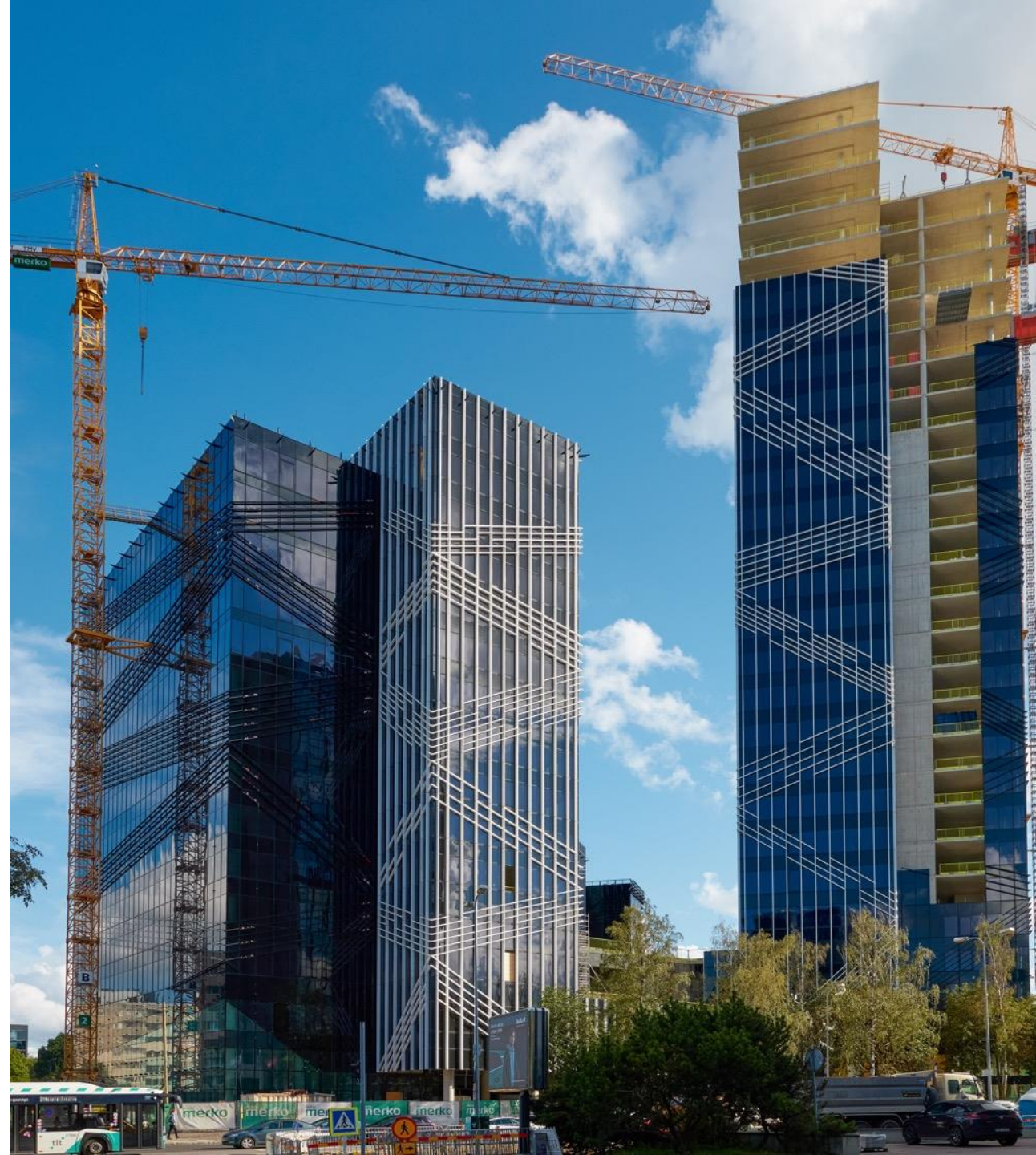
# Construction services

## SECURED ORDER BOOK in million euros



## LARGEST CONSTRUCTION CONTRACTS SIGNED IN 2024

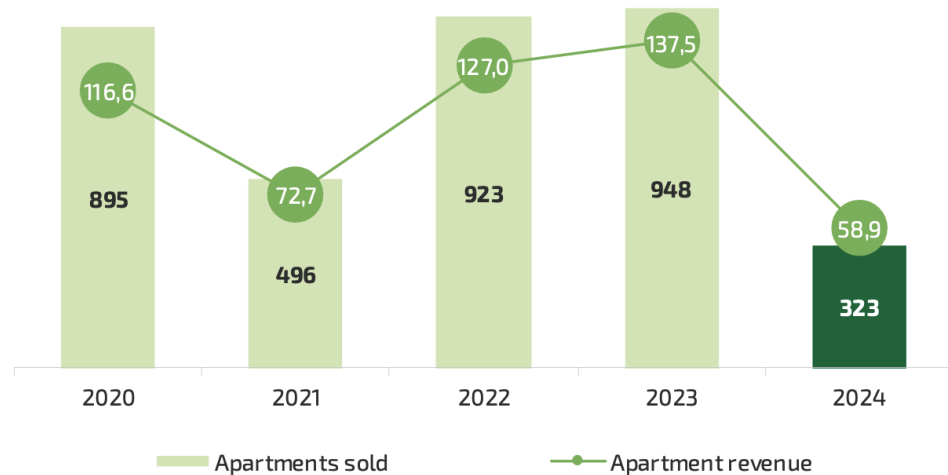
BRIEF DESCRIPTION OF CONTRACT	Cost million EUR
Design-and-build contract for the office building / Tallinn, Estonia	64.3
Design and construction contract for the fourth stage of Rail Baltica Harjumaa main line railway infrastructure (joint project) / Harjumaa, Estonia	59.9
Construction contract for the wind farm balance of plant / Telšiai, Lithuania	55.0
Design- and construction contract for additional works of the NATO training centre / Pabradė, Lithuania	20.0
Construction contract for the solar panel power plant / Vārme, Latvia	20.0



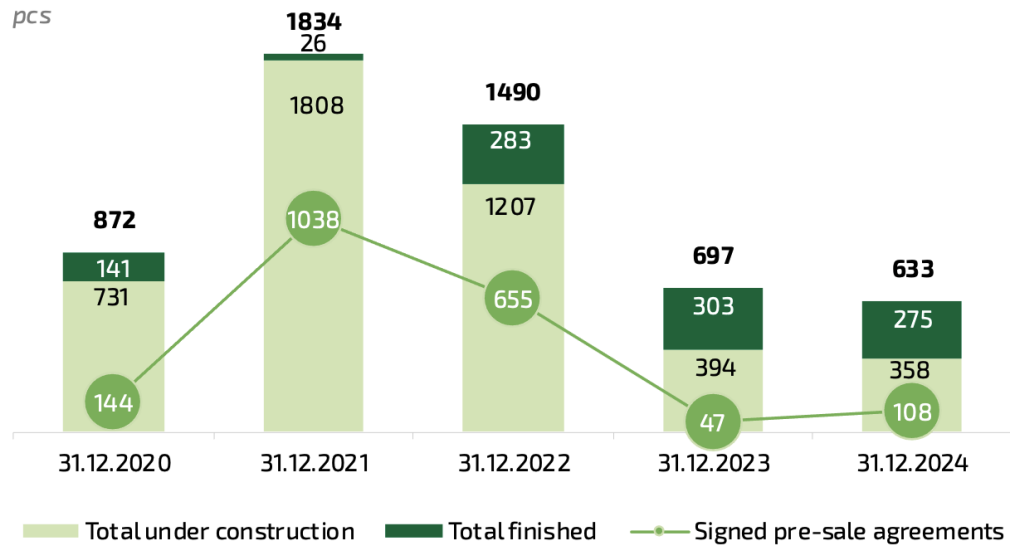


# Real estate development

APARTMENTS SOLD / APARTMENT REVENUE  
pcs / in million euros



GROUP APARTMENTS INVENTORY  
pcs



# Strategy

AS Merko Ehitus subsidiaries provide construction services in the field of building and infrastructure construction and develop residential real estate in their home markets of Estonia, Latvia and Lithuania. We want to be the preferred partner for those who value quality, both in the performance of construction works and in the development and sale of apartments, as well as in contributing to society.

As a caring and development oriented employer, we ensure that our employees are professional and motivated, each of whom contributes to the joint result of each company, each unit and Merko itself. By focusing on profitability, cost base efficiency and the best employees, we ensure the investor a long-term profitable investment.

