ANNUAL REPORT 2024

AS TALLINK GRUPP

TALLINK

Beginning of the financial year	1 January 2024
End of the financial year	31 December 2024

Contact Information

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Main activity	maritime transport (passenger & cargo transport)

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Company's consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed (Link://https://nasdaqbaltic.com/)

THE GROUP (SBM-1)

AS Tallink Grupp ("the Company") with its subsidiaries ("the Group") is the leading European ferry operator, which has been offering high quality mini-cruise, passenger transport and ro-ro cargo services in the northern part of the Baltic Sea for over 35 years. The Group's business model entails providing its services on routes between Estonia, Finland and Sweden under the "Tallink Silja Line" brand.

The Group has a fleet of 14 vessels that include cruise ferries, high-speed ro-pax ferries and ro-ro cargo vessels. In addition, the Group operates three quality hotels in Tallinn city centre and one in Riga, and, as the Burger King franchise owner in the Baltics, 21 restaurants of the fast food chain in Estonia, Latvia and Lithuania. The Group runs a successful international travel retail business with a number of shops on board and on shore, and a growing e-commerce presence in the Group's home markets.

The Group in numbers as at the end of 2024:

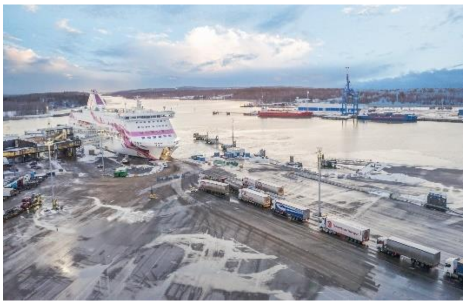
Our Services (SMB-1)

Overnight cruise & passenger transport

Operating under the Tallink Silja Line brand, the Group offers overnight cruises in the Baltic Sea, including routes from Helsinki, Turku, Stockholm, and Tallinn.

The Group's shuttle service is a critical transport link between Tallinn and Helsinki, offering 12 daily departures throughout the year with the Group's two shuttle vessels, MyStar and Megastar, specifically designed for this route.

Cargo transport



AS Tallink Grupp is a leading maritime cargo transportation provider in the Baltic Sea, focusing on ro-ro logistics with services tailored to business needs. The Group operates a mixed tonnage concept, which means that the Group's vessels carry both passengers and cargo.

Chartering of vessels

The Group charters out vessels that are not in regular service to optimise fleet utilisation and generate additional revenue. These charters encompass various durations and arrangements, including bareboat charters and full-service agreements with crew.

Onboard tax-free shopping & catering

The Group's vessels are big department stores at sea that offer a wide selection of high-quality branded goods, perfumes and cosmetics, spirits and other alcoholic beverages, fashion and accessories. The Group sells more than 1 000 brands and has about 800 partners including some of the world's leading companies.

All passengers can choose from a wide range of dining options at different price levels, from traditional a la carte and buffet restaurants to fast food areas, pubs and exclusive gourmet restaurants.

Leisure & city breaks

AS Tallink Group offers comprehensive leisure and city break services, combining sea transportation with tailored accommodation and activities in key Baltic and Nordic destinations.

Many of the Group's vessels themselves provide a city break experience at sea with numerous shops, restaurants, cafes and various types of entertainment and music shows.

Hotels & restaurants

AS Tallink Grupp operates a selection of high-quality hotels catering for both leisure and business travellers. The 3 hotels in Tallinn and 1 in Riga have over 1 000 rooms and more than 2 000 beds in total. From 2023, all the Group's hotels are Green Key certified.

Tallink Hotels operate a number of popular restaurants within the hotels, such as restaurants Tempo, Nero and Tallink City Grill House. In 2024, the Thai restaurant NOK NOK was included in the prestigious Michelin Guide.

Burger King franchise

In 2019, the Group secured exclusive rights to develop and operate Burger King restaurants in Estonia, Latvia, and Lithuania. In 2024, the Group operated 21 global fast food chain restaurants in the Baltics.

Club One loyalty programme

The Club One loyalty programme connects more than 3.3 million people around the world. Most of the Club One members come from the Group's home markets of Finland, Sweden, Estonia and Latvia.

There are extensive tier based benefits for travel purchases as well as on-board offers at restaurants, bars and shops.

STRATEGY (SBM-1)

The Group's vision is to be the market pioneer in Europe by offering excellence in leisure and business travel and sea transportation services.

The Group's long-term strategy is to:

- Strive for the highest level of customer satisfaction
- Improve profitability and strengthen the leading position in our home markets
- Develop a wide range of quality services for different customers and pursue new growth opportunities
- Based on the demand on the core routes, manage optimal capacity by operating or chartering out vessels
- Ensure cost efficient operations
- Maintain an optimal debt level that allows paying sustainable dividends

A modern fleet, a wide route network, a strong market share and brand awareness together with high safety, security and environmental standards are the main competitive advantages for the Group. These are the cornerstones for successful and profitable operations.

MOST MODERN FLEET	STRONG MARKET SHARE & BRAND AWARENESS	WIDE ROUTE NETWORK	HIGH SAFETY LEVEL & ENVIRONMENTAL STANDARDS

CEO LETTER TO SHAREHOLDERS

Dear investors and business partners

As we close the chapter on the year 2024 and open a new one for 2025, I write to you with a mixed message of positive developments and some continuing challenges that we will need to tackle in the years ahead, but as always with a great deal of hope for a better tomorrow.

At the end of 2023, in an address to the Tallink Grupp employees, the Management Board of Tallink Grupp expressed hope for a more stable year 2024 for the company, our employees, our region and the world. This hope was based on the first signs of recovery from the pandemic years, some expectation of positive developments in the geopolitical situation in Europe and the company's own progress in 2023. However, what we witnessed instead during the year was increasing geopolitical tensions, continuing economic challenges leading to reduced consumer purchasing power and confidence, and overall continued turbulence. Despite this, we continued to challenge the status quo and punched above our weight in our core markets, on our core routes and in our key business areas, delivering a year-end result that can be considered satisfactory in the circumstances.

Competitive pressures on all our routes, and particularly in cargo transport, meant that the volumes of units carried in 2024 were down compared to the previous year, but our profitability remained strong. We decided to stick to our strategy of pricing our services according to the quality we provide, i.e. above our competitors' prices, and we believe this was the right approach as the profitability of our cargo business improved during the year, despite the limited decline in volumes.

We followed the same approach and strategy in our pricing for passenger transport, as we believe that maritime transport in the Baltic Sea should be of high quality, that in order to provide quality you have to continue to invest, and that in order to continue to invest and provide quality, you have to charge the right price. We will continue to monitor the level of consumer confidence and purchasing power in our markets and adjust our strategies accordingly.

In 2024, we also faced the new regulatory charges arising from the EU Emissions Trading System, which means that we will increasingly have to cover the costs of our environmental footprint, while at the same time investing in technologies and solutions that enable us to reduce it.

Compensating for the greenhouse gas emissions caused by our operations, while investing in transitional technologies and solutions to reduce our impact on the climate, is another financial challenge for all shipping companies, so it is understandable that some of the costs have to be passed on to our customers as environmental surcharges. Unfortunately, these surcharges will only increase in the coming years as the costs and investments required of us also increase.

In addition to the challenge of increased costs arising from climate-related regulations and requirements, the significant increase in bureaucracy was a concern in 2024 that we sought to address with key stakeholders and decision-makers in this area. It was an issue that was widely discussed in the media over the year, as there is a recognition that we are on the cusp of excessive regulation and red tape. There is a general understanding that red tape needs to be reined in before it starts to hinder economic growth in the EU.

This annual report is a good example of this, as this year we present our first report that also includes the CSRD-compliant ESG report. Tallink Grupp is one of only eight companies in Estonia that are part of the first wave of EU companies required to produce this report, and we would be lying if we said that producing this first report has not been challenging. It has been. Even though we have been sharing our sustainability reports with you for decades under other standards, so this is nothing new for us. But every new regulation and standard has its teething problems and takes time to get right. So we hope that this new CSRD-compliant report will serve its purpose, that you will find it useful and that it will help achieve its main objective – greater transparency, clarity and comparability of sustainability goals, activities and performance. And that it has been worth the significant effort.

In terms of our operations in general, we continued to maintain an optimal level of vessels in regular service and chartered out in 2024, similar to the past few years since the start of the Covid pandemic, and foresee the same strategy for our business in the coming years as passenger traffic continues to recover slowly due to economic and geopolitical pressures in the region. We continue to seek work for the vessels that are currently out of service and our team is working hard to secure profitable charter options and projects for the vessels. At the same time, we continue to ensure that we provide the best products and services on our existing core routes here in the Baltic Sea, thereby further improving the profitability of these routes year-on-year. Our teams have a host of projects and plans in the pipeline, all aimed at delivering an increasingly tailored and personalised service to our customers to meet their needs and offering the best possible leisure options for the most enjoyable short breaks on and around the Baltic Sea.

Dear investors and business partners, thank you for your support and faith in us and our future as we focus our efforts on another year that will hopefully bring stability and progress towards recovery. The change in our majority shareholding in 2024 has shown us that there is great confidence in our future among some of our greatest supporters, and this support encourages us to continue working towards the future we want for us, our employees, our business partners, our customers and our investors.

Yours sincerely

Paavo Nõgene

Chairman of the Management Board

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MANAGEMENT REPORT

In the financial year 2024 (1 January – 31 December), AS Tallink Grupp and its subsidiaries (the Group) carried 5.6 million passengers, which is down 2.2% compared to the financial year 2023. The number of cargo units transported decreased by 6.4% compared to the previous financial year and the number of passenger cars transported decreased by 7.5%, year-on-year.

The Group's audited consolidated revenue amounted to EUR 785.8 million (EUR 835.3 million in the financial year 2023), down 5.9% year-on-year. Revenue from the route operations (the Group's core business) decreased by EUR 6.9 million to EUR 638.9 million compared to the financial year 2023. The Group's EBITDA was EUR 175.2 million (EUR 214.5 million in the financial year 2023) and the audited net profit for the period was EUR 40.3 million (EUR 78.9 million in the financial year 2023).

The following operational factors impacted the Group's revenue and operating results in 2024:

- Demand continued to be affected by low consumer and business confidence, economic challenges in the Group's core markets and global geopolitical tensions.
- As at the end of the financial year, the Group operated 14 vessels including 2 shuttle vessels, 2 cargo vessels, 5 cruise ferries, 3 vessels that were chartered out (4 at the beginning of the year) and 2 vessels that were laid up.
- The Group extended the charter agreement of the cruise ferry Galaxy I until October 2025 with an extension option of 6+6 months and signed an agreement for the chartering of the cruise ferry Silja Europa until June 2025 with an extension option of 7+6+6 months.
- The Group sold the cruise ferry Isabelle in January 2024.
- The Group operated 3 hotels in Tallinn and 1 in Riga.
- The Group's net debt was EUR 537.7 million as at the end of the financial year (EUR 607.3 million as at 31 December 2023) bringing the net debt to EBITDA ratio to 3.07 as at 31 December 2024.
- In the financial year 2024, total loan repayment and related interest expense amounted to EUR 116.1 million.
- The Group paid dividends in the amount of EUR 44.6 million and related income tax expense in the amount of EUR 9.2 million.
- As a result of a voluntary takeover bid, the shareholding of AS Infortar, the core shareholder of the Group, increased from 46.8% to 68.5% as at 9 August 2024. AS Tallink Grupp continues as an independent listed company also after AS Infortar became the majority shareholder of the Group.
- The Group continues to focus on cost efficiencies from the previously implemented measures and maintaining profitable operations on its core routes.
- The Group monitors the developments on its core routes including the capacity of each route and continues to look for new chartering options for vessels not used on the main routes and to work on extending the existing charter agreements.

Loan and interest payments in 2024

EUR 116.1 million

Key Figures

For the year ended 31 December	2024	2023	2022	2021	2020
Revenue (EUR million)	785.8	835.3	771.4	476.9	442.9
Gross profit/loss (EUR million)	153.6	203.8	113.5	21.7	-43.5
EBITDA[1] (EUR million)	175.2	214.5	135.8	58.3	8.0
EBIT[1] (EUR million)	77.4	113.3	37.7	-37.0	-92.6
Net profit/loss for the period (EUR million)	40.3	78.9	13.9	-56.6	-108.3
Depreciation and amortisation[1] (EUR million)	97.8	101.2	98.1	95.3	100.7
Capital expenditures[1] [2](EUR million)	22.4	28.2	203.3	20.2	100.1
Weighted average number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	694 444 381	669 882 040
Earnings/loss per share[1] (EUR)	0.05	0.11	0.02	-0.08	-0.16
Number of passengers[1]	5 580 016	5 705 600	5 462 085	2 961 975	3 732 102
Number of cargo units[1]	303 234	323 990	409 769	369 170	359 811
Average number of employees[1]	4 964	4 879	5 023	4 360	6 104

As at 31 December	2024	2023	2022	2021	2020
Total assets (EUR million)	1 463.9	1 555.2	1 691.6	1 585.9	1 516.2
Total liabilities (EUR million)	681.6	769.5	984.7	893.4	801.9
Interest-bearing liabilities[1] (EUR million)	556.4	649.3	853.5	779.9	705.1
Net debt[1] (EUR million)	537.7	607.3	738.6	652.4	677.3
Net debt to EBITDA[1]	3.1	2.8	5.4	11.2	84.2
Total equity (EUR million)	782.3	785.8	706.9	692.5	714.3
Equity ratio[1] (%)	53.4%	50.5%	41.8%	43.7%	47.1%
Number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	743 569 064	669 882 040
Shareholders' equity per share (EUR)	1.05	1.06	0.95	0.93	1.07

Ratios[1]	2024	2023	2022	2021	2020
Gross margin (%)	19.5%	24.4%	14.7%	4.5%	-9.8%
EBITDA margin (%)	22.3%	25.7%	17.6%	12.2%	1.8%
EBIT margin (%)	9.9%	13.6%	4.9%	-7.8%	-20.9%
Net profit/loss margin (%)	5.1%	9.4%	1.8%	-11.9%	-24.5%
ROA (%)	5.1%	7.0%	2.4%	-2.4%	-6.1%
ROE (%)	5.2%	10.6%	2.1%	-8.2%	-14.1%
ROCE (%)	6.0%	8.4%	3.1%	-2.8%	7.2%
Current ratio	0.5	0.5	0.7	0.6	0.4

[1] Alternative performance measures based on ESMA guidelines are disclosed in the Alternative Performance Measures section of the report.

[2] Does not include additions to right-of-use assets.

Sales and Segments

The Group's revenue for 2024

EUR 785.8 million

In the financial year 2024, the Group's total revenue decreased by EUR 49.5 million to EUR 785.8 million compared to EUR 835.3 million in the financial year 2023.

Revenue from the route operations (the Group's core business) decreased by EUR 6.9 million to EUR 638.9 million compared to the financial year 2023. The segment result from the route operations (the Group's core business) amounted to EUR 81.5 million, down by EUR 25.7 million compared to the financial year 2023.

The number of passengers carried on the **Estonia-Finland** route increased by 2.5% in year-on-year comparison. The number of transported cargo units decreased by 5.1%. Revenue from the Estonia-Finland route increased by EUR 14.8 million to EUR 312.8 million and the segment result increased by EUR 2.3 million to EUR 81.3 million, year-on-year. The segment reflects the operations of two shuttle vessels, MyStar and Megastar, and the cruise ferry Victoria I except for the period from 31 May 2024 until 31 August 2024 when the Tallinn-Helsinki route was operated by two shuttle vessels as the cruise ferry Victoria I operated the Tallinn-Stockholm route.

In the financial year 2024, the year-on-year decrease in the number of passengers on **Finland-Sweden** routes was 15.4%. The number of transported cargo units increased by 3.4%. The routes' revenue decreased by EUR 28.3 million to EUR 228.7 million and the segment result decreased by EUR 20.9 million to EUR 2.8 million, year-on-year. The segment reflects the operations of one cruise ferry on the Turku-Kapellskär route until 31 May 2024 and on the Turku-Stockholm route from 31 May 2024 as well as two cruise ferries on the Helsinki-Stockholm route.

On **Estonia-Sweden** routes the number of passengers carried increased by 8.0% while the number of transported cargo units decreased by 19.6% compared to the financial year 2023. Year-on-year, the revenue of Estonia-Sweden routes increased by EUR 6.6 million to EUR 97.4 million. The segment result declined by EUR 7.1 million to a loss of EUR 2.6 million. Estonia-Sweden routes reflect the operation of two cargo vessels on the Paldiski-Kapellskär route and one cruise ferry on the Tallinn-Stockholm route. However, during the summer peak season from 31 May to 31 August 2024 the Tallinn-Stockholm route was operated by two cruise ferries – Vicotria I and Baltic Queen - in addition to the cargo vessels.

Revenue from the segment **Other** decreased by a total of EUR 43.2 million and amounted to EUR 152.8 million. The decrease was mainly driven by fewer vessels on charter. As at the end of the financial year 2024, the Group had 3 vessels on charter (end of the financial year 2023: 5 vessels on charter). The charter agreement of the ro-pax ferry Superfast IX (formerly Atlantic Vision) ended in May 2024 after being chartered to Canada since November 2008.

At the end of the financial year 2024, the following vessels were chartered out:

- The shuttle vessel James Joyce (formerly Star) was chartered out from 5 May 2023 for 20 months with an option to extend the charter by 2+2 years and an option to purchase the vessel. As the charterer decided not to use the extension option the agreement expired in January 2025.
- The cruise ferry Galaxy I was chartered out in September 2022. In October 2024, the agreement was extended by 12 months until October 2025 with an option to extend the agreement by 6+6 months.

- The cruise ferry Silja Europa was chartered out in August 2022. The new charter agreement from December 2024 is effective from 1 January 2025 for six months. The agreement includes an option to extend the agreement by another 7+6+6 months.

Restaurant and shop sales on board and on shore totalled EUR 376.0 million (EUR 391.0 million in 2023) accounting for almost half of total revenue. Ticket sales amounted to EUR 224.7 million (EUR 217.5 million in 2023) and sales of cargo transport to EUR 88.6 million (EUR 91.0 million in 2023). Revenue from the chartering of vessels amounted to EUR 62.0 million compared to EUR 101.2 million in the financial year 2023.

The following tables provide an overview of the breakdown of revenue from operations between the Group's geographical and operating segments (SBM-1):

Geographical segments	**2024**	**%**	**2023**	**%**
Finland-Sweden	228 744	29.1%	257 080	30.8%
Estonia-Finland	312 763	39.8%	297 977	35.7%
Estonia-Sweden	97 385	12.4%	90 756	10.9%
Other	152 814	19.4%	195 998	23.5%
Intercompany eliminations	-5 883	-0.7%	-6 485	-0.8%
Total revenue of the Group	785 822	100.0%	835 325	100.0%

Operating segments	**2024**	**%**	**2023**	**%**
Restaurant and shop sales on-board and on mainland	376 007	47.8%	390 998	46.8%
Ticket sales	224 690	28.6%	217 502	26.0%
Sales of cargo transportation	88 627	11.3%	91 007	10.9%
Sales of accommodation	16 266	2.1%	15 009	1.8%
Income from charter of vessels	62 015	7.9%	101 179	12.1%
Other	18 218	2.3%	19 630	2.4%
Total revenue of the Group	785 822	100.0%	835 325	100.0%

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Earnings

In the financial year 2024, the Group's gross profit decreased by EUR 50.3 million to EUR 153.6 million compared to EUR 203.8 million in the financial year 2023. EBITDA declined by EUR 39.3 million and amounted to EUR 175.2 million.

The Group's EBITDA for 2024

EUR 175.2 million

The Group's profitability was mainly influenced by the following factors:

- strong pricing strategy;
- continued chartering of vessels;
- continued strong focus on cost efficiency through previously implemented measures;
- vessels in lay-up;
- low consumer confidence in core markets and geopolitical tensions in Europe.

The Group's audited net profit for the financial year 2024 was EUR 40.3 million or EUR 0.054 per share compared to EUR 78.9 million or EUR 0.106 per share in the financial year 2023.

The cost of goods sold at shops and restaurants amounted to EUR 163.9 million (EUR 170.6 million in 2023). The decline was driven by lower onboard sales resulting from lower number of passengers and weak consumer confidence that drives leisure spending, i.e. spending in restaurants and shops online, onboard and on shore.

Fuel costs for the financial year 2024 amounted to EUR 95.8 million (EUR 97.2 million in 2023).

The Group's total personnel expenses amounted to EUR 192.8 million (EUR 181.0 million in 2023). Personnel expenses related to administrative staff and sales and marketing staff were EUR 27.8 million and EUR 22.2 million, respectively (EUR 27.8 million and EUR 21.5 million, respectively, in 2023). Personnel expenses related to servicing and technical personnel amounted to EUR 142.8 million compared to EUR 131.7 million in 2023. The average number of employees in the financial year 2024 was 4 964 (4 879 in 2023).

Total sales and marketing and administrative expenses for the financial year 2024 amounted to EUR 96.7 million (EUR 94.6 million in 2023). Excluding personnel and depreciation and amortisation expenses, administrative expenses for the period amounted to EUR 15.5 million and sales and marketing expenses to EUR 19.9 million (EUR 15.1 million and EUR 18.7 million, respectively, in 2023).

Amortisation and depreciation expense decreased by EUR 3.5 million to EUR 97.8 million year-on-year driven mostly by the sale of the cruise vessel Isabelle in January 2024. There were no impairment losses related to the Group's property, plant and equipment and intangible assets.

As a result of a decreased outstanding loan balance and declining interest rates, net finance costs declined by EUR 7.3 million year-on-year to EUR 28.3 million in the financial year 2024 (EUR 35.5 million in the financial year 2023).

The Group's exposure to credit risk, liquidity risk and market risks, and its financial risk management activities are described in the notes to the consolidated financial statements.

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Liquidity and Cash Flow

The Group's net operating cash flow for the financial year 2024 was positive at EUR 158.3 million (EUR 203.4 million in the financial year 2023).

Net cash flow from investing activities was EUR 3.2 million (EUR 26.2 million in the financial year 2023) including EUR 24.6 million as proceeds from disposals.

In the financial year 2024, the repayment of interest-bearing loans amounted to EUR 87.0 million (net repayment of interest-bearing loans of EUR 189.6 million in the financial year 2023). Interest payments were EUR 29.1 million (EUR 32.8 million in 2023).

Total liquidity as at 31 December 2024

EUR 93.7 million

At 31 December 2024, the Group's cash and cash equivalents totalled EUR 18.7 million (EUR 41.9 million at 31 December 2023). In addition, available unused overdraft credit lines amounted to EUR 75.0 million (EUR 75.0 million in 2023). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 93.7 million at 31 December 2024 (EUR 116.9 million at 31 December 2023).

The decline in cash and cash equivalents in the financial year 2024 was driven by the payment of dividends (EUR 44.6 million) and related income tax (EUR 4.9 million) as well as the repayment of loans and related interest expense (EUR 116.1 million). In the financial year 2023 the net repayment of loans amounted to EUR 189.6 million.

The majority of the Group's sales are conducted by prepayment, bank card or cash payment. As such, in the normal course of business, the Group has negative working capital. The Group's overdraft facilities are used to finance negative working capital.

In management's opinion, the Group has sufficient liquidity to support its operations. Activities to ensure the sustainability of operations and liquidity are described in more detail in notes to the consolidated financial statements.

Financing Sources

The Group finances its operations and investments with operating cash flow, debt and equity financing and potential proceeds from the disposal of assets. As at 31 December 2024, the Group's capitalisation ratio (interest-bearing liabilities as a percentage of interest-bearing liabilities and shareholders' equity) was 41.6% compared to 45.2% at 31 December 2023. The decrease results from a EUR 92.9 million decrease in interest-bearing liabilities.

Loans and Borrowings

At the end of the financial year 2024, interest-bearing liabilities totalled EUR 556.4 million, down by 14.3% compared to EUR 649.3 million at the end of the financial year 2023. Long-term bank loans amounted to EUR 468.5 million down by EUR 86.2 million from EUR 554.7 million as at the end of the financial year 2023. The Group had 3 outstanding loan agreements including a syndicated loan and two ship building loans.

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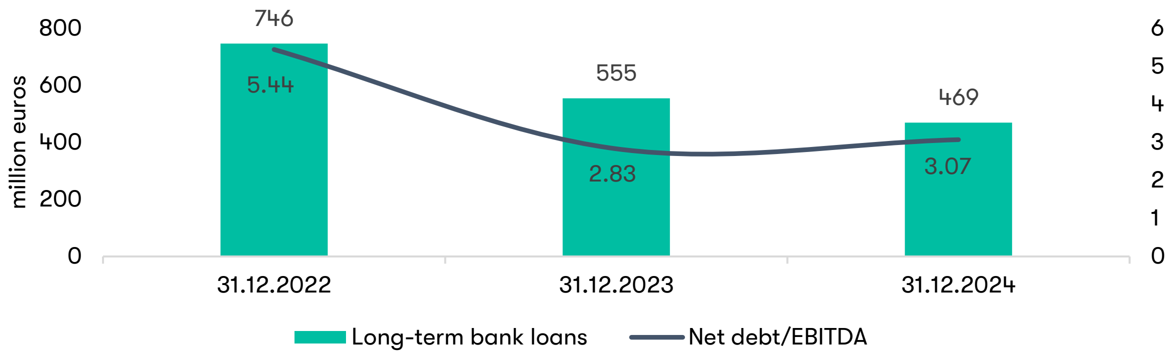
The following chart shows the change in long-term loans and net debt/EBITDA from 2022 to 2024:



At the reporting date, all interest-bearing liabilities were denominated in euros, fixed or floating (linked to EURIBOR), with maturities between 4-10 years.

Shareholders' Equity

In the financial year 2024, the Group's consolidated equity amounted to EUR 782.3 million remaining at the same level as at the end of the financial year 2023 (EUR 785.8 million). Shareholders' equity per share was EUR 1.05. At the end of 2024, the Group's share capital amounted to EUR 349 477 460. For further information about shares, please see the Shares and Shareholders section of this report.

Investments and Vessels

The Group's investments in the financial year 2024 amounted to EUR 22.4 million compared to EUR 28.2 million in 2023.

The main investments in vessels included maintenance and repair works i.e., technical works as well as interior upgrades. The Group also continued to invest in the improvement of its IT systems.

The Group's main revenue-generating assets are vessels, which account for approximately 80% of total assets. As at the end of the financial year the Group owned 14 vessels. At 31 December 2024, the book value of the vessels was EUR 1 175 million (EUR 1 238 million at the end of 2023). The Group's vessels are regularly valued by two to three independent international shipbrokers who are also approved by the mortgagees.

All of the Group's vessels have protection and indemnity insurance (P&I) and hull and machinery insurance (H&M) and meet all applicable safety regulations.

The Group does not have any substantial ongoing research and development projects.

Information about vessels as at the end of the financial year:

Tallinn – Helsinki

Megastar

Vessel type	High-speed ro-pax
Built/renovated	2017
Route	Estonia–Finland
Other information	Shuttle service

MyStar

Vessel type	High-speed ro-pax
Built/renovated	2022
Route	Estonia–Finland
Other information	Shuttle service

Victoria I

Vessel type	Cruise ferry
Built/renovated	2004
Route	Estonia–Finland
Other information	Overnight cruise

Tallinn – Stockholm

Baltic Queen

Vessel type	Cruise ferry
Built/renovated	2009
Route	Estonia–Sweden
Other information	Overnight cruise

Turku – Stockholm

Baltic Princess

Vessel type	Cruise ferry
Built/renovated	2008
Route	Finland–Sweden
Other information	Overnight cruise

Helsinki – Stockholm

Silja Symphony

Vessel type	Cruise ferry
Built/renovated	1991
Route	Finland–Sweden
Other information	Overnight cruise

Silja Serenade

Vessel type	Cruise ferry
Built/renovated	1990
Route	Finland–Sweden
Other information	Overnight cruise

Paldiski – Kapellskär

Regal Star

Vessel type	Ro-ro passenger vessel
Built/renovated	1999
Route	Estonia–Sweden
Other information	Cargo transport

Sailor

Vessel type	Ro-ro passenger vessel
Built/renovated	1987
Route	Estonia–Sweden
Other information	Cargo transport

Chartered

James Joyce (Star)

Vessel type	High-speed ro-pax
Built/renovated	2007
Other information	Chartered out

Galaxy I

Vessel type	Cruise ferry
Built/renovated	2006
Other information	Chartered out

Silja Europa

Vessel type	Cruise ferry
Built/renovated	1993/2016
Other information	Chartered out

In lay-up

Romantika

Vessel type	Cruise ferry
Built/renovated	2002
Other information	In lay-up

Superfast IX

Vessel type	High-speed ro-pax
Built/renovated	2002
Other information	In lay-up

Market Developments

The total number of passengers carried by the Group in 2024 was 5.6 million. The total number of cargo units carried was 303 thousand.

The Group's market shares on routes operated in 2024 were as follows:

- the Group carried approximately 48% of the passengers and 48% of the ro-ro cargo on the route between Tallinn and Helsinki.
- the Group carried approximately 37% of the passengers and 15% of the ro-ro cargo on the routes between Finland and Sweden.
- the Group was the only provider of passenger transportation between Tallinn and Stockholm.

Number of passengers in 2024

5.6

million

The following table provides an overview of passengers, cargo units and passenger vehicles transported in 2024 and 2023 by route:

Passengers	**2024**	**2023**	**Change**
Finland-Sweden	1 416 690	1 674 686	-15.4%
Estonia-Finland	3 543 057	3 456 736	2.5%
Estonia-Sweden	620 269	574 178	8.0%
Total	5 580 016	5 705 600	-2.2%

Cargo units	**2024**	**2023**	**Change**
Finland-Sweden	38 565	37 281	3.4%
Estonia-Finland	224 117	236 256	-5.1%
Estonia-Sweden	40 552	50 453	-19.6%
Total	303 234	323 990	-6.4%

Passenger vehicles	**2024**	**2023**	**Change**
Finland-Sweden	66 078	83 903	-21.2%
Estonia-Finland	679 526	727 580	-6.6%
Estonia-Sweden	31 988	29 398	8.8%
Total	777 592	840 881	-7.5%

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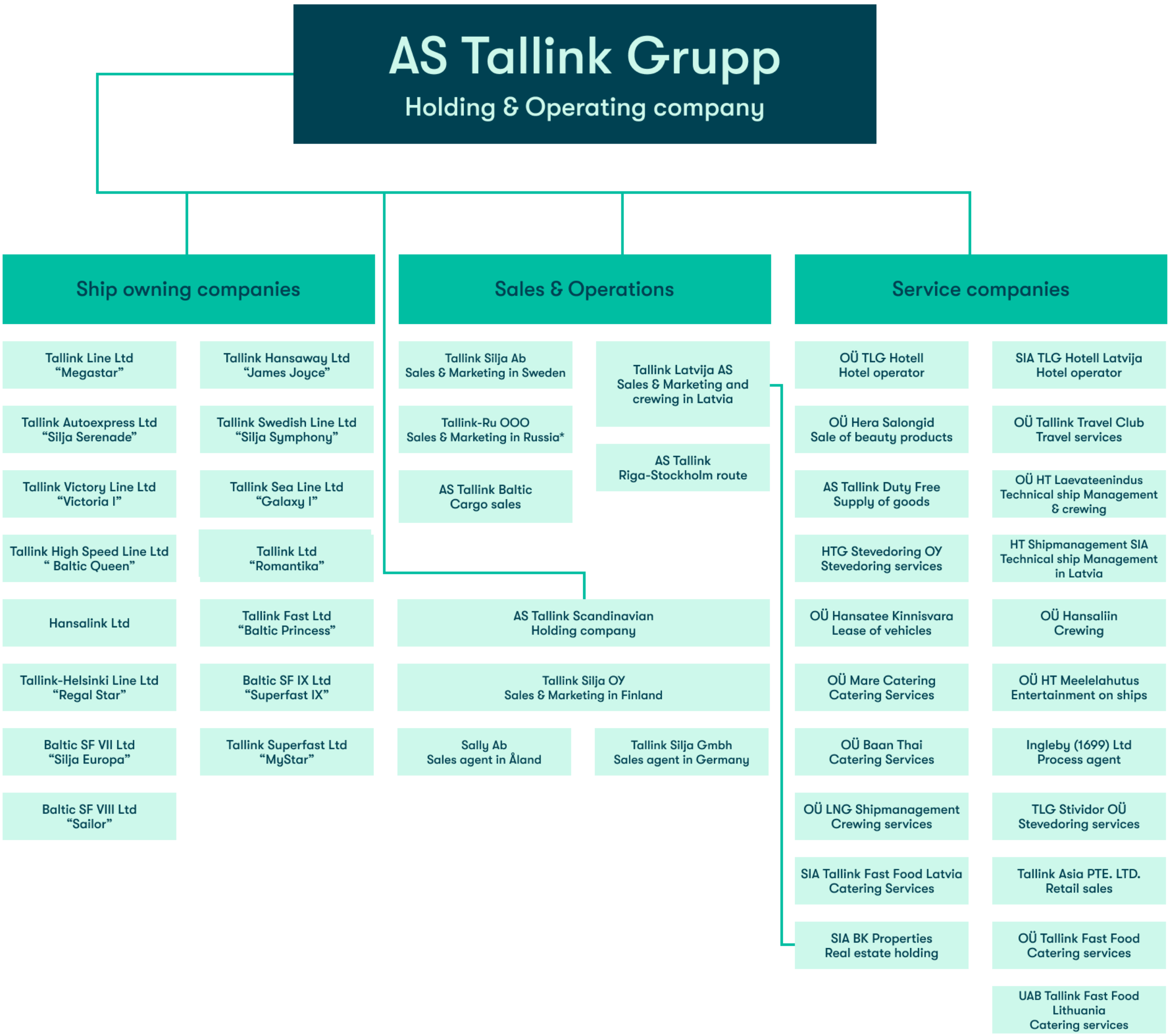
Group Structure

At the reporting date, the Group comprised 46 companies. All subsidiaries are wholly owned by AS Tallink Grupp.

During the financial year 2024, the Group transferred the shares of AS Tallink Takso, representing a 34% shareholding, to the Group's majority shareholder AS Infortar as part of the intra-group reorganisation.

In December 2024, the Group also liquidated its branch office for its cargo operations in Poland.

The following diagram represents the Group's structure at the reporting date:



* Dormant

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Personnel

As at 31 December 2024, the Group had 4 847 employees including the Management Board of the Group (4 912 at 31 December 2023). At the year-end, the total number of employees included 111 employees on maternity leave.

The table below presents the breakdown of employees at 31 December 2024:

As at 31 December	2024	2023	Change
Onshore total	1 026	1 100	-6.7%
Estonia	707	736	-3.9%
Finland	211	245	-13.9%
Sweden	93	104	-10.6%
Latvia	8	8	0.0%
Germany	6	6	0.0%
Russia[1]	1	1	0.0%
Onboard	3 138	3 090	1.6%
Burger King[2]	327	370	-11.6%
Hotel[2]	356	352	1.1%
Total	4 847	4 912	-1.3%

[1] Dormant

[2] The number of Burger King and hotel personnel is not included in the total number of onshore personnel.

In the financial year 2024, total staff costs amounted to EUR 192.8 million (EUR 181.0 million in 2023), an 6.6% increase compared to the previous financial year. The increase was driven mostly by the collective agreement signed in February 2023 covering the Group's maritime workers in Estonia for the next four years and by discontinuation of a government grant for Estonian seamen in 2024.

Onshore staff costs related to administrative and sales as well as marketing personnel were EUR 27.8 million and EUR 22.2 million, respectively (EUR 27.8 million and EUR 21.5 million, respectively, in 2023).

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Shares and Shareholders

At 31 December 2024, AS Tallink Grupp had a total of 743 569 064 shares issued and fully paid.

The shares of AS Tallink Grupp (ISIN: EE3100004466) are registered with Nasdaq CSD Estonian branch and traded on the Nasdaq OMX Tallinn Stock Exchange under the ticker symbol TAL1T (REUTERS: TAL1T.TL, BLOOMBERG: TAL1T ET). Starting from 3 December 2018, the shares of AS Tallink Grupp are also registered as Finnish Depository Receipts (FDRs) with Euroclear Finland Ltd and listed on the Nasdaq Helsinki Stock Exchange, where the FDRs are traded under the ticker symbol TALLINK (ISIN: FI4000349378). Each FDR entitles its holder to one share.

All shares are of the same kind and each share carries one vote at the General Meeting of Shareholders. No preference shares or shares with special rights have been issued. According to the articles of association of AS Tallink Grupp, shares can be freely transferred. No authorisation needs to be obtained in order to buy or sell AS Tallink Grupp shares.

AS Tallink Grupp shares have no nominal value and the notional value of each share is EUR 0.47.

On 13 June 2023, the Annual General Meeting of AS Tallink Grupp approved the terms of a share option programme, which gave the Group the right to issue a total of up to 22 307 071 share options for the acquisition of 22 307 071 ordinary shares under the share option programme, which represent a total of up to 3% of AS Tallink Grupp's share capital. On 1 August 2023, the Group issued 7 270 thousand share options of which 3 300 thousand were issued to the members of the Management Board and the Supervisory Board and 3 970 thousand were issued to the key employees of the Group. In 2024, an additional 7 055 thousand share options were issued including 3 300 thousand to the members of the Management Board and Supervisory Board and 3 755 thousand to the key employees of the Group.

According to the resolution of the general meeting of 30 July 2020, the Company was granted the right to acquire its own shares subject to the following conditions:

1) The Company is entitled to acquire its own shares within five years as from the adoption of the resolution.

2) The sum of the book values of the own shares held by the Company should not exceed 1/10 of share capital.

3) The price payable for one share should not be higher than the highest price paid on the Nasdaq Tallinn Stock Exchange for the share of AS Tallink Grupp on the day when the share is acquired.

4) Own shares should be paid for from the assets exceeding share capital, the legal reserve and share premium.

The Management Board of AS Tallink Grupp has not been granted the right to issue new shares. The General Meeting of Shareholders held on 7 May 2024 authorised Supervisory Board to increase share capital by EUR 35 000 000 to up to EUR 384 477 460.08 within three years from 1 January 2025.

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The table below presents the breakdown of share capital by ownership size as at 31 December 2024:

Ownership size	Number of shareholders	% of shareholders	Number of shares	% of share capital
1 - 99	7 110	22.8%	222 430	0.0%
100 - 999	11 302	38.5%	4 139 893	0.6%
1 000 - 9 999	9 655	33.2%	24 887 785	3.5%
10 000 - 99 999	1 503	4.9%	37 473 882	4.8%
100 000 - 999 999	154	0.5%	44 373 124	5.9%
1 000 000 - 9 999 999	27	0.1%	87 990 710	12.0%
10 000 000 +	3	0.0%	544 481 240	73.2%
Total	29 754	100.0%	743 569 064	100.0%

The account NORDEA BANK ABP / CLIENTS FDR represented 8 318 FDR-holders as at 31 December 2024. The total number of shareholders and FDR-holders was 38 071.

