

AS Tallink Grupp General Meeting of Shareholders

13 June 2023

Agenda of the General Meeting of Shareholders

1. Approval of the annual report of the financial year 2022
2. Proposal on distribution of profits
3. Appointment of an auditor for the financial year 2023 and the determination of the procedure of remuneration of an auditor
4. Extension of authority of the Member of Supervisory Board and payment of remuneration
5. Amendment of the Articles of Association
6. Approval of the Option Program
7. Issuance of options as part of the Option program to the Members of the Supervisory Board of AS Tallink Grupp



2022 in Brief

2022 Key Takeaways

- ✓ **End of COVID-19 and the beginning of war**
From one unstable environment to another, high inflation and rapid decline in consumer confidence
- ✓ **Focus on restoring the core operations**
- ✓ **Chartering of vessels and risk mitigation during low season**
Stable cash flows and cost optimization
- ✓ **Sustainability and related EU requirements**
Investments to efficiency improvement and continuous reduction of emissions
- ✓ **Profitable operations**



Tallink Grupp in 2022

The leading European provider of leisure and business travel and sea transportation services in the Baltic Sea region.

Operations in 2022

- ✓ Fleet of 15 vessels (6 chartered out)
- ✓ Six ferry routes (1 suspended)
- ✓ Operated 4 hotels (1 suspended)

Strong Brands



Key Facts 2022

- ✓ Revenue of EUR 771.4 million
- ✓ 5.5 million passengers
- ✓ 410 thousand cargo units
- ✓ EUR 1.7 billion asset base
- ✓ 4,904 employees
- ✓ 3.0 million loyalty program members
- ✓ 39,985 shareholders and FDR-holders of which 30,808 on Tallinn Stock Exchange and 9,177 on Helsinki Stock Exchange

2022 Key Indicators



Passengers
transported

5 462 085



Cargo units
transported

409 769



Revenue €
771.4
millions



EBITDA €
135.8
millions



Net profit €
13.9
millions

Fleet by Routes and Chartered Vessels in 2022



CHARTERED

Short-term

Galaxy 

Silja Europa 

Victoria I 

Isabelle 

Long-term

Romantika 

Atlantic Vision 



2022 Developments and Key Events

- ✓ Impact of COVID-19 restrictions on Q1 financials
- ✓ Sale of cargo vessel Sea Wind in April 2022
- ✓ As at the end of 2022 six vessels on charter including four on short-term and two on long-term charter
- ✓ New shuttle vessel MyStar operating Tallinn-Helsinki route from December 2022
- ✓ Planned maintenance works on vessels lasted for a total of 138 days
- ✓ Impact of high fuel market prices and related logistics costs, interest rates and inflation on cost base



MyStar - New LNG Shuttle Vessel

- ✓ Shipyard: Rauma Marine Constructions
- ✓ Total cost: EUR 252 million
- ✓ 30% paid during construction period, 70% on delivery
- ✓ Maturity of loan agreement 12 years
- ✓ Shipbuilding started in April 2020
- ✓ Operating on Tallinn-Helsinki route from December 2022

Specification:

- ✓ Length 212 meters
- ✓ 2,800 passengers
- ✓ Lane meters ca 3,000
- ✓ Dual fuel (LNG/MGO)
- ✓ Diesel-electric propulsion
- ✓ Speed 27 knots



MYSTAR AND MEGASTAR COMPLY WITH CURRENT AND KNOWN FUTURE ECA (EMISSION CONTROL AREA), INCL BALTI SEA, POLLUTION STANDARDS