# Long-term financial objectives



Average return on equity at least 10%



Dividend rate 50-70% of annual profit



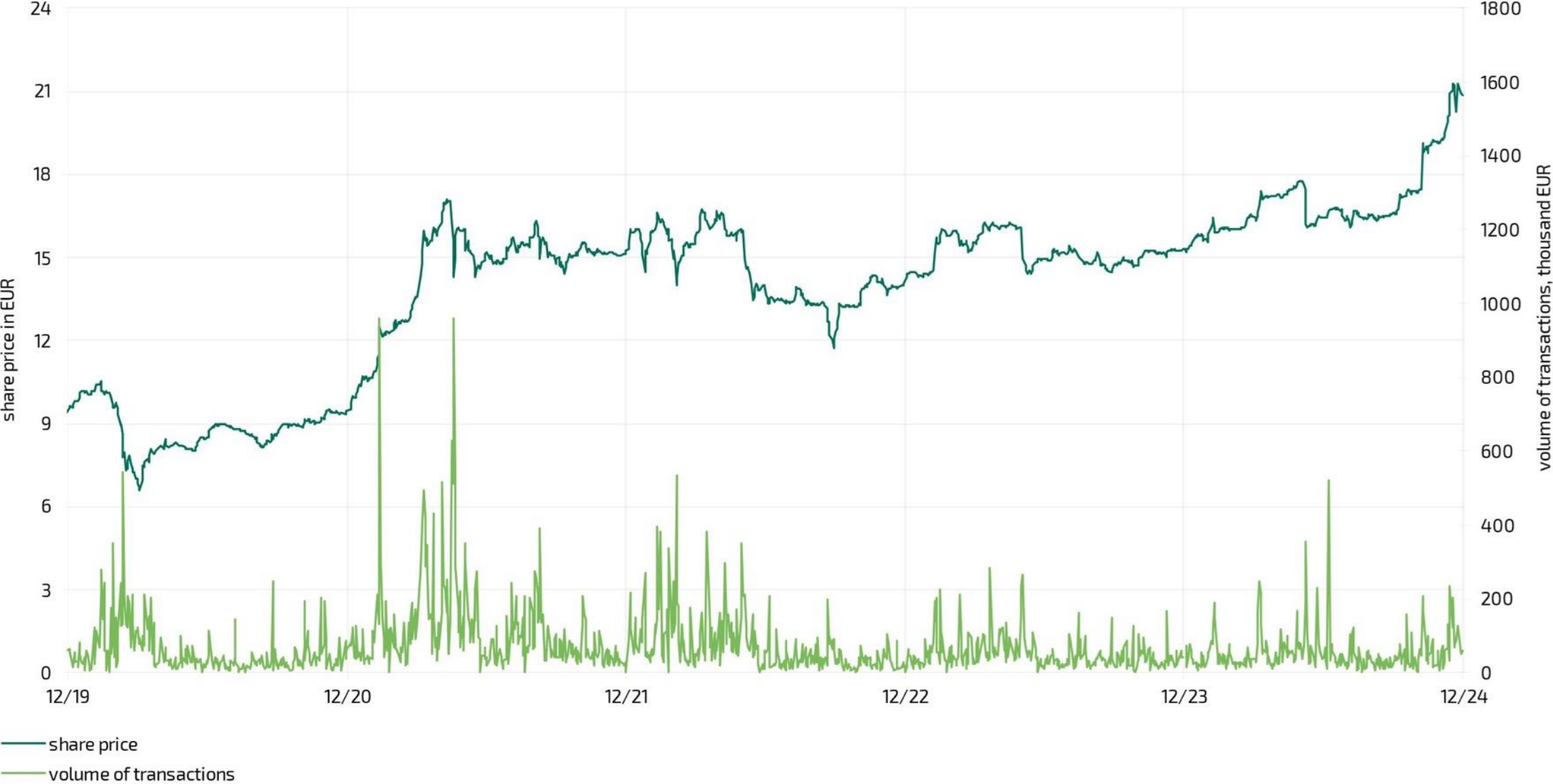
Equity ratio at least 40%

## Fulfilment of long-term financial objectives

	2024	2023	2022	2021	2020	AVERAGE
Return on equity, ROE (on yearly basis)	28.4%	23.4%	20.4%	18.8%	16.2%	21.4%
Dividend rate	52%*	50%	51%	61%	77%	58%
Equity ratio 31.12.	56.9%	49.9%	47.5%	51.6%	59.6%	53.1%

*\*In coordination with the Supervisory Board, the Management Board's proposal to the general shareholder meeting*

# Share price and transaction volume 2020-2024







Significant projects  
completed in 2024

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# PROJECTS IN THE EDUCATIONAL SPHERE

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Over the years, Merko has built dozens of school buildings and in 2024, the Rae State Gymnasium in Harju County was added to our portfolio. The school building has three above-ground and one below-ground storeys, plus outside areas for sports and outdoor education, access roads and paths, a parking facility along with electric car charging points and a bicycle parking facility for as many as 195 bicycles. The school is attended by 540 students and employs 60 teachers.