The table below presents the largest shareholders of the Group as at 31 December 2024:

Shareholder	Number of shares	% of share capital
Infortar AS	509 092 817	68.5%
Nordea Bank ABP / Clients FDR	23 942 445	3.2%
Mersok OÜ	11 445 978	1.5%
Clearstream Banking AG	7 940 790	1.1%
Other shareholders	191 147 034	25.7%
Total	743 569 064	100.0%

The table below presents the residency of the shareholders of the Group as at 31 December 2024:

Residency	Number of shareholders	Number of shares	% of share capital
Estonia	29 314	657 523 443	88.4%
Finland	199	27 721 530	3.7%
United States	9	11 410 073	1.5%
Lithuania	9	10 882 968	1.5%
Germany	24	8 144 168	1.1%
Latvia	26	7 545 789	1.0%
Austria	5	6 277 501	0.8%
Cayman Islands	3	4 902 090	0.7%
Sweden	40	3 833 401	0.5%
United Kingdom	23	1 294 011	0.2%
Switzerland	10	1 902 322	0.3%
Denmark	11	1 075 451	0.1%
Other	81	1 056 317	0.1%
Total	29 754	743 569 064	100.0%

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The table below presents the investors of the Group by investor type as at 31 December 2024:

Investor type	Number of shareholders	Number of shares	% of share capital
Principal shareholder, Infortar AS	1	509 092 817	68.5%
Institutional investors	1 799	144 316 234	19.4%
Private individuals	27 954	90 160 013	12.1%
Total	29 754	743 569 064	100.0%

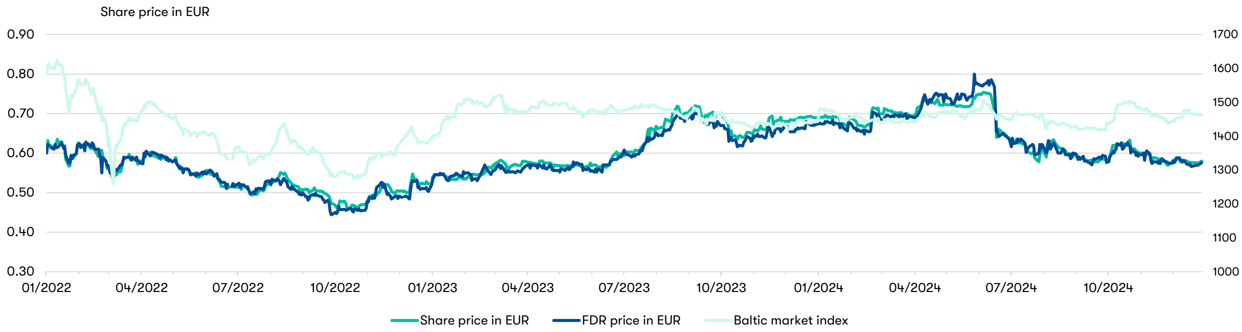
Trading

In 2024, a total of 59 851 481 AS Tallink Grupp shares and FDRs were traded on the Nasdaq Tallinn and Helsinki Stock Exchanges.

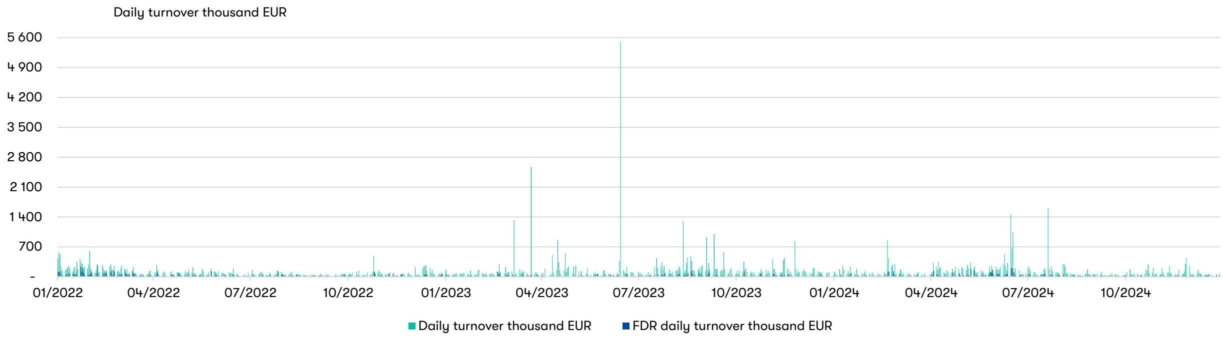
The table below gives an overview of the key trading data in 2023 and 2024 on the Nasdaq Tallinn and Helsinki Stock Exchanges:

	2024		2023	
Instrument	TAL1T	TALLINK FDR	TAL1T	TALLNIK FDR
Opening price (EUR)	0.69	0.67	0.52	0.50
Highest price (EUR)	0.76	0.80	0.73	0.71
Lowest price (EUR)	0.56	0.56	0.52	0.50
Last price (EUR)	0.58	0.58	0.69	0.67
Average share price (EUR)	0.65	0.65	0.62	0.60
Traded volume	49 900 771	9 950 710	72 410 090	8 975 929
Turnover (EUR million)	32.89	6.65	44.74	5.50
Average daily turnover (EUR thousand)	79.54	26.51	177.54	28.97
Market value (EUR million)*	431.27	428.30	513.06	498.19

The chart below gives an overview of the performance of the share price, the FDR price and the Baltic market index from 1 January 2022 to 31 December 2024:



The chart below gives an overview of the daily turnovers of the shares and the FDRs from 1 January 2022 to 31 December 2024:



The table below shows the implied market valuation at the end of 2024:

Instrument	Open	Close	Daily close average	Payout	Market value, EUR million	P/E ratio	Dividend yield
TAL1T	0.690	0.580	0.651	0.06	431.3	10.71	8.3%
TALLINK FDR	0.670	0.576	0.650	0.06	428.3	10.63	8.2%

Takeover Bids

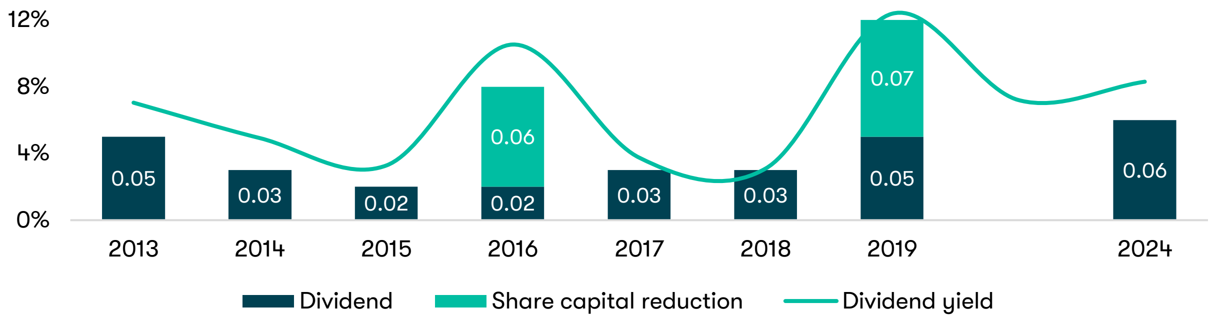
The Group has not concluded any agreement with its management or employees that provides for a compensation payment in the case of a takeover bid.

Dividends

In 2018, the Group adopted a dividend policy subject to which dividends of a minimum amount of EUR 0.05 per share would be paid if the economic performance allows it.

The Annual General Meeting of Shareholders held on 7 May 2024 adopted a resolution to pay dividends of EUR 0.06 per share for the financial year of 2023. The dividends in the amount of EUR 44.6 million were paid out on 3 July 2024.

The graph below shows the dividends paid and dividend yield in 2013-2024:



In agreement with the Supervisory Board of the Group, the Management Board of the Group will propose to the General Meeting of Shareholders that a dividend of 6 cents per share be paid in 2025.

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Economic Environment

During the financial year 2024, the Group's operations continued to be impacted by shifts in consumer behaviour and economic developments in its primary markets of Finland, Sweden and Estonia, but also by the global geopolitical tensions and the ongoing war in Europe. As nearly half of all the passengers are Finns, the Group is highly exposed to economic developments in Finland. Similarly, the Group is heavily exposed to economic developments in Estonia (23% of total passengers in 2024) and Sweden (7% in 2024).

According to the World Tourism Barometer for 2024 published by UNWTO (United Nations World Tourism Organisation), 2024 marked the recovery of international tourism from the COVID-19 pandemic. Results were driven by strong post-pandemic demand, robust performance from large source markets and the ongoing recovery of destinations in Asia and the Pacific. Europe welcomed 1% more arrivals than in 2019 as economic and geopolitical challenges continue to pose significant risks. According to the European Travel Commission, looking forward to 2025, the tourism industry continues to navigate an increasingly complex landscape and heightened geopolitical and economic uncertainty.

According to the latest data, the real growth of the economies of Estonia and Finland decreased in 2024 relative to 2023 while Sweden saw a 0.6% growth compared to 2023. The Estonian economy has been impacted by the weak demand in the Nordics, as the manufacturing sector is closely linked to the housing construction in Finland and Sweden, where weak domestic demand has slowed activity sharply. The economies of Estonia, Sweden and Finland continue to be affected by the war in Ukraine and dampened export growth from subdued external demand, especially from other EU countries.

Labour market conditions in the Group's core markets have weakened, with rising unemployment and fewer vacancies, although labour shortages persist in some sectors. In Finland and Estonia, the geopolitical tensions remain a key risk to investor confidence and trade. However, the forecast for 2025 point to a slight improvement in unemployment rates in all of the Group's core markets.

Inflation dropped in all the Group's core markets mostly due to falling energy prices and weak demand but the tax increases in Finland and Estonia keep the inflation level elevated. In 2024, Finland saw an increase in the VAT rate from 24% to 25.5% as of 1 September 2024. The goods and services that were subject to reduced VAT of 10% in 2024 are subject to reduced VAT of 14% from 1 January 2025. In Estonia, the standard VAT rate increased from 20% to 22% on 1 January 2024. The reduced VAT rate for accommodation services increased to 22% from 1 January 2025. Additionally, income tax for both natural persons and business entities increased from 20% to 22% from 1 January 2025.

The OECD (The Organisation for Economic Co-operation and Development) measured consumer and business confidence index remains low across households and businesses. While consumer confidence in Sweden and Finland improved towards the end of the year, confidence in Estonia moved in the opposite direction, indicating continued pessimism regarding future personal finances. Higher unemployment and the general economic and political situation both locally and globally have a direct effect on consumer confidence and purchasing power. The business confidence index follows a similar trend in the Group's core markets, showing signs of relief. The war in Ukraine, a tight monetary policy, persistently high inflation, and the prospect of economic recession continue to be key concerns globally.

For the foreseeable future and according to current best knowledge and estimates, the key risks for the business continue to be related to geopolitical tensions, uncertainties about the global economy, and changing customer travel and consumption habits. Changes in tax environments also continue to impact the business operations.

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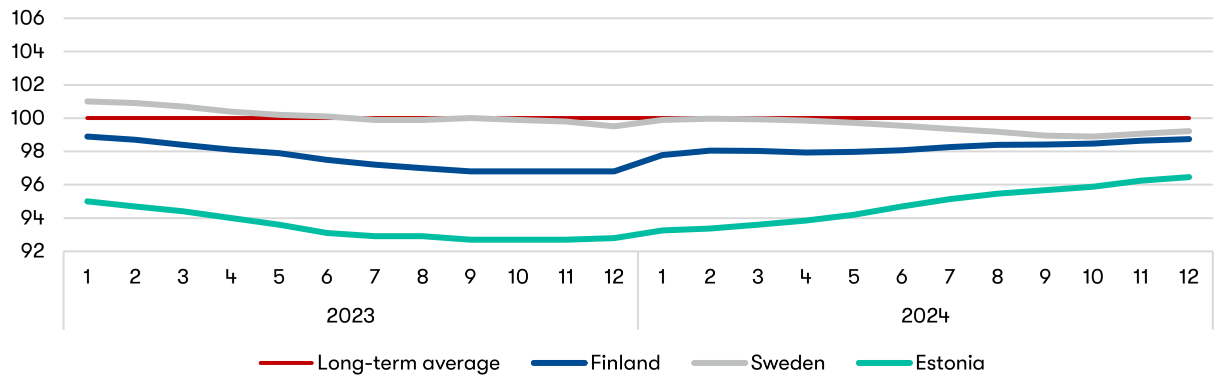
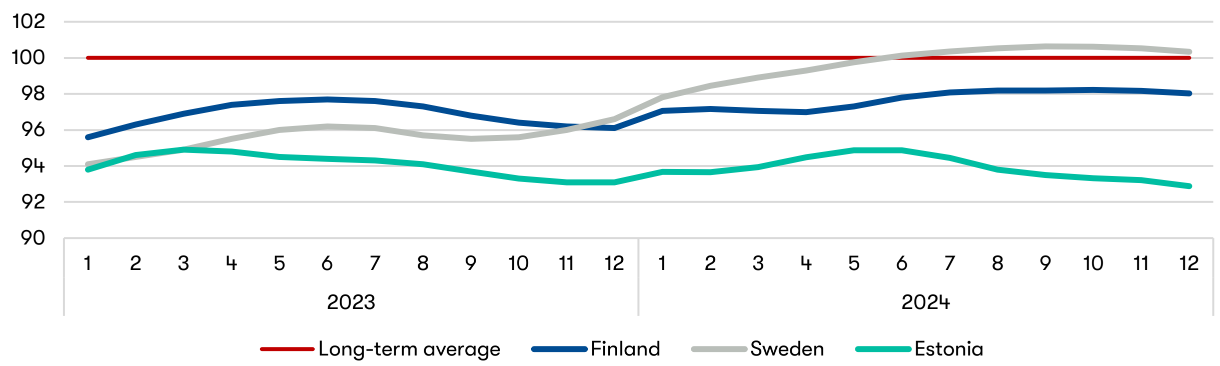
The chart below gives an overview of the business confidence levels in Finland, Sweden and Estonia compared to the long-term average from January 2023 to December 2024:



Source: https://www.oecd.org/en/data/indicators/consumer-confidence-index-cci.html?oecdcontrol-b2a0dbca4d-var3=2024-01&oecdcontrol-b2a0dbca4d-var4=2024-12&oecdcontrol-cf46a27224-var1=EST%7CFIN%7CSWE

The chart below gives an overview of the consumer confidence levels in Finland, Sweden and Estonia compared to the long-term average from January 2023 to December 2024:



Source: https://www.oecd.org/en/data/indicators/business-confidence-index-bci.html?oecdcontrol-cf46a27224-var1=EST%7CFIN%7CSWE&oecdcontrol-b2a0dbca4d-var3=2024-01&oecdcontrol-b2a0dbca4d-var4=2024-12

The table below gives an overview of the real Gross Domestic Product (GDP) change, the unemployment rate and inflation in Finland, Sweden and Estonia in 2023-2025f:

Real GDP, change	2023	2024	2025f
Finland	-1.0%	-0.4%	1.9%
Sweden	0.0%	0.6%	2.6%
Estonia	-3.1%	-0.4%	2.6%

Source: OECD (2025), Real GDP forecast (indicator). doi: 10.1787/1f84150b-en (Accessed on 23 February 2025)

Unemployment rate (% of labour force)	2023	2024	2025f
Finland	7.3%	8.2%	7.7%
Sweden	7.7%	8.4%	8.2%
Estonia	6.4%	7.4%	6.8%

Source: OECD (2025), Unemployment rate forecast (indicator), doi: 10.1787/b487f2cf-en (Accessed on 23 February 2025).

Inflation (CPI)	2023	2024	2025f
Finland	4.3%	3.6%	1.8%
Sweden	8.5%	1.1%	3.6%
Estonia	9.1%	3.9%	2.1%

Source: OECD (2025), Inflation forecast (indicator). doi: 10.1787/598f4aa4-en (Accessed on 23 February 2025)

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Events After the Reporting Period and Outlook

Sale of Shuttle Vessel Star I

In April 2025, the subsidiary of AS Tallink Grupp, Tallink Hansaway Limited, signed an agreement with Irish Continental Group plc for the sale of the shuttle vessel Star I. The shuttle vessel Star I was chartered to Irish Continental Group plc from April 2023 until January 2025.

Expiry of Charter Agreement

In January 2025, the agreement between AS Tallink Grupp and Irish Continental Group plc for the charter of the shuttle vessel Star, signed in April 2023, expired. As of February 9, the shuttle vessel Star I operates on the Paldiski-Kapellskär route.

Closing of Italian Restaurant Flavore

In January 2025, the Group decided to close its Italian restaurant Flavore. The last day of operation for the restaurant was 8 March 2025. The decision was triggered by challenging conditions on the Estonian restaurant market and changes in the Estonian VAT rates.

Profitability

The Group's earnings are not generated evenly throughout the year. The summer period is the high season in the Group's operations. In management's opinion and based on past experience, most of the Group's earnings are generated during the summer months (June-August). The Group is actively exploring the best options for its vessels that are in lay-up, ensuring optimal utilisation of assets while maintaining financial efficiency. The Group continuously evaluates market conditions, potential charter agreements, and alternative deployment opportunities to maximize the value of its fleet during periods of reduced operational demand. Management is continuously looking for ways to manage risks for the low season, including chartering out of vessels and partial short-term hedging of LNG price risk.

Research and Development Projects

The Group has no significant ongoing research and development projects. The Group continuously seeks opportunities to expand its operations in order to improve its results.

The Group is constantly looking for innovative ways to upgrade the ships and passenger area technology to improve its overall performance through modern solutions. The most recent technical projects are focused on solutions to reduce the carbon footprint of the vessels.

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Risks

The Group's business, financial position and operating results could be materially affected by various risks. These risks are not the only ones the Group faces. Additional risks and uncertainties not presently known to us, or that the Group currently believes are immaterial or unlikely, could also impair our business. The order of presentation of the risk factors below is not intended to be an indication of the probability of their occurrence or of their potential effect on our business.

- Protracted geopolitical and military conflict in Europe;
- Changes in the Estonian tax environment that weaken the stability of tax environment, the key advantage to the Estonian economy until now;
- Increases in tax rates in the Group's core markets;
- Governmental restrictions on business activities;
- Impact of high inflation on consumer habits;
- Accidents, disasters;
- Macroeconomic and labour market developments;
- Changes in laws and regulations;
- Relations with trade unions;
- Increases in fuel prices and interest rates;
- Market and customer behaviour;
- Impact of variations in labour legislation on competitiveness while sailing under different flags

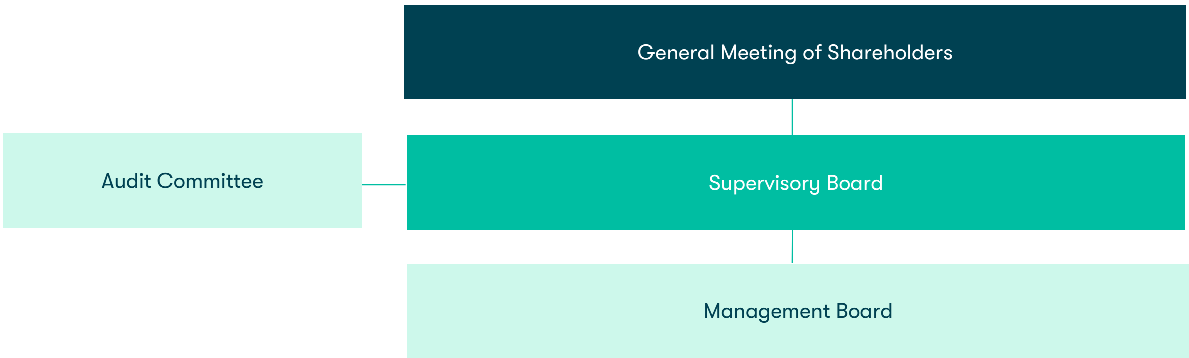
CORPORATE GOVERNANCE REPORT

This report is made in accordance with the Estonian Accounting Act and gives an overview of the governance of AS Tallink Grupp and its compliance with the requirements of the Corporate Governance Recommendations (CGR) of the NASDAQ OMX Tallinn Stock Exchange. The Group follows most of the articles of the CGR except where indicated otherwise in this report.

Organisation and Administration

Pursuant to the Estonian Commercial Code and the articles of association of the Company, the right to make decisions and the administration of the Group are divided between the shareholders represented by the General Meeting of Shareholders, the Supervisory Board and the Management Board.

The following diagram represents the governance structure of the Group:



General Meeting of Shareholders

The Group's highest governing body is the General Meeting of Shareholders. The primary duties of the General Meeting of Shareholders are to approve the annual report and the distribution of dividends, elect and remove members of the Supervisory Board, elect auditors, pass resolutions on any increase or decrease in share capital, change the articles of association and resolve other issues, which are the responsibility of the General Meeting of Shareholders by law. According to the law, the articles of association can be amended only by the General Meeting of Shareholders. In such a case it is required that 2/3 of the participating votes are for it.

The Annual General Meeting of Shareholders that approves the annual report no later than six months after the end of the financial year is held once a year.

Every shareholder or his/her proxy with a relevant written power of attorney may attend the General Meeting of Shareholders, discuss the items on the agenda, ask questions, make proposals and vote. A controlling shareholder refrains from unreasonably harming the rights of other shareholders, both at the General Meeting of Shareholders and upon organizing the Group's management and shall not abuse his or her position.

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The Group's Management Board determines the agenda of the General Meeting of Shareholders and prepares the draft of the resolution in respect to each item on the agenda to be voted on at the General Meeting of Shareholders. If a General Meeting of Shareholder is called by shareholders, the Supervisory Board or an auditor, the Supervisory Board or an auditor prepares a draft of the resolution of each item on the agenda and submits this to the Management Board. Shareholders whose shares represent at least one-twentieth of the share capital may submit the Company a draft of the resolution in respect to each item on the agenda to be voted on at the General Meeting of Shareholders.

The Company publishes a notice of an Annual General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders at least three weeks in advance in a national daily newspaper, in the stock exchange information system and on the Group's website at www.tallink.com. The notice includes information on where the meeting will be held.

The agenda of the meeting, the Board's proposals, draft resolutions, comments and other relevant materials are made available to the shareholders before the General Meeting of Shareholders on the Group's website and through the information system of the Tallinn and Helsinki stock exchanges. Additionally, the notice of calling the General Meeting of Shareholders is published in daily national newspapers at least three weeks before the meeting date. The shareholders may ask questions before the General Meeting of Shareholders by sending an email to info@tallink.ee.

The Company has not made it possible to observe and attend general meetings through electronic channels as there has not been any interest in it (CGR 1.3.3).

The Annual General Meeting of Shareholders of AS Tallink Grupp for the financial year 2023 was held on 7 May 2024. The meeting was attended by the Chairman of the Management Board Mr Paavo Nõgene, Management Board members Mr Harri Hanschmidt, Mrs Piret Mürk-Dubout, Ms Elise Nassar and Mr Margus Schults as well as the Chairman of the Supervisory Board Mr Enn Pant and the Supervisory Board members Mr Toivo Ninnas, Mrs Eve Pant, Mr Ain Hanschmidt, Mr Kalev Järvelill and Mr Raino Paron. The Annual General Meeting of Shareholders was chaired by Mr Raino Paron. The meeting was held in Estonian. The attending shareholders represented 571 294 959 votes, i.e. 76.83% of all votes. The Annual General Meeting of Shareholders adopted the following resolutions:

- approval of the annual report,
- approval of net profit and distribution of dividends,
- appointment of an auditor,
- extension of the term of office of a member of the Supervisory Board,
- remuneration of the Supervisory Board,
- amendment of the Articles of Association, and
- approval of the option programme.

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The Supervisory Board (GOV-1 & G1.GOV-1)

The Supervisory Board engages in oversight and longer-term management activities such as supervising the Management Board and approving business plans, acting independently in the best interest of all shareholders. No residency requirements apply to the members of the Supervisory Board. The Supervisory Board reports to the General Meeting of Shareholders.

The Supervisory Board consists of five to seven members. Members of the Supervisory Board are elected for periods of three years at a time. The Supervisory Board elects one of its members as chairman. For electing a member to the Supervisory Board, his or her written consent is needed. The General Meeting of Shareholders may remove any member of the Supervisory Board without a reason. Such a decision requires 2/3 of the votes represented at the General Meeting of Shareholders. A member of the Supervisory Board may resign without a reason by informing the General Meeting of Shareholders about the resignation.

The Supervisory Board is responsible for supervising the management of the Group and organising its operations. The Supervisory Board determines the principles for the Group's strategy, organisation, annual operating plans and budgets, financing and accounting. The Supervisory Board elects the members of the Management Board and determines their salaries and benefits.

The Chairman of the Supervisory Board determines the agenda of the meetings of the Supervisory Board, chairs meetings, monitors the efficiency of the work of the Supervisory Board, organises the transmission of information to the members of the Supervisory Board, ensures that the Supervisory Board has enough time to prepare for decisions and to examine information and represents the Supervisory Board in communications with the Management Board.

The meetings of the Supervisory Board are held according to need, but not less frequently than every three months. The Supervisory Board convened four times in 2024, during which 12 resolutions, a written resolution and an opinion of the Supervisory Board were adopted. The Group's operations, development, strategies, targets and budget were discussed and resolutions on the extension of the term of office of the Members of the Management Board were passed. All members of the Supervisory Board attended all meetings during the financial year 2024.

The members of the Supervisory Board avoid conflicts of interest and observe the prohibition on competition. The Supervisory Board and the Management Board work closely in the best interests of the Group and its shareholders, acting in accordance with the articles of association. Confidentiality rules are followed in exchanging information. The Management Board and Supervisory Board jointly participate in the development of the operations, objectives and strategy of the Group.

During the financial year 2024, no conflicts of interests arose among the members of the Supervisory Board.

Upon determination of the remuneration of the members of the Supervisory Board, the General Meeting takes into consideration the nature and scope of the duties of the Supervisory Board and the economic situation of the Group.

The remuneration of the Supervisory Board was decided at the General Meeting of Shareholders on 7 May 2024. Accordingly, the remuneration of the Chairman is EUR 12 000 per month and the remuneration of other members of the Supervisory Board is EUR 7 000 per month. There are no other special benefits for the Chairman and the members of the Supervisory Board. No termination benefits are paid to the members of the Supervisory Board upon the termination or non-extension of the term of office.

The General Meeting of Shareholders for the financial year ended on 31 December 2022 and held on 13 June 2023 approved an option programme subject to which the members of the Supervisory Board are entitled to no more than 1 500 000 share options per each member during the option programme. The option programme has a term of 3 years plus a 3-year vesting period.

The members of the Supervisory Board have the knowledge and experience necessary to fulfil their duties in accordance with the Corporate Governance Recommendations and legislation.

The Group does not comply with the requirement that at least half of the members of the Supervisory Board are independent (CGR 3.2.2). An independent member is a person, who has no such business, family or other ties with the Group, an entity controlled by the Group, a controlling shareholder of the Group, an entity belonging to the same group as the Group or a member of a directing body of these entities, that can affect their decisions by the existence of conflicts of interests. Currently, one member of the Supervisory Board is an independent member.

The Supervisory Board consists of six members, elected for periods of three years at a time:

Mr Enn Pant (born 1965)
Chairman of the Supervisory Board since June 2015

- Chairman of the Management Board of AS Tallink Grupp (1996 – 2015)
- Chairman of the Supervisory Board of AS Infortar
- Chancellor of the Ministry of Finance of Estonia from 1992 to 1996
- Graduated from the Faculty of Economics, the University of Tartu, Estonia, in 1990

Mr Toivo Ninnas (born 1940)
Member of the Supervisory Board since September 2016

- Chairman of the Supervisory Board of AS Tallink Grupp (1997 – 2016)
- Member of the Supervisory Board of AS Infortar
- Served at ESCO (Estonian Shipping Company) from 1973 to 1997 in various positions, Director General since 1987
- Graduated from the Far Eastern High Engineering Maritime College (FEHEMC), maritime navigation, in 1966

Mrs Eve Pant (born 1968)
Member of the Supervisory Board since September 1997

- Member of the Management Board of AS Infortar
- Graduated from the Tallinn School of Economics, Estonia, in 1992

Mr Ain Hanschmidt (born 1961)
Member of the Supervisory Board since September 2005

- Chairman of the Management Board of AS Infortar
- Member of Supervisory Board of AS Tallink Grupp (1997-2000)
- For years served as Chairman of the Management Board of SEB Eesti Ühispank AS
- Graduated from the Tallinn Polytechnic Institute (Tallinn University of Technology), Estonia, in 1984

Mr Kalev Järvelill (born 1965)
Member of the Supervisory Board since June 2007

- Member of the Supervisory Board of AS Infortar
- Member of the Management Board of AS Tallink Grupp from 1998 to 2006
- General Director of the Estonian Tax Board from 1995 to 1998
- Vice Chancellor of the Ministry of Finance of Estonia from 1994 to 1995
- Graduated from the Faculty of Economics, the University of Tartu, Estonia, in 1993

Mr Raino Paron (born 1965)
Member of the Supervisory Board since September 2019

- Head of Banking & Finance practice group in the law firm Ellex Raidla
- Member of the Management Board of Finance Estonia
- Member of the Supervisory Board of AS Inbank
- Partner and attorney-at-law at law firm Ellex Raidla since 1998
- Chairman of the Supervisory Board of the Arbitration Court of the Tallinn Stock Exchange
- Graduated from the University of Tartu, Estonia in 1990 (cum laude) and from Georgetown University, USA in 1993 with a LLM degree (Master of Laws) with honours

The expiry dates of the terms of office, shareholdings (direct holdings and holdings via controlled legal entities) and share options of the members of the Supervisory Board at the end of 2024 were as follows:

Name	Expiration of term	Shares	Options
Enn Pant	13 June 2026	17 868 562	600 000
Toivo Ninnas	18 September 2025	3 668 770	600 000
Eve Pant	18 September 2025	781 000	600 000
Ain Hanschmidt	18 September 2025	4 719 494	600 000
Raino Paron	18 September 2025	62 500	600 000
Kalev Järvelill	13 June 2027	0	600 000

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The Management Board (GOV-1 & G1. GOV-1)

The Management Board is an executive body charged with the day-to-day management of the Company, as well as with representing the Company in its relations with third parties, for example in entering into contracts on behalf of the Company. The Management Board is independent in their decisions and acts in the best interests of the Company's shareholders.

The Management Board must adhere to the decisions of the General Meeting of Shareholders and lawful orders of the Supervisory Board. The Management Board ensures, with its best efforts, that the Company complies with the law and that the Company's internal audit and risk management functions operate effectively.

To guarantee proper risk management and internal audit the Management Board:

- analyses risks connected with the purpose of the activities and financial objectives of the Group (incl. environmental, competitive and legal risks);
- establishes adequate internal control regulations;
- develops forms for drawing up financial reports and prepares instructions for drawing up these reports; and
- organises the system of control and reporting.

The Management Board consists of three to seven members. The members and the Chairman of the Management Board are elected by the Supervisory Board for periods of three years at a time. For electing a member to the Management Board, his or her written consent is needed. The Chairman of the Management Board may propose that the Supervisory Board also appoint a vice chairman of the Management Board, who fulfils the chairman's duties in the absence of the chairman. Every member of the Management Board may represent the Company alone in any legal and business matter. According to the law the Supervisory Board may recall any member of the Management Board without a reason. A member of the Management Board may resign without a reason by informing the Supervisory Board about the resignation.

Members of the Management Board avoid conflicts of interest and observe the prohibition on competition. Members of the Management Board inform the Supervisory Board and the other members of the Management Board of the existence of a conflict of interests before the conclusion of a contract of service and immediately if such a conflict arises at a later date. Members of the Management Board inform the other members of the Management Board and the Chairman of the Supervisory Board without delay of any business offer related to the Company's business activity made to them, a person close to them or a person connected with them.

The Supervisory Board approves the transactions which are significant to the Company and concluded between the Company and a member of the Management Board or another person connected/close to them and determines the terms of such transactions. During the financial year 2024, transactions concluded between the Group and the members of the Management Board or persons connected or close to them were immaterial.

The Management Board and Supervisory Board co-operate closely for the purpose of better protection of the Company's interests. The Management Board regularly notifies the Supervisory Board of any material circumstances concerning the planning and business activities of the Company, activity-based risks, and the management of such risks. The Management Board separately calls attention to such changes in the Company's business activities that deviate from set plans and purposes and indicates the reasons for such changes. The information is delivered promptly and covers all material circumstances.

The Members of the Management Board and Supervisory Board observe the rules of confidentiality upon organisation of the mutual exchange of data ensuring above all the control over the transfer of price sensitive information. The Management Board also ensures the observance of the rules of confidentiality by the employees of the Company, who have access to such information.

The principles of remuneration of the Management Board are disclosed in the Remuneration Report on page 46.

The Management Board consists of five members elected for periods of three years at a time:

Mr Paavo Nõgene (born 1980)
Chairman of the Management Board since May 2018

- Secretary-General of the Ministry of Culture of the Republic of Estonia from 2013 to 2018
- General Manager of Vanemuine Theatre in Estonia from 2007 to 2012
- Chairman of the Supervisory Board of the Art Museum of Estonia
- Graduated from the University of Tartu, Estonia, in 2012 with a degree in Journalism and Communications

Mr Paavo Nõgene is responsible for leading the Board and general and strategic management of the Group. In addition, he is responsible for daily operations, route operations, administrative services, GDPR, human resources, communication services, hotel management and Tallink Travel Club.

Mr Margus Schults (born 1966)
Member of the Management Board since April 2021

- Has been working for the Group since 2008, Group CFO since 2022
- Has held the position of Chief Executive Officer of Tallink Silja Oy since 2009, including the roles of a member of the Supervisory Board of Sally AB and Managing Director of Tallink Silja Gmbh
- Worked in SEB between 1994 and 2008 in different leading positions, including as a member of the Management Board of SEB Estonia
- Member of the Main Council of the Helsinki region Chamber of Commerce, Deputy Chairman of the Finnish-Estonian Trade Association, Member of the Board of the Finnish Shipowners' Association
- Holds a PhD degree in Technology, Electronics from Tallinn University of Technology

Mr Margus Schults is responsible for the Group's finances and Finnish operations.

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Mrs Piret Mürk-Dubout (born 1970)
Member of the Management Board since April 2019

- Managing Director of Tallink Silja AB since August 2024
- Prior to joining the Group, worked at Tallinn Airport where she held the position of Chief Executive Officer and Chairman of the Management Board since 2016
- Worked in several senior positions in Telia Company headquarters and group companies in Stockholm and in Tallinn between 2010 and 2016
- Holds an Executive Master of Business Administration degree from the Estonian Business School, a diploma in Jurisprudence from the University of Tartu, and a Master's degree in Media & Communications from the University of Tartu. Has graduated from the Senior Executive Programme at London Business School.
- Vice President of Maritime Affairs at the European Retail Confederation (ETRC)
- Member of Board at Tallinn University of Technology TalTech.

Mrs Piret Mürk-Dubout is responsible for the Group's commercial development and business intelligence, brands development, sales and marketing strategy, customer experience management, travel retail and duty-free operations, onboard services, dining and entertainment concepts development and commercial partnership development. Mrs Piret Mürk-Dubout was responsible for ESG compliance until the end of financial year 2024.

Ms Elise Nassar (born 1991)
Member of the Management Board since March 2024

- Has been working in Tallink Grupp since 2018. She has held the positions of Data Protection Officer and Head of Internal Audit during that time
- Since summer 2022 she has held the position of Group Head of Legal and Head of the Internal Audit and Internal Control Departments
- Prior to joining Tallink Grupp, Elise worked as a lawyer at AS Ekspress Grupp, the largest media group in the Baltics
- President of the Estonian Shipowners Association, Member of the Board of Directors at the ECSA European Shipowners.
- Ms Elise Nassar holds a BA in Law from the University of Tartu

Ms Elise Nassar is responsible for cargo operations, logistics, stevedoring, ship management, safety, security, environment, legal services, anti-corruption and procurement. Ms Elise Nassar took over the responsibility for ESG compliance from 1 January 2025.

Mr Harri Hanschmidt (born 1982)
Member of the Management Board since February 2019

- Has been working for the Group since 2009 and has held positions of Head of Investor Relations and Head of the Finance Department among other roles
- Since 2015 has held the position of the Group Head of Strategic Projects
- Worked in various roles in the Estonian IT sector organizations prior to joining AS Tallink Grupp
- Holds a Master's degree in Business Informatics from Tallinn University of Technology since 2008

Mr Harri Hanschmidt is responsible for information technology, operational and business development, investor relations, EU funds and new strategic projects.

The expiry dates of the terms of office, shareholdings (direct holdings and holdings via controlled legal entities) and options of the members of the Management Board at the end of 2024 were as follows:

Name	Expiration of term	Shares	Options
Paavo Nõgene	2 May 2027	600 000	600 000
Elise Nassar	5 March 2027	10 120	360 000
Harri Hanschmidt	5 February 2028	212 648	600 000
Piret Mürk-Dubout	16 April 2028	5 000	600 000
Margus Schults	29 April 2027	15 000	600 000

Authority of the Members of the Management Board to Issue and Acquire Shares

According to the resolution of the General Meeting of Shareholders of 30 July 2020, the Company was granted the right to acquire its own shares subject to the following conditions:

1) The Company is entitled to acquire its own shares within five years as from the adoption of the resolution.

2) The sum of the book values of the own shares held by the Company shall not exceed 1/10 of share capital.

3) The price payable for one share shall not be higher than the highest price paid on the Nasdaq Tallinn Stock Exchange for the share of AS Tallink Grupp on the day when the share is acquired.

4) Own shares shall be paid for from the assets exceeding share capital, then legal reserve and share premium.

The Management Board does not have the right to issue the Company's shares.

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Disclosure of Information

The Company follows the CGR in its information disclosure procedures and treats all shareholders equally. All the released information, such as monthly statistics reports, interim reports and the annual report, is published in Estonian and in English on the Group's websites, the Nasdaq Tallinn Stock Exchange and the Nasdaq Helsinki Stock Exchange as well as through the OAM system managed by the Estonian Financial Supervision Authority subject to the financial calendar.

The Group published its 2024 financial calendar on 28 November 2023. The Company does not disclose the date of the notice of calling the General Meeting of Shareholders (CGR 5.2) in its financial calendar since it is decided by the Management Board and Supervisory Board at a later date.

Meetings with investors are arranged on an ad hoc basis as and when requested by the investors. Following the disclosure of interim reports the Group holds public webinar meetings. The information shared at the meetings is limited to data already disclosed. The Group publishes the times and locations of significant meetings with investors. The presentations made to investors are available on the Group's website. However, the Group does not meet the recommendation to publish the time and location of each individual meeting with investors and to allow all shareholders to participate in these events as it would be impractical and technically difficult to arrange (CGR 5.6).

Financial Reporting and Auditing

Preparation of financial reports and statements is the responsibility of the Group's Management Board. The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and relevant Estonian regulations. The Group issues quarterly unaudited interim financial reports and the audited annual report.

The Group's annual report is audited and then approved by the Supervisory Board. The annual report together with the written report of the Supervisory Board is sent for final approval to the General Meeting of Shareholders.

The notice of the General Meeting of Shareholders includes information on the auditor candidate. The Group observes the auditors' rotation requirement.

To the knowledge of the Group, the auditors have fulfilled their contractual obligations and have audited the Group in accordance with International Standards on Auditing.

For better risk management and control, the Group has established an Audit Committee and an Internal Audit Department.

The consolidated financial statements for 2024 were audited by KPMG Baltics OÜ. In addition to audit services, KPMG Baltics OÜ provided services to the Group in 2024 that are permissible under the Auditors Activities Act of the Republic of Estonia. The audit fee and the auditor's responsibilities are set out in an agreement concluded by the Management Board. More information about the audit fees is disclosed the notes to the consolidated financial statements.

