

**Report of AS Tallinna Sadam supervisory
board on the Group annual report 2023 of AS
Tallinna Sadam and on the activities of the
supervisory board**

The supervisory board has reviewed and approves the Group annual report for the financial year ended 31 December 2023, which was prepared and presented by the management board of AS Tallinna Sadam, consisting of the management report, remuneration report and the financial statements, accompanied by the independent auditor's report.

At 31 December 2023, the composition of the supervisory board was as follows: Riho Unt (chairman), Marek Helm, Maarika Honkonen, Kaur Kajak, Risto Mäeots, Veiko Sepp and Ain Tatter. The members that meet the definition of independence as provided in the annex to the CGC are Riho Unt, Marek Helm, Maarika Honkonen, Risto Mäeots, Veiko Sepp. The term of office of all members of the supervisory board lasts until 30 June 2025.

In 2023, the supervisory board held 9 meetings (2022: 13 meetings). Participation of the members of the supervisory board in the meetings and the remuneration paid to them for the work as a member of the supervisory board is presented in section 7.2 of the management report in the annual report.

At the meetings of the supervisory board, the management board of AS Tallinna Sadam regularly presented the Group's current financial results, informed the supervisory board of more important material developments and impacts in the Group's different business fields, gave updates on the achievement of 2023 targets and of the competitive position compared to other ports of the Baltic Sea. Also, the supervisory board has focused on the AS Tallinna Sadam activities in developing new business areas in order to reduce the negative impact on economic results related to the loss of the east-west cargo flow due to the Russian-Ukrainian war.

The supervisory board regularly reviews and approves the Group's long-term strategy, annual operational targets and annual budget, approves the work plan and reviews the work results of the internal audit department and its most important findings, recommendations and the process of their implementation; reviews the Group's most significant risks and their management and mitigation activities; and the results of the carried-out development projects compared to the planned.

The supervisory board participates in making material decisions concerning the Group's activities, such as signing more important material customer agreements, changing substantial contractual terms, making investment decisions, raising loan capital, sale of assets etc.

In September 2023, a joint strategy meeting of the supervisory board and management took place, where the long-term objectives across business areas of Tallinna Sadam were agreed upon and the Group's strategy for the next three years was developed.

The theme-based reviews of the Group's areas and business units, which started in 2022, continued. In 2023 the supervisory board discussed more in-depth the actions of infrastructure unit, harbour master division and marketing department and the business activity of TS Shipping OÜ. In addition, the supervisory board received reviews on other important topics, including the real estate strategy of

Vanasadam, business opportunities for industrial parks, the company's digital strategy, the organization of investor relations, ongoing legal disputes, the Group's anti-corruption measures and the code of ethics. The members of the supervisory board, as insiders with managerial responsibilities, attended in insider training regarding insider information rules.

In 2023, the material decisions made by the supervisory board were following:

- Update of the Group strategy for period 2023-2027;
- amendment of the design-construction contract of quay 6A in Paldiski South Harbour due to the increase in the cost of the construction technology solution due to unforeseen circumstances;
- extension of the powers of the Chairman of the Board, Valdo Kalm, for the next three-year term from 01.03.2024;
- evaluation of the achievement of the objectives set for the Board for 2022, and setting objectives for 2024;
- submission of a updated version of the Articles of Association to the general meeting;
- a proposal to the general meeting to appoint AS PricewaterhouseCoopers AS as an auditor of the AS Tallinna Sadam and its subsidiaries for auditing the annual reports for the financial year 2023-2024;
- conclusion of the electricity network connection agreement and taking on obligations with the construction of a new electrical substation in Vanasadam (to ensure additional power capacity in shore for ships and for the development of the areas of Vanasadam);
- deciding on several issues related to the use of infrastructure and property and customer contracts, including establishing personal rights of use for the immovable properties Kai tn 6, Logi tn 2 // 4 // Sadama tn 25 and Logi tn T6 in favor of Tallinn city due to construction of a tramway and conclusion of the reservation agreement for the property Kasesaare 10 tee in Paldiski South Harbour;
- evaluation of the implementation of the 2022 work plan of the internal audit department, updating of the department's statutes and changes to the remuneration of the department's employees.

The audit committee, acting as an advisory body to the supervisory board, held 5 meetings in 2023 (2022: 5 meetings). Participation of the members of the audit committee in the meetings and the remuneration paid to them for the work as a member of the audit committee is presented in section 7.2 and 7.3 of the management report section in the annual report.

Briefings on the activities of the audit committee (including in the field of information security) were regularly presented to the meetings of the audit committee, and recommendations and corresponding action plans for improving the Group's risk management and internal control system were discussed. In 2023, the audit committee received, among other things, an overview of the processes and risks in the field of energy and IT, as well as the protection of personal data. Significant attention was paid to assessing the impact of international sanctions related to the Russian-Ukrainian war on trade flows and the business activities of the AS Tallinna Sadam. In addition, due to the generally growing cybersecurity risks, the organization's information security activities and risk management were more focused. The Group's draft budget for 2024 was also reviewed. In addition, the committee has monitored the audit process and results of the Group's annual accounts and met with external auditors, incl. the audit committee has monitored the independence of the external auditor and the compliance of the activities with the requirements of the Auditors Activities Act. According to the results of the audit service procurement, a proposal was submitted to the supervisory board for the approval of the auditor for the audit of the financial years 2023 and 2024 annual reports.

The audit committee has provided an ongoing overview of its activities at each meeting of the supervisory board.

The remuneration committee, acting as an advisory body of the supervisory board, held 5 meetings in 2023 (2022: 4 meetings), where the performance of the board's performance plan for 2022, the goals for 2024, and matters related to the selection of the Chairman of the Board and contract terms were discussed. The remuneration committee submitted a proposal to the supervisory board to extend the contract of Valdo Kalm, Chairman of the Board, for three years until 28.02.2027, which the supervisory board approved. The participation of members of the remuneration committee in meetings and the fees paid to them for the work of the committee members are presented in points 7.2 and 7.4 of the activity report of the annual report.

In the opinion of the supervisory board, the cooperation with the management board of AS Tallinna Sadam has been very good and constructive.

(signed digitally)

Riho Unt
Kaur Kajak
Ain Tatter

Marek Helm
Risto Mäeots

Maarika Honkonen
Veiko Sepp