The school building, which was built as part of the Estonian state gymnasiums programme, relies on timber throughout the structure. The primary elements use cross-laminated timber panels, combined with each other, glulam posts and beams. On the exterior, the siding is wood, while on the interior, structural timbers have been skilfully and intelligently integrated with other materials. All this adds up to a study environment with a calm and very wood-infused atmosphere. The use of wood also continues in the fences and bicycle parking area outdoors, and even the concrete surfaces were given a distinctive wood pattern using formwork and boards. The state high school won the title of Estonia's best wood building in 2024.



*Rae State Gymnasium*



# PROJECTS IN THE ENERGY SECTOR

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We have built various energy infrastructure projects in Estonia, Latvia and Lithuania. In 2024 in Lithuania, we focused mainly on renewable energy projects, including wind farms, which have key importance for ensuring the country's energy independence. Merko has become Lithuania's leading builder of wind energy infrastructure – the first foundations for turbines were installed by UAB Merko Statyba in 2015, and the company installed its 200th wind turbine foundation in 2024.

In 2024, Merko's Lithuanian team constructed a total of 88 turbine foundations, on three sites in Kelmė region and one in Pagėgiai region, where Merko built transformer substations for wind farms, and installed necessary infrastructure for the farms and substations. In addition, also in 2024, the company began constructing foundations in the Telšiai region for 20 new-generation wind turbines along with supporting infrastructure. We also begin work on infrastructure for foundations for three wind generators at a facility in the Pasvalys region, along with related infrastructure (power cables and roads).

In Latvia, Merko is currently working on building a solar power plant in Vārme Municipality in Kuldīga County, which is scheduled for completion at the end of summer this year. The work includes installation of solar panels that will put out 93.5 MW, 18 medium voltage substations, 232 switchboard panels, radiation sensors, and weather station, access roads, and drainage systems, laying and connecting medium voltage cables, and testing and commissioning the plant.



*Windmill park in Kelme district Lithuania*

# PROJECTS IN THE NATIONAL DEFENCE SECTOR

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Merko has made a significant contribution to national defence through construction of various buildings and infrastructures in all three Baltic states. While the focus in recent years lay on reinforcing infrastructure along Estonian southeastern border, in 2024 emphasis shifted to building national defence infrastructure in Lithuania, where buildings for the NATO training centre in Vilnius were completed and work defence and a training centre in Pabradė. Infrastructure at the latter includes, among other things, a lodging building, a multipurpose building, classrooms, offices, mess, halls, gymnasium, parking areas, new roads, and helicopter pads. This is Lithuania's biggest training centre, which will allow thousands of soldiers to train together and test their readiness. When it is completed, it will be the Baltic states most modern centre, capable of hosting up to 3,000 allied personnel.

In 2024, three new lodging facilities were completed in Estonia's Ämari Air Base, and technical utility networks were expanded to meet the greater needs of the base and allow further buildings to be planned here in future. The barracks have a total floor space of around 15,000 m<sup>2</sup> for the use of conscripts in NATO troops, workstations for active duty, personnel and housekeeping in warehouse areas.

The Estonian Ministry of Defence acknowledged the efforts and significant contribution made by us to the development of a national defence in Estonia. Merko Ehitus Eesti received the silver level of the „National defence supporter“ decoration, and Martin Sigus, who led the construction work on the barracks at the airbase, received the silver chest-pin from Estonian Ministry of Defences. In 2024, Merko Eesti won its first design-build alliance contract in the field of national defence, and launched work on the national defence building at the Estonian Defence Forces' Raadi base in Tartu.



*Barracs in Ämari*



# PROJECTS WITH INTERNATIONAL SUSTAINABILITY CERTIFICATES

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Merko has the capability and long-term experience to design and build sites that meet the requirements of international sustainability certificates. Last year saw the completion of the bulk of the construction work on the Arter Quarter in Tallinn. The near-zero-energy buildings in this development were designed and built to conform to the Excellent level of the BREEAM certificate. A logistics centre in Maardu that serves the goods flows of the companies in the TKM Group also meets the same level of the BREEAM certificate.

In 2024, Merko started the construction of the City Plaza 2 office building in downtown Tallinn, and that one, too, will have the same certification level when completed.







# Major residential environments

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One of the group's strategic business areas is the development of residential real estate, and in this field, we have reached the vanguard of the best brands in the Baltics. We focus on large and contemporary living environments.

To ensure the best possible quality, we manage the entirety of the development process starting from planning of buildings in the surrounding environment, design, development, and construction, all the way up to sales of apartments and commercial units within the residential developments, also providing warranty service.