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The Audit Committee

The Audit Committee is responsible for monitoring and analysing the processing of financial information, the effectiveness of risk management and internal control, the process of auditing annual and consolidated accounts, and the independence of the audit firm and the auditor representing the audit firm on the basis of the law. The Audit Committee is responsible for making recommendations and proposals to the Supervisory Board.

The Audit Committee has three members: Mr Meelis Asi (the Chairman), Mr Ain Hanschmidt and Mrs Mare Puusaag. The members of the Audit Committee are elected for an indefinite term.

The audit committee meets as required but not less than twice a year.

Substantial Shareholders

On 2 July 2024, AS Infortar, a shareholder of the Group, notified of making a voluntary takeover offer to acquire all shares of AS Tallink Grupp not yet belonging to AS Infortar. As of 9 August 2024, AS Infortar holds 509 092 817 shares of AS Tallink Grupp, which represent 68.5% of the aggregate votes represented by the shares of AS Tallink Grupp. Before the substantial change AS Infortar held 347 696 887 shares of AS Tallink Grupp, which represented 46.8% of the aggregate votes represented by the shares of AS Tallink Grupp.

Related party transactions are disclosed in the notes to the consolidated financial statements.

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REMUNERATION REPORT

The Supervisory Board has concluded service agreements with the members of the Management Board. In 2024, the remuneration of the members of the Group's Management Board was EUR 2 820 thousand in total, including termination benefits of EUR 627 thousand paid on the termination of the contract with Mrs Kadri Land, a member of the Management Board.

The remuneration of the Management Board is determined by the Supervisory Board according to the Corporate Governance Recommendations. The principles of remuneration of the Management Board were approved by the General Meeting of Shareholders held on 9 June 2022.

The Supervisory Board has adopted and amended the principles of remuneration of the management of AS Tallink Grupp. According to the document, besides work benefits, termination benefits and a share option programme, the members of the Management Board are eligible to annual performance-related bonuses of up to 12-months' remuneration depending on the size of dividends. The performance-related bonus is paid when the Group earns a profit and when the General Meeting of Shareholders decides to pay dividends from the profit of the previous financial year.

The General Meeting of Shareholders held on 13 June 2023 approved a share option programme to motivate the Group's management and senior employees by involving them as shareholders and allowing them to benefit from the increase in the value of the shares resulting from their contribution. The term of the share option programme is 3 years plus 3-year vesting period. Each share option entitles the entitled person to acquire 1 share of AS Tallink Grupp at a price equal to the notional value of the share at the time of exercise of the share option (0.47 euros per share as of the date of approval of the terms and conditions of the share option programme).

The following table provides an overview of the gross remuneration of each Management Board member of AS Tallink Grupp excluding social security tax expense:

In thousands of EUR	2024	2023	2022	2021	2020
Paavo Nõgene	**533.0**	**339.0**	**378.0**	**294.0**	**263.0**
of which base remuneration	364.0	339.0	294.0	294.0	263.0
of which bonus	169.0	-	84.0	-	-
number of options granted	300 000	300 000	-	-	-
Elise Nassar	**206.2**	**N/A**	**N/A**	**N/A**	**N/A**
of which base remuneration	206.2	-	-	-	-
of which bonus	-	-	-	-	-
number of options granted	300 000	-	-	-	-
Harri Hanschmidt	**389.5**	**246.0**	**236.8**	**198.8**	**196.7**
of which base remuneration	266.0	246.0	206.8	198.8	196.7
of which bonus	123.5	-	30.0	-	-
number of options granted	300 000	300 000	-	-	-
Piret Mürk-Dubout	**421.9**	**246.0**	**240.0**	**210.0**	**196.7**
of which base remuneration	266.0	246.0	210.0	210.0	196.7
of which bonus	123.5	-	30.0	-	-
of which payments from other Group entities	32.4	-	-	-	-
number of options granted	300 000	300 000	-	-	-
Margus Schults	**553.7**	**355.6**	**378.9**	**243.4**	**N/A**
of which base remuneration	238.0	220.0	188.0	144.5	-
of which bonus	180.1	-	47.3	-	-
of which payments from other Group entities*	135.6	135.6	143.7	98.9	-
number of options granted	300 000	300 000	-	-	-
Kadri Land	**716.1**	**246.0**	**240.0**	**210.0**	**196.7**
of which base remuneration	89.1	246.0	210.0	210.0	196.7
of which bonus	-	-	30.0	-	-
of which termination benefit	627.0				
number of options granted	-	300 000	-	-	-
Lembit Kitter	**N/A**	**N/A**	**N/A**	**1108.1**	**275.4**
of which base remuneration	-	-	-	352.1	275.4
of which termination benefit	-	-	-	756.0	-
Net profit/loss (EUR million)	40.3	78.9	13.9	-56.6	-108.3
Change in net profit/loss (%)	-48.9%	466.0%	124.6%	47.8%	-317.8%
Dividend per share (EUR)	0.06	-	-	-	-
Salary per average FTE (EUR thousand)	42.0	41.6	39.5	39.7	38.5
Change in salary of average FTE (%)	0.8%	5.3%	-0.5%	3.2%	14.7%

* *payments from other Group entities for 2023 have been corrected*


TALLINK Shuttle
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CONSOLIDATED SUSTAINABILITY STATEMENT

Basis for Preparation

The Sustainability Statement of AS Tallink Grupp for the financial year of 2024 covers the material environmental, social, and governance (ESG) activities, policies, and governance structures of the Group and its subsidiaries in the same boundaries as the Annual Report of the Group for the financial year of 2024. At the beginning of the year, the Group finalised and received Management Board approval for its first double materiality assessment (DMA). Building on this, key performance indicators (KPIs) were established for each key topic, along with an implementation strategy to achieve these KPIs and improve ESG management and oversight, monitoring and reporting. This ensures that all stakeholders gain improved transparency and insight into the Group's progress in sustainability. The sustainability reporting obligation arises from Section 31, section 4 of the Estonian Accounting Act. The current statement has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS), and the International Financial Reporting Standards (IFRS), and meets the requirements of currently effective sector-agnostic standards.

AS Tallink Grupp has exercised the right to delay reporting under transitional provisions, allowing the Group to enhance data quality on these requirements before reporting on all provisions becomes mandatory. The preparation of ESG data involves estimates in certain areas, which may impact reported figures. These estimates are formed based on historical experience, independent advice, external data, and other relevant information deemed reasonable under the circumstances. Unless stated otherwise, all calculations and methodologies follow the guidance provided within the ESRS framework. Further details on limitations and accounting principles are provided in the Accounting Policies sections of each chapter, if applicable.

This Sustainability Statement provides a comprehensive analysis of the Group's value chain, incorporating a double materiality assessment that considers both upstream and downstream value chain members, as well as input from internal and external stakeholders. The report maps the Group's value chain, focusing on key ESG impact areas across maritime transport, hospitality, retail, and supporting services. Sustainability efforts are integrated across operational areas such as fleet management, logistics, and procurement to ensure alignment with the Group's overall strategy.

The scope of the analysis carried out in this report covers the Group's own operations, including all operations and employees across all markets, the upstream value chain consisting of suppliers and business partners providing goods and services to the Group, and the downstream value chain, which includes customers using the Group's products or services. In this Sustainability Statement the data, objectives and action plans focus primarily on the Group's own operations due to the availability and quality of data in this area.

The Group has defined the following time horizons for itself for the purposes of the double materiality assessment, KPI-setting, action plans and the current report:

- **Short-term:** 2024-2027
- **Medium-term:** 2028-2035
- **Long-term:** 2036-2050

The timeline was established based on the Group's action plans and schedules, existing project deadlines, and international ESG goal timelines, such as those outlined in the Paris Climate Agreement and the International Maritime Organization (IMO) targets. The Group has established several KPIs and targets that are set to be achieved within the next two to three years, defining this period as the short-term timeframe. Additionally, many key industry medium-term targets are set for 2030–2035, leading the Group to align with these and define this range as its medium-term timeframe. International goals often designate 2050 as a key date for achieving significant environmental milestones, making it a logical choice for the Group's long-term timeframe.

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Incorporation by Reference

The following table outlines the locations of ESRS disclosures that have been incorporated by reference and presented outside the sustainability statement, appearing in other sections of this Annual Report.

Disclosure Requirements Incorporated by Reference

Disclosure requirement	Data point(s)		Section	Page
GOV-1	§21a	Number of executive and non-executive members of the Supervisory and Management Board	Corporate Governance Report	36-42
GOV-1 G1. GOV-1	§23a-b, §5b, §21c, §17	Members of the Supervisory and Management Board, roles of the different levels and types of governance bodies in the Group	Corporate Governance Report	37-42
SBM-1	§42, §42a-b	Business model and value chain	The Group	5-7
SBM-1	§40a i-ii, 40e-g	Business strategy and products/services	The Group Strategy	5-7 8
SBM-1	§40b	Total revenue by significant sectors	Management Report	15

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Disclosure Requirements Covered by AS Tallink Grupp's Annual Report 2024

The table below provides an overview of ESRS datapoints that derive from other EU legislation and where this information can be found if deemed material.

General Disclosures

Disclosure Requirement		Section	Page
BP-1	General basis for preparation of the sustainability statement	Basis for Preparation	49-50
BP-2	Disclosures in relation to specific circumstances	Basis for Preparation	49
GOV-1	The role of the administrative, management, and supervisory bodies Employee representatives on the Supervisory and Management Board Percentage of independent Board members	Corporate Governance Report Governance System Governance System	34-44 68 68
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance System	69
GOV-3	Integration of sustainability-related performance in incentive schemes	Governance System	69
GOV-4	Statement on due diligence	Governance System	69
GOV-5	Risk management and internal controls over sustainability reporting	Governance System	69
SBM-1	Strategy, business model and value chain	The Group Strategy Management Report ESG Strategy	5-7 8 14-15 64-66
SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	73-74 74-76
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESG Strategy Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	64-66 70,-73 77-81
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Double Materiality Assessment	70-73
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Incorporation by Reference	51-63

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Environment

Climate Change

Disclosure Requirement		Section	Page
E1-1	Transition plan for climate change mitigation	ESG Strategy	66-67
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	Climate Change	96
E1.SMB-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities Climate Change	64-66 70,-73 91-97
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Double Materiality Assessment	70-73
E1-2	Policies related to climate change mitigation and adaptation	Climate Change	91-95
E1-3	Actions and resources in relation to climate change policies	Climate Change	91-95
E1-4	Targets related to climate change mitigation and adaptation	Climate Change	91-95
E1-5	Energy consumption and mix	Climate Change	99
E1-6	Gross scopes 1, 2, 3 and total GHG emissions	Climate Change	98

Pollution

Disclosure Requirement		Section	Page
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81
E2-1	Policies related to pollution	Pollution	100-101
E2-2	Actions and resources related to pollution	Pollution	102-104
E2-3	Targets related to pollution	Pollution	100-101
E2-4	Pollution of air, water and soil	Pollution	101-104

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Water and Marine Resources

Disclosure Requirement		Section	Page
E3.IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81

Biodiversity

Disclosure Requirement		Section	Page
E4.IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81
E4.SBM.3	Material impacts, risks, and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81

Circular Economy

Disclosure Requirement		Section	Page
E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81

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Social

Own Workforce

Disclosure Requirement		Section	Page
S1.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	73-74 74-76
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81
S1-1	Policies related to own workforce	Our Colleagues	106-113
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Our Colleagues	106-113
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Our Colleagues	106-113
S1-4	Taking action on material impacts on own workforce, approaches to managing material risks pursuing material opportunities related to own workforce, and effectiveness of those actions	Our Colleagues	106-113
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Our Colleagues	106-113
S1-6	Characteristics of the undertaking's employees	Our Colleagues	106-107
S1-9	Diversity metrics	Our Colleagues	106-107
S1-10	Adequate wages	Our Colleagues	109-111
S1-14	Health and safety metrics	Our Colleagues	109
S1-16	Remuneration metrics (pay gap and total remuneration)	Our Colleagues	109-111
S1-17	Incidents, complaints, and severe human rights impacts	Our Colleagues	111

Workers in the Value Chain

Disclosure Requirement		Section	Page
S2.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	73-74 74-76
S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81
S2-1	Policies related to workers in the value chain	Governance	117-122
S2-2	Processes for engaging with workers in the value chain and workers' representatives about impacts	Governance	117-122
S2-3	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	Governance	117-122
S2-4	Taking action on material impacts on workers in the value chain, approaches to managing material risks pursuing material opportunities related to workers in the value chain, and effectiveness of those actions	Governance	117-122
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Governance	117-122

Affected Communities

Disclosure Requirement		Section	Page
S3.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	73-74 74-76
S3.SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81

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Consumers and End-users

Disclosure Requirement		Section	Page
S4.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	73-74 74-76
S4.SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-81
S4-1	Policies related to consumers and end-users	Consumers and End-Users	113-117
S4-2	Processes for engaging with consumers and end-users about impacts	Consumers and End-Users	113-117
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Consumers and End-Users	113-117
S4-4	Taking action on material impacts on consumers and end-users, approaches to managing material risks pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Consumers and End-Users	113-117
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Consumers and End-Users	117-117

Governance

Business Conduct

Disclosure Requirement		Section	Page
G1.GOV-1	The role of the administrative, supervisory, and management bodies	Stakeholder Expectations and Evaluations Stakeholder Priorities	73-74 74-76
G1.IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	70-73 77-82
G1-1	Business conduct policies and corporate culture	Governance	117-122
G1-2	Management of relationships with suppliers	Governance	117-122
G1-3	Prevention and detection of corruption and bribery	Governance	117-122
G1-4	Incidents of corruption or bribery	Governance	117-122

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List of datapoints deriving from other EU legislation

✓ material X not material — phased in

The table below provides an overview of ESRS datapoints that derive from other EU legislation, cf. ESRS 2 Appendix B and where this information can be found if deemed material.

General Disclosures

General Disclosures

Disclosure Requirement and related datapoint				Regulation	Page
GOV-1	✓	21(d)	Board's gender diversity ratio	SFDR	68
GOV-1	✓	21(e)	Percentage of independent Board members	SFDR	68
GOV-4	✓	30	Statement on due diligence	SFDR	69
SBM-1	✓	40 (d) i	Activity in fossil fuel sector	SFDR	100
SBM-1	X	40 (d) ii – 40 (d) iv	Activity in chemical, controversial weapons, and/or tobacco industry	SFDR	N/A

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Environment

Climate Change

Disclosure Requirement and related datapoint				Regulation	Page
E1-1	✓	14	Transition plan for climate change mitigation	EU Climate Law	66-67
E1-1	X	16 (g)	Exclusion from EU Paris-aligned Benchmarks	Pillar 3, Benchmark regulation	N/A
E1-4	✓	34	Emission reduction targets	SFDR, Pillar 3, Benchmark regulation	91-93
E1-5	✓	37	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	99
E1-5	✓	38	Energy consumption and mix	SFDR	99
E1-5	✓	40-43	Energy consumption and intensity from activities in high-climate-impact sectors	SFDR	99
E1-6	✓	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR, Pillar 3, Benchmark regulation	98
E1-6	✓	53-55	Gross GHG emissions intensity	SFDR, Pillar 3, Benchmark regulation	99
E1-7	X	56	GHG removals and carbon credits	EU Climate Law	N/A
E1-9	–	66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark regulation	Phased in
E1-9	–	66 (a) 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk	Pillar 3	Phased in
E1-9	–	67 (c)	Financial opportunities (cost savings, market size and changes to net revenue) from climate change actions	Pillar 3	Phased in
E1-9	–	69	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Benchmark regulation	Phased in

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Pollution

Disclosure Requirement and related datapoint				Regulation	Page
E2-4	✓	28	Emissions to air, water, and soil	SFDR	100-104

Water and Marine Resources

Disclosure Requirement and related datapoint				Regulation	Page
E3-1 E3-4	X	9, 13, 14, 28 (c), 29	All disclosures	SFDR	N/A

Biodiversity

Disclosure Requirement and related datapoint				Regulation	Page
E4-2	X	24	All disclosures	SFDR	N/A

Circular Economy

Disclosure Requirement and related datapoint				Regulation	Page
E5-5	X	37, 39	All disclosures	SFDR	N/A

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Social

Own Workforce

Disclosure Requirement and related datapoint				Regulation	Page
S1.SBM-3	✓	14 (f)	Risk of incidents of forced labour	SFDR	109
S1.SBM-3	X	14 (g)	Risk of incidents of child labour	SFDR	N/A
S1-1	✓	20-23	Human rights policy commitments	SFDR	107-108
			Due diligence policies	Benchmark regulation	69
			Processes and measures for preventing trafficking in human beings	SFDR	108-108
			Workplace accident prevention policy or management system	SFDR	109
S1-3	✓	32 (c)	Grievance/complaints handling mechanisms	SFDR	109
S1-14	✓	88 (b), 88 (c)	Number of fatalities and rate of work-related accidents	SFDR, Benchmark regulation	109
S1-14	–	88 (e)	Number of days lost to injuries, accidents, fatalities, or illness	SFDR	109
S1-16	✓	97 (a)	Unadjusted gender pay gap	SFDR, Benchmark regulation	110
		97 (b)	Excessive CEO pay ratio	SFDR	111
S1-17	✓	103 (a)	Incidents of discrimination	SFDR	111-113
		104 (a)	Severe human rights issues and incidents	SFDR, Benchmark regulation	

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Workers in the Value Chain

Disclosure Requirement and related datapoint				Regulation	Page
S2.SBM-3	✓	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	79-80
S2-1	✓	17-19	Human rights policy commitments	SFDR, Benchmark regulation	118-119
			Policies related to workers in the value chain		118-119
			Non-respect of UNGPs on Business and Human Rights, and OECD guidelines		118-119
			Due diligence policies		69
S2-4	✓	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	119-120

Affected Communities

Disclosure Requirement and related datapoint				Regulation	Page
S3-1 S3-4	X	16, 17, 36	All disclosures	SFDR, Benchmark regulation	N/A

Consumers and End-users

Disclosure Requirement and related datapoint				Regulation	Page
S4-1	✓	16	Policies related to consumers and end-users	SFDR	113-117
S4-1	✓	17	Non-respect of UNGPs on Business and Human Rights, and OECD guidelines	SFDR, Benchmark regulation	114-115
S4-4	✓	35	Human rights issues and incidents	SFDR	114-115

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Governance

Business Conduct

Disclosure Requirement and related datapoint				Regulation	Page
G1-1	✓	10 (b)	United Nations Convention against corruption	SFDR	121-122
G1-1	✓	10 (d)	Protection of whistleblowers	SFDR	117-118
G1-4	✓	21 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR, Benchmark regulation	121-122
G1-4	✓	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	121-122

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ESG Strategy

The Group's strategy, description of its services, markets and segments, as well as the number of employees, can be found in this Annual Report on pages 5-8 and 13. This section focuses specifically on how sustainability considerations are integrated into the Group's strategy, business model, and value chain.

The Group's sustainability objectives are aligned with its overall strategy , reflecting the integration of key ESG impact areas into its strategic framework. This alignment ensures that the Group not only meets regulatory and stakeholder expectations but also drives long-term value creation through sustainable practices. The Group's strategic cornerstones, as outlined in this report on page 8, inherently support ESG principles without altering the Group's established objectives. These connections are reflected in the following areas:

- Achieving the highest levels of customer satisfaction is directly linked to ESG areas such as customer safety, data protection, and human rights, thus strengthening customer trust and loyalty while upholding ethical business practices.
- The Group's strategy to develop a wide range of high-quality services for a broad customer base is closely tied to fostering sustainable business relationships within the supply chain and implementing environmental practices that promote greener and more sustainable service delivery. Additionally, the Group emphasises the importance of ensuring good working conditions for employees, as their well-being is essential for delivering quality services.
- Improving profitability and strengthening market leadership is directly linked to tackling climate change and reducing air pollution, as all topics related to protecting the environment and operating in a more environmentally friendly manner enhance competitiveness. The Group leverages energy-efficient technologies and green innovations, which have proven to deliver cost savings for the Group, thus aligning economic performance with environmental responsibility.

The Group's value chain reflects the outcomes of the double materiality assessment, which identified the key stages where the Group's operations have the most significant environmental, social, and economic impacts. This analysis guided the integration of sustainability considerations into the Group's strategic frameworks, ensuring that both the financial risks and opportunities associated with sustainability and the broader responsibilities towards stakeholders and the environment are addressed.

- The Group relies on energy and materials that align with operational needs and, therefore, monitor advancements in sustainable fuel and renewable energy technologies.
- Operational activities prioritise energy efficiency and adherence to regulatory requirements, supported by continuous investments in innovative technologies.
- Services delivered to customers reflect the Group's commitment to quality and environmental responsibility, reducing emissions and meeting stakeholder expectations.

The Group's engagement with stakeholders was primarily conducted as part of the DMA, and their perspectives were integrated into the analysis to identify and prioritise material impacts, risks, and opportunities.

The Group's Value Chain

The primary value chain members include employees, key stakeholders such as suppliers (fuel, technology), business partners (ports, financing partners, investors), and customers (tour operators, loyal customers), and authorities. During the 2023-2024 double materiality assessment process, the Group engaged with most of these primary stakeholders, except for key customers and authorities.

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Despite outreach efforts to key customers and authorities via emails, survey invitations, and interview requests, their engagement proved less successful.

Regular stakeholder engagement takes place through various channels, including in-person meetings, such as quarterly coffee mornings with the CEO, bi-annual vessel visits for employees, planned meetings with business partners, supplier seminars, and customer interactions via e-correspondence and Group-owned channels. Additionally, regular surveys and other forms of correspondence provide insights that are reviewed in management meetings and incorporated into the Group's decision-making processes.

The secondary value chain members consist of the wider supplier and business partner network, communities, NGOs, and media. While they had the opportunity to contribute to the survey, their participation remained limited. The first DMA cycle focused primarily on engaging primary stakeholders, with an agreement to expand the engagement process in the coming years.

PRIMARY ACTIVITY	**Inbound Logistics** Sourcing sustainable marine fuels (LNG, biofuels) and traditional fuels from suppliers. Procuring vessels from shipbuilders and retrofitting older vessels to enhance fuel efficiency. Procuring technology and equipment for navigation, energy efficiency, and communication, including software for logistics and data management.	SUPPORT ACTIVITY	**Governance & Compliance** Ensuring compliance with the EU regulations, including the Corporate Sustainability Reporting Directive (CSRD), and meeting the European Sustainability Reporting Standard (ESRS) for non-financial environmental, social, and governance (ESG) metrics.

PRIMARY ACTIVITY	**Operations** Passenger and Cargo Transport: Providing ferry and cruise services across the Baltic Sea (Estonia, Finland, Sweden). Optimising routes to reduce fuel consumption, managing waste responsibly on vessels, and implementing energy-efficient practices. Onboard Services: Offering dining, shopping (travel retail), and entertainment services onboard. Focus on sourcing local and sustainable products, reducing single-use plastics, and improving energy efficiency (e.g., lighting, HVAC systems).	SUPPORT ACTIVITY	**Human Resources** Training and development for staff, with a focus on customer service, sustainability practices, and safety. Emphasis on continuous learning, especially in environmental and safety protocols.

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PRIMARY ACTIVITY	**Outbound Logistics** Logistics & Distribution (Cargo): Delivering cargo to ports and managing logistics for efficient loading/unloading. Collaboration with green logistics partners and using electrified vehicles where possible.	SUPPORT ACTIVITY	**Technology & Innovation** Investing in advanced technologies like wind-assisted propulsion systems, emission control technologies, and digital tools for optimising routes and fuel consumption. Commitment to continuous innovation in reducing environmental impacts.

PRIMARY ACTIVITY	**Marketing & Sales** Customer Engagement: Managing ticket sales (both online and through agencies), marketing campaigns, and enhancing the onboard customer experience. Offering digital tickets and promoting sustainability initiatives, such as carbon offset programs. Onshore and Online Retail: Providing travel retail services both onboard ferries and in onshore shops, as well as through online platforms. Focus on sustainable product offerings.	SUPPORT ACTIVITY	**Procurement** Engaging with suppliers and stakeholders to source eco-friendly materials, products, and services across all operations, from fuel procurement to retail goods. Preference for local, sustainable, and fair-trade products.

PRIMARY ACTIVITY	**Services** Onshore Accommodation & Restaurants: Providing hospitality services at onshore hotels and restaurants, with a focus on sustainability (e.g., sourcing local food, reducing waste, improving energy efficiency). End-of-Life Initiatives: Responsible vessel decommissioning, adhering to the EU regulations. Recycling ship materials and components, promoting circular economy practices.

Climate Change Mitigation Strategy

AS Tallink Grupp has identified climate change mitigation as a material and strategic issue, given the significant role of its shipping operations in global greenhouse gas (GHG) emissions and the regulatory landscape. The development, approval, and execution of the transition plan for climate change mitigation will be the responsibility of the Group's Management Board, in collaboration with respective experts and departments, as well as external experts and business partners. The Group is currently in the process of developing its transition plan, which is anticipated to finalise in the coming years. This is primarily due to the fact that the key lever for achieving the ambitious climate targets set for shipping remains unclear, and there is no definitive solution to the industry's challenge of identifying sustainable shipping fuels for the future. Until a global consensus is reached on whether the next fuel for passenger vessels will be ammonia, hydrogen, green ammonia, biofuel, nuclear, or another option, the transition plans will remain indicative rather than prescriptive. The Group continuously monitors technical

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developments and trends in fuel and other technologies by participating in international industry and sector events and maintaining close contact with technology developers and relevant authorities.

The Group aims to reduce its absolute CO_2 emissions within Scope 1 and Scope 2 in line with EU medium- and long-term targets, such as the FuelEU Maritime Regulation, as well as the objectives set by the International Maritime Organization (IMO). The Taxonomy Report including financial data related to climate change mitigation can be found on pages 83-90.

Strategic principles for achieving the above KPIs and targets include the following:

- AS Tallink Grupp will focus its main activities and investments in the area of GHG emissions reduction of its shipping operations, as the majority (over 63%) of the Group's Scope 1 and Scope 2 emissions arise from these operations.
- In addition to CO_2 emissions, the Group will include other harmful GHG emissions (e.g., methane, nitrous oxide) into the scope of emissions reductions. Thus, the Group refers to the strategy as GHG Emissions Reduction Strategy (and not de-carbonisation strategy).
- The Group has currently adopted the position that it will focus on achieving actual and real GHG emissions from its own operations and will only engage in carbon offsetting initiatives that demonstrate proven environmental results. The Group will not engage in any activities with a high risk of greenwashing or unjustified green claims.

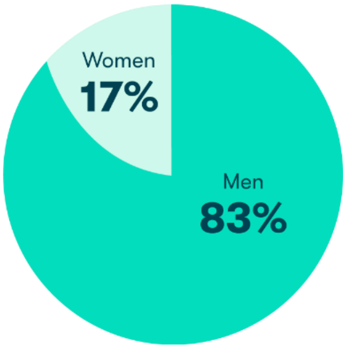
The Group's implementation strategy is structured across short-, medium-, and long-term horizons:

- **Short-term (2024-2027)** achievement of GHG emissions reductions mainly include sourcing and implementing technological solutions on board its vessels, enabling the Group to reduce fuel consumption and increase energy efficiencies, thus achieving emissions reductions.
- **Medium-term (2028-2035)** achievement of GHG emissions reductions also include technological advances that enable vessels to increase energy efficiency and reduce fuel consumption, as well as collaborations with providers of carbon capture solutions.
    - The Group's medium-term achievement of onshore GHG reductions on a smaller scale include the gradual transition to using renewable shore power during longer port stays, provided that the supply of such green energy is sufficient, and the cost is not higher than other available energy solutions.
- **Long-term (2036-2050)** achievement of GHG emissions reductions are based on the expectation and assumption that a sustainable alternative shipping fuel will be developed and available to shipping companies within the next 5-10 years.
- **Medium- to long-term** achievement of GHG emissions reductions additionally include sourcing and utilising viable biofuels, and their availability, legislation, cost, and proven environmental credentials.

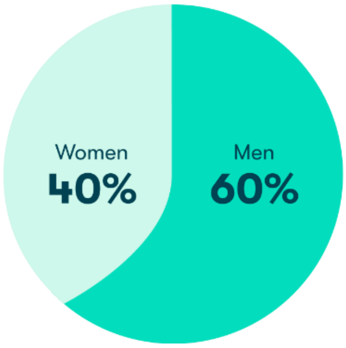
Governance System

The Corporate Governance Report of AS Tallink Grupp, made in accordance with the Estonian Accounting Act, includes an overview of the organisation and administration of governance in the Group, members of the Supervisory and Management Board, and roles of the different levels and types of governance bodies in the Group, and can be found on pages 34-44 of this Annual Report.

Gender Ratio of the Supervisory Board



Gender Ratio of the Management Board



Supervisory and Management Board

The Supervisory Board of AS Tallink Grupp is composed of six members, all of whom receive remuneration from the Group. The percentage of independent board members in the Group's Supervisory Board is 16.7% (i.e., one out of six members). There is no representation of employees or other workers within the Management or Supervisory Board.

All five members of the Group's Management Board are wage-earning employees of the Group. Incentive schemes and remuneration policies for administrative and supervisory bodies are currently not linked to any sustainability matters, including emission reduction targets. Each Management Board member of AS Tallink Grupp has a clear responsibility for specific areas of its operations, governance, and policies.

ESG Management and Oversight

ESG action plans are led by the Group's Head of ESG (in 2024 Group Head of Communications and ESG, from 2025 onwards by the Group Head of ESG) reporting directly to a Management Board Member responsible for ESG. ESG topics are added to the Management Board's agenda on a regular basis, with an average frequency of at least once a quarter, and are discussed with the CEO on a weekly basis. Additionally, AS Tallink Grupp has an Internal Audit department, whose role is to provide independent and objective assurance that an organisation's risk management, governance, and internal control processes are operating effectively. This includes the implementation of sustainability reporting procedures, which will be formally integrated into internal audit processes starting in 2025. While ESG topics are already part of the audit scope, their implementation and oversight will be monitored and refined as the framework develops. The Internal Audit department works based on the annual audit plan that is conducted once a year and approved by the Management Board. The internal audit drafts an audit report and presents it to the Management Board. There are regular follow-up audits to check if the risks presented in the audit have been mitigated.

The identification of the Group's impacts, risks and opportunities (IROs) is a continuous shared responsibility by the entire Management Board. As decided by the Management Board, the supervision and the implementation of the action plans aligned with the identified IROs and achieving the KPIs rests with the Management Board Member Piret Mürk-Dubout, who has completed the London School of Business programme on Sustainability Leadership and Corporate Responsibility.

The Group works with external experts and consultants where additional knowledge or expertise in certain areas is needed. In 2024, external support was utilised during the double materiality assessment process, the ESG data GAP-analysis, and the development of new data collection and calculation processes for Scope 1, 2, and 3 GHG emissions. AS Tallink Grupp relies exclusively on established consultancy firms for advisory services. Applied scientists have assisted in developing methodologies for surveys and research needed to support a comprehensive double materiality assessment and the identification of IROs. Additionally, the expertise of climate, ESRS, and CSRD specialists have been utilised to complement the Group's in-house knowledge in GHG emissions methodologies and calculations. Data collection methodologies are developed and implemented in collaboration with the finance team and controllers, and data quality is verified by internal experts, ensuring accuracy and consistency.

Risk Management and Sustainability Reporting

The Group's Management Board incorporates identified IROs into the development and implementation of the Group's strategy, decision-making processes, and overall risk management. ESG risks are not prioritised differently from other risks but are considered on the same basis as part of the Group's overall risk management framework. Issues relating to IROs have been raised with the Group's cross-function leadership team and Management Board during the 2024 in regular meetings that take place either bi-weekly or monthly, with ESG updates and issues added to agendas. The IROs raised in 2024 meetings included preparations for CSRD-compliant reporting; policy updates in key IRO areas, such as carbon emission reductions, human rights, employee health, safety and well-being, and supply chain governance; ESG KPI setting; carbon reduction strategy and action plans; and other related topics. For major strategic decisions, ESG aspects are considered, including the environmental impact and implications for employees.

The Group has increased resources dedicated to ESG reporting, strategy, and action plans. From Q4 2024, this includes an FTE role for ESG leadership and an additional role in the finance department for ESG controlling. Any future ESG reporting risks will be identified through regular meetings with key stakeholders and discussed in Management Board meetings on a weekly basis to ensure proactive risk management and compliance.

As part of the commitment to responsible business conduct, AS Tallink Grupp has implemented a comprehensive due diligence process to identify, assess, prevent, mitigate, and remediate actual and potential impacts on people and the environment. This approach aligns with internationally recognised frameworks, including the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. Below is a structured mapping of the core elements of due diligence to the relevant disclosures in this sustainability statement.

Responsible business conduct in operations | Engaging with affected stakeholders | Identifying and assessing adverse impacts | Cease, prevent, or mitigate impact | Track implementation and results

Double Materiality Assessment

Methodology

The identification and assessment of impacts, risks, and opportunities (IROs) identified for AS Tallink Grupp, and its value chain have been aligned with the sustainability matters outlined in the topical ESRS standards. For material IROs covered by a topical standard, the required ESRS disclosures are provided. For entity-specific topics, the minimum disclosure requirements serve as the foundation for reporting on policies, actions, targets, and metrics. For a detailed index of information covered in this sustainability statement, see pages 51-63. The analysis was carried out on a consolidated basis, encompassing all entities within AS Tallink Grupp and its subsidiaries.

The Management Board of AS Tallink Grupp considers, among other aspects, IROs as part of the Group's decision-making process during regular meetings. These considerations are also integrated into the annual budgeting process, conducted in Q3 and Q4. The budget is also regularly monitored by the Management Board on a monthly basis and by the Supervisory Board quarterly. Moreover, various committee meetings routinely evaluate both existing and potential IROs to ensure comprehensive oversight.

The identification of IROs followed a top-down approach, guided by strategic-level decision-making. The double materiality assessment and identified IROs align with the sustainability statements covered in this report, ensuring that the topics assessed determine the content of sustainability disclosures.

All sustainability matters, where the Group both influences and is influenced by the external environment, were identified through an analysis of the business model and value chain. This process defined specific impacts, risks, and opportunities over short-, medium-, and long-term time horizons. From the defined IROs only negative impacts and risks were deemed relevant. This reflects prevailing geopolitical and economic challenges, which currently constrain the potential for positive development. However, potential opportunities and positive impacts were also considered, though none were identified as material at the time of the analysis.

The assessment distinguished actual impacts, which have already occurred or are certain to occur, and potential impacts, which may develop over time. The materiality of actual impacts was evaluated based on their severity, while emerging impacts were assessed by considering both their likelihood and severity. Severity assessments factored in the scale, scope, and remediability of consequences. Risk assessment included an evaluation of both the magnitude of the risk and its likelihood of occurrence.

The methodology for AS Tallink Grupp's double materiality assessment was developed by Estonian Center for Applied Sciences CentAR and included the following:

[1] ESG topics correspond to the classification outlined in the ESRS.

[2] Stakeholder opinions were collected via an anonymous online survey, supplemented by focus group discussions and separate interviews with key partners.

[3] Specific ESG impacts were filtered based on the preliminary mapping conducted by the Group's management, stakeholder surveys, and interviews.

[4] Explanatory notes describe the essential aspects and context of specific ESG impacts.

[5] The objective of AS Tallink Grupp's data collection is to support the evaluation of material impacts with factual information, including:

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- Data from the past year (or, where available, from recent years) to inform the assessment of specific ESG impacts.
- Key rules, guidelines, and procedures in place within AS Tallink Grupp.
- International agreements and national regulations relevant to the topics, which the Group complies with.

[6] Likelihood is assessed in the short-, medium-, and long-term, and is estimated as a percentage.

[7] In evaluating the Group's potential impacts on the natural environment and people across all ESRS sustainability matters, three criteria must be considered in addition to likelihood: the scale of the impact, the scope of the impact, and the irremediability or compensability of the impact (irremediable character). Each criterion is rated separately on a scale of 0–5. Explanations on how to interpret the distinct levels of the scale are provided in the accompanying evaluation guidelines.

- 0: No impact / negligible scope / no need for remediation
- 1: Minimal impact / minimal scope / easily reversible
- 2: Minor impact / limited scope / requires effort to reverse
- 3: Moderate impact / moderate scope / difficult to reverse
- 4: Significant impact / large scope / very difficult to reverse
- 5: Very significant impact / extensive scope / irreversible or global consequences

[8] In assessing the surrounding environment, such as risks and opportunities across all ESRS sustainability matters (arising from the natural (including physical risks), business, social, and regulatory environments (including transition risks)), some of which may stem from previously detected impacts and dependencies, the evaluation must consider the (potential) effects on the Group's development, financial position, financial performance, cash flow, and cost of capital both in the short-, medium-, and long-term. This is also rated on a scale of 0–5. One approach to scoring involves assessing the potential effect on the Group's net profit or the ratio of additional costs incurred to net profit.

- 0 (no negative impact): No or negligible reduction in profit. Business operations and profitability remain stable.
- 1 (minimal impact): Profit reduction of up to 5%. The impact is short-term and does not significantly affect the Group's long-term financial health.
- 2 (minor impact): Profit reduction of 5–10%. The impact may last for a moderate period, but the Group is likely to recover without lasting consequences.
- 3 (moderate impact): Profit reduction of 10–20%. The impact may be long-term, requiring significant adjustments in strategy or operations.
- 4 (significant impact): Profit reduction of 20–50%. Business operations are significantly disrupted, likely requiring major structural changes or capital injections.
- 5 (very significant impact): Profit reduction of over 50% or the Group becomes permanently unprofitable. Substantial restructuring is needed, and the cessation of business operations cannot be ruled out.

[9] The overall evaluation represents the Group's consolidated view on whether its impact on the environment and people (on the topic in question), or the surrounding environment's effect on the Group is material. If it is, a detailed overview of the current status, plans, objectives, and related information must be included in AS Tallink Grupp's ESG report. The overall score is determined using the following matrix. An impact is considered material if the overall score is 4 or higher.

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Materiality assessment matrix of an IRO:

Severity						
5	0	4	4	5	5	5
4	0	3	3	4	4	4
3	0	2	2	3	3	3
2	0	1	1	2	2	2
1	0	1	1	1	1	1
0	0	0	0	0	0	0
Probability	0%	1–25%	26–50%	51–75%	75–99%	100%

Impacts with a materiality score greater than or equal to four are considered material. **Note:** In the case of a negative impact on human rights, the severity score of the impact determines the final materiality score. In such cases, the likelihood of the impact occurring is not relevant.

The basis of the double materiality assessment was stakeholder engagement. The Group identifies stakeholders based on their role as either affected stakeholders or sustainability report users. The Group's primary stakeholders include its employees, customers, partner companies, suppliers, investors, financiers, policymakers, and the communities associated with its operations. Stakeholders were consulted during the materiality assessment process, and their perspectives provided qualitative input for the materiality assessment.

As input for assessing climate-related impacts, AS Tallink Grupp utilised the results of the 2023 greenhouse gas (GHG) assessments for Scope 1 and Scope 2 emissions. The assessment of GHG emissions was based on the methodology of the GHG Protocol. Additionally, the analysis of the impact of climate change on the Group's activities, conducted within the framework of the EU Taxonomy for Sustainable Activities, was used as an input. In analysing both climate change and other thematic areas, key sources of information included assessments from the Group's in-house subject matter experts, as well as reports such as the Eurobarometer on Climate Change, EU Climate Strategies and Targets, EU Progress on Climate Action, the Estonian Climate Change Adaptation Development Plan until 2030, and several other research and survey findings.