Interesting Numbers from 2022

4.7m
purchases in
stores

9.0m
purchases in
restaurants
and bars

7,789
trips

55%
total reduction
of CO₂ emissions
in 2009-2019

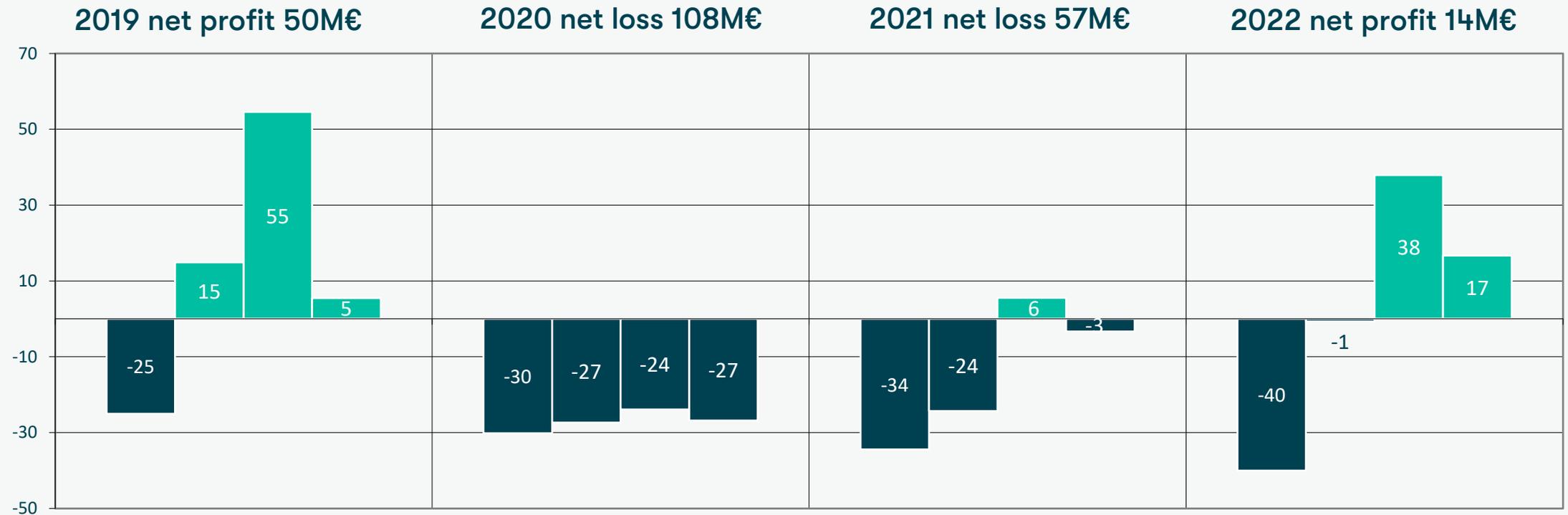
160,481 nights in
Tallink Hotellides

5,131,506 km
travelled with
Tallink Takso



Dynamics of Seasonality

Quarterly net result (million of euros)



MOST OF THE PROFITS ARE TYPICALLY EARNED IN SUMMER, THE HIGH SEASON

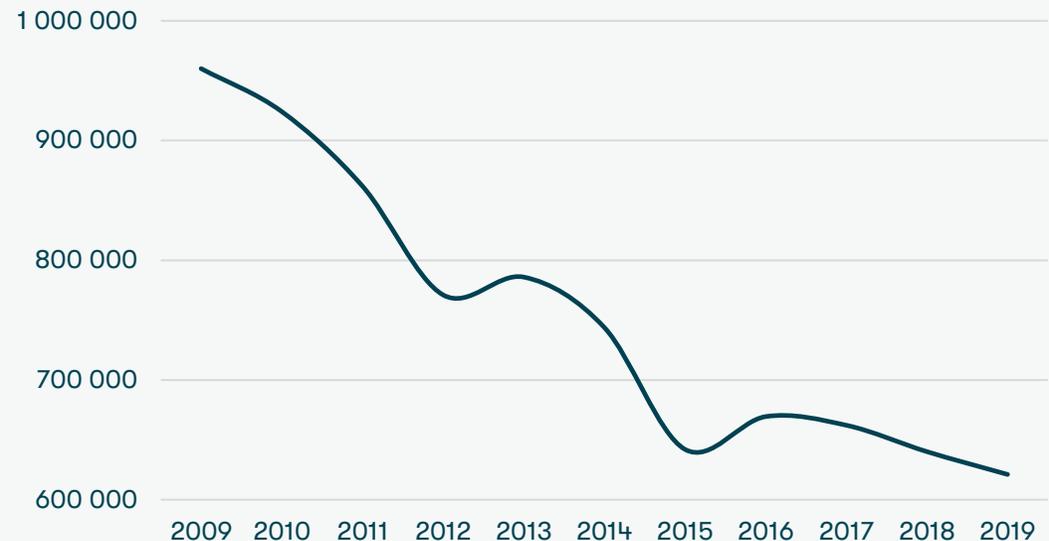


Notes:
Totals may not sum due to rounding

Reduction of Emissions

Our priority is to increase efficiency & reduce emissions, and we achieve this through:

- ✓ Technical modifications:
 - ✓ HVAC optimization
 - ✓ Propulsion efficiency (Trim optimization; Energoprofin)
- ✓ Upgrading the existing fleet:
 - ✓ Reblading
 - ✓ Shore power



* Reduction of emissions for 2020-2022 not comparable due to Covid-19, war in Ukraine and chartering of vessels



European Emissions Trading System

Starting from 1 January 2024, the EU ETS will include the emissions from maritime transport.