In almost 35 years, we have built high-quality homes for more than 11,000 families and have hundreds of new homes finished and under way in Tallinn and its vicinity, Tartu, Riga and Vilnius. The companies in the Merko group are involved in shaping a multifaceted, living environment, both in its various apartment projects, and on a broader level in the urban space.

The goal of our activities is to leave a positive imprint on the environment and minimize the potential impact from our construction activity. The major companies in the group all measure their CO2 footprint and the results are available in our ESG report.

## VILNELES SKVERAI / VILNIUS

In 2024, Merko continued work on the Vilnelės Skverai living environment in the Markučiai neighbourhood close to the Old Town of Vilnius. It consists of a total of 26 new residential buildings with more than 1,000 apartments, and 446 homes have been completed in the first two stages. In the beginning of 2025, eight 6- and 7-storey buildings will be completed, containing 303 apartments. All have either a balcony or patio. The underground parking garage has 355 spaces, electric car charging points, bicycle parking and storage rooms. All of the residential buildings are grouped around a shared courtyard with a pleasantly landscaped recreational area and children's playgrounds. The storefronts on the ground floors of the buildings provide various vital services to the residents.



## LAHEKALDA / TALLINN

This development is set on a naturally scenic promontory between the Kadriorg and Pirita districts and will be home to more than 1,000 families when it is completed. By the end of 2024, 10 buildings with 494 apartments have been completed. The interior courtyards and common areas have recreational and play areas for residents. In addition to an outdoor gym and an alley lined with swings, we also improved the development with a community garden, greenhouse, and a sculptural artwork depicting cattails. In future, there will also be a nursery school, small grocery store in a park, further improving the integral and contemporary living environment.





## MEŽPILSĒTA / RIGA

Mežpilsēta is a new residential development project in one of the Latvian capitals greenest districts, Mežciems, where three 5 storey buildings were completed in 2022 with 117 apartments. Within the second stage last year, a 6-storey energy class A building with 47 homes was completed.

Each apartment includes a storage unit in the basement, and that level also has a furnished recreational room with a patio that can be used by all residents for various leisure activities. Parking spaces are right outside the building, as is a children's playground and outdoor seating.



## UUS-VEERENNI / TALLINN

Uus-Veerenni in the Tallinn city centre will be home to 1,400 families when it is completed. By the end of 2024, we had built 38 residential buildings with 504 apartments and 20 business premises. Parking spaces for cars are located in an underground parking garage, while visitors' bicycles can be parked by the buildings and residents can leave their bikes in storage on the parking levels. The interior courtyard has a variety of vegetation and recreational and play areas, offering possibilities for residents of different ages.

In years past, we have also, besides a nursery school, developed a park and a movable activity area of a temporary nature, which is an enriching combination of sustainable solutions, art, exercise equipment, and play features, as well as an outdoor library and reading corner. In 2024, we added a community garden, small grocery store and community room. A building with 63 apartments is currently under construction and will be ready in summer of 2026.





## TIHASE / TALLINN

In 2024, the Tihase development with two aboveground building blocks was completed in the Kristiine district of Tallinn, including 46 apartments and three commercial units. The luxury tier of the apartments in the 5-storey buildings come with a sauna, a roof deck that is sealed from the elements for winter use, and outdoor plunge pool.

Behind the buildings is a fenced in secure courtyard with plenty of space for children to frolic and adults to take time out. Besides the play and recreational areas, the courtyard has plenty of greenery and fruit, bearing trees. Adorned by a striking graphic artwork, the underground level has parking spaces complete with electric car charging point installation readiness and storage units for keeping bikes and PLEVs. Bikes can be securely stored, maintained and washed in the common bicycle room.



## ARENA GARDEN TOWERS / RIGA

Merks Mājas launched this apartment development project in the Skanstes district of Riga, one of the Latvian capitals fastest developing areas, known as a modern centre in the city. The development consists of four 13-story apartment buildings with almost 400 apartments and two commercial units. Last year construction of the first stage began, which will result in the completion by the second half of 2026 of a 13-storey energy class A building with 84 new homes.

The building features different apartment types, including custom two-storey loft apartments with 6.3 m high ceilings and a private roof deck. Arena garden towers is Merko's first apartment development project in Latvia that uses energy piles for heating and cooling. The interior courtyard enclosed between the buildings can be accessed only through the buildings themselves, making it secure in private. Various recreational amenities are planned for the courtyard, along with the playground and an urban garden with gazebos. A terrace with a kitchen will be established on the roof of the building, offering residents yet another recreational area and panoramic views of Riga.