Process

Business Process Analysis

The business process analysis examined the Group's economic activities and supply chain, drawing on previous annual reports. The analysis resulted in an initial list of channels through which AS Tallink Grupp influences the broader environment and is, conversely, influenced by it. This list of channels was developed during a workshop attended by the Group's Management Board members, key department heads, and experts, and it served as the starting point for mapping impacts, risks, and opportunities.

Stakeholder Engagement

To engage stakeholders, an online questionnaire was sent out to employees, customers, suppliers (also representing workers in the value chain as a proxy), investors, and other business partners, all of whom were invited to evaluate the significance of various sustainability-related topics. While specific affected communities were not directly engaged in the survey, all other stakeholder groups act as representatives for communities' interest regarding all environmental matters. The survey results were further discussed with stakeholders in focus groups and interviews. These engagement activities provided a foundation for identifying potential IROs. Stakeholder feedback helped determine which sustainability topics were most relevant to the Group's operations and value chain. The results of the stakeholder engagement activities have been presented to the Group's Management Board and discussed with board members during regular Management Board meetings.

Mapping and Assessing Impacts, Risks, and Opportunities

Before the assessment began, the Group identified a preliminary list of potential IROs based on its key ESG impacts and stakeholder feedback. This preliminary mapping process included:

- Reviewing sustainability standards and regulations to identify relevant sustainability areas.
- Analysing input from stakeholder engagement activities to highlight critical topics
- Identifying sustainability matters through which the Group's operations affect the environment, society, and governance.

The preliminary list was then refined and validated during a workshop with the Group's employees from relevant departments. Employees were provided with guidance materials and assessment tables, which were completed by those responsible for the respective areas. The quality of the assessment results was reviewed by external experts. Subsequently, the findings were discussed in the working group, with additional refinements and adjustments made. The results of the assessment were approved by the Group's Management Board.

Stakeholder Expectations and Evaluations

The Group recognises that its impact on society and the environment extends beyond its direct business activities and daily operations. As such, the Group places significant importance on continuous and substantive collaboration and dialogue with key stakeholders, who are both influenced by and influence the Group's business operations. The Group believes that open dialogue and mutually agreed-upon procedures for exchanging critical information foster stronger collaboration, improve service quality, and mitigate risks. This approach allows AS Tallink Grupp to better align its operations with the expectations of its key stakeholders and to contribute consistently to the well-being of communities and environmental sustainability.

As part of a key stakeholder mapping process conducted in partnership with external experts, the Group identified its primary stakeholders: employees, suppliers, finance partners, business partners (e.g. ports), customers, investors. Secondary and tertiary stakeholders were also identified during this process but were not included in the initial DM analysis.

Stakeholder expectations and suggestions are gathered through meetings, surveys, and feedback forms. These activities are integral parts of the double materiality assessment process, where sustainability-related information is exchanged, and stakeholder expectations are mapped. To deepen this understanding, the Group conducted an additional survey targeting representatives from key stakeholder groups. This survey aimed to identify significant topics related to AS Tallink Grupp's activities and areas where the Group has the most impact on their well-being or the environment. To validate the survey results and gain further insight into stakeholder expectations, in-depth interviews and focus groups were held with representatives of several key stakeholder groups.

For this sustainability report, AS Tallink Grupp engaged employees, suppliers, partners, investors, and financiers across all locations within the Group, each of whom has different sustainability-related expectations, priorities, and areas of significance. This information has been a vital input for selecting material topics and defining goals and metrics. Moving forward, the Group aims to continue and enhance its stakeholder engagement, expand information exchange, and further refine its mapping of expectations and impact assessments during the preparation of the 2025 sustainability report.

Stakeholder Priorities

Stakeholders were invited to share their perspectives on the importance of various sustainability areas — environmental issues, social topics, and governance practices — through a structured questionnaire. They were also asked to evaluate AS Tallink Grupp's impacts and the associated risks in these areas. Additionally, all respondents were given the opportunity to elaborate on their views through open-ended questions, which were widely utilised to provide deeper insights.

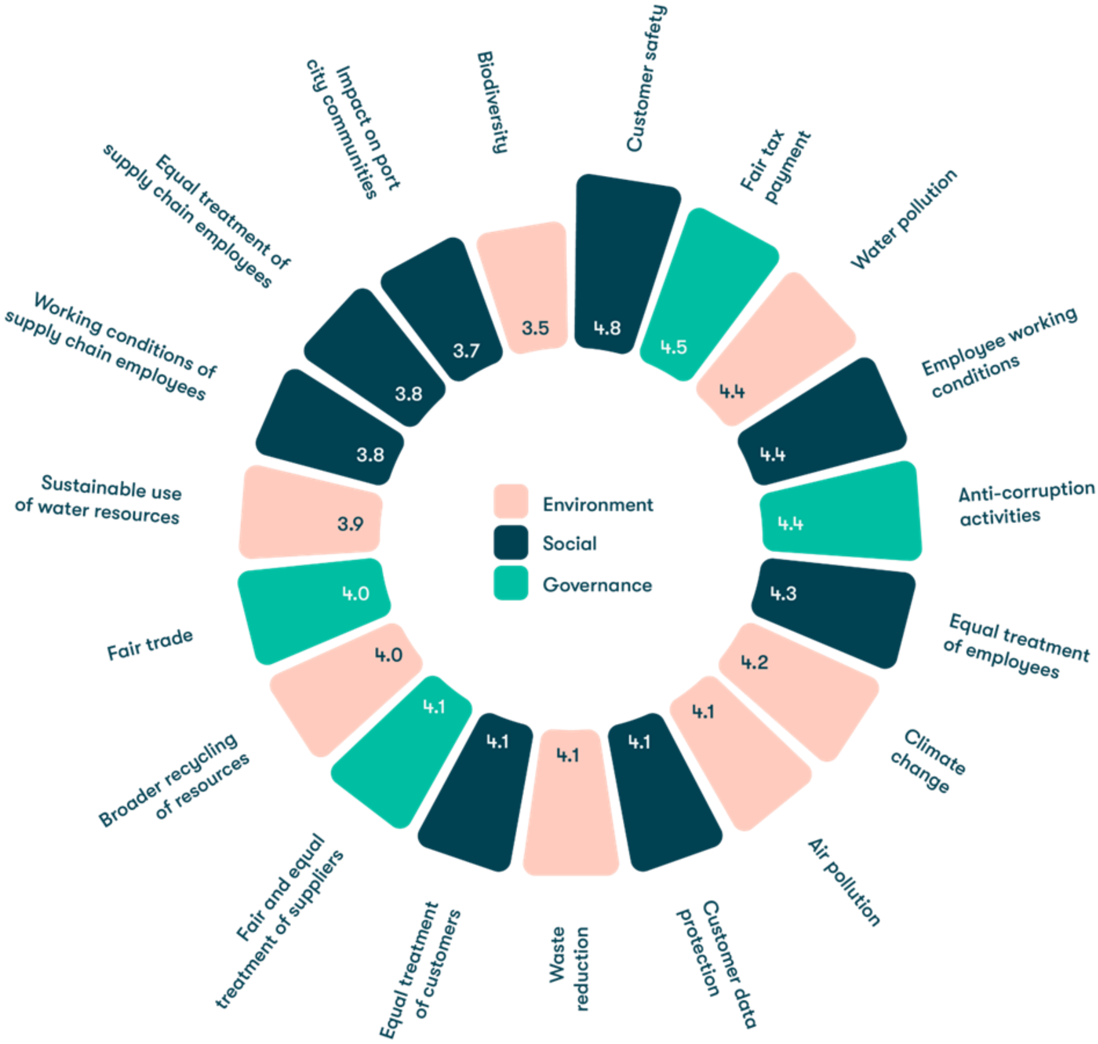
The survey revealed that all key sustainability areas are equally important to stakeholders, with nearly all topics received an average rating of over four on a five-point scale. This indicates that stakeholders consider sustainability topics highly significant. However, the survey results alone are insufficient for prioritising activities. Even large organisations cannot address all topics with equal intensity and must focus their efforts.

Consequently, the Group's list of material topics does not align directly with the survey results but also considers other factors. For instance, some topics identified as important by stakeholders are already governed by strict IMO regulations, such as marine pollution from ships, which has been minimised over the years.

In addition to the survey, in-depth interviews were conducted with stakeholders, yielding detailed and meaningful suggestions as well as specific expectations tailored to individual stakeholder groups. These insights are highly valuable to the Group and will form the basis for continued collaboration, even if not all of them are reflected in the sustainability report.

The following illustration highlights only a few of the most emphasised aspects identified through stakeholder feedback. As a result of the feedback received, AS Tallink Grupp has not made any changes to its strategy or business model at present.

Stakeholders' assessments of topic materiality average score on a scale of 0 (immaterial) to 5 (highly material):



The expectations of regulators and policymakers were not separately mapped, as they can be inferred from rapidly changing regulations and increasingly comprehensive international agreements. Compliance with these regulations and alignment with them are of critical importance both for AS Tallink Grupp and all its stakeholders. A general expectation expressed by many stakeholder representatives was the need for continuous and open exchange of information and experiences on sustainability topics. This sustainability report serves to support that objective.

Key topics highlighted by stakeholder groups:

Stakeholder group	Material topics, risks and expectations in relation to AS Tallink Grupp's sustainability strategy	Affected stakeholders	Sustainability Report users
Own workers	→ Meaningful work, equal treatment of employees both at sea and on land, across all operating countries, fair remuneration, and development opportunities. → Waste management and reducing waste generation are considered significant opportunities by employees. While substantial efforts are already being made, employees provided many new suggestions for improvement.	✓	
Customers	→ Transparency and open exchange of information regarding environmental, social, and governance aspects of operations. → Protection of customer data. → Availability of environmentally friendly and sustainable options within the range of services.	✓	
Suppliers and business partners	→ Compliance with rapidly changing regulations and standards is a primary expectation. → Sustainability topics are increasingly at the core of corporate strategies, with ambitious environmental goals, making minimal environmental impact across their supply chains crucial. → At the same time, Tallink Grupp has numerous suppliers, presenting opportunities for collaboration to make its supply chains more environmentally friendly.	✓	✓
Logistics partners, ports	→ Collaboration with communities living around ports is very important, and its significance continues to grow. → Joint efforts are needed in transportation and logistics to reduce greenhouse gas emissions related to boarding and disembarking. → Increased use of shore power, particularly clean shore power, is necessary.	✓	
Finance providers	→ ESG topics are considered an integral part of business culture by financiers, with high expectations in this area. Every client is expected to transition to clean operations (including a transition plan) and align with banks' sectoral policies. → Banks have ambitious goals regarding the environmental impact of their portfolios and require continuous updates on progress, making open data exchange critically important. → Beyond ongoing operations, the entire lifecycle of ships and the recycling or reuse of materials at the end of their service life is also a key consideration.	✓	✓
Investors	→ Strategies, action plans, and activities must be in place to mitigate risks related to environmental, social, and governance (ESG) issues and to ensure the sustainability of the Group's business model.	✓	✓

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Overview of Material Impacts, Risks, and Opportunities

Based on stakeholder assessments and expectations, as well as an evaluation of all identified potential impacts, risks, and opportunities, the Group's ESG working group focused primarily on identifying material impacts and risks. AS Tallink Grupp identified six key impact areas, encompassing a total of nine specific issues that will receive heightened attention in the coming years.

Climate Change and Air Pollution

Topic	IRO type	Origin	Time horizon	Strategic goal
GHG emissions from vessels and other equipment and sources.	Actual impact (negative)	Own operations	Short- and medium-term	Reduce Scope 1 and Scope 2 GHG emissions; elaborated under the chapter Climate change
GHG emissions as a result of purchased energy.	Actual impact (negative)	Upstream value chain	Short- and medium-term	

AS Tallink Grupp's GHG emissions originate from shipping, with additional emissions from shore operations and those associated with hotel services. In alignment with the goal of mitigating climate change, the Group monitors progress toward the following key objectives:

Objective	Baseline (2023, unless stated otherwise)	Target (2030)
Reduce the Group's Scope 1 and Scope 2 emissions	423 211 tCO_2e	Per annum reduction of at least 2% (in absolute terms)
Meet the requirements of FuelEU Maritime Regulation	91.16 grams CO_2 e per MJ	In line with FuelEU Maritime regulation[1]

The Group's commitment to reducing GHG emissions and complying with the FuelEU Maritime regulation ensures its resilience against evolving regulatory requirements and market expectations, safeguarding both financial stability and operational continuity over the medium term. The Group recognises that its material impacts, such as Scope 1 and Scope 2 GHG emissions, have significant financial implications. By achieving a 2% annual reduction in Scope 1 and Scope 2 emissions, the Group expects to mitigate potential carbon taxes and improve operational efficiency. While the exact financial impacts are subject to carbon market fluctuations, the detailed disclosure will be available in subsequent reports as more data becomes available.

The DMA confirms that the Group's business activities do not have any material impacts, risks or opportunities regarding water and marine resources, biodiversity and ecosystems, or circular economy and resource use that are not already sufficiently covered under disclosures connected to other topical

[1] The FuelEU Maritime Regulation (Regulation (EU) 2023/1805) requires that, between 2025 and 2030, the carbon intensity of energy used on ships must be 2% lower than the baseline level of 91.16 g-CO_2e per MJ, resulting in a limit of 89.34 g-CO_2e per MJ.

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standards. Additionally, as the Group has no operational sites in or near biodiversity-sensitive areas, it has therefore concluded that there is no reason to implement any special mitigation measures. While water pollution was not assessed as a material matter, the Group has still decided to report on its initiatives in this area due to high stakeholder interest and to ensure historical continuity.

Own Employees' Working Conditions and Equal Treatment

Own Employees' Working Conditions

No significant material issues were identified regarding employee working conditions; however, ensuring health and safety of all maritime employees remains a top priority for the Group. Workplace accidents and health risks not only impact employees' well-being but also pose potential financial risks due to compensation claims, regulatory compliance, and operational disruptions.

Topic	IRO type	Origin	Time horizon	Strategic goal
Own workers' work accidents need to be maintained on current level or reduced to ensure health and safety of employees.	Risk	Own operations	Short-, medium-, and long- term	Maintain a low-level baseline of work accidents short-term, reduce accidents medium-term, and maintain 0 fatal work accidents baseline.
Own workers' health and safety at work.	Risk	Own operations	Short-, medium-, and long- term	

The Group's strategic focus on maintaining a low Lost Time Injury Frequency Rate (LTIFR) and zero fatal accidents supports its resilience by ensuring a safe and productive working environment. These goals align with the Group's broader sustainability strategy to foster employee well-being and operational stability.

Objective	Baseline (2023, if not stated otherwise)	Target (2030)
Maintain baseline LTIFR level or below across group short-term and reduce LTIFR level long-term.	LTIFR baseline: 13.3	Maintain low-level baseline level.
Maintain a 0 fatal work accident level across the group (excl. fatal incidents resulting from underlying health issues).	Number of fatal work accidents: 0	Number of fatal work accidents: 0

Human Rights in the Value Chain

Prevention of Human Rights Violations

The Group acknowledges the importance of human rights risks concerning workers in its supply chain, particularly child labour and unsafe working conditions. While no specific violations have been identified to date, these risks remain material due to the complexity of global supply chains. Addressing these risks through an enhanced due diligence practice not only safeguards workers' rights but also mitigates financial risks such as legal penalties and supply chain disruptions. Strengthening human rights in the supply chain supports the Group's long-term resilience and aligns with stakeholder expectations for ethical business practices.

The following strategic goals and objectives are interconnected with the goals described under supply chain and management of business relations. In alignment with ESRS reporting requirements, the focus is on material upstream and downstream value chain information, rather than detailing all actors in the supply chain. Human rights considerations related to other parts of the value chain, such as the Group's own workforce, consumers, and end-users, are addressed in their respective chapters of this report.

Topic	IRO type	Origin	Time horizon	Strategic goal
Ensuring that human rights are protected across the whole value chain, with particular focus on supply chain.	Risk	Upstream value chain	Short-, medium-, and long term	Enhance due diligence in the supply chain.

Objective	Baseline (2023, unless stated otherwise)	Target (2030)
Make the *due diligence* process in the supply chain more effective as part of the Group's regular supplier audits.	The Group carries out 10-15 general supplier audits per annum according to its annual audit plan. No ESG related violations are identified during those audits.	Maintain level of ESG related violations identified during regular supplier audits.
100% compliance with the Supplier Code of Conduct.	Compliance level: 100%	Maintain baseline level.

Customer Safety

Ensuring the Continued Safety of Passengers

Passenger safety remains AS Tallink Grupp's priority, as identified by stakeholders and internal assessments. Ensuring safety across operations is vital for customer trust and satisfaction while mitigating risks of financial liabilities, such as compensations claims and reputational harm. The Group's proactive approach includes robust safety protocols, and regular training programs, which collectively enhance operational resilience and long-term stability.

Topic	IRO type	Origin	Time horizon	Strategic goal
Ensuring customer safety across operations, with particular focus on safety in maritime transport.	Risk	Own operations	Short-, medium-, and long term	Prevent serious incidents leading to significant losses.

Objective	Baseline (2023, unless stated otherwise)	Target (2030)
Prevention of serious incidents leading to significant losses (human, financial, data, or other) through preventative measures and effective Security and safety procedures.	Number of serious incidents: 0	Number of serious incidents: 0

Protection of Customer Data

Ensuring the Protection of Customer Data Remains a Key Priority to Prevent Data Breaches and to Ensure its Purposeful Use

Protecting customer data remains a top priority for the Group to prevent breaches, ensure compliance with data protection regulations, and maintain customer trust. Effective data protection practices mitigate risks associated with potential financial liabilities, such as fines under General Data Protection Regulation (GDPR), and safeguard against reputational harm. The Group's strategy includes regular risk assessments, and employee training programs. These measures ensure resilience against emerging threats and support the Group's long-term commitment to operational excellence and customer satisfaction.

Management of Business Relationships in the Supply Chain

Transparency in the Supply Chain and Management of Business Relationships

The Group has identified supply chain transparency and due diligence as material topics, recognising their impact on workers' rights and environmental sustainability. Compliance with the Supplier Code of Conduct is monitored through regular supplier audits, which mitigate the risks of non-compliance and ensure adherence to ESG requirements. These efforts not only safeguard the Group's reputation but also reduce financial risks associated with supply chain disruptions and regulatory penalties. By enhancing its due diligence process, the Group aims to strengthen its resilience against evolving ESG risks and ensure long-term operational stability.

No significant problematic issues related to governance emerged during the analysis; however, it was assessed that the risks associated with supply chain disruptions have increased. The Group recognises the need to enhance its understanding of activities within its value chain.

Topic	IRO type	Origin	Time horizon	Strategic goal
Suppliers and supply chain transparency and due diligence.	Risk	Upstream value chain	Short-, medium-, and long-term	Suppliers meet Supplier Code of Conduct requirements and Group enhances due diligence within the supply chain.

Objective	Baseline (2023, unless stated otherwise)	Target (2030)
All large suppliers meet the requirements set out in the Group's Supplier Code of Conduct.	100% of the Group's strategic and large suppliers are familiar with and committed to the Group's Supplier Code of Conduct (contracts in excess of 50 000 EUR).	Maintain baseline level.
Make the *due diligence* process in the supply chain more effective as part of the Group's regular supplier audits.	The Group carries out 10-15 general supplier audits per annum according to its annual audit plan. No ESG related violations are identified during those audits.	Maintain level of 0 ESG related violations identified during regular supplier audits.

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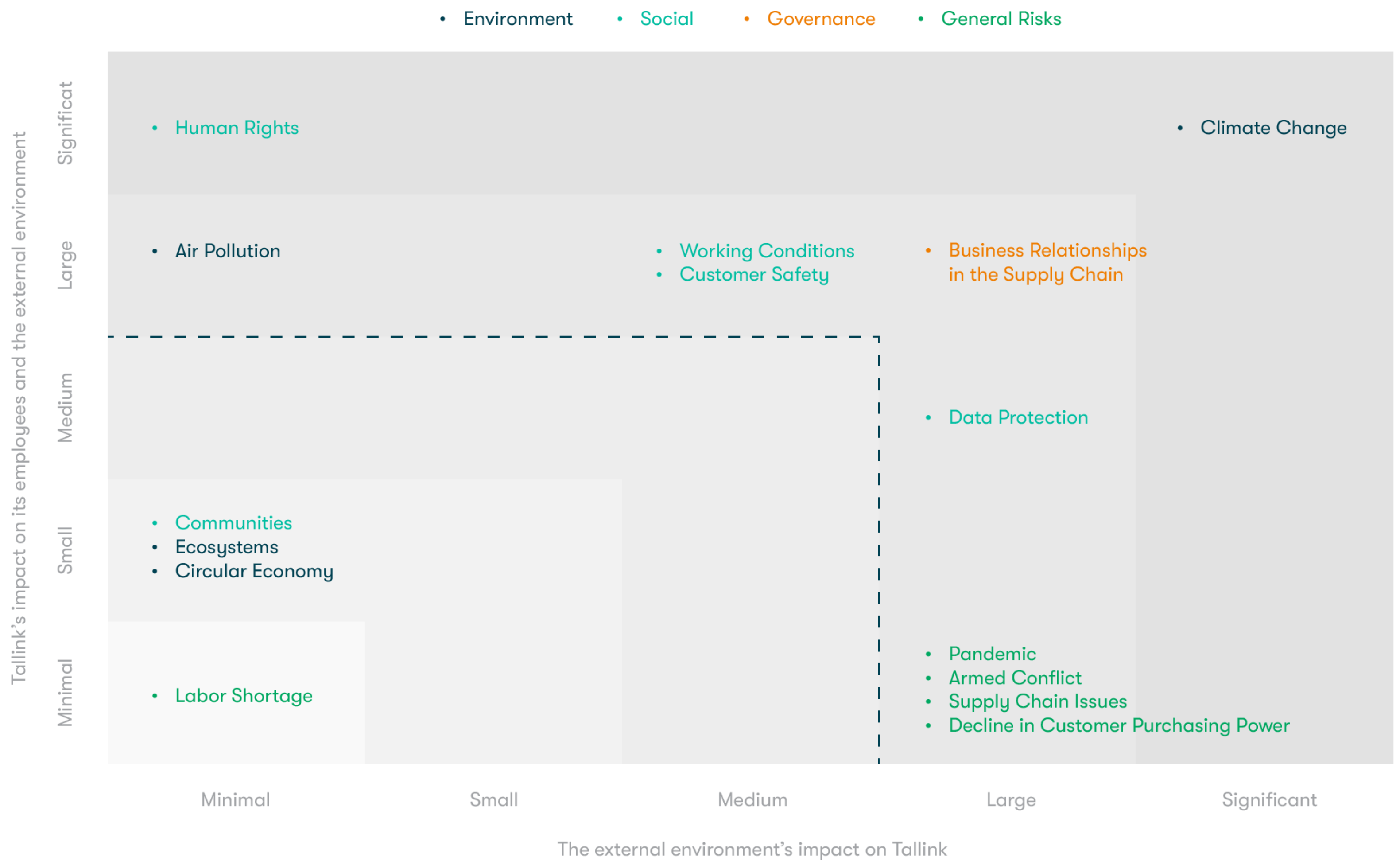
Double materiality matrix 2024



Environment

EU Taxonomy Reporting

In accordance with Article 8 (1) of the Taxonomy Regulation (EU) 2020/852, the Group is required to report how and to what extent its economic activities are aligned with environmentally sustainable economic activities as defined in the taxonomy. The Taxonomy Regulation covers economic activities that can contribute to six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Under Article 8 (2), the Group, as a non-financial undertaking, is required to disclose key performance indicators relating to turnover, capital expenditure and operating expenses. At present, three of the Group's economic activities are subject to the Taxonomy Regulation:

- transportation of freight by sea and coastal waters (CCM & CCA 6.10),
- transportation of passengers by sea and coastal waters (CCM & CCA 6.11), and
- hotels, holiday, camping grounds and similar accommodation (BIO 2.1).

The Group’s other activities, which include onboard restaurant and sales services, onshore restaurant services, online shop, and onshore business are classified as taxonomy non-eligible activities. This applies also to the operation of vessels that do not provide transportation services but are used to provide accommodation services to refugees. The Group is not involved in the construction, operation, or financing of nuclear energy or natural gas facilities.

The Group has presented key performance indicators at the consolidated group level, and split these between different economic activities, to avoid double counting.

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KPIs related to EU taxonomy – turnover (millions of euros)

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activity (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular Economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category (enabling activity) (19)	Category '(transitional activity)' (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	45.0	6%	6%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	7%		T
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	77.8	10%	10%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	10%		T
Turnover of Taxonomy-aligned activities (A.1)		**122.8**	**16%**	**16%**	**0.0**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**17%**		
Of which enabling		-	-	-							-	-	-	-	-	-			
Of which transitional		122.8	100%	100%						N/A	Y	Y	Y	Y	Y	Y	100%		T
A.2 Taxonomy-Eligible but not aligned activities																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	49.9	6%														6%		
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	148.0	19%														16%		
Activity 3 : Hotels, holiday, camping grounds and similar accommodation*	BIO 2.1	24.5	3%														3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		222.4	28%														25%		
Total (A.1 + A.2)		**345.1**	**44%**														**42%**		
B. Taxonomy non-eligible activities																			
Turnover of taxonomy non-eligible activities		440.7	56%																
Total (A+B)		**785.8**	**100%**																

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KPIs related to EU taxonomy – capital expenditure (millions of euros)

Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)	Category (enabling activity) (19)	Category '(transitional activity)' (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	5.2	15%	15%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	46%		T
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	6.9	20%	20%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	47%		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**12.1**	**35%**	**35%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**92%**		
Of which enabling		-	-	-							-	-	-	-	-	-			
Of which transitional		12.1	100%	100%						N/A	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not aligned activities																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	1.6	5%														7%		
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	3.0	9%														9%		
Activity 3 : Hotels, holiday, camping grounds and similar accommodation*	BIO 2.1	0.1	0%														1%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4.6**	**13%**														**17%**		
Total (A.1 + A.2)		**16.7**	**49%**														**51%**		
B. Taxonomy non-eligible activities																			
Capex from non-eligible activities		17.7	51%																
Total (A+B)		**34.4**	**100%**																

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KPIs related to EU taxonomy – operating expenses (millions of euros)

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)	Category (enabling activity) (19)	Category '(transitional activity)' (20)
		7%	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	12.9	14%	14%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	15%		T
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	10.4	11%	11%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	12%		T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**23.3**	**25%**	**25%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**27%**		
Of which enabling		-	-	-							-	-	-	-	-	-			
Of which transitional		23.3	100%	100%							Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not aligned activities																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	8.8	9%														8%		
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	8.8	9%														8%		
Activity 3 : Hotels, holiday, camping grounds and similar accommodation*	BIO 2.1	2.7															3%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**20.2**	**22%**														**19%**		
Total (A.1 + A.2)		**43.5**	**47%**														**46%**		
B. Taxonomy non-eligible activities																			
Opex from non-eligible activities		49.4	53%																
Total (A+B)		**92.9**	**100%**																

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Nuclear and fossil gas-related activities for revenue, CapEx and OpEx

Nuclear energy-related activities	Yes/No
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas-related activities	**Yes/No**
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Accounting Policies: Eligibility

The KPIs stated in this report have been calculated according to the commission delegated regulation as follows:

- Proportion of turnover = eligible turnover/total turnover
- Proportion of capital expenditure (CapEx) = eligible CapEx/total CapEx
- Proportion of operational expenditure (OpEx) = eligible OpEx/total OpEx

The turnover from services related to the taxonomy-eligible activities includes vessels' ticket revenue, revenue from the chartering of vessels, cargo revenue and revenue from hotels. The turnover from taxonomy-eligible activities does not include revenue from onboard and onshore restaurant and retail services and the online shop. The total turnover used to calculate the proportion of taxonomy-eligible activities in the Group's turnover includes total turnover without exceptions.

Taxonomy-eligible services related capital expenditure consists of investments in the Group's sea-going vessels and hotels. Due to the nature of the Group's economic activities, its vessels carry both passengers and cargo, therefore investments in vessels contribute to both types of activities. Technical investments in the Group's vessels are divided equally between passenger and freight transport activities. Capital expenditure related to the public areas of the vessels are allocated between activities according to the share of passengers and cargo drivers among the total number of passengers. The total capital expenditure used to calculate the proportion of taxonomy-eligible activities in the Group's capital expenditure includes total capital expenditure without exceptions.

Operating expenses related to taxonomy-eligible activities include costs directly related to the maintenance of vessels to ensure their continued and efficient operation. Operating expenses are broken down between passenger and cargo transport as follows: the operating expenses of cruise vessels are equally split between passenger and freight transport activities. The operating expenses of cargo vessels are fully allocated to freight transport. Total operating expenses for calculating the share of taxonomy-eligible activities in the Group's operating expenses include total costs related to

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maintenance of the Group's assets such as direct service and technical maintenance cost, personnel costs related to service and technical maintenance, the cost external maintenance services related to the assets, and IT costs arising from the development and maintenance of the IT equipment of the vessels and hotels.

Contextual (qualitative) Information

In accordance with Annex I to the Taxonomy Regulation, the Group is obliged to explain its key performance indicators and the reasons for any changes in these indicators during the reporting period. There were small revisions to the methodology for calculating eligibility figures:

- The calculation of shipping operating expenses was adjusted to exclude certain allocations from other departments.
- Rental agreements that have been recognised based on IFRS-16 were added to the calculation of capital expenses.

In 2023, majority of rental agreements recorded based on IFRS-16 (that were added to capital expenditure calculations) were related to activities that were not taxonomy-eligible nor taxonomy-aligned. Therefore, the proportions of taxonomy-aligned and taxonomy-eligible capital expenses for the financial year 2023 were corrected downwards.

KPIs Related to the EU Taxonomy – Corrections of 2023 Figures

	Share of taxonomy-eligible capital expenditure, 2023	Share of taxonomy-eligible capital expenditure, 2023 (corrected)
Activity 1: Sea and coastal freight water transport, vessels for port operations and auxiliary activities	18%	14%
Activity 2: Sea and coastal passenger water transport	27%	20%
Taxonomy eligible activities	**45%**	**34%**

Accounting Policies: Alignment Assessment

According to Article 3 of Regulation (EU) 2020/852, an activity is environmentally sustainable (i.e. taxonomy-aligned), if it:

- contributes substantially to one or more of the environmental objectives
- does not significantly harm any of the environmental objectives
- is carried out in compliance with the minimum safeguards

Substantial Contribution

The Group's substantial contribution to climate change mitigation through transportation of freight by sea and coastal waters (CCM 6.10) and transportation of passengers by sea and coastal waters (CCM 6.11), was assessed according to the technical criteria listed in Annex I to Delegated Regulation (EU) 2021/2139. The assessment was carried out vessel by vessel. First the Group calculated the EEXI (Energy Efficiency Existing Ship Index) value of a ship. In the case of passenger vessels, the EEXI value was compared to the threshold provided by the technical screening criteria in Annex I 6.11 (c)[2] to

[2] The screening criteria provide value for the EEDI (Energy Efficiency Design Index), however, the EEDI is calculated only for new ships and not for existing ones. As the calculation principle is the same and the Group's fleet consists of existing ships that have no EEDI value, EEXI is used instead of the EEDI.

Delegated Regulation (EU) 2021/2139. Where the value of EEXI was below the threshold, the taxonomy-eligible turnover, capital expenditure and operating expenses that were associated with that vessel were classified as substantially contributing to climate change mitigation. For cargo vessels, the Group used the threshold provided by the technical screening criteria in Annex I 6.10 (c) to Delegated Regulation (EU) 2021/2139. Due to methodological reasons, it was not possible to calculate the EEXI values for two of the Group's newest vessels (Megastar and MyStar). The indicators of these vessels were classified as not aligned with the EU taxonomy. In addition, the vessels for which the EEXI values exceeded the required criteria were considered as not aligned with the EU taxonomy.

To evaluate the Group's substantial contribution to climate change adaptation through transportation of freight by sea and coastal waters (CCA 6.10) and transportation of passengers by sea and coastal waters (CCA 6.11) a climate risk and vulnerability assessment (as foreseen in Delegated Regulation (EU) 2021/2139, Annex I, Appendix A) was conducted in 2022, which revealed minor negative impacts from climate risks, which have been addressed through appropriate adaptation measures. In the beginning of 2025, the risk assessment was reviewed and updated to ensure alignment with the most recent Intergovernmental Panel on Climate Change Assessment report (AR6). As no significant changes were identified in the Group's vulnerability to climate risk, it was concluded that the adaptation measures in place remain sufficient to mitigate identified risks. The same assessment also applies to the Do No Significant Harm (DNSH) criteria within activities contributing to climate change mitigation. Resilience to these risks is further described in the Sustainability report under the section dedicated to Climate change.

During 2024, the Group also reviewed its potential to substantially contribute to the biodiversity objective through hotels, holiday, camping grounds and similar accommodation activity (BIO 2.1). While eligible, the Group currently does not fulfil the specific substantial contribution criteria for contractual agreements with organisations in charge of conservation or restoration areas with action plans specific to tourism services provided.

Do No Significant Harm

In the scope of Taxonomy-aligned services in the Baltic Sea, strict environmental criteria are applied, compared with world and European average. The Do No Significant Harm (DNSH) principle is closely followed in daily operations and the Group's activities 6.10 and 6.11 are aligned with the DNSH principle according to the technical screening criteria established in Delegated Regulation (EU) 2021/2139 as described in the table below.

Environmental objective	CCM 6.10	CCA 6.10	CCM 6.11	CCA 6.11	Compliance
Climate mitigation	N/A	✓	N/A	N/A	No vessels in the group are dedicated to the transport of fossil fuels
Climate adaptation	✓	N/A	✓	N/A	Climate risk and vulnerability assessment carried out; appropriate adaptation measures in place
Water	✓	✓	✓	✓	Risks identified, zero-spill policy and individual Ship Oil Pollution Emergency Plans applied in all Group's shipping operations
Circular economy	✓	✓	✓	✓	Measures in place for waste prevention and handling; Proven compliance with the Annex V to IMO MARPOL Convention as well as relevant EU regulations
Pollution prevention	✓	✓	✓	✓	Proven compliance with the Annexes VI and IV to the IMO MARPOL Convention and Directive (EU) 2016/802 as well as Regulation (EU) No 528/2012
Biodiversity	✓	✓	✓	✓	Appropriate measures in place to prevent the introduction of non-indigenous species; Noise and vibrations are limited in line with IMO guidance where appropriate; Zero-spill policy in place; Support in projects with the aim of protecting the Baltic Sea marine environment

Minimum Safeguards

An overview of the applied minimum safeguards is provided in the Governance chapter of this Sustainability Statement.

Alignment with the Taxonomy

In 2024, the decrease in the proportion of turnover and operating expenses aligned with the taxonomy can be primarily attributed to a larger portion of the Group's economic activities being conducted by taxonomy non-aligned vessels. For example, for the Group's newer ships that are equipped with modern propulsion systems (such as MyStar and Megastar) the Energy Efficiency Design Index (EEDI) is not issued, and Energy Efficiency Existing Ship Index (EEXI) cannot be calculated. These indexes have been utilised by the Group to determine which ships are considered aligned with the taxonomy, which in turn forms the basis for taxonomy alignment calculations. Despite our new ships being more environmentally friendly than the older ones, we have categorised them as not aligned due to the reasons mentioned above. The proportion of capital expenditure aligned with the taxonomy increased compared to the financial year 2023 due to higher proportion of investments into vessels that are considered aligned with the taxonomy.

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Climate Change

Since shipping has been classified as a climate-vulnerable and high-impact sector[3], the most significant IROs for AS Tallink Grupp—whose main operation is maritime transport of people and goods—are also related to climate change and the environment. As part of the DMA, the key IROs listed below were identified as the most significant for the Group. These were all identified as risks or negative impacts, and material due to the actual or potential impact. Notably, all identified risks are actual and already materialised:

- GHG emissions from operations, specifically emissions from shipping operations. These represent an actual negative impact in the short-, and medium-term, with potential risks in the medium-, and long-term.
- GHG emissions from the Group's other operations (purchased energy), such as onshore activities and Scope 2 emissions. These also represent an actual negative impact in the short-, and medium-term, with potential risks in the medium-, and long-term.

Climate Risk and Resilience

A climate-related risk assessment has been conducted in the context of the activities covered by the EU Taxonomy Regulation, with the involvement of an external environmental expert in the initial climate risk evaluation. Additionally, the Group has internally performed an initial business model resilience analysis in relation to identified risks, aimed at informing the short-term decision-making and tactical activity planning. The Group plans to undertake further climate-related risk assessments covering a broader range of activities in the coming reporting periods.

Business Model Resilience Analysis

The analysis was conducted by considering the full scope of the Group's operations and activities, including the entire value chain. To conduct scenario analyses for AS Tallink Grupp under the Task Force on Climate-related Financial Disclosures (TCFD), the Group explored the potential impacts of climate-related risks and opportunities across different time horizons, based on two primary climate scenarios:

1. **Low-Carbon Transition Scenario (aligned with 1.5°C or 2°C warming limit)[3]**
   This scenario assumes that governments and businesses implement strong climate policies, leading to rapid decarbonization and the widespread adoption of clean technologies.
2. **High-Impact Climate Change Scenario (3°C+ warming scenario)[3]**
   This scenario assumes limited or no global action on climate change, leading to higher global temperatures, increased extreme weather events, and greater disruption to ecosystems and economies.

As part of the climate scenario analysis, the Group discussed and analysed the following key transition risks within the short-term horizon:

- Regulatory risks and opportunities (Fit For 55, FuelEU Maritime Regulation, carbon pricing mechanisms, and more).
- Market risks and opportunities (increased costs due to transition to sustainable fuels, increased capital investment requirements, and more).
- Reputational risks and opportunities (failure to transition to low-carbon operations could have a damaging impact on reputation).

[3] IPCC's Fifth Assessment Report (AR5)

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- Technology risks and opportunities (risk of stranded assets if older fleet cannot be retrofitted with new technologies, and more).

As well as physical risks:

- Several physical weather-related acute risks: increased extreme weather events (e.g., storms impacting operations), sea ice variability (could be both a risk and an opportunity).

Conclusions from Scenario Analysis and climate resilience analysis:

- **Low-Carbon Transition Scenario**: In the short-term horizon, AS Tallink Grupp faces upfront capital costs for decarbonization and fleet modernisation. However, in the medium- to long-term, these investments are expected to yield operational efficiencies, reduced carbon costs, and a strengthened reputation as a sustainable leader. AS Tallink Grupp has already invested into eco-friendly fuels and vessel upgrades, newbuilds and retrofits, which gives the Group a clear competitive advantage already on the Tallinn-Helsinki route and helps minimise future potential costs for transitioning to new technologies and fuels.
- **High-Impact Climate Change Scenario**: In the short-term horizon, the Group faces increased physical risks from extreme weather events and regulatory uncertainty, which could disrupt operations and profitability. To address these risks in the medium- to long-term, proactive climate adaptation measures, including resilient infrastructure and optimised logistics, will be essential to minimise disruptions and costs.