Shipping companies will start paying for the emissions they have reported for the previous calendar year.

This means that:

- in 2025, we will pay for 40% of the emissions reported in 2024.
- in 2026, we will pay for 70% of our 2025 emissions.
- from 2027 onwards, we will pay for 100% of the emissions reported for the previous year.



Q1 2023 & Outlook

Q1 2023 & Outlook

- ✓ Growing demand for travelling and improving consumer confidence levels
- ✓ Rapid inflation and growing EURIBOR
- ✓ 4 long-term and 3 short-term chartering agreements
- ✓ Reopening hotel in Riga
- ✓ Stabilizing market fuel prices but high related logistics expenses

Q1 2023 Key Figures

(vs Q1 2022):

- ✓ Passengers: 1,049,777 (+45.7%)
- ✓ Cargo units: 86,732 (-14.9%)
- ✓ Revenue: EUR 171.2 m (+61.3%)
- ✓ EBITDA: EUR 27.1 m (+347.2%)
- ✓ Investments: EUR 11.5 m (+29.5%)
- ✓ Net result: EUR 5.4 m (+86.4%)



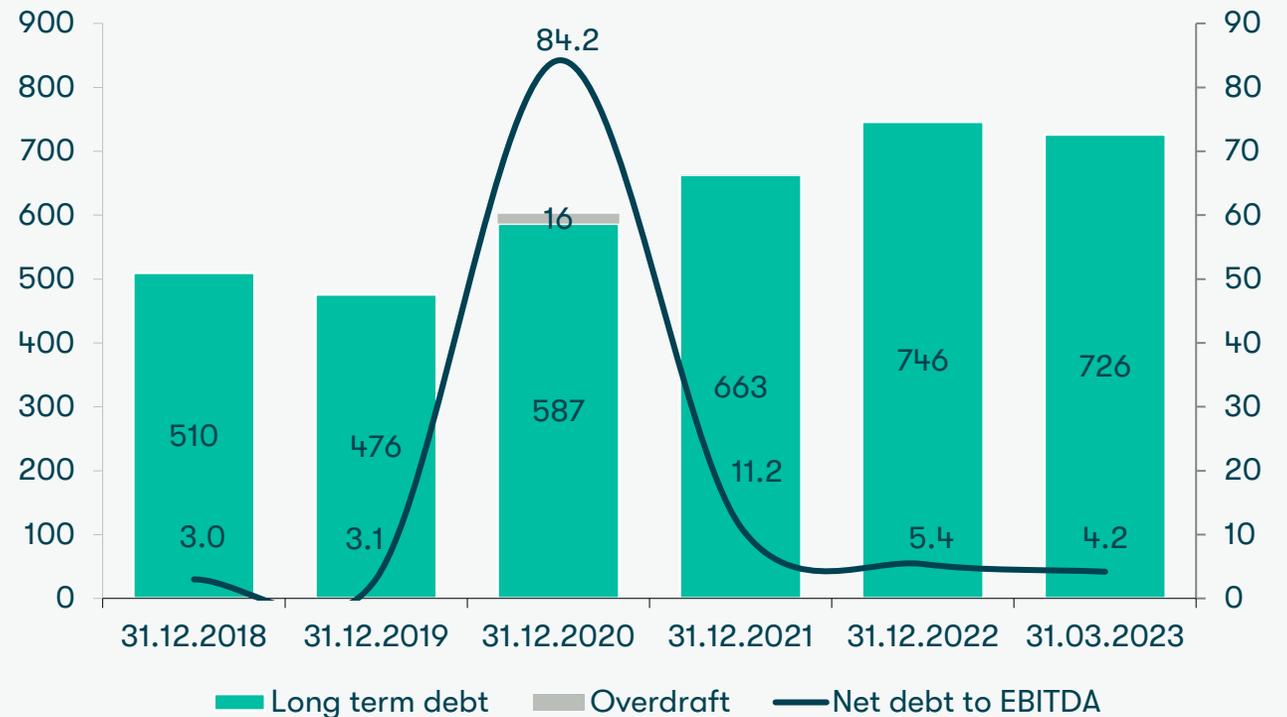
Loan Portfolio Structure

Long-term bank loans

- ✓ EUR 726 million as at 31 March 2023
- ✓ 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- ✓ Maturities 8 months – 12 years
- ✓ EUR denominated, fixed and EURIBOR floating