## LUCAVSALA / RIGA

In 2024, Merks Mājas launched an apartment development project on the Daugava River island of Lucavsala in Riga. The first stage of the project consists of three interconnected building complexes with a total of 214 apartments and two commercial units. Also, last year, construction of the first 9-storey building began, which will have 54 apartments and will be completed by the second quarter of 2025. The second and third building with 160 apartments is in the planning process.

The apartments have an efficient, ergonomic layout with particular emphasis on home office use. Each department has a balcony, patio, or loggia, which serves as an extension of the living area and affords good views outside. The surroundings offer greenery, sports facilities, and possibilities for both active pursuits and relaxation.



## ÕIELEHE / OUTSKIRTS OF TALLINN

In 2024, Merko launched the Õielehe apartment development in the hamlet of Jüri in Rae Municipality near to Tallinn. Surrounded by greenery and located right next to illuminated recreational trails, this living environment includes 121 apartments in 10 separate apartment buildings, plus 23 new homes in four row houses.

Construction of stage one began last year, which will result in the completion by spring 2025 of two 2-storey energy class A apartment buildings with a total of 22 apartments. Each apartment comes with a personal balcony or patio. The parking space is for cars include readiness for installation of electric car charging equipments. A home-like courtyard with recreational and play areas and luxuriant vegetation belongs to the buildings.





# Social responsibility





# Estonian Health Trails

**In the area of sport and recreation, Merko focuses on creating exercise and sporting opportunities for everyone in Estonia, helping to increase the number of healthy life years.**

Merko's largest sponsorship is the Estonian Health Trails project (Eesti Terviserajad SA), launched in 2005 with Swedbank and Enefit. Its aim is promote healthy lifestyles by ensuring open-air exercise opportunities all year round and free of charge for as many Estonian people as possible.

Estonia has a total of 130 recreational trails that are kept maintained and can be used year-round, totalling more than 1,100 km, serviced by maintenance crews of 200 people. Trail maps and signs aid in navigation and opportunities are further enriched by the addition of ropes courses, stretching and outdoor gym equipment, bike tracks and pump tracks.

Estonian Healthy Trails was founded in 2005 by Merko, Swedbank and Enefit, who have contributed a total of 6.5 million euros to the development of health trails over 20 years. With the involvement of the state, local authorities and European Union funds, investments in the infrastructure of health trails amount to more than 65 million euros.

## Visits to trails

**In 2024, there were an estimated 7.6 million visits to health trails across Estonia.**

Most visited trails, number of visits:

- Pae Park health trail in Tallinn (663,000)
- Harku health trail (382,000)
- Keila health trail (377,000)
- Nõmme health trail (352,000)
- Pirita health trail (251,000)
- Reiu-Raeküla health trail in Pärnu (199,000)
- Merimetsa health trail (188,000)
- Järve health trail (184,000)

## Focus for 2024

**In 2024, the focus of SA Estonian Health Trails was on improving the quality and multifunctionality of existing trails.** Six outdoor gym areas were installed on the Harku trail, strength-training area on Klooga trail, an outdoor gym on Äkkeküla trail and a ropes course on Vaela trail, the covered rest areas along the Kuremaa trails and a ski bridge at Valgehobusemäe were renovated and a new trail segment for Saku trail was added.

**In addition, SA Eesti Terviserajad contributed with financing** to the design of a new section of the Keila health trails and the construction of a new ski bridge, the design of the Kuningamäe service building and the construction of maintenance buildings for the Pariisi and Antsla health trails. In Tamsalu, the lighting solution was replaced by LED lights. In addition, support was provided for the upgrading of summer and winter trail maintenance equipment for 17 trails, the purchase of snow cannons for three trails and the construction of a new pumping station for Kõrvemaa trails.



## Sport and recreation

Based on the model of Estonian Health Trails, Merko established a recreational trail at the end of 2022 on the island of Zaķusala in the Daugava River in Riga and continued support of the project in 2024. Called Green Trail, the free-of-charge track welcomes all levels of users from beginners to professional athletes. Depending on snow conditions, the trail can also be used in winter for skiing, and at other times of the year, other seasonal modes of use. A disc golf course was added in 2024 as well.

In the field of sport, we sponsored the Estonian championships in road bike racing organized by the Estonian Cyclists' Union. In 2024 our Latvian affiliate continued to sponsor promising cross-country skier Patrīcija Eiduka to help her continue her professional development. In Lithuania, we continued sponsoring the ice hockey association and contributed to organizing training for youth players at the Geležinis Vilks football school in Balsiai.