The Group's strategic focus is on prioritising investing into decarbonization technologies, fleet upgrades, and resilience-building measures to ensure long-term sustainability and mitigate the potential financial impacts under both scenarios.

Policy and Targets

The Group's double materiality assessment identified GHG emissions as one of the key impact areas, setting a clear expectation for the Group to engage in emissions reduction activities and strategies. Furthermore, the EU, under its 'Fit for 55' package, has mandated a 55% reduction in Union-wide GHG emissions by 2030 compared to 1990 levels. This target represents a cross-sectoral goal. In parallel, IMO has established sector-specific targets for shipping, aiming to reduce GHG emissions by 20% in absolute terms by 2030 and 70% by 2040 compared to 2008 levels[4]. These targets are legally binding for international shipping. To achieve these goals, both the EU and IMO have introduced mandatory measures for shipping companies. AS Tallink Grupp remains fully committed to achieving these targets by adopting technological advancements and leveraging the development of low- or zero-carbon fuels, provided they become available at price point that are acceptable from both a societal and market perspective.

While the Group does not yet have a formal climate change related policy or transition plan, it has established strategic principles and targets for reducing GHG emissions, in addition to ensuring compliance with EU and IMO targets. After the stakeholder engagement conducted in the DMA process, the Group has reviewed its strategic GHG emission reduction goals and ensured that stakeholder expectations are continuously reflected in its strategic GHG emission reduction goals. The Group has implemented a short-term action plan focused primarily on energy efficiency projects and other technological advances aimed at reducing or optimising fuel consumption and, in turn, reducing emissions. This strategy helps to ensure the useful life cycle of existing vessels, which have been upgraded to meet all current and foreseeable regulatory requirements. Medium- to long-term action plans will depend on developments in sustainable fuel solutions for the shipping industry in the coming

[4] 2023 IMO Strategy on Reduction of GHG Emissions from Ships

years. More detailed climate transition and carbon reduction action plans can only be established once there is greater clarity on the availability and viability of sustainable fuels for shipping. As shipping is a sector characterised by significant lead times for fleet development and construction, with vessel lifespans reaching up to 50 years, medium- to long-term plans are made only after thorough discussions and careful consideration. These plans will be developed when all relevant information is available, ensuring that decisions are well-informed.

AS Tallink Grupp has set an ambition to reduce the absolute CO_2 emissions of its Scope 1 and Scope 2 activities by 2% per annum. These targets will be reviewed, and medium- and long-term targets will be established before 2027.

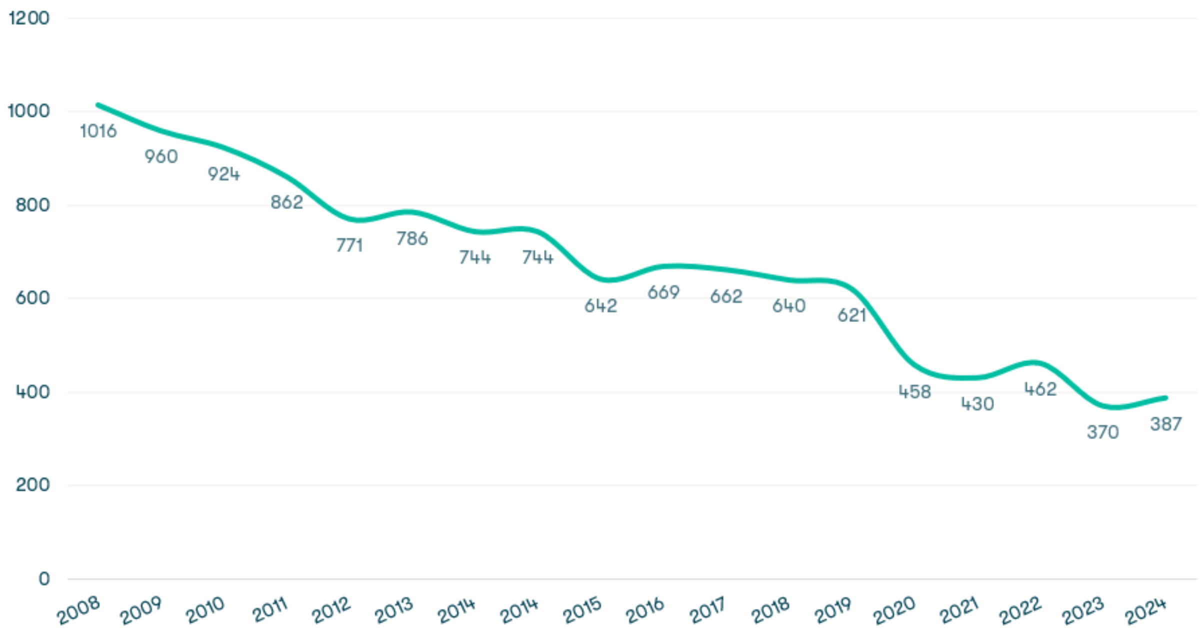
When setting the current goal, the Group engaged internal experts, including the Environmental Expert of Ship Management and the Chief Captain, both of whom bring significant expertise in current and future ship fuels, combustion processes, and their potential emissions. The target was set based on the average emissions from the baseline years of 2023, using realistic assumptions derived from an internal assessment of historical CO_2 reduction data dating back to 2008. This also accounted for changes to the fleet, routes, and operations during the COVID-19 pandemic. The potential for short-term emissions reductions was assessed based using existing fuels and technologies, alongside forecasting of passenger and cargo traffic on the Baltic Sea in the short- and medium-term. This process involved extensive internal discussions with the Group's Management Board, ship management, and environmental experts. The Group acknowledges that its current short-term targets are not science-based or aligned with the 1.5° C trajectory. Instead, they are grounded in operational data, currently available technologies, and existing fuel options, including IMO's decarbonization pathways. As international shipping is recognised as a hard-to-abate sector for climate change, the Group's ability to establish more scientifically accurate and longer-term emissions reduction targets depends on advancements in sector-wide technologies and fuel solutions. Consequently, the Group's investments and actions are primarily directed toward reducing CO_2 emissions from vessel operations, which represent the largest source of emissions. AS Tallink Grupp has not yet established targets for Scope 3 emissions reductions, as the baseline for these emissions is still being calculated. Scope 3 targets are planned to be set in the coming reporting years, once the baseline has been finalised.

Actions and Achievements

GHG emission reductions since 2008 have been achieved through fleet renewal and efficiency improvements on the existing fleet. Over this period, the fleet's overall size has remained roughly unchanged. Several newbuilds have been completed during this time, including 2 LNG fuelled vessels (Baltic Princess 2008, Baltic Queen 2009, Megastar 2017, MyStar 2022).

From 2008 to 2019, AS Tallink Grupp's operations remained at a comparable scale, during which CO_2 emissions from the fleet were reduced by 39%. Since 2019, CO_2 emissions have decreased even further, reaching a 63% reduction by 2023. In 2024, CO_2 emissions amounted to 387 267 tonnes.

Reduction in shipping operations across time (in thousands of tCO_2):



In 2024, the Group's total amount of greenhouse gasses measured in CO_2 equivalents (as calculated in accordance with MRV Regulation (EU) 2015/757) for the core fleet (MyStar, Megastar, Baltic Queen, Silja Symphony, Silja Serenade and Baltic Princess) amounted to 327 838 tonnes.

For existing vessels, a CO_2 Reduction Plan has been developed, outlining planned projects along with their performance evaluation metrics. These projects include improvements of onboard energy consumption, hydrodynamics, and operational practices. Moreover, eight of the Group's vessels utilise shore power during extended port stays, further reducing emissions.

Majority of the planned activities for achieving further emissions reductions involve technological solutions.

- Short-term via continued implementation of energy efficiency projects and operational optimisations.
- Medium-term via exploration of carbon capture technologies and potential offsetting solutions.
- Long-term via transition towards sustainable fuel technologies and its advances in the industry.

The successful implementation of the activities outlined in the Group's GHG reduction strategic principles depends on both access to information and emerging technologies, as well as financial resources and feasibility testing. The Group's ship management and executive teams must have timely and comprehensive insights into viable solutions and technological developments to make informed decisions. At the same, adequate funding is required to pilot and assess the feasibility of new solutions onboard vessels before widespread implementation. As of Q1 2025, there is still no clear industry consensus on the future zero-emission fuel for shipping. Given this uncertainty, the most viable short-term strategy for emissions reduction remains improving the Group's vessels' energy efficiency through technological advancements. Consequently, the Group has adopted a pragmatic approach, setting realistic and achievable emissions reduction targets based on currently available solutions and technologies. These targets will be adjusted as greater clarity emerges regarding the future fuel landscape for shipping.

During 2024, AS Tallink Grupp invested EUR 0.8 million into climate change mitigation activities as part of its structured capital expenditure plan, covering various projects on different vessels. These investments align with the Group's sustainability strategy and further contribute to achieving set ambitions. Looking ahead to 2025 and beyond, within the short-term horizon, the Group has planned to further invest into its vessels. These include Heating, Ventilation, and Air Conditioning (HVAC) optimisation on Silja Symphony, as well as modernisation of Superfast IX machinery and hydrodynamics, among other projects. The impact of operational expenses is currently being assessed, and further details will be disclosed when more data becomes available. Additionally, the Group faces a potential risk of material adjustments to financial liabilities due to rising carbon allowance prices under the EU Emissions Trading System (EU ETS). The cost of compliance will depend on future EU ETS price developments and emissions levels, posing a financial risk to operating expenses.

To support its sustainability strategy, the Group has secured a sustainability-linked loan, with interest rates tied to ESG performance indicators such as CO_2 reduction targets. Non-compliance with ESG-linked financing conditions could result in higher interest expenses, impacting overall financial performance.

Energy Consumption and Emissions

General Accounting Principles

The Group's 2024 GHG emissions within Scopes 1-3 were calculated using the operational control principle, ensuring alignment with the consolidated financial and sustainability reporting boundaries and relevant actors in the value chain. The calculations were conducted on the external consultancy firm's climate impact platform, following the Greenhouse Gas Protocol standard and following ISO 14040 and 14044 guidelines, were verified by Bureau Veritas in accordance with the ISO 14064-1:2018 standard.

The GHG emissions considered include CO_2, CH_4, N_2O, HFC-s, PFC-s, SF_6, and NF_3, based on global warming potential (GWP) values from the IPCC 5th Assessment Report (AR5). To ensure consistency and comparability, AR5-based emission factors were used, aligning with established methodologies such as IMO Life Cycle Assessment (LCA) for maritime fuel emissions. However, for fugitive emissions in Scope 1, AR6 values were used, in accordance with the recommendation to apply the most up-to-date GWP values.

Emission factors used within Scopes 1-2 originate primarily from the Estonian National Greenhouse Gas Inventory model[5] and respective National Inventory Reports (NIR) of other countries. Where NIR factors were not applicable (i.e., Scope 3), emission factors from the Exiobase database[6] were used, complemented by scientific literature to ensure greater accuracy while maintaining consistency with AR5.

Shipping-related Scope 1 emissions are calculated strictly based on EU legislation, including the ETS Directive and the MRV Regulation. All emission factors are explicitly defined in these legal acts and are applied uniformly in accordance with the stipulated provisions. No alternative methodologies are used

[5] https://kliimaministeerium.ee/rohereform-kliima/rohereform/organisatsioonide-khg-jalajalg#mudel

[6] https://www.exiobase.eu/

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in calculating maritime emissions, ensuring full regulatory compliance and alignment with EU standards.

Biogenic Emissions

As the Group does not use biomass-based renewable energy in its operations, there are no biogenic emissions to report under Scope 1. While biogenic emissions may exist within Scopes 2 and 3, they are not calculated due to lack of publicly available data.

Changes in Scope 1 Calculations

CO_2 emissions from vessels are continuously monitored and reported to the Management Board. Progress and achievement toward reduction targets is measured by actual emissions reductions, determined by vessel fuel consumption. Up until 2023, under regulations at both the IMO and EU levels, only CO_2 emissions were required to be monitored and reported. However, from 2024 onward, the EU has expanded reporting requirements to include other GHG emissions, calculated a based on defined procedures and fuel mass consumption factors.

Emissions from Regulated Emission Trading Schemes

Starting January 1, 2024, European shipping industry is required to comply with the EU ETS Directive by purchasing EU Allowances (EUAs). Initially, only CO_2 emissions are covered under the EU ETS Directive. In the first year of implementation, 40% of the actual CO_2 emissions must be covered with EUAs and surrendered by September 2025. In the second phase, starting 2025, 70% of the actual CO_2 emissions produced by the fleet will need to be covered with EUAs. By 2026, 100% of the actual CO_2 emissions, along with other GHGs, will be included under the directive.

Contractual Instruments

The Group has not entered into direct contracts with energy providers for green or renewable energy. However, through its partners, such as ports and building owners, the Group utilises renewable or nuclear energy at certain operational locations. The energy used in these locations is documented with relevant records and factored into the Group's GHG emissions calculations accordingly.

Scope 3 Mapping and Limitations

Scope 3 calculations are based on a comprehensive mapping, encompassing all subsidiaries and activities performed by the Group. The categories considered in the 2024 Scope 3 analysis include upstream suppliers (both products and services), fuel and energy related (Scope 1-2) indirect impacts, employee commute, business trips, and generated waste. Downstream activities were also analysed, including transport, and the use and disposal of merchandise.

The Group has included the GHG emissions associated with the production and transportation of all products procured from upstream suppliers on a spend-based method. This encompasses materials and goods essential to operations, spare parts, groceries, inventory, and consumables. Similarly, emissions from services provided by upstream suppliers are incorporated. These include maintenance, consultancy, and other third-party services that support operations. Given the Group's nearly 4000 suppliers, a prioritisation approach was necessary. Suppliers were classified based on turnover during the reporting period. Suppliers with an annual turnover exceeding 100 000 EUR were included in Scope 3 GHG calculations, narrowing the scope to approximately 380 suppliers while covering over 80% of the volume.

The GHG emissions resulting from employee commutes to and from work are calculated and reported based on an average in the database for similar undertakings on the Baltic market. This analysis covers office-based personnel across various locations and considers different transportation modes, including personal vehicles, public transport, and Group-provided shuttles. Seafarers' commutes to and from ships are not currently included in the Scope 3 GHG calculations but are planned for inclusion in the future to expand coverage.

All business-related flights undertaken by employees are included in Scope 3 GHG calculations on a spend-based method. Other business travels, such as train journeys, car rentals, and other travel necessary for business purposes is not included in the Scope 3 analysis as this was considered not material. Calculations ensure that significant travel-related emissions are accurately captured and reported.

Emissions from waste generated by the Group are included in Scope 3 calculations on a consumption-based method. This encompasses operational waste, packaging waste, and other waste categories relevant to the Group's activities, including both ship-based and office-based operations. The calculations account for emissions from waste disposal methods such as recycling, incineration, and landfilling. Emissions related to fuel and energy that are not covered under Scopes 1 and 2 are also calculated on a consumption-based method.

Due to limitations in data availability, no emissions from scope 3 were calculated based on primary data and emissions in upstream transportation and distribution, downstream transportation, use and end-of-life treatment of sold products and investments categories have been excluded from reporting. Based on further developments on the market, these categories will be included in the calculations in the coming years as they are material to Tallink according to the initial Scope 3 mapping. Three categories in Scope 3 – upstream leased assets, processing of sold products, and franchises – were considered overall not material.

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Gross scopes 1-3 and total GHG emissions

	2024
Scope 1	
Gross Scope 1 GHG emissions (tCO_2e)	422 115
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	67
Scope 2	
Gross location-based Scope 2 GHG emissions (tCO_2e)	21 721
Gross market-based Scope 2 GHG emissions (tCO_2e)	21 790
Scope 3	
Total Gross Scope 3 indirect GHG emissions (tCO_2e)	220 983
1) Purchased goods and services (tCO_2e)	120 324
2) Capital goods (tCO_2e)	2 004
3) Fuel and energy-related activities (not included in Scope 1 or Scope 2) (tCO_2e)	95 057
5) Waste generated in operations (tCO_2e)	1 836
6) Business travel (tCO_2e)	595
7) Employee commuting (tCO_2e)	1 167
Total GHG emissions (location-based) (tCO_2e)	**664 819**
Total GHG emissions (market-based) (tCO_2e)	**664 888**

In 2024, the Group set an ambition of a 2% reduction in Scope 1 and 2 emissions compared to the baseline value. The total Scope 1 and 2 emissions for the year amounted to 443 905 tCO_2e, reflecting a 4.7% increase compared to 2023. This increase was primarily driven by changes in the operational profile of certain vessels, as well as the return of Superfast IX from a long-term bareboat charter. Additionally, in 2023, several vessels underwent dry docking, temporarily reducing fleet-wide emissions, whereas in 2024, this factor had less impact on overall emissions.

In 2025, the Group continues to pursue and energy efficient improvements and enhance measurement capabilities for its vessels. For example, fuel meters have been introduced on vessels to improve the accuracy of fuel consumption measurements, enabling more precise data on fuel burned during trips and the associated emissions.

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Energy consumption and mix

Energy consumption and mix	**2024**
Fuel consumption from coal and coal products (MWh)	-
Fuel consumption from crude oil and petroleum products (MWh)	1 149 363
Fuel consumption from natural gas (MWh)	366 244
Fuel consumption from other fossil sources (MWh)	22
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	51 340
Total fossil energy consumption (MWh)	**1 566 968**
Share of fossil fuels in total energy consumption (%)	**99.4**
Consumption from nuclear sources (MWh)	5 348
Share of consumption from nuclear sources in total energy consumption (%)	0.3
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	4 676
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	–
The consumption of self-generated non-fuel renewable energy (MWh)	–
Total renewable energy consumption (MWh)	**5 384**
Share of renewable sources in total energy consumption (%)	**0.5**
Total energy consumption (MWh)	**1 577 029**

AS Tallink Grupp operates in a high climate impact sector and discloses its GHG intensity per net revenue[7]:

GHG intensity per net revenue	**2024**
Total GHG emissions (location-based) per net revenue (tCO_2e/EUR)	846
Total GHG emissions (market-based) per net revenue (tCO_2e/EUR)	846

AS Tallink Grupp operates in a high climate impact sector and thus discloses its energy intensity per net revenue[7]:

Energy intensity per net revenue	**2024**
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR)	2 007

[7] See more at: Financial Statements

Pollution

The double materiality assessment and engagement activities conducted with key stakeholders–including employees, business partners, investors, and suppliers–through surveys and interviews identified air pollution from the Group's shipping operations as the most significant pollution-related impact. This was assessed as material, with a high likelihood, particularly in the short- to medium-term.

Other pollution areas, such as water pollution, while potentially carrying high impact and risks, were not identified as material for AS Tallink Grupp. This assessment is based on the Group's comprehensive risk management practices, strict regulatory compliance at both global and local levels, and a strong track record of maintaining a zero-spill policy with no significant incidents. Additionally, the Group proactively implements measures that go beyond regulatory requirements to mitigate risks in this area. However, given that this topic remains important to stakeholders, is perceived among the public and the media to have high relevance for shipping companies and has historically been a key reporting area for the Group, AS Tallink Grupp will continue to disclose relevant policies, actions, and incident data related to water pollution. The availability of high-quality data ensures that transparency in this area is maintained.

Air Pollution

The primary policy governing air pollution from vessels is based on International Convention for the Prevention of Pollution from Ships (MARPOL). MARPOL consists of six annexes, each addressing different sources of pollution. In the context of the Group's activities, air pollution mainly stems from ships engines. The convention mandates specific provisions that must be followed to mitigate negative environmental impacts and prevent incidents. Compliance with MARPOL is mandatory for shipping companies, including the Group's own shipping operations.

AS Tallink Grupp has incorporated an Environmental Policy within its Safety Management System, implemented by the Group's Ship Management and signed by the CEO of the Board of the Group's subsidiary Ship Management. This policy is based on legal requirements and governs the Group's shipping operations. It established procedures and routines designed to prevent adverse environmental impacts and incidents. Any incident occurs is thoroughly analysed, and if necessary, policies and procedures are revised and modified accordingly.

Metrics and Targets

The Group has not yet set specific targets for reducing Nitrogen Oxides (NOx), Particulate Matter (PM), and Sulphur Oxides (SOx) emissions, but is currently preparing for data collection on said emissions to establish a baseline for reporting and future target setting. These emissions are regulated under MARPOL Annex VI[8], which sets limits on allowable emissions from ships. The Group's objective is to comply with all international, regional, and local requirements regarding air pollutant emissions. These emissions arise from the Group's shipping operations, with policies and targets governed by international regulations.

MARPOL Annex VI sets limits on the maximum Sulphur content in marine fuels. Special provisions for specific pollutants are determined based on a vessel's size, type, year of build, and operating area. According to the timeframes established under MARPOL Annex VI, the Baltic Sea has been subject to a maximum fuel Sulphur content of 0.1% since January 1, 2015.

Additionally, the EU regulations mandate that fuels used by ships operating between the EU/EEA ports must not exceed 0.1% Sulphur content, a requirement AS Tallink Grupp has fully adhered to since 2015.

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[8] Marpol Annex VI and NTC 2008

The Group's emission reduction goals, operational compliance, and reporting framework are fully aligned with MARPOL Annex VI and other applicable regional regulations. Since MARPOL is an internationally recognised regulatory framework, it inherently integrates the expectations and requirements of multiple key stakeholders, including governments, scientific institutions, and regulatory bodies.

All the Group's vessels operate using compliant fuel; however, the actual Sulphur content may vary between fuel batches. As a result, total SOx emissions fluctuate depending on the specific Sulphur content of the bunkered fuel. The actual Sulphur content is documented in Bunker Delivery Notes and fuel specification. For the reporting year 2024, the total SOx emissions from the Group's fleet amounted to 154 027 kg. Since the fuel is the only source of Sulphur in the exhaust gases, SOx emissions are calculated based on the actual Sulphur content of each fuel batch used by the vessels.

AS Tallink Grupp complies with all legal and binding requirements applicable to its activities. The accepted methodology for presenting results depends on the specific regulatory requirements, which typically define the methodology to be used. NOx emissions are regulated globally under MARPOL Annex VI. However, unlike SOx emissions, NOx regulations apply based on a ship's age, meaning that newer, more stringent requirements are not applicable retrospectively. Despite this, the Group operates several vessels that comply with current NOx regulations, even though they were built in the early 2000s and would otherwise fall outside the scope of these stricter requirements. This demonstrates the Group's strong commitment to environmental protection and its proactive approach to minimise its impact on local communities. Given that most of the ports visited by the Group's vessels are in city centres, the Group recognises the importance of reducing emissions wherever possible to support cleaner air and a healthier urban environment.

NOx emissions for a specific engine are defined in the engine type approval documentation. The actual NOx emissions and PM emissions can be measured directly through flue gas measurements, conducted individually for each vessel. For ships that comply with MARPOL requirements, the Group fully relies on the engine manufacturer's certification as the basis for compliance. However, for vessels that perform better than the regulatory requirements due to installed technical enhancements, the Group conducts NOx and PM measurements every three years to verify and document their improved environmental performance. The most resent measurements were conducted in May 2024 on Baltic Princess, with the results aligning with expected performance levels. Galaxy I measurements were postponed due to the ship's operation as an accommodation vessel in the Netherlands. Described measurements require predefined load on ship's engines providing which is not possible under current conditions. Measurements are performed as soon as possible. As proof of compliance with NOx requirements, Flag Administration or a Recognized Organization acting on its behalf issues International Air Pollution Prevention Certificate (IAPPC) to all ships. This certificate is an integral part of each vessel's mandatory documentation.

Actions

Since 2019, AS Tallink Grupp has installed High Voltage Shore Connection (HVSC) equipment on most of its vessels to further reduce port emissions and noise pollution. Between 2019 and 2024, all of the Group's passenger vessels were fitted with HVSC reception equipment. As a result, emissions from HVSC-equipped ships have been reduced by 3% per vessel in absolute terms.

In addition to HVSC, the Group has taken several technological measures to minimise air emissions. Some of the Group's vessels have been equipped with Catalytic Converters, which effectively reduce NOx emissions. The Group is also working closely with technology partners to explore and implement solutions for reducing methane slip from LNG-operated vessels. To verify performance, NOx and PM measurements are regularly conducted on ships fitted with this technology. Measurement results indicate low NOx emissions, remaining below the strictest Tier III limits applicable to ships built after 2019 in the Baltic Sea, while PM emissions are measured at less than 0.1 g/kWh.

All vessels follow a structured maintenance program, ensuring that predefined recurring activities are performed regularly to prevent failures, incidents, operational and financial risks. These measures help maintain safety and optimal vessel condition, with all maintenance activities budgeted per vessel. To mitigate unforeseen risks, all vessels are fully insured in compliance with maritime regulations, and insurance costs are allocated per ship. Beyond routine maintenance, the Group continually invests in new technologies to ensure regulatory compliance and operational efficiency improvements.

The Group is continuously working with both existing and potential fuel partners to identify the optimal fuel mix and future fuel options. These efforts also involve assessing the technological modifications and advancements required to facilitate the transition toward more sustainable and less polluting fuels.

One of the key initiatives is the Green Corridor, launched in collaboration with the cities of Tallinn and Helsinki and their respective local authorities, the Ports of Tallinn and Helsinki, and the shipping companies operating on this route. The scope of projects under this initiative is currently being defined for 2025 but will include measures to enhance air quality in and around the Baltic Sea and the two Nordic capitals. Key focus areas include the increased use of shore power in ports and the development of smart-port technologies to reduce waiting times in port areas, thereby minimising air pollution in and around these waiting zones. The Group also collaborates with universities to explore operational efficiency solutions, such as the Smart Car Deck initiative, which extends the benefits of Smart Port technologies to car decks on vessels by improving the efficiency of vehicle loading The Group remains committed to partnering with scientists and engineers to develop innovative solutions that further reduce pollution and enhance sustainability.

Additionally, the Group is working with start-ups to identify and pilot innovative solutions on board its vessels. These include emerging technologies such as carbon capture systems, which have the potential to significantly reduce CO_2 emissions from ships.

Water Pollution

AS Tallink Grupp has implemented a zero-spill policy, prohibiting any discharges into the sea. The policy fully complies with the International Maritime Organization's MARPOL Convention regulations as well as other IMO anti-pollution policies. It applies to the Group's entire shipping operations and reflects a firm commitment to environmental protection.

The MARPOL Convention regulates multiple sources of ship-generated pollution, underscoring both the IMO's and the shipping industry's dedication towards protecting the environment. All vessels flagged under any MARPOL signatory nation must adhere to its requirements, regardless of their operating area. Member states are also responsible for ensuring compliance among ships registered under their jurisdiction. While the primary responsibility for MARPOL compliance lies with each vessel, the ship's technical manager or International Safety Management (ISM) Group provides procedures and operational routines that vessels must implement under the ISM Code. The ISM Code establishes an international standard for the safe management and operation of ships, with a particular focus on pollution prevention. A key element of the ISM Code is the development and implementation of a safety policy that clearly defines the Group's commitment to safety and environmental protection. This includes a strict zero-tolerance approach to any form of pollution — whether accidental or intentional.

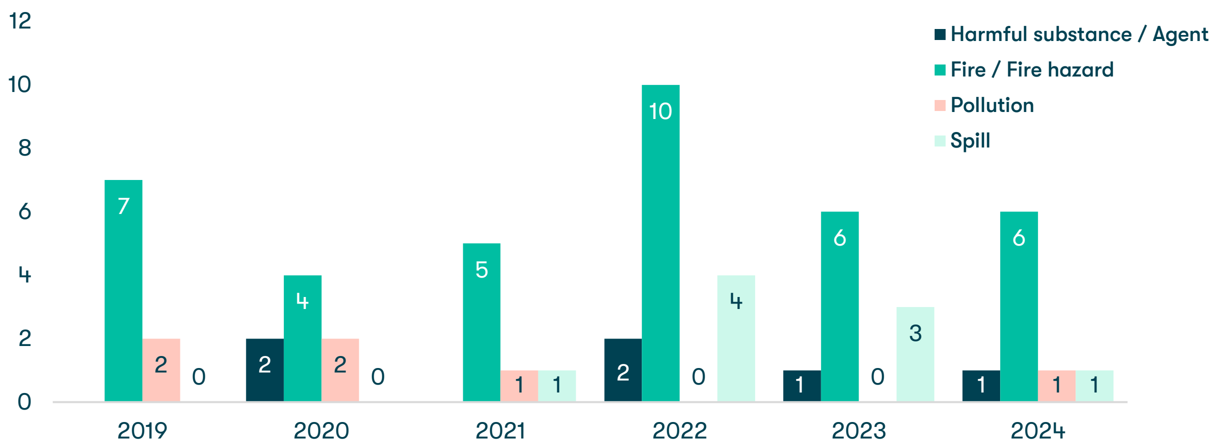
Actions and Incidents

All wastewater from the Group's vessels is discharged exclusively in ports into the onshore sewage system, with no exceptions. The volume of wastewater discharged is recorded and monitored for each vessel to track trends and detect any unexpected deviations. This monitoring process enables the Group to identify potential issues at an early stage. In the event of an incident, all occurrences are documented and reported in accordance with the Group's procedures.

Environmental incidents are categorised into four major groups: Pollution, Harmful Substance/Agent, Fire/Fire Hazard, and Spill. All incidents are thoroughly recorded and analysed by Ship Management to identify possible mitigation measures and areas for improvement. The Group follows a case-by-case approach, tailored to the specific pollutant type, ensuring that each pollution source is monitored using the most accurate and relevant methods.

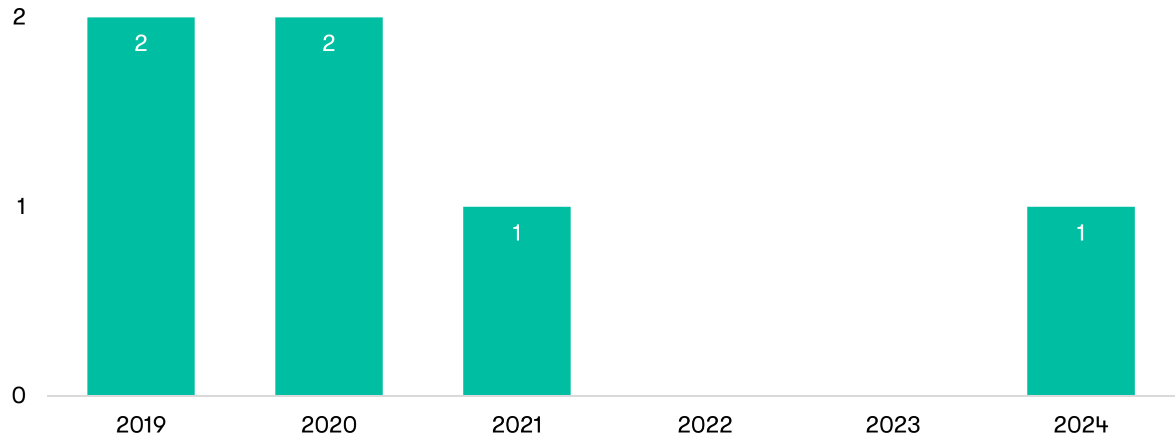
During 2024, nine environmental incidents were reported across the Group's fleet. While the number of such incidents has fluctuated slightly, they have generally remained minor in nature.

Environment related incidents 2019-2024:



The Group continuously monitors pollution incidents, collects relevant data, and reports on any occurrences. In 2024, AS Tallink Grupp has not experienced any significant pollution incidents that resulted in notable financial costs.

The number of pollution incidents recorded in 2019-2024:



In 2024, one pollution incident occurred, involving the unintentional discharge of oil-containing water overboard in a port area. This was a relatively minor incident, with a limited amount of oil released. The situation was immediately resolved by the ship's crew, ensuring that any potential environmental impact was minimised. The port authorities were informed promptly, and a representative oversaw the crew's response efforts. Following the incident, no condemnations or penalties were issued by the authorities, confirming that the situation was handled appropriately and in compliance with regulatory expectations.

As a standard practice, any potential sanctions related to pollution incidents are imposed by the relevant authorities at the time of occurrence. The ship's captain holds the primary responsibility for vessel operations and is therefore the first to face any imposed sanctions. Depending on the circumstances and severity of the incident, additional sanctions may be applied to the Group.

Cooperation with Non-Profits to Fight Against Water Pollution and Protecting the Baltic Sea

For more than a decade, the Group has been actively collaborating with a Finnish non-profit organisation John Nurminen Foundation to support research and development projects aimed at protecting the Baltic Sea. The Group makes an annual donation to the foundation, funded by proceeds from the sale of the Group's Captain's Chocolates. These funds are used for Baltic Sea biodiversity conservation and anti-pollution initiatives. The John Nurminen Foundation also runs projects specifically aimed at combating biodiversity loss, such as the seagrass project, for which they are currently assessing whether replanting seagrass along the Estonian coast could be a future initiative. In addition to financial support, the Group works alongside the John Nurminen Foundation to run awareness-raising campaigns, primarily in its core markets of Estonia, Finland, and Sweden. These efforts further reinforce the Group's commitment to marine protection and sustainability. The Group decided to extend this cooperation in 2025.

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In 2024, AS Tallink Grupp contributed to the following actions and results highlighted by the John Nurminen Foundation[9]:

- **Manure Recycling:** Transferred manure containing 10 tonnes of phosphorus from livestock farms to crop cultivation areas, reducing nutrient runoff into the Baltic Sea.
- **Gypsum Treatment:** Treated 100 hectares of fields in the Åland Islands with gypsum, effectively reducing erosion and phosphorus leaching into water bodies.
- **Reed Meadow Mowing:** Mowed 180 hectares of common reeds in Finland, the Åland Islands, and Sweden, removing 1 350 kg of phosphorus and 13 500 kg of nitrogen. The harvested reed material was supplied to companies in the substrate sector for further processing.
- **Eelgrass Meadow Restoration:** Planted common eelgrass meadows in three locations in collaboration with Metsähallitus's Parks & Wildlife Finland unit, contributing to the combat against biodiversity loss in the Baltic Sea.
- **Baltic Sea Day:** Celebrated in over 40 cities across Finland, as well as in Sweden, Estonia, Denmark, Germany, Poland, Latvia, and Lithuania. The event garnered significant media attention, featuring on all Finnish TV channels and in 225 news articles, and was widely shared on social media., helping to spread awareness among employees and partners.
- **Policy Engagement:** Hosted events and meetings for policymakers and influencers to discuss political, ecological, and cultural perspectives on the Baltic Sea. The foundation also contributed to the development of a cultural heritage strategy and plans to promote Baltic Sea issues in upcoming municipal, national, and EU decision-making processes.
- **International Collaboration:** Participated in the Baltic Marine Environment Protection Commission (HELCOM), advocating for limits on the discharge of eutrophicating nutrients and harmful chemicals into the marine environment. The foundation aims to expand its international network, particularly in cultural initiatives, throughout 2025.

[9] More information on John Nurminen Foundation can be found here: https://johnnurmisensaatio.fi/en/our-work

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Social

Our Colleagues

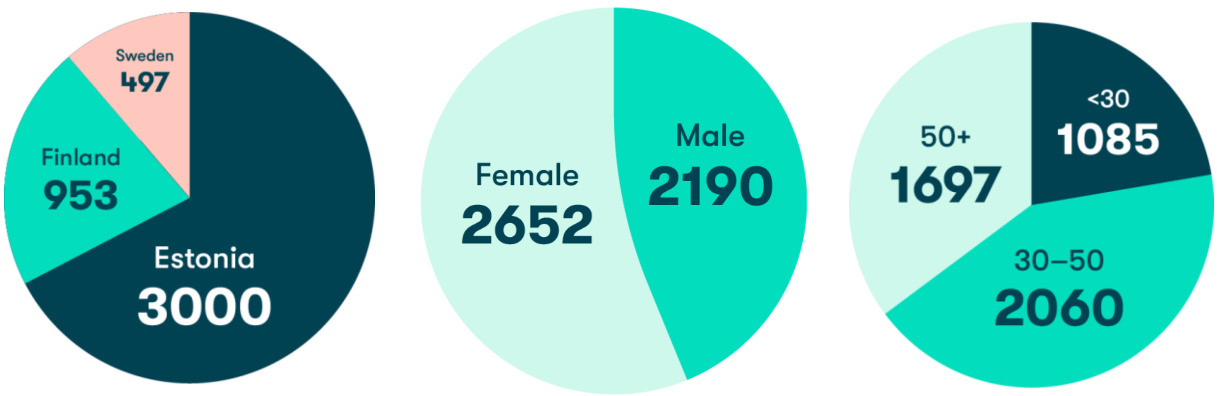
AS Tallink Grupp is a leading employer in the Baltic Sea region, with nearly 5 000 employees across six countries. It is one of the largest employers in its home market of Estonia and plays a significant role as an employer in Finland and Sweden.

Characteristics

The following section outlines the key characteristics relevant to the Group's workforce, providing insight into the overall structure and dynamics of AS Tallink Grupp. All discussed metrics consistently use the headcount method for employee numbers, unless stated otherwise.

As of 31 December 2024, AS Tallink Grupp employed 4 842 people, excluding members of the Management Board as wage-earning employees. The workforce is diverse in experience and demographics, with distribution across countries, gender, and age groups.

The following illustrations provide a breakdown of these key characteristics:



The following tables provide a breakdown of employee headcount by contract type, categorised by gender and location. This data offers insight into the structure of employment agreements across the Group, reflecting workforce distribution and contractual arrangements.

The Group's employee head count by contract type, broken down by gender as of 31 December 2024:

	Female	Male	Other	Not disclosed	Total
Number of employees	2 652	2 190	0	0	4 842
Number of permanent employees	2 450	1 998	0	0	4 448
Number of temporary employees	202	192	0	0	394
Number of non-guaranteed employees	0	0	0	0	0

The Group's employee head count by contract type, broken down by region as of 31 December 2024:

	Estonia	Finland	Sweden	Latvia	Lithuania	Other	Total
Number of employees	3 000	953	497	291	94	7	4 842
Number of permanent employees	2 911	767	395	274	94	7	4 448
Number of temporary employees	89	186	102	17	0	0	394
Number of non-guaranteed employees	0	0	0	0	0	0	0

The Group's top management consists of 24 employees, evenly distributed by gender, with 12 male and 12 female executives. The Group defines its Top Management as consisting of the Group Leadership Team and Country Leadership Teams. This includes key roles such as Chief Financial Officer, Head of Duty Free, Head of Food & Beverage, Heads of Country HRs, Heads of Country Sales and Marketing, Deputy CEOs, and other senior executives responsible for strategic and operational leadership across the organisation.

In 2024, the Group had a total of 4 842 employees at the end of the reporting period, with 946 employees leaving during the year. Based on this, the estimated employee turnover rate for the year was 18%. The employee turnover rate is calculated by dividing the total number of employees who left during the reporting period by the average number of employees for the year and by multiplying the result by 100 to express it as a percentage. This calculation accounts for both voluntary and involuntary departures and provides insight into workforce stability and retention trends. While turnover rates can be influenced by various factors, such as industry trends and company restructuring, the Group continues to assess workforce dynamics to ensure talent retention and operational efficiency. To gain further insights into the reasons behind employee departures, exit interviews are conducted with all departing employees, helping to identify key trends and areas for improvement. Future evaluations may focus on analysing exit interview data to address turnover drivers and implement strategies that enhance employee engagement and long-term workforce stability.