Overdraft

- ✓ As at 31 March 2023 unused overdraft of 135 million euros



TOTAL INTEREST-BEARING LIABILITIES EUR 831.8 MILLION AS AT 31 MARCH 2023

Dividend Policy

- ✓ The dividend policy adopted in 2018 subject to which dividends of a minimum amount of EUR 0.05 per share would be paid if the economic performance enables it, has not changed
- ✓ The company is working towards a goal of paying dividends again in 2024 for the 2023 financial results



Thank you!

1. Approval of the annual report of the financial year 2022

To approve the annual report of the financial year 2022 of AS Tallink Grupp presented by the management board.



2. Proposal on distribution of profits

To approve the following proposal by the Management Board of AS Tallink Grupp on distribution of profits :

- 1) To approve the net profit of the financial year of 2022 in the sum of 13 935 000 euros;
- 2) To allocate 2 789 000 euros from the net profit to the mandatory legal reserve;
- 3) No dividends shall be paid to the shareholders;
- 4) Not to make any allocations for other reserves prescribed by law or by the articles of association.
- 5) To transfer 11 146 000 euros to the retained earnings of previous periods.



3. Appointment of an auditor for the financial year 2023 and the determination of the procedure of remuneration of an auditor

To appoint the company of auditors KPMG Baltics OÜ to conduct the audit of the financial year 2023 and to remunerate the work according to the audit contract that shall be concluded with the auditor.



4. Extension of authority of the Member of Supervisory Board and payment of remuneration

Due to the expiry of the term of authority of the Member of the Supervisory Board Enn Pant on 13.06.2023, to extend the authority of Enn Pant as the Supervisory Board Member for the next 3-year term, which is until 13.06.2026.

To remunerate the work of the Supervisory Board Member in accordance with resolution no 5 of the 07.06.2012 Annual General Meeting of Shareholders of AS Tallink Grupp.



5. Amendment of the Articles of Association

To amend the second sentence of the Article 2.4. of the Articles of Association and word it as follows:

“Supervisory board shall be authorised within 3 years as from 1 January 2024 to increase the share capital by 35 000 000 euros, increasing the share capital up to 384 477 460,08 euros.”



6. Approval of the Option Program

To approve the share option program of AS Tallink Grupp (hereinafter the Option Program) and to grant the Supervisory Board of AS Tallink Grupp the right to execute the Option Program upon the following terms and conditions:

1. The aim of the Option Program is to motivate the management and senior staff of AS Tallink Grupp and companies belonging to the same group by including them as shareholders and enabling the management and senior employees to benefit from the increase of the value of the shares resulting from their contribution.
2. Persons entitled to participate in the Option Program are:
 - 2.1. Members of the Supervisory Board of AS Tallink Grupp, to whom no more than 1 500 000 (one million five hundred thousand) share options may be issued per each member during the term of the Option Program, while the exact distribution among the Members of the Supervisory Board is decided by the General Meeting of Shareholders of AS Tallink Grupp with a separate decision;
 - 2.2. Members of the Management Board of AS Tallink Grupp appointed by the Supervisory Board of AS Tallink Grupp;
 - 2.3. AS Tallink Grupp senior employees and the members of the managing bodies and the senior employees of the companies that belong to the same group with AS Tallink Grupp, appointed by the Supervisory Board of AS Tallink Grupp or, in case the Supervisory Board of AS Tallink Grupp has delegated such right to the Management Board of AS Tallink Grupp, by the Management Board.
3. No more than 1 500 000 (one million five hundred thousand) share options may be issued to one person entitled to a share option under the Option Program.