## Culture and art heritage

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The long-standing partnership between Merko and the Art Museum of Estonia continued in 2024. Merko, in cooperation with the Art Museum of Estonia Friends of Art Society and other partners, helped to purchase 200 new chairs for Niguliste Museum to broaden the possibilities for the location as a venue for exhibitions and concerts. The oaken furniture designed by the Dutch company Casala is easily movable, allowing more use of the middle part of the museum for both exhibitions and concerts. The museum donated the previous set of benches to Pöide Church on Saaremaa.

To enshrine the history of concrete architecture and construction, we supported a series of programs that aired on Estonian Television, called (in translation) Made to Last. The eight-part series covered stories about a number of projects that have since become urban landmarks or were technically complicated, which were either built by Merko as a general contractor or where Merko's own specialists performed the concrete work. In Latvia, Merko provided support for the publication of the book „Konstantīns Pēkšēns and His Time“, which looks at the life and work of Latvia's first professional architect, and one of the most acclaimed architects of all time.

## Other projects

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In 2024, Merko continued making donations to the Cystic Fibrosis Association of Latvia. In Lithuania, meanwhile, we continued supporting the Balsiai neighbourhood community: we helped purchase construction and finishing materials for renovating the recreational and study facilities at Balsiai community centre and supported training for teachers and the teaching process. We also supported Vilnius's Markučiai community in carrying out various activities.





# Education and next generation

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Since 2007, we have been providing scholarships for engineering students and young teaching staff at the Tallinn University of Technology to help ensure a vibrant next generation in civil engineering and allow teachers to provide better education in this field to future master builders. The young researcher/lecturer scholarship for 2024 went to a doctoral student in the field of civil engineering and architecture at Tallinn University of Technology, Martin Talvik. Martin is extraordinarily thorough and meticulous in his work as a civil engineer, serving as a fine example for young students just starting out as well as for experienced civil engineers. The engineering scholarship for 2024 went to three students in design and building management: Kirke Männik, Marten Erik Johandi and Ranar Pügi.

In Estonia, we organized the Merko children's day for the eighth year. At this event, employees' children come to work with their mothers and fathers to learn about the fascinating world of construction. Last year, 135 children accompanied their parents to visit two distinctive construction site -the Hyatt Place Hotel, the first one in the Baltics to meet the standards of the Hyatt chain, and the construction of the tram line leading to the Old City Harbour.

At our Faces of the Future event oriented at our interns and scholarship recipients, we introduced the history and ethos of our company, and talked about the construction digitalization capability and what the BIM team at Merko is doing. We also visited sites where our interns told fellow students about key experiences they have gained through their time at Merko. At Uus-Veerenni, they witnessed excavation work on the apartment building at Tiiu 14 and on a tour of the Rail Baltica Ülemiste terminal job site, became acquainted with the structural challenges of underground concrete work. Event participants also visited the Arter Quarter and Hyatt Hotel construction sites.

In Lithuania, Merko participated in Junior Achievement's Job Shadow programme, in which students at secondary schools in Vilnius, Kaunas and Klaipėda got to learn about different jobs at Merko in the course of a day-long event. In addition, Merko and Lithuania in collaboration with Junior Achievement, organized a job site visit for Grigiškių Šviesos upper secondary school students. In Latvia, Merko provided support for the commemoration of the centenary of the Latvian Association of Civil Engineers.





## Urban space

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**Besides building construction sites and new contemporary living environments that improve the quality of the urban space, we also beautify public areas with various artworks.**

### Installation „Nest“ in Noblessner

At the Noblessner harbour complex, where Merko has developed a number of apartment buildings in cooperation with BLRT, a metal and light installation called Pesa (Nest) sits atop a former lighting tower as of March 2024. Inspired by a picture of a stork's nest drawn by a five-year-old girl named Stina, the work is viewable from the complex itself, as well as by people walking down Kalaranna Street. Commissioned by Merko, the work is meant to enliven the urban space and encourage the revitalization of old and out-of-use industrial sites. The work was executed by the design agency Velvet and the Estonian lighting design studio UN-LIKE and the bare branches that give the nest its shape were made from scrap metal left over from Merko construction sites and later painted to match the colour of the tower.





## Urban space

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### Sculpture „Reed-cane“ in Lahekalda

In 2024, Merko provided both art and outdoor infrastructure for the community at Lahekalda residential development in Tallinn. Starting in May, a work called “Reed-cane” designed by Kalle Pruuden, Siim Poomann and Kersti Lootus adds an aesthetic touch to the area. The reed cane is a very simple yet intricate plant that symbolizes a primeval quality and hardiness, being well suited both conceptually and in form to the development perched on an escarpment overlooking the sea. It strikes a note of good cheer and an element of surprise, both during the daytime when it reflects the sun and at night when it has an illuminated backdrop.