Policy

The Group's Human Rights Policy, which addresses critical workforce-related issues and applies to all individuals impacted by its operations, including employees, customers, supply chain partners, and the communities the Group operates in. The policy was initially adopted in early 2024 and later revised and updated, with the final version approved and adopted in October 2024. The updated Human Rights Policy is now accessible to employees via the Group's Intranet and available to the wider value chain on the Group's external website. The Management Board Member responsible for the Group's legal department, oversees the implementation of the policy, ensuring compliance and alignment with corporate governance standards.

The Human Rights Policy is implemented through the Supplier Code of Conduct and the Employee Code of Conduct, ensuring comprehensive coverage of both the Group's own operations, including the full consolidated Group and all activities, as well as suppliers within the value chain. Furthermore, the policy is reinforced through the Group's training principles and organisational working arrangement rules, which include regulations on working hours and rest periods, as well as occupational health and safety standards. These measures strengthen the Group's commitment to upholding the highest human rights standards across all operations. This integrated approach underscores the Group's dedication to fostering a responsible and ethical workplace, ensuring compliance with both internal policies and broader international human frameworks.

Extract from the Group's Human Rights Policy[10] Statement:

We respect the fundamental labour rights of our employees, ensuring that their working conditions meet or exceed applicable national and international standards. The policy is guided by the International Bill of Human Rights, the European Social Charter, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. This includes:

- Freedom of Association and Collective Bargaining: We respect the right of all employees to join trade unions or labour organizations and to engage in collective bargaining.
- Prohibition of Forced Labor and Child Labor: All employment within Tallink Grupp is voluntary and based on free choice. We strictly prohibit forced, bonded, or child labour in any form.
- Non-Discrimination in Employment: We are committed to promoting diversity and inclusion, providing equal opportunities for employment and advancement to all individuals, regardless of race, gender, nationality, disability, or any other characteristic.
- Occupational Safety and Health: We maintain a safe and healthy working environment, with comprehensive risk assessments to identify and mitigate workplace hazards.

In accordance with our Human Rights Policy, we respect the fundamental labour rights of our employees, including non-Discrimination in Employment. We are committed to promoting diversity and inclusion, providing equal opportunities for employment and advancement to all individuals, regardless of race, gender, nationality, disability, or any other characteristic.

The Group has no specific policy commitments related to and does not address separately inclusion and (or) positive action for people from groups at particular risk of vulnerability in own workforce.

The Group regularly trains its employees on human rights issues and, in partnership with regional NGOs and authorities, educates its staff on diversity, equality and human rights topics. The Group focused strongly on staff training and well-being: Occupational Maritime (including Basic Safety, Security Awareness, Crowd & Crisis Management, Marine Evacuation, Medical First Aid etc; Other occupational (Products, Occupational Health & Safety, Food Hygiene, etc), Customer Service (including Service Standards, Guest Experience, etc), Leadership, Occupational Health and Safety Management.

Collective Agreements

Over 80% of the Group's employees are covered by collective agreements, which are regularly reviewed and negotiated with partner unions in all key operating markets. Due to legal restrictions on requesting information from employees regarding their union membership and participation in collective agreements, the Group is unable to provide fully accurate data on employee union affiliations. The data available on employees' union memberships is limited to those who have voluntarily disclosed this information to the Group.

[10] AS Tallink Grupp's Human Rights Policy

Health and Safety

The Group has a strict Health and Safety (H&S) policy and procedures in place, ensuring continuous risk management of all H&S systems and process. The policy includes a structured improvement loop, where any near-misses or incidents are thoroughly analysed, and necessary enhancements are implemented to further strengthen workplace safety. This proactive approach ensures a safe and compliant working environment across all operations.

The Group defines a work-related injury as any injury to an employee's health or an employee's death that occurs while performing work assigned by the employer, other work performed with the employer's permission, during a break included in working hours, or while carrying out any activity in the interests of the employer. Definitions and reporting standards for occupational injuries may vary across the markets where the Group operates. Variations include whether an injury is classified as work-related when sustained while performing a work-related task on duty or off duty but on the employer's premises. Additionally, different jurisdictions may have varying criteria on whether injuries sustained while commuting to work are considered occupational injuries. The Group ensures compliance with local regulations and reporting standards while maintaining a consistent internal framework for tracking and addressing workplace injuries.

The Group's target is to maintain the Lost Time Injury Frequency Rate (LTIFR) at or below 13.3 per annum. For 2024, the LTIFR was 9.2, well below the target. The LTIFR for a calendar year is calculated using the following formula:

$$LTIFR = \frac{Number\ of\ Lost\ Time\ Injuries\ \times 1{,}000{,}000}{Total\ Hours\ Worked}$$

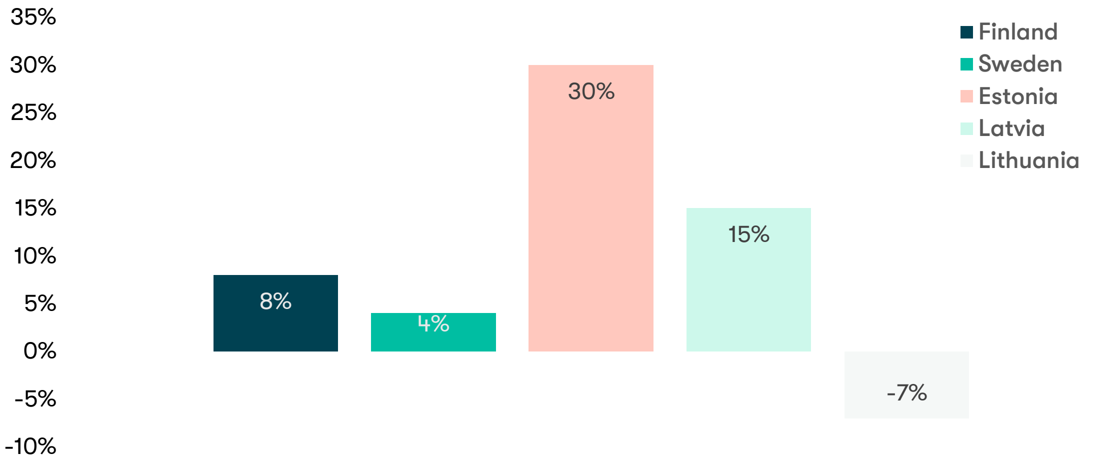
	2024	Target
Employees covered by Health Management System (HMS)	4 842	All employees
Number of work-related fatalities	0	0
Number of work-related accidents	74	0
Rate of work-related accidents (LTIFR)	9.2	13.3

Remuneration

All employees receive fair and competitive wages that align with applicable local market benchmarks, ensuring equitable compensation for their contributions. The Group adheres to international and national wage standards, including Directive (EU) 2022/2041 on adequate minimum wages within the EEA. Certain positions within the Group are covered by collective bargaining agreements, which ensure that wages meet or exceed the standards required to provide a fair and adequate level of compensation. To ensure alignment with market standards, the Group conducts annual country-specific benchmarking research, assessing minimum, average and median wages based on roles and seniority levels. This wage mapping process, managed by the Group's HR teams, ensures that fair and adequate remuneration practices are maintained across all operating markets, fostering a motivated and engaged workforce essential long-term success.

The Group assessed the gender pay gap for 2024 in accordance with the guidelines set by ESRS. The gender pay gap is primarily influenced by occupational distribution within the maritime industry. This is largely due to educational qualification requirements, as well as the fact that technical roles onboard ships command higher wages in the labour market. As a result, the structural characteristic of the industry impacts the overall gender pay gap, with women being more commonly represented in onshore administrative and support functions, which typically offer lower salary levels. Additionally, geographical distribution affects overall pay disparities, as wage levels vary across different regions. The gender pay gap is further influenced by the concentration of male and female employees in specific geographical locations, where local salary benchmarks differ. However, within specific job families, salaries remain equal regardless of gender. For example, in the service area of the Tallinn maritime organisation, the gender wage gap is only 6%, demonstrating that roles within the same job category are compensated equitably.

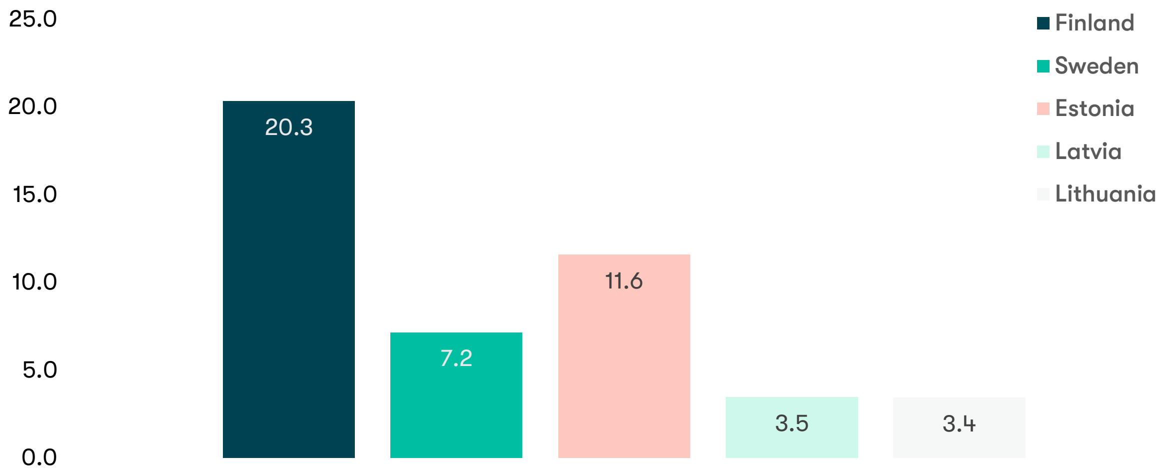
Gender pay gap across regions 2024:



The Group is committed to reducing the gender pay gap and ensuring fair remuneration practices across all roles. While operational and technical roles onboard ships are currently male-dominated due to prevailing industry specifics, the Group actively promotes diversity and inclusion in recruitment and career development. Transparent salary bands help establish clear and comparable pay ranges, minimising unjustified disparities. Career development and promotion programs are designed to increase female representation in higher-paying roles where possible. To support work-life balance, the Group also offers flexible working arrangements and family-friendly benefits, fostering equal career progression opportunities for all employees. The Group will continue to monitor and analyse the gender pay gap to drive continuous improvements and uphold fair and equitable compensation practices.

While the gender pay gap highlights differences in earnings between male and female employees, the general pay ratio provides a broader perspective on overall pay distribution by comparing the highest-paid individual to the median remuneration within the Group. This ratio offers insights into internal pay equity and how compensation structures align across different levels of the Group. To ensure comparability in general pay ratio calculations, annual hourly remuneration approach has been applied.

General pay ratio across regions 2024:



The Group recognises that quantitative data, such as the general pay ratio, may not fully explain differences in remuneration across various roles and geographies. Factors influencing remuneration levels within the Group are similar to those for gender pay gap. As a maritime transport Group, the nature of technical roles onboard ships requires specialised skills, which influences pay levels for those positions. Additionally, the Group's operational scale, including revenues and organisational structures, and variations in pay scales across countries, impacts overall remuneration structures. Furthermore, extraordinary compensations such as layoffs, subsidies, or other one-time payments may distort the quantitative data.

Equality

As a multinational Group, the Group places a high value on diversity and maintains a zero-tolerance policy toward discrimination in any form. The Group actively promotes awareness and education on human rights, regularly training employees on these issues. In collaboration with regional NGOs and authorities, the Group also provides educational programs on diversity, equality, and human rights to further strengthen an inclusive workplace culture.

The Human Rights Policy[4] and Employee Code of Conduct outline the Group's commitment to equal treatment and non-discrimination. To reinforce this, the Group aims to ensure that by 2025, 100% of permanent employees by the end of their probation period have completed Human Rights training and are fully familiar with the Group's Human Rights Policy.

During the reporting period, the Group has not identified any cases of human rights violations, formal complaints, or serious adverse impacts related to human rights involving its workforce. No grievances, investigations, or legal actions have been recorded, and no remediation plans have been required or implemented. Furthermore, the number of complaints filed to National Contact Points for OECD Multinational Enterprises was zero (0). Likewise, the number of fines, penalties, or compensation for damages resulting from incidents of discrimination, including harassment and complaints filed was zero (0).

Engagement

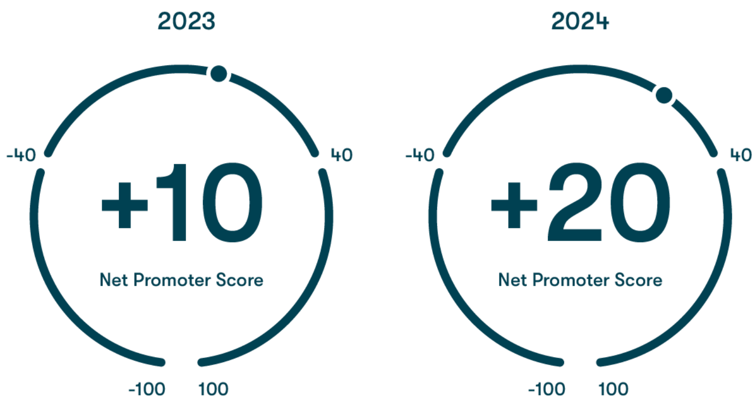
The Group actively engages employees and their representatives in health and safety matters in accordance with DGD0001079 OHS Management System, which outlines responsibilities occupational health and safety. Seafarers utilise Form DCD0000477 – Proposal for Improvement and On-Board

Complaints, ensuring concerns and suggestions are documented and addressed. Input gathered from engagement activities is actively considered, with communication channels open both directly with employees and via employee representatives. Meetings with employee representatives, including unions, occur monthly, either in face-to-face sessions or via Teams meetings. The Group HR Director holds primary responsibility for these engagements, with ultimate accountability resting with the Group CEO. All suggestions are thoroughly analysed and considered in decision-making, ensuring that employees feel valued and that their voices contribute meaningfully to the Group's direction.

On occupational health and safety (OHS) topics, employees first submit proposals to their managers, who then consult with the Occupational Health (OH) specialist. If necessary, the matter is escalated to the Occupational Environment Council, where potential implementation measures are discussed. Employees are involved even before decisions are made, and the engagement is consultative, taking place through emails, meetings, and direct discussions to identify the most practical and effective solutions. The Group provides compensation to employees in cases of work accidents or occupational diseases, in accordance with applicable legislation, including coverage for additional expenses, such as rehabilitation treatments when required.

Furthermore, the Group collects employee feedback through an Employee Net Promoter Score (NPS) surveys (at least twice a year), direct one-on-one meetings, and performance discussions, held either annually or every six months. Employee trust and willingness to provide anonymous feedback are gradually increasing, as reflected in growing survey response rates. Compared to initial survey waves, participation has shown an upward trend, with recent surveys indicating that approximately half of all employees took part. Internal audits further validate engagement effectiveness, with the absence of non-conformities in system implementation confirming successful employee involvement.

Employee net promoter score across all markets and operations 2023-2024:



Employees have multiple channels to raise concerns directly with the Group, including IdeaShare, available on the Group's internal website, where employees can submit feedback. Seafarers continue to use Form DCD0000477 for OHS-related concerns, while employees can also submit proposals via email. The Group maintains grievance and complaint-handling mechanisms to ensure all concerns are properly addressed. The HR department and the Group's intranet serve as the primary communication platforms, ensuring that processes and policies are clearly communicated and accessible. The Group actively tracks and monitors raised issues, involving relevant stakeholders to enhance effectiveness and better understand employee concerns.

An improvement loop is in place: after feedback surveys, results are reviewed, and each department outlines specific actions to drive accountability and continuous improvement. Quarterly onboard OHS meetings discuss, record, and review health and safety proposals, with minutes from previous meetings revisited to track progress. During internal audits, direct conversations with employees assess awareness of communication channels and the effectiveness of issue resolution.

As outlined in the Group's Human Rights Policy (Section 6), the Group provides a confidential and anonymous whistleblowing system, allowing employees, customers, and stakeholders to report human rights violations or concerns without fear of retaliation. All reports are thoroughly investigated, and appropriate actions are taken to resolve identified issues.

Workers in the Value Chain

Human Rights

The double materiality assessment identified one material impact area concerning workers in the value chain from the Group's perspective: the human rights of workers in the value chain. This IRO is addressed in the topical standard G1 IROs in the Governance chapter, with a specific focus on supplier relations, as detailed on pages 118-123.

Consumers and End-Users

AS Tallink Grupp transports over 5 million passengers per year on all its routes, accommodates thousands of customers in its hotels and additionally serves thousands of customers across its markets with its products and services. At all times, the safety and security of those customers is one of the top priorities for the Group across all its operations and services.

Health and Safety

The Group regularly collects customer feedback at different stages of the customer journey — pre-trip, post-trip, and between trips — through various channels, including feedback surveys (after-trip or after-booking), online forms, and traditional service channels (email and phone). This feedback is systematically analysed to identify trends, insights, and areas for improvement. By applying both qualitative and quantitative methods, the Group evaluates customer experiences and preferences, using the results to inform decision-making and drive continuous enhancement of products and services, ultimately improving customer satisfaction and loyalty.

The safety and security of people, the environment, and property remain the highest priority in the Group's operations. The Safety Management System (SMS) is continuously updated and maintained at all levels of the Group's maritime operations. The SMS is fully compliant with the International Safety Management (ISM) and International Ship Port Facility Security (ISPS) Code, and the ISO 14001:2015 standard for the Environmental Management Systems.

The routines and procedures developed within the SMS provide a strong foundation for preventing any accidents, loss of life, and minimising the environment impact of both vessels and shore operations. The Group's SMS undergoes regular audits by various flag state authorities, including the Estonian, Finnish, Latvian, and Swedish Maritime Administrations, or recognised organisations authorised by these administrations. Additionally, the Group's ISO 14001 Environmental Management System is audited by the certification body LRQA.

The Group ensures that its SMS remains fully compliant with all applicable regulations issued by regulators and authorities (i.e., International Maritime Organization, European Union, maritime authorities of the flag states, certification bodies, and other relevant organisations). The Group is committed to identifying, strictly adhering to, and promptly implementing all applicable regulations, and, where possible, exceeding compliance requirements.

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Ship Masters hold full responsibility for safety and security on board, while the Group's onshore organisation provides comprehensive support to all vessels, irrespective of their flag state.

The Group's SMS is designed, maintained, and continuously improved to ensure the safety of its vessels, crew, and passengers. Training the crew, developing their skills, and strengthening their safety and security knowledge is an ongoing priority that is taken very seriously. Crew skills and knowledge are regularly tested and improved through various drills and exercises, conducted on a routine basis. Where applicable, these drills are carried out in cooperation with relevant local authorities to ensure compliance with the highest safety standards. The competencies required for safe operations are developed in alignment with international standards, following a comprehensive risk assessment process that identifies all potential hazards. The Group implements the necessary measures to mitigate and manage risks and ensures environmental and safety awareness among its crews.

All the Group's vessels are equipped with adequate lifesaving equipment that complies with applicable safety regulations. This equipment is regularly tested to ensure it is fully operational and ready for immediate use in case of an emergency. However, the Group's comprehensive nautical expertise, and good seamanship practices, and robust safety and security organisation serve to prevent situations where lifesaving equipment would be required, reinforcing its commitment to proactive risk management and accident prevention.

The Group remains committed to investing in regular safety training for its crew and employees. The Group operates its own training facility, Tallink Training Centre, which delivers regular safety and security courses. In 2024, a total of 1 173 courses were conducted in key areas such as crowd management, fire simulation, basic safety training, customer experience, and other specialised courses. The Training Centre has now been licenced to provide trainings for its Finnish crew members, eliminating the need for external training providers. Furthermore, the total training hours completed by employees in 2024 amounted to 58 459 hours, with 24 383 hours completed by male employees and 34 076 hours by female employees. Looking ahead, the Group plans to extend its safety training programs in 2025 and beyond.

In addition to internal training, the Group collaborates with voluntary rescue organisations, including Tallinn Search and Rescue for maritime safety training and equipment, and Finland Search and Rescue for maritime safety training for children.

The Group proactively prevents safety and security incidents that could lead to extensive losses — including human lives, economic, and property damage — through preventive measures and safety and security procedures. All safety and security incidents are systematically recorded and managed through the Group's incident management and reporting systems and are escalated to senior management for review and action. The baseline for extensive loss incidents is set at 0, with the voluntary target of maintaining this level at zero (0) annually. In both 2023 and 2024, the number of extensive loss incidents was zero (0).

Privacy

In addition to customer health and safety, the second material IRO for the Group from the customer perspective is the protection of and the risks associated with handling customer data. The collection, use, and management of customer data has been and will continue to be a top priority for the Group. Alongside its overall safety management efforts, the Group remains committed to ensuring that customer data is handled securely and in strict compliance with all current and future regulations and laws.

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The Group has implemented a Privacy Policy[11], which outlines the principles of processing personal data of customers and other data subjects. Customer satisfaction remains the Group's highest priority, and the appropriate processing of personal data plays a crucial role in delivering efficient and accurate customer service. By adhering to the principles set out in this Privacy Policy and applicable laws, the Group ensures that personal data processing supports contractual relationships, legal obligations, and the best interests of its customers. However, this Privacy Policy does not apply to the processing of anonymous information or data related to legal entities.

To ensure personal data protection, the Group has designated a Data Protection Officer (DPO) with expert knowledge of data protection laws and best practices. The DPO ensures compliance with personal data protection regulations and serves as the primary contact for data subjects regarding requests, inquiries, and the exercise of their rights related to personal data processing. The DPO plays a key role in assisting the Group in maintaining and improving data protection compliance, ensuring that all personal data is handled responsibly and securely.

The key activities in data protection include GDPR compliance and data incident monitoring, with incident analysis and procedural improvements implemented as necessary. The Group continuously upgrades IT systems to ensure compliance with data protection rules and regulations and reports any data protection issues to the Management Board. In 2024, the Group invested EUR 0.4 million in IT security and data protection enhancements to further strengthen compliance and safeguard sensitive information. Collaboration with regulatory authorities in the Group's home markets and active networking with national data protection experts help the Group stay updated on evolving legal and regulatory requirements. The ultimate responsibility for data protection lies with the Group's CEO. The Group's Privacy Policy ensures full coverage of customer data protection rights and compliance with all applicable regulations. The Group continuously monitors developments in data protection laws to maintain internal policies and procedures that guarantee short-, medium-, and long-term compliance.

The Group's goal, as set by the Management Board, is to prevent any safety and security incidents that could lead to extensive losses, including those affecting human lives, financial stability, reputation, or data security. This objective is achieved through preventive actions and effective safety and security procedures, including data protection measures and advanced IT solutions to mitigate risks.

Engagement

Customer engagement is the responsibility of the Group Head of HR and Customer Experience, with ultimate accountability resting with the Management Board Member overseeing customer service operations. The Group regularly collects customer feedback at different stages of the customer journey — pre-trip, post-trip, and between trips — through various channels, including feedback surveys (after-trip or after-booking), online forms, and traditional service channels (email and phone). This feedback is systematically analysed to identify trends, insights, and areas for improvement. By applying both qualitative and quantitative methods, the Group evaluates customer experiences and preferences, using the results to inform decision-making and drive continuous enhancement of products and services, ultimately improving customer satisfaction and loyalty.

The Customer Net Promoter Score (NPS) is a key metric for measuring customer satisfaction and loyalty. It assesses how likely customers are to recommend the Group's services based on their experiences. The 2024 results directly reflect the positive impact of the Group's actions, initiatives and

[11] See more at: https://www.tallink.com/privacy-policy

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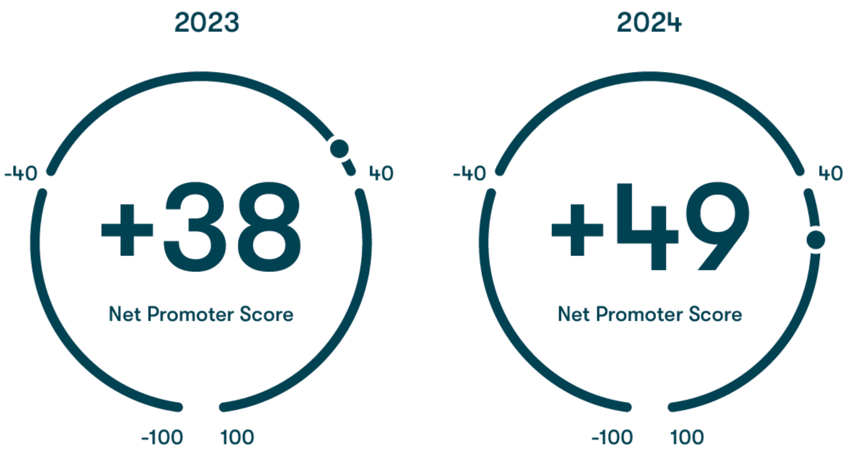
engagement efforts. This score serves as a measure of how effectively the Group is implementing a customer-centric approach and delivering value that resonates with its customers.

Customer net promoter score across all markets and operations 2023-2024:



A structured improvement loop is in place to ensure ongoing enhancements in customer service. Customer surveys are conducted daily, as they are sent to customers after each trip. The results are then analysed, and specific improvement actions are outlined by relevant departments. This structured approach enhances accountability and fosters continuous improvement in customer loyalty and service quality. The Group engages directly with affected consumers, end-users, or their legitimate representatives to ensure responsiveness to their needs.

The Group is committed to addressing customer concerns transparently, ensuring that customers have access to appropriate legal remedies in cases of negative impact. In cases where issues arise, such as booking information being accidentally passed to the wrong customer, the Group follows a structured process that includes a thorough assessment of impacts, engagement with affected stakeholders, and the implementation of corrective measures. To ensure that customers have access to legal remedies, the Group provides clear escalation procedures, ensuring that customers can seek resolution through formal complaints processes. If a customer has suffered a significant negative impact due to a service-related incident or a violation of human rights, the Group facilitates appropriate remedies, which may include compensation, corrective actions, or cooperation with consumer protection authorities in applicable jurisdictions.

By fostering communication and seeking customer feedback, the Group ensures that remediation efforts are responsive to the needs of impacted customers, reinforcing its commitment to consumer rights and trust in the brand. Customers can raise concerns or needs directly via a feedback webform, which is then compiled and reviewed in meetings with managers, internal control teams, and the legal department. The availability and efficiency of these feedback channels are maintained through a structured claims and feedback handling process.

The Group tracks and monitors issues raised and addressed, ensuring the effectiveness of customer communication channels through regular reviews by responsible employees from business areas and customer service teams. To assess whether consumers and end-users are aware of and trust the Group's processes for raising concerns, the Group employs surveys and feedback mechanisms.

These tools provide valuable insights into customer awareness and trust levels, allowing the Group to identify gaps and areas for improvement. Ensuring that communication channels remain accessible, the Group fosters a culture of trust and responsiveness, strengthening its relationship with consumers and enhancing their overall experience.

The Group has a whistleblowing policy in place that enables external stakeholders to raise concerns confidentially. Ultimate accountability for consumer protection and issue resolution lies with the Management Board Member overseeing customer service operations. Current customer service practices demonstrate that when customers use direct communication channels to raise issues, the Group prioritises resolution and fair compensation, reinforcing consumer trust and ensuring that feedback is valued rather than met with retaliation.

Governance

Good governance is the foundation of AS Tallink Grupp's business and corporate culture. Through effective governance policies and practices, the Group ensures that employees, business partners, and stakeholders within its wider value chain clearly understand the expectations set for them in their roles as employers, partners, and service providers. The Group is committed to continuously improving and enhancing its governance practices and framework to uphold transparency, accountability, and ethical business conduct across all operations.

Under the Governance and G1 topical standard, the Group provides information regarding an IRO that was identified as material in relation to the Group's potential risks and impacts on suppliers. Although the material topic was narrow and linked with other governance-related topics, it was determined that the most appropriate approach would be to cover it under the G1 topical standard. The material topic addressed under G1 relates to the protection of human rights in the supply chain, outlining the actions and targets the Group has committed to in order to ensure that human rights are upheld across its supply chain, specifically focusing on tier I suppliers.

Additionally, the Group considers anti-corruption efforts an important aspect of governance reporting under the G1 topical standard. Although corruption was not identified as a material topic during the double materiality assessment, this was largely due to the Group's strict policies, robust internal controls, and well-established processes to prevent and address corruption. The Group's strong history, with zero (0) historic incidents of corruption, further reinforces the effectiveness of its anti-corruption framework.

Further details on the roles and responsibilities of the Group's management, administrative, and supervisory bodies in relation to business conduct, as well as their expertise in corporate behaviour matters, can be found in the Corporate Governance Report of this Annual report, where the governance framework and oversight mechanisms are outlined in greater detail (see pages 34-44).

Whistleblowing

The Group is committed to promoting honest, open, and lawful conduct and encourages employees, suppliers (including workers in the value chain), and other individuals to report any actual or suspected wrongdoing or non-compliance within the Group's operations. Reports can be made regarding any misconduct that a person becomes aware of in connection with their work, professional duties, or the provision of services to the Group. The purpose of reporting is to enable the Group to take necessary action to address any wrongdoing in a timely manner and prevent future occurrences.

The Group also welcomes whistleblowing reports from individuals who obtained information about actual or suspected wrongdoing during the establishment of a contractual relationship with the Group, such as through a job application or service contract negotiation. Any suspicion can be reported through a free-form description sent directly to the Head of Group's Internal Audit department, either via email, which is accessible on the Group's homepage, or through a special anonymous reporting form available on the Group's internal website. The Group applies a case-by-case approach to whistleblowing reports, ensuring tailored responses to reported concerns while supporting the accessibility of this mechanism to all suppliers (including workers in the value chain) in their work environment. While the Group has not separately assessed the awareness of value chain workers regarding this channel, it recognises the importance of evaluating its effectiveness and is considering further assessments of awareness and trust in the mechanism. Responsibility for the whistleblowing policy, upholding anonymity and mitigating risks related to whistleblowing lies with the Management Board member overseeing the legal team.

Supplier Relationships

One significant link in the Group's value chain and a key stakeholder group is its supplier network. The double materiality assessment identified IROs related to managing relationships within the supply chain as a broader topic. However, the protection of human rights in the supply chain emerged as the specific IRO that the Group must prioritise and address.

Policy and Targets

The Group actively seeks to avoid causing or contributing to material negative impacts on value chain workers through its procurement practices, particularly by implementing stringent supplier selection and audit processes. These processes are guided by the Supplier Code of Conduct, which sets expectations for fair labour practices, safe working conditions, and respect for human rights. The Group's Supplier Code of Conduct reflects its core values and establishes the minimum anti-corruption and human rights standards that the Group expects from its supply chain. The Group remains committed to upholding human rights, including preventing modern slavery and human trafficking in its operations and supply chain. It adheres to high standards of ethical business conduct and expects suppliers to meet these same standards in their interactions with employees, suppliers, and customers.

The Group requires all suppliers to sign and adhere to its Supplier Code of Conduct. Responsibility for overseeing compliance with this policy and engagement lies with the Group's Procurement Director, and the policy is formally approved by the Group's Management Board. For larger centralised and strategic tenders, signing and adhering to the Supplier Code of Conduct is a mandatory requirement, ensuring that 100% of the Group's large and strategic suppliers are in compliance. Moreover, the Group's Management Board approved the Policy Statement on Human Rights[12] in Q1 2024, updating and extending it in Q4 2024. Responsibility for this policy lies with the Group's Management Board Member responsible for the legal team.

The Group is dedicated to responsible business practices that uphold fundamental human rights for all individuals impacted by its operations, including employees, customers, supply chain partners (including workers in the supply chain), and local communities. The Group's Human Rights Policy aligns with the International Bill of Human Rights, the European Social Charter, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Group continuously strives towards ensuring that these rights are respected throughout its operations and value chain, from employees and customers to suppliers and business partners. The policy currently applies to the Group's employees and the workers in the supply chain. Human rights policy information is made available to employees through the Group's internal website and to suppliers via the external website. To reinforce compliance, human rights training is conducted for employees, with an e-learning program planned for all employees in 2025.

[12] See more at: https://company.tallink.com/esg/governance

External monitoring of supplier compliance is conducted through supplier meetings, site visits, and audits. Any violations detected are addressed by the Group's internal control and procurement team experts. The Group follows a case-by-case approach to identifying and implementing appropriate actions in response to actual or potential negative impacts on supplier compliance (also regarding impacts on workers in the supply chain), ensuring that remediation processes are accessible, effective, and lead to meaningful outcomes. Internal human rights violations are handled by the Group's HR and internal control teams, ensuring that any concerns are addressed effectively and in alignment with the Group's ethical and legal commitments.

The Group has implemented a Procurement Policy, overseen by the Group's Head of Procurement. This policy establishes the principles and rules of procurement, defines the rights and responsibilities of individuals involved in procurement, outlines management and supervision procedures, and sets forth accountability measures for any breaches of procurement regulations.

By adhering to the Procurement Policy and structured procurement procedures, the Group has improved planning and efficiency, leading to a reduction in resources required for procurement and purchasing, enhanced procurement quality, and an improved reputation with suppliers and service providers due to greater professionalism and operational efficiency.

The Group's Management Board fully supports the implementation of the Procurement Policy and ensures its application and enforcement. All individuals involved in procurement must comply with the policy, and the Management Board of the Group supervises adherence. Employees across the Group and its subsidiaries are expected to follow the Procurement Policy and associated procurement rules.

Compliance with the Group's policies and procurement standards is monitored through regular supplier meetings (held one or more times per year), audits, and media and social media monitoring. As part of its sustainability strategy, the Group continues efforts to increase the proportion of suppliers from its home markets and prioritise suppliers with sustainable production practices.

The Group monitors external market developments as they relate to its business operations. Since February 2022, the Group has removed all Russian and Belarusian suppliers from its approved supplier list, ensuring full compliance with EU sanctions. The approved supplier list is continuously reviewed and updated to reflect regulatory compliance and strategic sourcing priorities.

In 2018, when the Group first began supplier certification, there were 6 549 tier I suppliers (direct suppliers of the final products and services) working with the Group. Over recent years, this number has stabilised at approximately 4 000 approved suppliers. All new suppliers undergo background checks before receiving approved status, as part of the Procurement Policy and supplier approval process.

When procuring goods and services, the Group conducts tenders and requests offers from at least three suppliers before making a final selection. Supplier audits and on-site visits are carried out as needed, with mandatory site visits imposed for Food & Beverage suppliers. In 2024, the Group's Supplier Audit Committee conducted 6 supplier audits, with 13 additional audits scheduled for 2025 for the Food & Beverage suppliers.

Key supplier relationship KPIs include:

- 100% compliance with the Supplier Code of Conduct for all large and strategic suppliers, ensuring ethical and regulatory adherence.
- No major ESG-related violations identified during supplier audits that require corrective action.

These objectives are designed to gradually strengthen due diligence processes for the Group's key strategic suppliers in the short-term, with a broader goal of enhancing due diligence across the

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majority of suppliers in the medium- to long-term horizons. Through these efforts, the Group aims to ensure wider adherence to international regulations across its entire value chain. As these objectives were established in 2024, reporting data on how the criteria are evaluated and whether they are being implemented is not yet available.

Engagement and ESG Commitments Among Suppliers

In 2024, AS Tallink Grupp conducted a supplier ESG survey among key and larger Tallink Duty Free suppliers to assess their environmental, social, and governance strategies, targets, and overall awareness and to understand the working conditions of the value chain workers. A total of 120+ suppliers were invited to participate, with approximately 50 suppliers responding, resulting in a 41% response rate. The selection process focused exclusively on Tallink Duty Free top-tier suppliers, specifically larger companies or those with the highest goods supply or turnover volume. These suppliers were included in the assessment due to the significance of their impact on Tallink Duty Free's ESG activities. The survey provided a comprehensive analysis of how suppliers address and implement ESG strategies, examining key areas such as governance, environmental impact, and social responsibility.

The finding revealed significant engagement in formalising ESG policies, setting performance targets, and publicly reporting on ESG metrics:

Governance

- 42% of companies report their ESG performance publicly through sustainability reports or integrated reporting.
- 50% have specific ESG performance targets or key performance indicators (KPIs).
- 62% of companies have a formal ESG policy or strategy in place.

Environmental Factors

- 36% of companies have policies and practices to enhance biodiversity and protect ecosystems.
- 78% of organizations have policies and practices in place to minimise waste generation and increase recycling.
- 56% of companies have policies and practices to reduce water consumption and manage water-related risks.
- 54% of organizations have policies and practices aimed at reducing pollution.
- 62% of companies have policies and practices in place to reduce their greenhouse gas (GHG) emissions.
- 56% of companies monitor and report their Scope 1 and Scope 2 GHG emissions.
- 48% of organizations monitor and report their Scope 3 GHG emissions.
- 75% of respondents report their Scope 3 emissions.

Social Factors

- 48% of companies have policies and practices in place to address the impact of their activities on affected communities.
- 96% of companies have policies and practices in place to ensure fair labour practices, including safe working conditions and fair wages for their workers

A majority of suppliers have implemented measures to reduce GHG emissions, pollution, and water consumption, along with strategies to minimise waste and enhance biodiversity. Many companies are also assessing the environmental impacts of their products and services and monitoring various scopes of GHG emissions.

From a social responsibility perspective, suppliers demonstrated a strong commitment to fair labour practices, both internationally and within their broader value chains. There is also a growing focus on

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evaluating the impact of Group activities on communities, highlighting a widespread commitment to sustainability and corporate social responsibility among the majority of surveyed suppliers.

To strengthen supplier engagement on ESG topics, the Group participated in and hosted several key industry events through the year:

- In May 2024, ESG topics were discussed with suppliers at the Group's annual supplier and employee event in Tallinn
- In October 2024, the Group attended the largest Duty-Free Fair globally in Cannes, France, where face-to-face meetings with key supply partners were held to discuss ESG commitments. A supplier brochure outlining the Group's ESG policies, activities, and targets was distributed to suppliers.
- In December 2024, the Group hosted a supplier event onboard one of its vessels, where a presentation on the Group's ESG activities, targets, and expectations for suppliers was delivered to approximately 150 key food and beverage suppliers.

Prevention of Corruption and Bribery

The Group operates on a zero-tolerance principle for any form of corruption and has enforced a clear anti-corruption policy since 2018. This policy defines the Group's commitment to preventing corrupt business practices and establishes a code of conduct regarding conflicts of interest, declaration of gifts, and reporting of integrity concerns. The policy applies to all of the Group's subsidiaries worldwide, including members of governing bodies, employees (both permanent and temporary), related parties, and their respective managing bodies and employees.

The Group is committed to conducting business ethically and recognises that even the suggestion of corruption can damage its reputation and undermine the integrity of the entire organisation, including individual directors and employees. The Group strictly complies with all applicable anti-bribery and anti-corruption laws in the jurisdictions in which it operates, even if this results in losing business opportunities, avoiding specific third-party engagements, or experiencing operational delays.

The Management Board and Supervisory Board sponsor and strictly enforce the Anti-Corruption Policy, ensuring that it applies to all subsidiaries, directors, and employees. The Management Board is responsible for compliance oversight, with regular monitoring and review by the Supervisory Board, supported by the Audit Committee. All parties subject to the policy must ensure full understanding and compliance at all times.

The internal audit department exercises supervision over compliance with the policy, which includes:

- Reviewing approvals of gifts, hospitality, and entertainment to identify patterns that could indicate potential bribery or attempted bribery.
- Assessing intermediaries and business partners providing services in the public sector annually and reviewing other appointments once every two calendar years.

The Policy is communicated to all new employees upon signing their employment contract.