6. Approval of the Option Program

4. Share options are issued free of charge to the person entitled to receive them.
5. The Option Program shall have the term of 3 (three) years, to which the 3-year vesting period is added. On the basis of the Option Program, share options can be issued and Agreements of Share Option can be concluded from 13 June 2023 to 13 June 2026. The exercising of the issued share options and the acquisition of the shares underlying it by the entitled person is not possible before 3 (three) years have passed of the issuance of the share option.
6. The execution of the terms and conditions of the Option Program and the procedure on implementation of the share option shall be determined in the Agreement of Share Option concluded between AS Tallink Grupp and the entitled person. When determining the terms and conditions of the Agreement of Share Option, the terms and conditions set forth in this decision shall be taken into account.
7. The person entitled to the share option does not have the right to transfer or encumber the share options issued to him/her.
8. Share options are inheritable.
9. AS Tallink Grupp has the right to issue a total of up to 22 307 071 share options for the acquisition of 22 307 071 ordinary shares (ISIN EE3100004466) within the Option Program, which represent a total of up to 3% of AS Tallink Grupp's share capital. Exercising of share options and issuance of shares is carried out by increasing the share capital of AS Tallink Grupp and issuing new shares, which is decided by the General Meeting of Shareholders of AS Tallink Grupp or by the Supervisory Board of AS Tallink Grupp on the basis of the decision of the General Meeting of Shareholders of AS Tallink Grupp. To fulfill the terms and conditions of the Option Program, up to 22 307 071 AS Tallink Grupp shares will be issued.



6. Approval of the Option Program

10. Each share option issued in the Option Program entitles the entitled person to acquire 1 (one) share of AS Tallink Grupp (ISIN EE3100004466) at a price equal to the accounting value of the share at the time of exercise of the share option (0,47 euros per share as of the moment of approval of the terms and conditions of the Option Program).

11. AS Tallink Grupp shares acquired within the Option Program give the right to receive dividends on the same financial year when the shares were acquired by the entitled person and if it is decided to pay dividends.

12. As regards the share options, to exclude the pre-emptive right of shareholders to subscribe to new shares issued for the compliance with the conditions of the Option Program.

13. When establishing the Option Program, the Supervisory Board of AS Tallink Grupp has the right to specify the terms and conditions and the schedule of the Option Program, guided by the terms and conditions stipulated by this decision. The execution of the Option Program is organised by AS Tallink Grupp's Supervisory Board, which will resolve all issues related to the Option Program.

14. With the approval of this Option Program, the share option program approved at the General Meeting of Shareholders of AS Tallink Grupp held on 9 June 2015 becomes invalid.



7. Issuance of options as part of the Option program to the Members of the Supervisory Board of AS Tallink Grupp

To approve the issuing of options as part of the Option Program to the Members of the Supervisory Board of AS Tallink Grupp and to conclude the Agreements of Share Option as follows:

1. The Member of the Supervisory Board Enn Pant has the right to acquire 300 000 options (which gives the right to acquire 300 000 shares) for the first year of the Option Program (period 13 June 2023 to 13 June 2024).
2. The Member of the Supervisory Board Ain Hanschmidt has the right to acquire 300 000 options (which gives the right to acquire 300 000 shares) for the first year of the Option Program (period 13 June 2023 to 13 June 2024).
3. The Member of the Supervisory Board Eve Pant has the right to acquire 300 000 options (which gives the right to acquire 300 000 shares) for the first year of the Option Program (period 13 June 2023 to 13 June 2024).
4. The Member of the Supervisory Board Raino Paron has the right to acquire 300 000 options (which gives the right to acquire 300 000 shares) for the first year of the Option Program (period 13 June 2023 to 13 June 2024).



7. Issuance of options as part of the Option program to the Members of the Supervisory Board of AS Tallink Grupp

5. The Member of the Supervisory Board Toivo Ninnas has the right to acquire 300 000 options (which gives the right to acquire 300 000 shares) for the first year of the Option Program (period 13 June 2023 to 13 June 2024).
6. The Member of the Supervisory Board Kalev Järvelill has the right to acquire 300 000 options (which gives the right to acquire 300 000 shares) for the first year of the Option Program (period 13 June 2023 to 13 June 2024).
7. To appoint the Chairman of the Management Board of AS Tallink Grupp as the representative of AS Tallink Grupp when concluding the Agreements of Share Option with the above mentioned Members of the Supervisory Board.



Questions!

THANK YOU



AS Tallink Grupp
Sadama 5, 10111, Tallinn, Estonia
www.tallink.com/investors
investor@tallink.ee