Merko also gave Lahekalda a community garden where residents can grow flowers and vegetables in planter boxes and also find reading material on an open bookshelf. There is also a walkway lined with swings and an outdoor gym for the convenience of Lahekalda locals. The buildings at Lahekalda are surrounded by greenery, and Merko is also building a park in the middle of the development with even more recreational potential.





# Urban space

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## Art in Uus-Veerenni

In December 2024, Merko opened a self-service shop at the Uus-Veerenni development and a space for common use, with ample countertop space and a practical sink, with a variety of tools and sports equipment and other hobby materials on the shelves.

The intermediate park on the plot of the next phases of construction in Uus-Veerenni can be used for sledging, ball games and picnics, depending on the weather and the time of year. The community garden offers the opportunity to grow flowers and herbs in the communal borders during the warmer seasons.

The activity area, which has been created with reuse in mind, has given new life to a number of previously used materials and has been designed in such a way that the facilities can be relocated at a later date.

The previously completed permanent park in Uus-Veerenni features a community bookshelf and reading corner for residents, in addition to seating areas and attractions to encourage younger children to move around. The living environment has been enriched with a variety of sculptures. For example, there are Jass Kaselaane's animal heads, collectively titled "Lelud", and various sculptures by Heigo Jelle.





# Company recognitions

- Merko Ehitus Eesti received the silver level of the national defence supporter decoration from the Estonian Ministry of Defence for an outstanding contribution to national defence.
- Merko Statyba received recognition from the Lithuanian Ministry of the Environment for consistent efforts in creating sustainable living environments, responsible, and professional contributions to implementing legislative initiatives in the field of real estate for advancing progressive business practices.
- A Kantar Emor survey in 2024 found that Merko Eesti was the best known and most trustworthy real estate developer. Merko was also declared the best known and most prestigious real estate developer in each of the five previous years.
- The Estonian Chamber of Commerce and Industry recognized AS Merko Ehitus as the most competitive construction company in Estonia. This year's honour was the 12th in a row for the company.
- A study held by the CVKeskus.ee job site revealed that employees ranked Merko as the construction sector employer they would most want to work for in 2024 in Estonia. We placed 19th in the overall rankings.
- The annual survey conducted by the employer branding agency Instar gauged the attractiveness of 301 Estonian organizations as employers. As ranked by students in technology subjects, Merko came in first for the second year in a row, and for the third time in the history of the survey.
- MTÜ Student Estonia recognized Merko as the "Student Friend of the Year" at the Estonian student awards gala.
- Merko Ehitus Eesti received a letter of recommendation from the Tallinn University of Technology for contributing to the development of Estonian society.



## Recognitions of objects

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- Rae State Gymnasium built by Merko received the title of best wood building of the year for 2024 at the annual competition held by the Estonian Forest and Wood Industries Association.
- At the Estonian Association of Architectural and Consulting Engineering Companies competition, the Vana-Kalamaja Street reconstruction project was awarded the Building Project of the Year title. The work was carried out by Tallinna Teede AS. As a result of the project, a high-quality urban space was created, offering comfort and safety for all – pedestrians, cyclists, and drivers alike. In total, approximately 29,000 m<sup>2</sup> of public urban space was renewed, and 1.1 km of pedestrian and cycling paths were built. In spite of work taking place in cramped conditions, 37,771 metres of new utility networks were installed underground during the reconstruction.
- The Latvian Prize for Architecture for 2024 went to Merko Latvia for the second and third stage of the Viesturdārzs apartment development project.
- At the competition to select the Best Building in Latvia in 2023, two Merko projects were recognized: in the new residential building category, Viesturdārzs finished third and in the BIM category, Arena Garden Towers received mention.
- The Vilneles Skverai apartment development project was named Lithuania's best BIM project of 2024 at the internationally attended Digital Construction 2024 conference, the largest such event in the country.

## Employee recognitions

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- A technician with Merko Ehitus Eesti, Oskar Aru, received a student prize from the Estonian Concrete Association for a master's degree thesis penned in the field of building design and construction management at Tallinn University of Technology, concerning calculations of post-tensioned concrete and monolithic reinforced concrete load-bearing structures at the Rail Baltica Ülemiste railway terminal.
- Merko Ehitus Eesti project manager Martin Sigus received the silver chest pin awarded by the Estonian Ministry of Defence for his significant contribution to the development of Estonian national defence in work on the barracks at Ämari Air Base.