Conflict of Interest

Any employee conducting a transaction on behalf of the Group is required to report any potential conflict of interest via a designated form on the Group's intranet.

Declaration of Gifts

When offering, giving, or accepting gift, hospitality, or entertainment, employees must ensure that such exchanges are not intended to influence decision-making or affect business activities. The Anti-Corruption Policy mandates that gifts with a value of 50 EUR or more must be declared. Gifts exceeding the value of 100 EUR per person cannot be offered, provided, or accepted without approval from the Group's Management Board. Gifts are declared via a special form on the Group's intranet.

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Training

In 2024, the Group's Internal Audit team conducted a risk assessment to identify the most at-risk functions and positions for potential corruption risks. A total of 155 positions were identified as higher risk based on the nature of their responsibilities. Following this assessment, the in-house training team, in collaboration with the legal team, developed an online anti-corruption training course focused on familiarity with the policy, compliance measures, and reporting obligations. As of the end of 2024, 77% of the identified high-risk employees across all markets and subsidiaries had successfully completed the training. In 2025, the completion of this training will be mandatory for all employees, ensuring that anti-corruption awareness and compliance are embedded throughout the entire organisation.

Incidents

The Group has a Whistleblowing Policy in place that allows for anonymous reporting of any suspected corruption incidents. In 2024, there were no reported corruption cases or fines paid by the Group. Any reported cases would be handled in accordance with legal requirements and Group policy. The legal team is responsible for processing and investigating such reports, and in the event of a confirmed violation, it is the Group's policy to report the incident to the respective national authorities.

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MANAGEMENT BOARD'S CONFIRMATION

The Management Board confirms that to the best of their knowledge the Management Report of AS Tallink Grupp for the year 2024, including the Corporate Governance report, the Remuneration Report and the Consolidated Sustainability Statement presents a true and fair view of significant events and their impact on the Group's results and financial position and includes an overview of the main risks and uncertainties.

Paavo Nõgene
Chairman of the Management Board

Elise Nassar
Member of the Management Board

Harri Hanschmidt
Member of the Management Board

Piret Mürk-Dubout
Member of the Management Board

Margus Schults
Member of the Management Board

11 April 2025

This audited annual report has been signed digitally.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Notes on pages 130-179 form an integral part of the financial statements

For the year ended 31 December, in thousands of EUR	**2024**	**2023**
Revenue (Note 4)	785 822	835 325
Cost of sales (Note 5)	-632 266	-631 491
Gross profit	153 556	203 834
Sales and marketing expenses (Note 5)	-43 849	-42 162
Administrative expenses (Note 5)	-52 853	-52 401
Impairment loss on receivables (Note 24)	7	-71
Other operating income (Note 5)	21 684	4 275
Other operating expenses (Note 5)	-1 115	-171
Result from operating activities	77 430	113 304
Finance income (Note 5)	938	1 332
Finance costs (Note 5)	-29 198	-36 864
Share of loss of equity-accounted investees	0	-75
Profit before income tax	49 170	77 697
Income tax (Note 6)	-8 896	1 175
Net profit	40 274	78 872
Net profit attributable to equity holders of the Parent	40 274	78 872
Other compherensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	332	-172
Other comprehensive income/loss	332	-172
Total comprehensive income	40 606	78 700
Total comprehensive income attributable to equity holders of the Parent	40 606	78 700
Basic and diluted profit per share (in EUR, Note 7)	0.054	0.106

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Consolidated Statement of Financial Position

The Notes on pages 130-179 form an integral part of the financial statements

As at 31 December, in thousands of EUR	**2024**	**2023**
ASSETS		
Cash and cash equivalents (Note 8)	18 705	41 921
Trade and other receivables (Note 9)	25 268	31 766
Prepayments (Note 10)	8 764	7 661
Prepaid income tax	0	193
Inventories (Note 11)	48 083	41 411
Intangible assets (Note 12)	6 901	0
Current assets	107 721	122 952
Other financial assets and prepayments (Note 13)	518	4 794
Deferred income tax assets (Note 6)	21 840	21 840
Investment property	300	300
Property, plant and equipment (Note 14)	1 310 000	1 377 664
Intangible assets (Note 15)	23 562	27 671
Non-current assets	1 356 220	1 432 269
TOTAL ASSETS	1 463 941	1 555 221
LIABILITIES AND EQUITY		
Interest-bearing loans and borrowings (Note 16)	104 549	104 097
Trade and other payables (Note 18)	95 146	85 406
Payables to owners	6	6
Income tax liability	7	10
Deferred income (Note 19)	30 102	34 788
Current liabilities	229 810	224 307
Interest-bearing loans and borrowings (Note 16)	451 825	545 160
Non-current liabilities	451 825	545 160
Total liabilities	681 635	769 467
Share capital (Note 20)	349 477	349 477
Share premium (Note 20)	663	663
Reserves (Note 20)	65 901	67 056
Retained earnings	366 265	368 558
Equity attributable to equity holders of the Parent	782 306	785 754
Total equity	782 306	785 754
TOTAL LIABILITIES AND EQUITY	1 463 941	1 555 221

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Consolidated Statement of Cash Flows

The Notes on pages 130-179 form an integral part of the financial statements

For the year ended 31 December, in thousands of EUR	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	40 274	78 872
Adjustments for:		
Depreciation and amortisation (Notes 5, 14, 15)	97 751	101 224
Net gain/loss on disposals of property, plant and equipment	-18 260	-15
Net interest expense (Note 5)	28 008	35 290
Loss from equity-accounted investees	0	75
Net unrealised foreign exchange gain/loss	288	-198
Share option programme reserve (Note 21)	560	123
Income tax (Note 6)	8 896	-1 175
Adjustments	117 243	135 324
Changes in:		
Receivables related to operating activities	6 481	-378
Prepayments related to operating activities	-776	1 718
Inventories	-13 573	-1 446
Liabilities related to operating activities	8 505	-10 457
Changes in assets and liabilities	637	-10 563
Cash generated from operating activities	158 154	203 633
Income tax paid	-4 740	-186
NET CASH FROM OPERATING ACTIVITIES	153 414	203 447
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (Note 14, 15)	-22 260	-28 131
Proceeds from sales of property, plant and equipment	24 555	613
Interest received	938	1 332
NET CASH FROM/-USED IN INVESTING ACTIVITIES	3 233	-26 186
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans received (Note 16)	0	59 972
Repayment of loans received (Note 16)	-87 045	-251 431
Change in overdraft (Note 16)	0	-15
Payment of lease liabilities	-18 659	-21 519
Interest paid	-29 095	-32 827
Payment of transaction costs related to loans	-450	-4 455
Dividends paid (Note 24)	-44 614	0
NET CASH USED IN FINANCING ACTIVITIES	-179 863	-250 275
TOTAL NET CASH FLOW	-23 216	-73 014
Cash and cash equivalents at the beginning of period	41 921	114 935
Change in cash and cash equivalents (Note 8)	-23 216	-73 014
Cash and cash equivalents at the end of period	18 705	41 921

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Consolidated Statement of Changes in Equity

The Notes on pages 130-179 form an integral part of the financial statements

In thousands of EUR	Share capital	Share premium	Translation reserve	Ships re-valuation reserve	Legal reserve	Share option programme reserve	Retained earnings	Equity attributable to equity holders of the Parent	Total equity
As at 31 December 2023	349 477	663	668	31 317	34 948	123	368 558	785 754	785 754
Net profit for 2024	0	0	0	0	0	0	40 274	40 274	40 274
Other comprehensive income for 2024									
Exchange differences on translating foreign operations	0	0	332	0	0	0	0	332	332
Total comprehensive income for 2024	0	0	332	0	0	0	40 274	40 606	40 606
Transactions with owners of the Company recognised directly in equity									
Transfer from revaluation reserve	0	0	0	-2 047	0	0	2 047	0	0
Dividends (Note 24)	0	0	0	0	0	0	-44 614	-44 614	-44 614
Share options (Note 21)	0	0	0	0	0	560	0	560	560
Total transactions with owners of the Company, recognised directly in equity	0	0	0	-2 047	0	560	-42 567	-44 054	-44 054
As at 31 December 2024	349 477	663	1 000	29 270	34 948	683	366 265	782 306	782 306

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In thousands of EUR	Share capital	Share premium	Translation reserve	Ships re-valuation reserve	Legal reserve	Share option programme reserve	Retained earnings	Equity attributable to equity holders of the Parent	Total equity
As at 31 December 2022	349 477	663	840	33 364	32 159	0	290 428	706 931	706 931
Net profit for 2023	0	0	0	0	0	0	78 872	78 872	78 872
Other comprehensive loss for 2023									
Exchange differences on translating foreign operations	0	0	-172	0	0	0	0	-172	-172
Total comprehensive income for 2023	0	0	-172	0	0	0	78 872	78 700	78 700
Transactions with owners of the Company recognised directly in equity									
Transfer from profit for 2022	0	0	0	0	2 789	0	-2 789	0	0
Transfer from revaluation reserve	0	0	0	-2 047	0	0	2 047	0	0
Share options (Note 21)	0	0	0	0	0	123	0	123	123
Total transactions with owners of the Company, recognised directly in equity	0	0	0	-2 047	2 789	123	-742	123	123
As at 31 December 2023	349 477	663	668	31 317	34 948	123	368 558	785 754	785 754

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Corporate Information

The consolidated financial statements of AS Tallink Grupp (the "Parent") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2024 were authorised for issue by the Management Board on 11 April 2025.

According to the Estonian Commercial Code, the annual report including the consolidated financial statements prepared by the Management Board must first be approved by the Supervisory Board and ultimately by the General Meeting of Shareholders. Shareholders have the power not to approve the annual report prepared and presented by the Management Board and the right to request that a new annual report be prepared.

AS Tallink Grupp is a public limited company incorporated and domiciled in Estonia, with a registered office at Sadama 5 Tallinn. AS Tallink Grupp shares have been publicly traded on the Nasdaq Tallinn Stock Exchange since 9 December 2005.

The principal activities of the Group are related to marine transportation in the Baltic Sea (passenger and cargo transportation), EMTAK 50101 – Sea and coastal passenger water transport, EMTAK 50201 – Sea and coastal freight water transport, EMTAK 79121 – Travel agency activities. Further information on the Group's principal activities is presented in Note 4 Segment information. At 31 December 2024 the Group employed 4 847 people (4 912 at 31 December 2023).

Note 2 Basis of Preparation

2.1. Statement of Compliance

The consolidated financial statements of AS Tallink Grupp and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (hereinafter: IFRS EU).

2.2. Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items in the statement of financial position:

- equity securities are measured at fair value (Note 13)
- ships are measured at revalued amounts (Note 14)

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2.3. Changes in Accounting Policies

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2024.

Changes in significant accounting policies

The Group applied the following amendments to standards initially on 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted. Specific transition requirements apply for companies that have early adopted the previously issued but not yet effective 2020 amendments.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments, as issued in 2020, have removed the requirement for a right to be unconditional and instead require that a right to defer settlement must exist at the reporting date and have substance (the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early). The amendments, as issued in 2022, further clarify that when the right to defer settlement is subject to a company complying with conditions (covenants) specified in a loan arrangement, only covenants with which the company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date do not affect a liability's classification at that date. However, the amendments require companies to disclose information about these future covenants to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt).

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Effective for annual periods beginning on or after 1 January 2024; to be applied retrospectively to the date when the entity initially applied IFRS 16. Early application is permitted.

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments. The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments had no material impact on the Group's financial statements when initially applied.

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Standards, interpretations and amendments to published standards that are not yet effective

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it will be endorsed by the EU in the foreseeable future.

- The amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that: a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while
- a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules

In May 2023, the IASB issued amendments to IAS 12 Income Taxes, which provides temporary relief from the requirement to recognise and disclose deferred taxes arising the Pillar Two model rules. The relief is effective immediately upon issuance of the amendments on 23 May 2023 and applies retrospectively. Disclosure requirements, other than those about the relief, apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

'Pillar Two taxes' are taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The Pillar Two model rules aim to ensure that large multinational groups pay taxes at least at the minimum rate of 15 percent on income arising in each jurisdiction in which they operate by applying a system of top-up taxes. There are three active mechanisms under Pillar Two model rules that countries can adopt: the income inclusion rule, the undertaxed payment rule and a qualified domestic minimum top-up tax. They are often referred to as 'global minimum top-up tax' or 'top-up tax'.

The amendments address stakeholders' concerns about deferred tax accounting in relation to the new top-up tax under IFRSs by

- providing entities with a temporary mandatory relief from deferred tax accounting for top-up tax; and
- requiring entities to provide new disclosures in relation to the top-up tax and the relief.

The Group will apply the amendments once the respective tax law is enacted. The Group expects that the amendments, when initially applied, will not have a material impact on its financial statements as Pillar Two rules include an exclusion for relevant shipping income.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. IAS 21 was amended to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

The amendments also include additional disclosure requirements to help users to assess the impact of using an estimated exchange rate on the financial statements.

The Group plans to apply the amendments from 1 January 2025.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised.

The Group plans to apply the amendments from 1 January 2026.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

Annual Improvements to IFRS Standards – Volume 11

Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

In this volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The Group plans to apply the amendments from 1 January 2026.

The Group does not expect the amendments to have a material impact on its financial statements when initially applied.

IFRS 18 Presentation and Disclosure in Financial Statements

Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

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Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either:

- nature;
- function; or
- using a mixed presentation.

If any operating expenses are presented by function, then new disclosures apply.

The Group plans to apply the new standards from 1 January 2027.

Other changes

Other new standards, amendments to standards and interpretations that are not yet effective are not expected to have a significant impact on the Group's financial statements.

2.4. Functional and Presentation Currency

The figures reported in the financial statements are presented in euros, which is the Parent's functional currency. All financial information presented in euros has been rounded to the nearest thousand unless otherwise indicated.

2.5. Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS (EU) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Lease Term

Judgement to determine whether the Group is reasonably certain to exercise extension options.

As at 31 December 2024, the Group had entered into lease agreements for 4 hotel buildings, 4 office buildings, 1 warehouse building, 22 restaurant buildings and 5 shops (31 December 2023: 4 hotel buildings, 4 office buildings, 1 warehouse building, 22 restaurant buildings and 5 shops). See Note 24 for more detailed information on the minimum lease payments of the lease agreements.

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Assumptions and Estimation Uncertainty

The following assumptions and estimation uncertainties have a risk of resulting in a material adjustment in the next financial year:

Fair Value of Ships

For the purpose of revaluation, the Group determined the fair value of its ships as at 31 December 2024. The fair value of ships depends on many factors, including the year of construction, several technical parameters as well as how the ships have been maintained (i.e. how much the owner has invested in maintenance).

In order to assess the fair value of ships, the Group's management used independent appraisers and their opinions on fair value (including the stress-sale value of ships). Revaluation depends upon changes in the fair values of the ships. When the fair value of a ship differs materially from its carrying amount, a revaluation is required. Management is of the opinion that as at 31 December 2024 the carrying value of ships as a group did not materially differ from their fair value. Therefore, no revaluation was performed as at 31 December 2024. Further details are given in Note 3.1 and Note 14.

Assessment of Impairment of Right-of-Use Buildings and Premises

At each reporting date, the Group assesses whether any indications exist of possible impairment of right-of-use buildings. If such indications exist, an impairment test is performed. For estimation of the value, the items' value in use is determined. For determining the value in use, the discounted cash flow method is used. Further details are given in Note 14.

Determination of the Useful Lives of Property, Plant and Equipment and Intangible Assets

Management has estimated the useful lives and residual values of property, plant and equipment and intangible assets, taking into consideration the volumes of business activities, historical experience in this area and future outlook.

Management's estimates of the useful lives of the Group's property, plant and equipment and the Group's intangible assets are disclosed in Notes 3.1 and 3.2, respectively.

Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2024 amounted to EUR 11 066 thousand (31 December 2023: EUR 11 066 thousand). Further details are given in Note 15.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously.

A deferred tax asset is recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Further details are provided in Note 6.

Note 3 Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1. Property, Plant and Equipment

Recognition and Measurement

Property, plant and equipment, except ships, are measured at cost, less accumulated depreciation and any impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset, including borrowing costs. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Ships are measured at revalued amounts (i.e. fair value less depreciation charged subsequent to the date of the revaluation). Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

At the revaluation date, the carrying amount of ships is replaced with their fair value at the date of revaluation and accumulated depreciation is eliminated. Any revaluation surplus is recognised in other comprehensive income and presented in the revaluation reserve in equity. A revaluation deficit is recognised in loss, except that a deficit offsetting a previous surplus on the same asset, previously recognised in other comprehensive income, is offset against the surplus in the 'revaluation of ships'.

An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and the depreciation based on the assets' original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. Depreciation is discontinued when the carrying value of an asset equals its residual value. The residual value of ships is based on their estimated realisable value at the end of their useful life.

Depreciation is calculated on a straight-line basis over the estimated useful life of assets as follows:

→ buildings	5 to 50 years
→ plant and equipment	3 to 10 years
→ ships	17 to 40 years
→ other equipment	2 to 5 years

Land is not depreciated.

Depreciation is calculated separately for two components of a ship: the vessel itself and dry-docking expenses as a separate component. This is based on the industry accounting practice.

The depreciation charge is calculated for each part of a ship on a straight-line basis over the estimated useful life as follows:

→ ships	17 to 40 years
→ capitalised dry-docking expenses	2 to 5 years

The residual values, depreciation methods and useful lives of items of property, plant and equipment are reviewed at least at each financial year-end and, if an expectation differs from previous estimates, the change is accounted for as a change in an accounting estimate.

The residual value is calculated as a percentage of the gross carrying amount of the ship.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in profit or loss (in 'other operating income' or 'other operating expenses') in the financial year the asset is derecognised.

3.2. Intangible Assets

EU Emission Allowances

EU Emission Allowances are recognised as short-term intangible assets. Emissions allowances purchased on the trading platform are initially measured at cost.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Subsequent Measurement

Goodwill is measured at cost less accumulated impairment losses.

Trademark

The cost of a trademark acquired as part of the acquisition of a business is its fair value as at the date of acquisition. Following initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Other Intangible Assets

Other intangible assets (the licences and development costs of IT programs, acquired customer contracts) are initially recognised at cost.

Following initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is expensed in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category according to the function of the intangible asset.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful life of an intangible asset as follows:

- trademarks — 20 years
- other intangible assets — 5 to 10 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.3. Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The costs of inventories, consisting mostly of fuel, and merchandise purchased for resale are assigned by using the weighted average cost method and include expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing the inventories to their existing location and condition.

3.4. Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

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At initial recognition of each accounts receivable balance and throughout its life, a lifetime credit loss is recognised in order to arrive at the appropriate impairment under IFRS 9. In order to calculate a lifetime expected credit loss the provision matrix method is used.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of its estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than ships, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of a cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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3.5. Leases

The Group as a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-Term Leases and Leases of Low-Value Assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a Lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

3.6. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods – Restaurant and Shop Sales On-Board and Onshore

Revenue is recognised when the goods are delivered and have been accepted by customers at their locations, i.e. at the retail stores, bars and restaurants, generally for cash or by card payment.

Ticket Sale and Sale of Cargo Transport

Revenue from tickets and cargo transport is recognised as the services are rendered. At financial year-end, a revenue deferral is recorded for the part of revenue that has not yet been earned in relation to prepaid tickets and cargo shipments.

Sales of Hotel Accommodation

Revenue from sales of hotel accommodation is recognised when the rooms have been used by the clients. At financial year-end, a revenue deferral is recorded for the part of revenue that has not yet been earned in relation to prepaid room days.

Revenue from Travel Packages

The Group sells travel packages, which consist of a ship ticket, accommodation in a hotel not operated by the Group and tours in different cities not provided by the Group. The Group recognises the sales of travel packages in its revenue in full instead of recognising only the commission fee for accommodation, tours and entertainment events, as the Group is able to determine the price of the content of the package and has discretion in selecting the suppliers for the service. Revenue from sales of travel packages is recognised when the package is used by the client. Revenue from travel packages is part of ticket sales revenue.

Charter Income

Charter income arising from operating charters of ships is accounted for on a straight-line basis over the charter terms.

In these financial statements the term ‘charter’ refers to ‘lease’ as defined in IFRS 16.

Customer Loyalty Programme

The Group allocates a portion of the consideration received to Club One loyalty points. This allocation is based on the relative stand-alone selling price method. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities. See also Note 4 and Note 19.

3.7. Income Tax

Income tax expense comprises current and deferred tax.

Group Companies in Estonia

According to the Estonian Income Tax Act, for Group companies registered in Estonia, including the Parent, net profit is not subject to income tax, but dividends paid are subject to income tax of 22% (calculated as 22/78 of the net dividends) to be paid in 2025 (2023: 20% (calculated as 20/80 of the net dividends) paid in 2024). The potential tax liability from the distribution of the entire retained earnings as dividends is not recorded in the statement of financial position for Estonian Group companies. The amount of the potential tax liability from the distribution of dividends depends on the time, amount and sources of the dividend distribution.

There was a dividend taxation regime in Estonia including a lower income tax rate of 14% (14/86 of the net amount of the distribution) for regular profit distributions until 31 December 2024. The lower tax rate could be applied if the amount of the distribution did not exceed the Group's last three years' average profit distributions subject to taxation in Estonia. The portion of the distribution exceeding this threshold was taxable at 20%.

In practice, a lower tax rate could be applied to dividends distributed in annual periods beginning on or after 2019. However, as dividends paid to individuals were subject to an additional 7% income tax withholding, the change did not lighten the tax burden of shareholders who are individuals.

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Income tax on the payment of dividends is recorded as income tax expense in the period in which the dividends are declared. The maximum income tax liability that could arise on the distribution of dividends is disclosed in Note 20.

Group companies in Cyprus

According to the income tax law of Cyprus, the net profit of shipping companies registered in Cyprus and operating with ships registered in the Cyprus ship register or/and having their business outside Cyprus, and the dividends paid by these companies, are not subject to income tax. Thus, there are no temporary differences between the tax bases and carrying values of assets and liabilities that may cause deferred income tax.

Other Foreign Group Companies and Permanent Establishments

In accordance with the income tax laws of other jurisdictions, a company's net profit and the profit from permanent establishments, adjusted for temporary and permanent differences as determined by the local income tax legislation, is subject to current income tax in the countries in which the Group's companies and permanent establishments have been registered (see Note 6).

Tax to be paid is reported under current liabilities and deferred tax positions are reported under non-current assets or liabilities.

3.8. Segment Reporting

The Group determines and presents operating segments based on the information that is provided internally to the Group's Management Board that is the Group's chief operating decision maker. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Management Board to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

A segment is a distinguishable component of the Group that is engaged either in providing products or services within a particular economic environment (geographical segment), or in providing related products or services (operating segment), and which is subject to risks and returns that are different from those of other segments.

Segment information is presented in respect of the Group's geographical segments (by routes).

Inter-segment pricing is determined on an arm's length basis.

Segment expense is expense resulting from the operating activities of a segment that is directly attributable to the segment and the relevant portion of expenses that can be allocated to the segment on a reasonable basis, including expenses relating to sales to external customers and expenses relating to transactions with other segments of the Group. Segment expense does not include administrative expenses, interest expense, income tax expense and other expenses that arise at the Group level and are related to the Group as a whole. Expenses incurred at the Group level on behalf of a segment are allocated to the segment on a reasonable basis, if these expenses relate to the segment's operating activities and can be directly attributed or allocated to the segment.

Segment results that are reported to the Management Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets do not include assets used for general Group or head office purposes or which cannot be allocated directly to the segment. Segment assets include operating assets shared by two or more segments if a reasonable basis for allocation exists.

Segment liabilities are those liabilities that are incurred by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Expenses, assets and liabilities which are not directly related to a segment or cannot be allocated to a segment are presented as unallocated expenses, assets and liabilities of the Group.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.9. Determination of Fair Values

Ships (Level 3)

The market value of ships is the estimated amount for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The Group uses independent appraisers to determine the fair value of the ships. The fair value is calculated using the weighted average of the appraisers' valuations and stress-sale valuations. No revaluation will be carried out if the difference between calculated fair value and book value is immaterial. The frequency of revaluation depends upon changes in the fair values of the ships. When the fair value of a ship differs materially from its carrying amount, a revaluation is required.

Non-Derivative Financial Liabilities (Levels 1 and 2)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3.10. Financial information of the Parent

In accordance with the Estonian Accounting Act, the notes to the consolidated financial statements have to include the separate primary financial statements (i.e. statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity, collectively referred to as primary financial statements) of the Parent. The separate primary financial statements of AS Tallink Grupp are disclosed in Note 26 Primary Financial Statements of the Parent. These statements have been prepared using the same accounting policies and measurement bases that were used on the preparation of the consolidated financial statements, except for investments in subsidiaries which are stated at cost in the separate primary financial statements of the Parent.

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Note 4 Segment Information

The Group's operations are organised and managed separately according to the nature of the different markets. As at 31 December 2024 the Group operated in the following business segments:

- Estonia-Finland route: 3 vessels (31 December 2023: 3 vessels)
- Estonia-Sweden routes: 3 vessels (31 December 2023: 3 vessels)
- Finland-Sweden routes: 3 vessels (31 December 2023: 3 vessels)
- Other segment
    - Vessels chartered out by the Group: 3 vessels (31 December 2023: 5 vessels)[1]
    - Vessels in lay-up: 2 vessels (31 December 2023: 1 vessel)
    - Hotels in Estonia: 3 hotels (31 December 2023: 3 hotels)
    - Hotels in Latvia: 1 hotel (31 December 2023: 1 hotel, reopened in spring 2023)
    - Shops in Estonia: 5 shops (31 December 2023: 5 shops)
    - Online shop: 1 shop (31 December 2023: 1 shop)
    - Restaurants in Estonia: 10 restaurants (31 December 2023: 10 restaurants)
    - Restaurants in Latvia: 7 restaurants (31 December 2023: 7 restaurants)
    - Restaurants in Lithuania: 6 restaurants (31 December 2023: 6 restaurants)

[1] As the chartering out of vessels is not the Group's core business chartered out ships are shown under Other segment.

The following tables present the Group's revenue and profit as well as certain asset and liability information regarding reportable segments for the years ended 31 December 2024 and 31 December 2023.

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Geographical Segments – by the Location of Assets

For the year ended 31 December, in thousands of EUR	Estonia-Finland routes	Estonia-Sweden routes	Finland-Sweden routes	Other	Intersegment elimination	Total
2024						
Sales to external customers	312 763	97 384	228 744	146 931	0	785 822
Intersegment sales	0	0	0	5 883	-5 883	0
Revenue	312 763	97 384	228 744	152 814	-5 883	785 822
Segment result	81 292	-2 645	2 837	28 223	0	109 707
Unallocated expenses						-32 277
Net financial items						-28 260
Profit/loss before income tax						49 170
Income tax						-8 896
Net profit/loss for the period						40 274
Segment's assets	630 513	150 801	296 490	357 444	-374	1 434 874
Unallocated assets						29 067
Assets						1 463 941
Segment's liabilities	37 520	15 012	54 309	92 264	-374	198 731
Unallocated liabilities						482 904
Liabilities						681 635
Capital expenditures						
Segment’s property, plant and equipment	2 234	1 573	11 412	4 048	0	19 267
Unallocated property, plant and equipment						1 089
Segment’s intangible assets	0	0	0	56	0	56
Unallocated intangible assets						1 848
Depreciation	14 700	9 179	21 793	40 880	0	86 552
Unallocated depreciation						5 186
Amortisation	641	197	470	401	0	1 709
Unallocated amortisation						4 304

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For the year ended 31 December, in thousands of EUR	Estonia-Finland routes	Estonia-Sweden routes	Finland-Sweden routes	Other	Intersegment elimination	Total
2023						
Sales to external customers	297 977	90 755	257 080	189 513	0	835 325
Intersegment sales	0	0	0	6 485	-6 485	0
Revenue	297 977	90 755	257 080	195 998	-6 485	835 325
Segment result	78 961	4 471	23 763	54 477	0	161 672
Unallocated expenses						-48 368
Net financial items						-35 532
Share of profit/loss of equity-accounted investees						-75
Profit/loss before income tax						77 697
Income tax						1 175
Net profit/loss for the period						78 872
Segment's assets	639 044	153 400	305 854	395 413	-375	1 493 336
Unallocated assets						61 885
Assets						1 555 221
Segment's liabilities	29 037	10 615	49 317	106 387	-375	194 981
Unallocated liabilities						574 486
Liabilities						769 467
Capital expenditures						
Segment's property, plant and equipment	1 469	3 621	12 649	4 952	0	22 691
Unallocated property, plant and equipment						2 942
Segment's intangible assets	0	0	0	411	0	411
Unallocated intangible assets						2 087
Depreciation	14 090	8 273	20 477	46 882	0	89 722
Unallocated depreciation						4 913
Amortisation	635	200	548	460	0	1 843
Unallocated amortisation						4 746

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Revenue by Type of Services and Goods Sold

For the year ended 31 December, in thousands of EUR	Routes 2024	Other 2024	Total 2024	Routes 2023	Other 2023	Total 2023
Revenue from contracts with customers						
Restaurant and shop sales on-board and onshore	312 584	63 423	376 007	325 789	65 209	390 998
Ticket sales	224 690	0	224 690	217 502	0	217 502
Sales of cargo transport	88 627	0	88 627	91 007	0	91 007
Sales of accommodation	0	16 265	16 265	0	15 009	15 009
Other	7 491	5 228	12 719	5 435	8 116	13 551
Total revenue from contracts with customers	633 392	84 916	718 308	639 733	88 334	728 067
Revenue from other sources						
Income from charter of vessels	0	62 015	62 015	0	101 179	101 179
Other	5 499	0	5 499	6 079	0	6 079
Total revenue from other sources	5 499	62 015	67 514	6 079	101 179	107 258
Total revenue of the Group	638 891	146 931	785 822	645 812	189 513	835 325

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

In thousands of EUR	31 December 2024	31 December 2023
Trade and other receivables	22 568	31 766
Contract liabilities		
Club One points	6 847	7 508
Prepaid revenue	23 255	27 280
Total contract liabilities	30 102	34 788

The contract liabilities relate to the advance consideration received from customers and to the unredeemed customer loyalty points. Loyalty points are recognised as revenue when the points are redeemed by customers, which is expected to occur over the next two years. During the reporting period EUR 27 570 thousand included in contract liabilities at 31 December 2023 has been recognised as revenue (2023: EUR 34 633 thousand).

Note 5 Operating Expenses and Financial Items

Cost of Sales

For the year ended 31 December, in thousands of EUR	2024	2023
Cost of goods sold	-163 930	-170 561
Staff costs	-142 826	-131 729
Fuel costs	-95 755	-97 189
Depreciation and amortisation (Notes 14, 15)	-86 522	-89 562
Port & stevedoring costs	-73 335	-69 943
Ships' operating expenses	-55 349	-53 584
Other costs	-9 802	-12 960
Cost of travel package sales	-4 747	-5 963
Total cost of sales	-632 266	-631 491

Sales and Marketing Expenses

For the year ended 31 December, in thousands of EUR	2024	2023
Advertising expenses	-17 457	-15 396
Staff costs	-22 201	-21 470
Depreciation and amortisation (Notes 14, 15)	-1 739	-2 003
Other costs	-2 452	-3 293
Total sales and marketing expenses	-43 849	-42 162

Administrative Expenses

For the year ended 31 December, in thousands of EUR	2024	2023
Staff costs	-27 816	-27 757
Depreciation and amortisation (Notes 14, 15)	-9 490	-9 659
Other costs	-15 547	-14 985
Total administrative expenses	-52 853	-52 401

During the reporting period EUR 128 thousand of audit fees of AS Tallink Grupp are included under other costs (2023: EUR 113 thousand).

Specification of Staff Costs Included in the Cost of Sales, Sales and Marketing Expenses and Administrative Expenses

For the year ended 31 December, in thousands of EUR	2024	2023
Wages and salaries	-165 150	-161 289
Government grants	22 118	27 979
Social security costs	-46 483	-46 328
Staff training costs	-820	-845
Other staff costs	-2 508	-473
Total staff costs	-192 843	-180 956

During the reporting period EUR 22 118 thousand was deducted from the cost of sales in connection with government grants related to seamen's salaries in Estonia, Finland and Sweden (2023: EUR 27 979 thousand). The grants are received according to laws.

Government grants receivable are disclosed in Note 9.

Other Operating Income and Expenses Recognised in Profit or Loss

For the year ended 31 December, in thousands of EUR	2024	2023
Income from sale of fixed assets	18 919	27
Income from penalties	109	788
Insurance compensations	402	97
Other operating income	2 254	3 363
Total other operating income	21 684	4 275
Expense from sale of fixed assets	-659	-12
Other operating expenses	-456	-159
Total other expenses	-1 115	-171

Finance Income and Finance Costs Recognised in Profit or Loss

For the year ended 31 December, in thousands of EUR	2024	2023
Income from other financial assets	938	1 332
Total finance income	938	1 332
Net foreign exchange loss	-252	-242
Interest expense on financial liabilities measured at amortised cost	-26 519	-34 389
Interest expense on lease liabilities related to right-of-use assets	-2 427	-2 233
Total finance costs	-29 198	-36 864
Net finance costs	-28 260	-35 532

Note 6 Income Tax

Income tax contains current income tax and deferred income tax.

Swedish, Finnish, German, Singaporean and Russian (dormant entity) Subsidiaries and Polish Branch Office

In accordance with the Swedish, Finnish, German, Singaporean, Polish and Russian (dormant entity) tax laws, a company's net profit, adjusted for temporary and permanent differences as determined by the local income tax legislation, is subject to income tax in Finland, Sweden, Germany, Poland, Singapore and Russia (dormant entity). As at 31 December 2024, the tax rate was 20% in Finland, 20.6% in Sweden, 15% in Germany, 17% in Singapore and 20% in Russia (dormant entity) (as at 31 December 2023, 20% in Finland, 20.6% in Sweden, 15% in Germany, 19% in Poland, 17% in Singapore and 20% in Russia (dormant entity).

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Income Tax Expense

Major components of the Group's income tax expense for the year ended 31 December:

For the year ended 31 December, in thousands of EUR	2024	2023
Latvian subsidiaries	-19	0
German subsidiary	-3	0
Other subsidiaries	-5	-5
Estonian subsidiaries and Parent company	-8 869	1 180
Current period tax expense (-)/ income	-8 896	1 175
Swedish subsidiaries	-345	-414
Finnish subsidiaries	345	414
Deferred tax expense	0	0
Total tax expense (-)/ income	-8 896	1 175

Reconciliation of the Effective Tax Rate

For the year ended 31 December, in thousands of EUR	2024	%	2023	%
Profit before tax	49 170		77 697	
Tax arising on dividends declared in Estonia	-9 227	-18,77%	0	0,00%
Current income tax income in foreign jurisdictions	331	0,67%	1 175	7,80%
Change in recognised tax losses	-583	-1,19%	-583	-4,51%
Change in temporary differences	583	1,19%	583	4,51%
Income tax expense (-)/ income	-8 896	-18,10%	1 175	7,80%

Deferred Tax Assets and Liabilities

According to German, Finnish, Swedish, Singaporean and Russian (dormant entity) legislation it is permissible to use higher depreciation and amortisation rates for taxation purposes and thereby defer tax payments. These deferrals are shown as deferred tax liabilities. The Finnish and Swedish subsidiaries have also carry-forwards of tax losses, which are considered in the calculation of deferred tax assets.

Deferred Tax Assets and Liabilities are Attributable to the Following

As at 31 December, in thousands of EUR	Assets 2024	Liabilities 2024	Assets 2023	Liabilities 2023
Tax loss carry-forward[1]	22 708	0	23 292	0
Intangible assets	0	-868	0	-1 452
Tax assets / liabilities	22 708	-868	23 292	-1 452
Offset of assets and liabilities	-868	868	-1 452	1 452
Tax assets	21 840	0	21 840	0

[1] Deferred tax assets of EUR 22 391 thousand (2023: EUR 22 630 thousand) in Finland and of EUR 317 thousand (2023: EUR 662 thousand) in Sweden have been recognised in respect of losses carried forward. The recognised Finnish tax losses will expire from 2028 to 2032 (2023: 2028-2032) and the Swedish tax losses have no expiration date. The tax losses of the Finnish subsidiary that will expire before 2028 have not been recognised due to estimation uncertainty.

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Such unrecognised tax losses amounted to EUR 60 270 thousand as at 31 December 2024 (EUR 108 443 thousand as at 31 December 2023).

The Group has recognised deferred tax assets to the extent that the losses carried forward will be offset against projected future taxable profits. The estimations are based on the business plan of the Finnish operations for the year 2025 and beyond. The revenue growth rate of the Finnish operations used in the calculations for the year 2025 was 18.2% and for years 2026-2034 was 1.0-2.0%. The growth rate used for the cost increase was 8.9% for 2025, and 1.0-2.0% for the years 2026-2034 (as at 31 December 2023, the revenue growth rate of the Finnish operations for the years 2024-2033 used in the calculations was 1.0-11.5% and the growth rate used for the cost increase was 1.0-5.6%).

The sensitivity of the value of recognised deferred tax assets to the main assumptions of the projected future taxable profits is as follows: 1) a -10 percentage point change in the average revenue growth rate for the years 2025-2034 would change the value of recognised tax assets by EUR -4 273 thousand; 2) a +1 percentage point change in the average operating cost growth rate relative to revenues for the years 2025-2034 would change the value of recognised tax assets by EUR -164 thousand.

Movements in Deferred Tax Balances

As at 31 December, in thousands of EUR	Balance as at 31 December 2024	Recognised in profit in 2024	Balance as at 31 December 2023
Tax loss carry-forward	22 708	0	23 292
Intangible assets	-868	0	-1 452
Net deferred tax asset	21 840	0	21 840

Note 7 Earnings Per Share (EPS)

EPS are calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

As at 31 December, in thousands	2024	2023
Shares issued	743 569	743 569
Shares outstanding	743 569	743 569

For the year ended 31 December, in thousands of EUR	2024	2023
Weighted average number of ordinary shares outstanding (in thousands)	743 569	743 569
Effect of share options on issue	3 132	716
Weighted average number of ordinary shares outstanding (in thousands, diluted)	746 702	744 285
Net profit attributable to equity holders of the Parent	40 274	78 872
EPS (EUR)	0.054	0.106
Diluted EPS (EUR)	0.054	0.106

Note 8 Cash and Cash Equivalents

As at 31 December, in thousands of EUR	2024	2023
Cash at bank and in hand	13 259	40 173
Cash in transit	29	767
Short-term deposits	5 417	981
Total cash and cash equivalents	18 705	41 921

Cash at bank earns interest at floating rates based on daily bank deposit rates. In 2024 the rates were in the range of 0.00-2.77% including short-term deposits (2023: 0.00-3.80%).

Short-term deposits are overnight deposits with the maturity date of 1 January 2025.

The Group's exposure to currency risk is disclosed in Note 24.

Note 9 Trade and Other Receivables

As at 31 December, in thousands of EUR	2024	2023
Trade receivables	15 977	17 984
Allowance for doubtful receivables	-469	-534
Government grants receivable	6 680	12 859
Receivables from related parties	17	30
Other receivables	3 063	1 427
Total trade and other receivables	25 268	31 766

During the reporting period EUR 7 thousand of trade receivables was reversed from the doubtful and uncollectible debt expense (2023: EUR 71 thousand was expensed).

The Group's exposure to the credit and currency risks of receivables (excluding government grants receivable) is disclosed in Note 24. Additional information about government grants is disclosed in Note 5.

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Note 10 Prepayments

As at 31 December in thousands of EUR	2024	2023
Prepaid expenses	6 393	5 209
Tax prepayments	2 371	2 452
Total prepayments	8 764	7 661

As at 31 December in thousands of EUR	2024	2023
Tax prepayments		
VAT	1 614	1 507
Other prepayments	757	945
Total tax prepayments	2 371	2 452

The balance of prepaid expenses includes mostly prepayments for insurance.

Note 11 Inventories

As at 31 December, in thousands of EUR	2024	2023
Raw materials (mostly fuel)	4 224	4 520
Goods for sale	43 859	36 891
Total inventories	48 083	41 411

Fuel price risk

The Group is exposed to fuel price risk as part of the fuel used for ship operations is purchased at market prices. For more information, see Note 24.

Note 12 EU Emission Allowances

	in thousands of EUR 2024
As at 1 January, in thousands of EUR	0
Allowances purchased	6 901
As at 31 December, in thousands of EUR	6 901

EU emission allowances purchased during 2024 are intended to cover the total obligation of emissions allowances for 2024. The Group will settle its annual obligation for the year 2024 by surrendering emissions allowances in 2025.

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Note 13 Other Long-term Financial Assets and Other Prepayments

As at 31 December, in thousands of EUR	2024	2023
Equity securities	177	177
Other receivables	341	324
Prepaid expenses	0	4 293
Total other financial assets	518	4 794

Note 14 Property, Plant and Equipment

In thousands of EUR	Land and buildings	Ships	Plant and equipment	Right-of-use assets	Assets under construction	Total
Book value as at 31 December 2023	2 556	1 238 149	45 156	87 480	4 323	1 377 664
Additions	0	0	13 009	12 028	7 479	32 516
Reclassification	0	3 204	2 661	-25	-5 865	-25
Disposals	0	-7 593	-725	-99	0	-8 417
Depreciation for the period	-219	-58 583	-14 334	-18 602	0	-91 738
Book value as at 31 December 2024	2 337	1 175 177	45 767	80 782	5 937	1 310 000
As at 31 December 2024						
Gross carrying amount	10 065	1 885 089	151 361	174 339	5 937	2 226 791
Accumulated depreciation	-7 728	-709 912	-105 594	-93 557	0	-916 791
Book value as at 31 December 2022	2 785	1 287 715	47 932	96 504	3 350	1 438 286
Additions	0	317	10 349	8 917	15 044	34 627
Reclassification	0	12 122	1 949	0	-14 071	0
Disposals	0	-360	-176	-78	0	-614
Depreciation for the period	-229	-61 645	-14 898	-17 863	0	-94 635
Book value as at 31 December 2023	2 556	1 238 149	45 156	87 480	4 323	1 377 664
As at 31 December 2023						
Gross carrying amount	10 065	1 916 638	141 335	164 130	4 323	2 236 491
Accumulated depreciation	-7 509	-678 489	-96 179	-76 650	0	-858 827

Right-of-use assets by classes of property, plant and equipment

In thousands of EUR	Buildings and premises	Plant and equipment	Total right-of-use assets
Book value as at 31 December 2023	87 022	458	87 480
Additions	11 711	317	12 028
Reclassification	-14	-11	-25
Disposals	-50	-49	-99
Depreciation for the period	-18 251	-351	-18 602
Book value as at 31 December 2024	80 418	364	80 782
As at 31 December 2024			
Gross carrying amount	173 537	802	174 339
Accumulated depreciation	-93 119	-438	-93 557
Book value as at 31 December 2022	95 707	797	96 504
Additions	8 915	2	8 917
Disposals	-76	-2	-78
Depreciation for the period	-17 524	-339	-17 863
Book value as at 31 December 2023	87 022	458	87 480
As at 31 December 2023			
Gross carrying amount	162 672	1 458	164 130
Accumulated depreciation	-75 650	-1 000	-76 650

Testing Right-of-Use Assets for Impairment

The Group's right-of-use assets are measured at cost, less accumulated depreciation and any impairment. At the end of the reporting period the Group assesses whether there is any indication of impairment.

As at 31 December 2024, the recoverable amount of operational hotels' right-of-use lease assets was tested for impairment (book value EUR 47 508 thousand) using the discounted cash flow method. For testing purposes the Group used a detailed budget for the year 2025, and a strategic forecast for the years 2026-2032, which included revenues, expenses and investing activities (2023: a detailed budget for 2024 and a strategic forecast for 2025-2032). For the Estonian hotels, the combined revenue growth rate used in the calculations was 5.0%-14.6% for the years 2025-2032 and the combined operating expense growth rate was 1.5%-3.8% (2023: 2024-2032 revenue growth rate 2.5%-14.6% and operating expense growth rate 1.5%-5.1%). A weighted average cost of capital of 10.0% was used for the years 2025-2026 and 7.63% for 2027-2032 (2023: 10.0% for 2024-2025 and 7.58% for 2026-2032). For the Latvian hotel the revenue growth rate used for the testing period 2025-2030 was 4.7%-46.5% and the operating expense growth rate was 2.9%-16.7% (2023: 2024-2030 the revenue growth rate was 2.7%-100.1% and the operating expense growth rate was 1.7%-17.3%). For the Latvian hotel, a weighted average cost of capital of 10.0% was used for the years 2025-2026 and 8.01% for 2027-2030 (2023: 10.0% for 2024-2025 and 8.14% for 2026-2030).

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In addition, the recoverable amount of the right-of-use lease assets of Burger King restaurants was tested for impairment (book value EUR 9 170 thousand) using the discounted cash flow method. During testing, the Group used a detailed budget for the year 2025, and a strategic forecast for the years 2026-2034, which included revenues, expenses and investing activities. For the Estonian restaurants, the combined revenue growth rate used in the calculations was 3.0%-13.3% for the years 2025-2034 and the combined operating expense growth rate was 0.1%-6.9%. A weighted average cost of capital of 10.0% was used for the years 2025-2026 and 7.29% for 2027-2034. For the Latvian restaurants, the revenue growth rate used for the testing period 2025-2034 was 3.0%-5.4% and the operating expense growth rate was 0.4%-4.2%. For the Latvian restaurants, a weighted average cost of capital of 10.0% was used for the years 2025-2026 and 7.67% for 2027-2034. For the Lithuanian restaurants, the revenue growth rate used for the testing period 2025-2034 was 3.0%-9.3% and the operating expense growth rate was 0.2%-2.8%, and a weighted average cost of capital of 10.0% was used for the years 2025-2026 and 7.4% for 2027-2034.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Management is of the opinion that as at 31 December 2024 there were no material differences between the carrying amounts and fair values (nor at 31 December 2023).

Revaluation of Ships

The Group's vessels are measured at revalued amounts, which are determined using fair value at the end of the reporting period.

The Group used the valuations of three independent appraisers to determine the fair value of ships. Fair value was determined by reference to market-based inputs, which are mainly unobservable (level 3 under the fair value hierarchy). The Group's management also take into consideration the expected cash flows of chartered ships if needed. The following table shows the valuation techniques used in measuring the ships' fair values, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Market comparison technique, cost approach: independent appraisers consider both approaches. They scan the market and look at second-hand sales of similar ships and analyse general demand for the particular ship in various parts of the world. Also, they look at the construction cost of the ship less reasonable depreciation and the construction prices of similar new ships today.	Sales prices of similar ships Level of demand for particular ships Construction prices of ships Maintenance and repair programme of ships

The frequency of revaluations depends on changes in fair values which are assessed at each year-end. When fair value differs materially from the carrying amount, further revaluation is performed. Management is of the opinion that as at 31 December 2024 there were no material differences between the carrying amounts and fair values (as well as at 31 December 2023).

As a result of the pandemic that affected ship operations over the past years, and the war in Ukraine, the market is very illiquid with very few transactions made in this segment of tonnage. Therefore, the valuations are to be deemed uncertain. Depending on how the situation develops and when passenger traffic resumes to its full extent the values are subject to adjustment in the short term. Management is of the opinion that buyers of this type of asset normally have a long-term view and a planning horizon stretching to 20-30 years and therefore possible market fluctuations are to be regarded as temporary.

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If the ships were measured using the cost model, the carrying amounts would be as follows:

As at 31 December 2024	**In thousands of EUR**
Cost	2 007 760
Accumulated depreciation	-861 853
Net carrying amount	1 145 907

As at 31 December 2023	**In thousands of EUR**
Cost	2 039 309
Accumulated depreciation	-832 477
Net carrying amount	1 206 832

Due to the annual transfer from the revaluation reserve to retained earnings (the difference between depreciation based on the revalued carrying amount of the assets and the depreciation based on the assets' original cost) the revaluation reserve was decreased as at 31 December 2024 by EUR 2 047 thousand (2023: EUR 2 047 thousand) and retained earnings were increased by the same amount.

As at 31 December 2024 the Group's ships with a book value of EUR 1 059 152 thousand (2023: EUR 1 104 915 thousand) were encumbered with first or second ranking mortgages to secure the Group's bank loans (see also Note 16).

Note 15 Intangible Assets

In thousands of EUR	**Goodwill[1]**	**Trademark[2]**	**Other[3]**	**Assets under construction**	**Total**
Book value as at 31 December 2023	11 066	7 258	8 748	599	27 671
Additions	0	0	75	1 829	1 904
Reclassification	0	0	1 576	-1 576	0
Amortisation for the period	0	-2 916	-3 097	0	-6 013
Book value as at 31 December 2024	11 066	4 342	7 302	852	23 562
As at 31 December 2024					
Cost	11 066	58 288	38 759	852	108 965
Accumulated amortisation	0	-53 946	-31 457	0	-85 403
Book value as at 31 December 2022	11 066	10 174	10 045	538	31 823
Additions	0	0	598	1 900	2 498
Reclassification	0	0	1 778	-1 778	0
Disposals	0	0	0	-61	-61
Amortisation for the period	0	-2 916	-3 673	0	-6 589
Book value as at 31 December 2023	11 066	7 258	8 748	599	27 671
As at 31 December 2023					
Cost	11 066	58 288	38 698	599	108 651
Accumulated amortisation	0	-51 030	-29 950	0	-80 980

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Intangible Asset Classes

[1] Goodwill in the amount of EUR 11 066 thousand is related to Estonia-Finland route segment. In the impairment test of goodwill related to Estonia-Finland route, the recoverable amount was identified based on value in use. Management calculated value in use based on five-year cash flow perpetuity and using a discount rate of 7.65% (2023: 7.58%). There was no need to recognise an impairment loss.

[2] A trademark of EUR 58 288 thousand was recognised in connection with the acquisition of Silja OY Ab in 2006. The fair value of the trademark at the acquisition date was determined using the relief from royalty method. As at 31 December 2024 the remaining amortisation period of the trademark was 1.5 years.

[3] Other intangible assets include mostly the licences and the development costs of IT software. The licenses have finite lives and are amortised over 5 to 10 years. Amortisation of intangible assets is recorded in profit or loss under cost of sales, sales and marketing expenses and administrative expenses.

Note 16 Interest-Bearing Loans and Borrowings

As at 31 December 2024, in thousands of EUR	Maturity	Current portion	Non-current portion	Total borrowings
Lease liabilities	2025-2027	66	129	195
Lease liabilities related to right-of-use assets	2025-2033	18 682	68 977	87 659
Long-term bank loans	2025-2034	85 801	382 719	468 520
Total borrowings		104 549	451 825	556 374

As at 31 December 2023, in thousands of EUR	Maturity	Current portion	Non-current portion	Total borrowings
Lease liabilities	2024-2026	68	58	126
Lease liabilities related to right-of-use assets	2024-2033	18 136	76 282	94 418
Long-term bank loans	2024-2034	85 893	468 820	554 713
Total borrowings		104 097	545 160	649 257

The lease liabilities related to right-of-use assets are recognised on the statement of financial position according to IFRS 16. The weighted average interest rate implicit in the lease liabilities related to right-of-use-assets was 3.64% in 2024 (2023: 2.3%).

As at 31 December 2024 the Group had the right to use bank overdrafts of up to EUR 75 000 thousand (2023: EUR 75 000 thousand). Bank overdrafts are secured with a commercial pledge of EUR 20 204 thousand (2023: EUR 20 204 thousand) and mortgages on ships (see Note 14). As at 31 December 2024, the balance of overdrafts in use was zero (2023: zero). The weighted average effective interest rate of bank overdrafts was EURIBOR+2.23% (2023: EURIBOR+2.63%).

Long-term bank loans are denominated in euros. The Group has loan agreements with fixed and floating interest rates. As at 31 December 2024, the weighted average interest rate for long-term bank loans (including EURIBOR component) was 3.61% (2023: 4.37%).

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As at 31 December 2024 AS Tallink Grupp had given guarantees to Nordea Bank Finland Plc and KfW IPEX-Bank GmbH for loans granted to its ship-owning subsidiaries. The book value of such loans was EUR 228 837 thousand as at 31 December 2024 (2023: EUR 260 056 thousand). Ship-owning subsidiaries had given guarantees to Nordea Bank Abp, filial i Norge for the loans granted to AS Tallink Grupp. As at 31 December 2024 the book value of such loans was EUR 239 683 thousand (31 December 2023: EUR 294 657 thousand). Primary securities for the loans are the ships belonging to the overseas subsidiaries and a pledge of the shares in these subsidiaries.

The Group has issued counter guarantees to the commercial banks that have issued guarantees to mainly governmental authorities in favour of Group entities required to perform the Group's daily operations. As at 31 December 2024 the total amount of the guarantees was EUR 10 345 thousand (2023: EUR 7 624 thousand). The guarantees issued are not recognised in the statement of financial position as, according to historical experience and management's estimations, none of them is expected to turn into an actual liability.

In the loan agreements signed with banks, the Group has agreed to comply with financial covenants related to ensuring certain equity, liquidity and other ratios. As at 31 December 2024 and during 2024 the Group was in compliance with all the covenants as agreed with banks.

Reconciliation of Liabilities Arising from Financing Activities

In thousands of EUR	Bank overdrafts	Long-term bank loans	Lease liabilities	Right-of-use assets' liabilities	Share capital	Reserves	Retained earnings	Total
Balance as at 31 December 2023	0	554 713	126	94 418	349 477	67 056	368 558	1 434 348
Changes from financing cash flows								
Repayment of loans	0	-87 045	0	0	0	0	0	-87 045
Payment of lease liabilities	0	0	-44	-18 615	0	0	0	-18 659
Interest paid	0	0	0	0	0	0	-29 095	-29 095
Payment of transaction costs related to loans	0	-450	0	0	0	0	0	-450
Dividends paid	0	0	0	0	0	0	-44 614	-44 614
Income tax on dividends paid	0	0	0	0	0	0	-4 904	-4 904
Total changes from financing cash flows	0	-87 495	-44	-18 615	0	0	-78 613	-184 767
The effect of changes in foreign exchange rates	0	0	-1	-68	0	332	0	263
Liability-related changes								
New leases	0	0	132	12 028	0	0	0	12 160
Transfer from revaluation reserve	0	0	0	0	0	-2 047	2 047	0
Termination of old leases	0	0	-18	-104	0	0	0	-122
Amortisation of capitalised borrowing costs	0	1 302	0	0	0	0	0	1 302
Share-based transactions	0	0	0	0	0	560	0	560
Income tax on dividends paid	0	0	0	0	0	0	4 904	4 904
Interest paid	0	0	0	0	0	0	29 095	29 095
Total liability-related changes	0	1 302	114	11 924	0	-1 487	36 046	47 899
Total equity-related changes	0	0	0	0	0	0	40 274	40 274
Balance as at 31 December 2024	0	468 520	195	87 659	349 477	65 901	366 265	1 338 017

In thousands of EUR	Bank overdrafts	Long-term bank loans	Lease liabilities	Right-of-use assets' liabilities	Share capital	Reserves	Retained earnings	Total
Balance as at 31 December 2022	15	746 327	77	107 095	349 477	66 363	290 428	1 559 782
Changes from financing cash flows								
Proceeds from loans	0	59 972	0	0	0	0	0	59 972
Repayment of loans	0	-251 431	0	0	0	0	0	-251 431
Change in overdraft	-15	0	0	0	0	0	0	-15
Payment of lease liabilities	0	0	-26	-21 493	0	0	0	-21 519
Interest paid	0	0	0	0	0	0	-32 827	-32 827
Payment of transaction costs related to loans	0	-4 455	0	0	0	0	0	-4 455
Total changes from financing cash flows	-15	-195 914	-26	-21 493	0	0	-32 827	-250 275
The effect of changes in foreign exchange rates	0	0	2	-31	0	-172	0	-201
Liability-related changes								
New leases	0	0	77	8 917	0	0	0	8 994
Transfer from revaluation reserve	0	0	0	0	0	-2 047	2 047	0
Termination of old leases	0	0	-4	-70	0	0	0	-74
Amortisation of capitalised borrowing costs	0	2 394	0	0	0	0	0	2 394
Capitalised borrowing costs	0	1 906	0	0	0	0	0	1 906
Interest paid	0	0	0	0	0	0	32 827	32 827
Total liability-related changes	0	4 300	73	8 847	0	865	32 085	46 170
Total equity-related changes	0	0	0	0	0	0	78 872	78 872
Balance as at 31 December 2023	0	554 713	126	94 418	349 477	67 056	368 558	1 434 348

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Note 17 Leases

The Group as the Lessee

The Group leases hotel and office buildings and warehouse, restaurant and shop premises. The leases typically run for a fixed period, with the Group's option to renew the lease further. Some lease payments are increased every year and some leases provide for additional lease payments that are based on the result of operations.

Right-of-Use Assets

Right-of-use assets are presented as property, plant and equipment.

In thousands of EUR	Buildings and premises	Plant and equipment	Total right-of-use assets
Book value as at 31 December 2023	87 022	458	87 480
Additions	11 711	317	12 028
Reclassification	-14	-11	-25
Disposals	-50	-49	-99
Depreciation for the period	-18 251	-351	-18 602
Book value as at 31 December 2024	80 418	364	80 782
Book value as at 31 December 2022	95 707	797	96 504
Additions	8 915	2	8 917
Disposals	-76	-2	-78
Depreciation for the period	-17 524	-339	-17 863
Book value as at 31 December 2023	87 022	458	87 480

Amounts Recognised in Profit or Loss

For the year ended 31 December 2024	In thousands of EUR
Depreciation for the period	-18 602
Interest expense on lease liabilities related to right-of-use assets	-2 427
Expenses on short-term and low-value leases	-1 545
Lease expenses under IFRS 16	-22 574

For the year ended 31 December 2023	In thousands of EUR
Depreciation for the period	-17 863
Interest expense on lease liabilities related to right-of-use assets	-2 233
Expenses on short-term and low-value leases	-1 520
Lease expenses under IFRS 16	-21 616

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The Group as the Lessor

The Group's charter income for 2024 was EUR 62 015 thousand (2023: EUR 101 179 thousand).

Minimum non-cancellable charter payments are as follows:

As at 31 December, in thousands of EUR	**2024**	**2023**
< 1 year	30 009	57 438
Year 2	0	96
Total minimum charter payments	30 009	57 534

All charter agreements used by the Group are based on BIMCO Standard Bareboat Charter and BIMCO Time Charter Agreement.

Note 18 Trade and Other Payables

As at 31 December, in thousands of EUR	**2024**	**2023**
Trade payables	34 850	33 712
Other payables	5 003	3 521
Payables to employees	19 447	19 430
Interest payable	1 208	2 659
Tax liabilities	19 975	16 920
Other accruals	14 663	9 164
Total trade and other payables	95 146	85 406

The Group's exposure to currency and liquidity risks (excluding tax liabilities and other accruals) is disclosed in Note 24. Additional information about tax liabilities is disclosed below.

As at 31 December, in thousands of EUR	**2024**	**2023**
Salary-related taxes	11 245	11 315
Excise duties	4 925	1 866
VAT	3 805	3 734
Other taxes	0	5
Total tax liabilities	19 975	16 920

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Note 19 Deferred Income

The Group measures the liability for outstanding Club One points in combination with the value of its services and the averages of the Club One points used to redeem the services, taking into account the pattern of use of the points by the customers and the expiry rates of the points. The calculations are performed for each segment and the deferred income is recognised based on the relative stand-alone selling price allocation method.

As at 31 December, in thousands of EUR	**2024**	**2023**
Club One points	6 847	7 508
Prepaid revenue[1]	23 255	27 280
Total deferred income	30 102	34 788

[1] Prepaid revenue include prepayments related to chartering out of the vessels during 2025 (2023: during 2024).

Note 20 Share Capital and Reserves

As at 31 December, in thousands	**2024**	**2023**
The number of shares issued and fully paid	743 569	743 569
Total number of shares	743 569	743 569

As at 31 December, in thousands of EUR	**2024**	**2023**
Share capital (authorised and registered)	349 477	349 477
Total share capital	349 477	349 477
Share premium	663	663
Total share premium	663	663

According to the articles of association of the Parent, the maximum number of ordinary shares is 2 400 000 000. Each share grants one vote at the General Meeting of Shareholders. Shares acquired by the transfer of ownership are eligible for participating in and voting at a general meeting only if the ownership change is recorded in the Estonian Central Registry of Securities at the time used to determine the list of shareholders for the given General Meeting of Shareholders.

Ordinary shares grant their holders all the rights provided for under the Estonian Commercial Code – the right to participate in the general meeting, the distribution of profits, and the distribution of residual assets upon the dissolution of the Company; the right to receive information from the Management Board about the activities of the Company; a pre-emptive right to subscribe for new shares in proportion to the sum of the par values of the shares already held when share capital is increased, etc.

AS Tallink Grupp has 743 569 064 registered shares (31 December 2023: 743 569 064) without nominal value and the notional value of each share is EUR 0.47 (31 December 2023: EUR 0.47).

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Reserves

As at 31 December, in thousands of EUR	2024	2023
Translation reserve	1 000	668
Ships' revaluation reserve	29 270	31 317
Legal reserve	34 948	34 948
Share option programme reserve (Note 21)	683	123
Total reserves	65 901	67 056

Translation Reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Ships' Revaluation Reserve

The revaluation reserve is related to the revaluation of ships. The ships' revaluation reserve may be transferred directly to retained earnings when the ship is disposed of. However, some of the revaluation surplus may be transferred when the ship is used by the Group. In such a case, the amount of surplus transferred is the difference between depreciation based on the revalued carrying amount of the ship and depreciation based on the original cost of the ship. The Group uses the latter alternative.

Legal Reserve

The legal reserve has been formed in accordance with the Estonian Commercial Code. The legal reserve is formed by means of yearly net profit transfers. At least 1/20 of net profit must be transferred to the legal reserve, until the reserve amounts to 1/10 of share capital. The legal reserve may be used to cover losses and to increase share capital but it may not be used to make distributions to owners.

Share Option Programme Reserve

The share option programme reserve comprises the fair value of the share option programme measured at the grant date.

Income Tax on Dividends

The Group's retained earnings as at 31 December 2024 were EUR 366 265 thousand (2023: EUR 368 558 thousand). As at 31 December 2024, the maximum income tax liability which would arise if retained earnings were fully distributed is EUR 80 578 thousand (2023: EUR 73 712 thousand). The maximum income tax liability has been calculated using the income tax rate effective for dividends on the assumption that the dividend and the related income tax expense cannot exceed the amount of retained earnings as at 31 December 2024 (2023: 31 December 2023).

Note 21 Share Option Programme

On 13 June 2023, the Group's General Meeting of Shareholders adopted a resolution to approve a 3-year share option programme, subject to which the Group has the right to issue share options for the acquisition of shares, which represent a total of up to 3% of AS Tallink Grupp's share capital (maximum 1% of share capital annually).

On 1 August 2023, the Group issued 7 270 thousand share options of which 3 300 thousand were issued to the members of the Management Board and Supervisory Board and 3 970 thousand to the key employees of the Group. On 13 June 2024, the Group issued 7 055 thousand share options of which 3 300 thousand were issued to the members of the Management and Supervisory Boards and 3 755 thousand to the key employees of the Group. As at 31 December 2024, the effective number of share options was 14 190 thousand (2023: 7 210 thousand). Each option entitles the holder to acquire one share of AS Tallink Grupp at a price equal to the notional value of the share at the time of exercise of the share option.

The share options are non-transferable with a vesting period of three years from issuing of the share options. The exercise of share options is carried out by increasing the share capital of AS Tallink Grupp and issuing of 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 Articles of Association.

The fair value of the share options is measured using the Black-Scholes model at the grant date and is recorded as an expense during the vesting period of 36 months from the date of issue. The cost of share options issued amounted to EUR 560 thousand in 2024 (2023: EUR 123 thousand).

The outstanding share options have a diluting effect due to their exercise price being lower than average price in the stock market during the reporting period, see also Note 7.

The inputs used in the measurement of the fair values at the grant date were as follows:

	2024	2023
Share price at grant date	0.75	0.65
Exercise price	0.47	0.47
Expected volatility (weighted average)	22.00%	23.00%
Expected life (weighted average), years	3	3
Expected dividends	6.70%	7.70%
Risk-free interest rate	2.36%	2.62%

The number and weighted-average exercise prices of share options under the share option programme were as follows:

In EUR	Number of options	Weighted average exercise price
Outstanding at 01 January 2024	7 210	0.47
Forfeited during the year	-75	0.47
Granted during the year	7 055	0.47
Outstanding at 31 December 2024	14 190	0.47
Outstanding at 01 January 2023	0	0
Forfeited during the year	-60	0.47
Granted during the year	7 270	0.47
Outstanding at 31 December 2023	7 210	0.47

Note 22 Related Party Disclosures

For the purpose of these financial statements, parties are related if one controls the other or has significant influence on the other's financing and operating decisions. In determining possible related party relationships, attention must be paid to the substance of the relationship and not merely the legal form.

A related party is a person or a company that is related to the Group to such an extent that transactions between them may be conducted on terms not equivalent to those that prevail in arm's length transactions.

A person or a close member of that person's family (i.e. a family member who may be associated with significant influence such as the spouse or the domestic partner or a child) is a related party for the company if that person:

- is a member of the management of the company or its parent company (i.e. a person having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly) or
- has control of or significant influence over the company (e.g. through an ownership interest)

Another company is a related party for the company if any of the following conditions apply:

- the other company and the company are under common control (i.e. they are members of the same group or controlled by the same person (or a close family member of that person))
- one is under the control of a third party (that may be a company or a person) and the other is under the significant influence of that third party (if the third party is a person, then that person or a close family member of that person)
- the other company has control of or significant influence over the company
- the other company is under the control or significant influence of the company
- a member of the management of the company's parent company (or a close family member of the member of the management) has control or significant influence over the other company
- the other company's management (or their close family members) include persons that have control of or significant influence over the company

AS Infortar made a voluntary takeover offer to all shareholders of AS Tallink Grupp to acquire all the shares of AS Tallink Grupp not yet in the ownership of AS Infortar. Before publishing the mentioned offer AS Infortar owned 46,8% of all shares of AS Tallink Grupp. As a result of this takeover, AS Infortar now holds 68.5% of the voting rights and has acquired dominant influence over AS Tallink Grupp starting from 9 August 2024.

The Group has conducted transactions with related parties and has outstanding balances with related parties.

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For the year ended 31 December 2024, in thousands of EUR	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Parent company	196	0	0	0
Other Group companies	218	19 106	17	78 714
Companies controlled by the owners and the Key Management Personnel	282	24 132	0	23
Associated companies	21	139	0	0
Total	717	43 377	17	78 737

For the year ended 31 December 2023, in thousands of EUR	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Companies controlled by the Key Management Personnel	733	33 595	28	80 094
Associated companies	22	149	2	13
Total	755	33 744	30	80 107

The following goods and services were purchased from related parties:

For the year ended 31 December, in thousands of EUR	2024	2023
Leases	17 223	16 288
Fuel and electricity	24 519	15 735
Other goods	920	1 196
Other services	715	525
Total goods and services	43 377	33 744

Key Management Personnel's Compensation

AS Tallink Grupp members of the Management Board and members of the Supervisory Board are defined as the Key Management Personnel. In 2024, the Key Management Personnel's compensation was EUR 3 417 thousand (2023: EUR 1 610 thousand).

On 13 June 2024, the Group issued 7 055 thousand (2023: 7 270 thousand) share options of which 3 300 thousand (2023: 3 300 thousand) were issued to the members of the Management Board and Supervisory Board. Each option entitles the holder to acquire one share of AS Tallink Grupp at a price equal to the notional value of the share at the time of exercise of the share option. These non-transferable options have a vesting period of three years from issuing date (Note 21).

The members of the Management Board are entitled to termination benefits if their service agreement is terminated by the Group's Supervisory Board. At 31 December 2024 the maximum amount of such benefits was EUR 1 768 thousand (2023: EUR 1 842 thousand).

The Key Management personnel's benefits are presented without social security tax.

Note 23 Group Entities

Group entities	Interest as at 31 December 2024	Interest as at 31 December 2023	Country of incorporation	Parent company
Baan Thai OÜ	100%	100%	Estonia	Tallink Grupp AS
Hansaliin OÜ	100%	100%	Estonia	Tallink Grupp AS
Hansatee Kinnisvara OÜ	100%	100%	Estonia	Tallink Grupp AS
Hera Salongid OÜ	100%	100%	Estonia	TLG Hotell OÜ
HT Laevateenindus OÜ	100%	100%	Estonia	Tallink Grupp AS
HT Meelelahutus OÜ	100%	100%	Estonia	Tallink Grupp AS
LNG Shipmanagement OÜ	100%	100%	Estonia	Tallink Grupp AS
Mare Catering OÜ	100%	100%	Estonia	Tallink Grupp AS
Tallink AS	100%	100%	Estonia	Tallink Grupp AS
Tallink Baltic AS	100%	100%	Estonia	Tallink Grupp AS
Tallink Duty Free AS	100%	100%	Estonia	Tallink Grupp AS
Tallink Fast Food OÜ	100%	100%	Estonia	Tallink Grupp AS
Tallink Scandinavian AS	100%	100%	Estonia	Tallink Grupp AS
Tallink Travel Club OÜ	100%	100%	Estonia	Tallink Grupp AS
TLG Hotell OÜ	100%	100%	Estonia	Tallink Grupp AS
TLG Stividor OÜ	100%	100%	Estonia	Tallink Grupp AS
Baltic SF VII Ltd	100%	100%	Cyprus	Tallink Grupp AS
Baltic SF VIII Ltd	100%	100%	Cyprus	Tallink Grupp AS
Baltic SF IX Ltd	100%	100%	Cyprus	Tallink Grupp AS
Hansalink Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Autoexpress Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Fast Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Hansaway Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink High Speed Line Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Line Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Sea Line Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Superfast Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallink Victory Line Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallinn - Helsinki Line Ltd	100%	100%	Cyprus	Tallink Grupp AS
Tallinn Swedish Line Ltd	100%	100%	Cyprus	Tallink Grupp AS
HTG Stevedoring OY	100%	100%	Finland	Tallink Grupp AS
Tallink Silja OY	100%	100%	Finland	Tallink Scandinavian AS
Sally AB	100%	100%	Finland	Tallink Silja OY
Tallink Silja GMBH	100%	100%	Germany	Tallink Silja OY
Tallink Latvija AS	100%	100%	Latvia	Tallink Grupp AS
BK Properties SIA	100%	100%	Latvia	Tallink Latvija AS
HT Shipmanagement SIA	100%	100%	Latvia	HT Laevateenindus OÜ
TLG Hotell Latvija SIA	100%	100%	Latvia	TLG Hotell OÜ
Tallink Fast Food Latvia SIA	100%	100%	Latvia	Tallink Fast Food OÜ
Tallink Fast Food Lithuania UAB	100%	100%	Lithuania	Tallink Fast Food OÜ
Tallink-Ru OOO[1]	100%	100%	Russia	Tallink Grupp AS
Tallink Asia Pte. Ltd	100%	100%	Singapore	Tallink Grupp AS
Tallink Silja AB	100%	100%	Sweden	Tallink Grupp AS
Ingleby (1699) Ltd.	100%	100%	UK	Tallink Grupp AS

[1] Dormant

Note 24 Financial Risk Management

Overview

Through the use of financial instruments the Group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's capital management.

The Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's financial department is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit Risk

Credit risk is the risk of financial loss that the Group would suffer if the counterparty failed to perform its financial obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. The credit risk concentration related to accounts receivable is not material due to the extensive number of customers.

Maximum credit risk was as follows:

As at 31 December, in thousands of EUR	2024	2023
Cash and cash equivalents (Note 8)	18 705	41 921
Trade and other receivables (Notes 9, 13)	18 929	19 231
Total	37 634	61 152

The Group's credit risk exposure from trade receivables is mainly influenced by the characteristics of each customer. In monitoring credit risk, customers are grouped according to their credit characteristics, including whether they are individuals or legal entities, whether they are travel agents or customers with credit limits, and considering their geographic location, receivable aging profile, and existence of previous financial difficulties. Trade receivables relate mainly to the Group's cargo customers, travel agents and customers with credit facilities. The credit risk concentration related to trade receivables is reduced by the high number of customers.

The Group's management has established a credit policy under which each new customer with a credit request is analysed individually for creditworthiness before the Group's payment terms and conditions are offered. Some customers are obliged to present a bank guarantee to meet the credit sale criteria. Customers are assigned credit limits, which represent the maximum exposure that does not require approval from the Group's management. Customers that fail to meet the Group's benchmark

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creditworthiness may transact with the Group on a prepayment basis only. Charterers hiring the Group's vessels have to provide bank guarantees to cover their payment risk.

In accordance with IFRS 9 the Group measures an allowance for impairment of receivables at an amount of lifetime expected credit loss. Lifetime expected credit loss is calculated as a product of total trade receivables in the aging bucket and the respective credit loss ratio. The expected credit loss ratio is recalculated once a quarter based on actual write-offs during the last 12 quarters.

In thousands of EUR	2024	2023
Balance at 1 January	534	481
Amounts written off	-60	-17
Impairment loss recognised	-7	71
Reversal of prior period impairment loss	2	-1
Balance at 31 December	469	534

The aging of the receivables at the reporting date was:

As at 31 December 2024, in thousands of EUR	Gross	Impairment	Net
Not past due	17 528	-115	17 413
Past due 0-30 days	1 510	-23	1 487
Past due 31-90 days	0	0	0
Past due 91 days - one year	61	-32	29
Past due over one year	299	-299	0
Total	19 398	-469	18 929

As at 31 December 2023, in thousands of EUR	Gross	Impairment	Net
Not past due	16 866	-114	16 752
Past due 0-30 days	2 283	-41	2 242
Past due 31-90 days	274	-46	228
Past due 91 days - one year	69	-60	9
Past due over one year	273	-273	0
Total	19 765	-534	19 231

The Group holds cash and cash equivalents with banking groups that have investment grade credit ratings (BBB or higher issued by internationally recognised credit rating agencies).

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group's low current ratio represents the normal course of business. The majority of sales are conducted by prepayment, bank card or cash payment, therefore the cash conversion cycle is negative and in general the Group receives cash from sales before it has to pay to its vendors. As at 31 December 2024 current liabilities exceeded current assets by EUR 122 089 thousand (EUR 101 355 thousand at 31 December 2023). The Group's overdraft facilities are used to finance negative working capital.

The Group's objective is to maintain a balance between the continuity and flexibility of funding through the use of bank overdrafts, bank loans and bonds. The Group has established Group account

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systems (the Group's cash pools) in Estonia and Finland to manage the cash flows in the Group as efficiently as possible. Excess liquidity is invested in short-term money market instruments. AS Tallink Grupp maintains three committed bank overdraft facilities to minimise the Group's liquidity risk (see Note 16 for details).

At 31 December 2024, the Group's cash and cash equivalents totalled EUR 18 705 thousand (EUR 41 921 thousand at 31 December 2023). In addition, the Group had available unused overdraft credit lines of EUR 75 000 thousand (2023: EUR 75 000 thousand).

In the loan agreements signed with banks, the Group has agreed to comply with financial covenants related to ensuring certain equity, liquidity and other ratios.

In management's opinion, the Group has sufficient liquidity to support its operations. AS Tallink Grupp and its subsidiaries are able to continue as going concerns for at least one year after the date of approval of these consolidated financial statements.

The following tables illustrate liquidity risk by periods when financial liabilities as at 31 December will fall due or may fall due based on contractual cash flows.

In thousands of EUR, 2024	**< 1 year**	**1-2 years**	**2-5 years**	**>5 years**	**Total**
Non-derivative financial liabilities					
Lease liabilities	-66	-58	0	0	-124
Lease liabilities related to right-of-use assets	-18 682	-17 377	-34 012	-17 588	-87 659
Trade and other payables	-60 508	0	0	0	-60 508
Secured bank loan repayments	-87 045	-87 045	-219 345	-81 787	-475 221
Interest payments[1]	-15 691	-11 513	-16 008	-5 298	-48 510
Total	-181 992	-115 993	-269 365	-104 673	-672 022

In thousands of EUR, 2023	**< 1 year**	**1-2 years**	**2-5 years**	**>5 years**	**Total**
Non-derivative financial liabilities					
Lease liabilities	-68	-58	0	0	-126
Lease liabilities related to right-of-use assets	-18 136	-18 322	-38 142	-19 818	-94 418
Trade and other payables	-59 322	0	0	0	-59 322
Secured bank loan repayments	-87 045	-87 045	-282 365	-105 811	-562 265
Interest payments[1]	-23 520	-17 438	-29 226	-8 110	-78 295
Total	-188 091	-122 863	-349 733	-133 740	-794 427

[1] Expected, based on the interest rates and interest rate forward curves

Guarantees issued are not recognised in the statement of financial position as, according to historical experience and management's estimations, none of them has turned into an actual liability.

Market Risk

Market risk is the risk that changes in market prices, such as fuel price, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of financial instruments held. Market risk is highly impacted also by the global geopolitical uncertainty. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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Foreign Exchange Rate Risk

The Group is exposed to exchange rate risk arising from revenues, operating expenses and liabilities in foreign currencies, mainly in the US dollar (USD) and the Swedish krona (SEK). Exposure to USD results from the purchase of ship fuel and insurance and exposure to SEK arises from the fact that it is the operational currency on some routes.

The Group seeks to minimise currency risk by matching foreign currency inflows with outflows.

The following tables present the Group's financial instruments by currency denomination:

In thousands of EUR, 2024	EUR	USD	SEK	Other	Total
Cash and cash equivalents	11 305	271	7 129	0	18 705
Trade receivables, net of allowance	15 059	0	427	39	15 525
Other financial assets	3 340	0	39	25	3 404
Total	29 704	271	7 595	64	37 634
Current portion of borrowings	-103 472	0	-1 077	0	-104 549
Trade payables	-37 197	-53	-2 460	-123	-39 833
Other current payables	-31 489	0	-3 855	0	-35 344
Non-current portion of borrowings and other liabilities	-451 609	0	-216	0	-451 825
Total	-623 767	-53	-7 608	-123	-631 551
Net	-594 063	218	-13	-59	-593 917

In thousands of EUR, 2023	EUR	USD	SEK	Other	Total
Cash and cash equivalents	34 814	215	6 801	91	41 921
Trade receivables, net of allowance	16 992	0	470	18	17 480
Other financial assets	1 664	0	57	30	1 751
Total	53 470	215	7 328	139	61 152
Current portion of borrowings	-103 021	0	-1 076	0	-104 097
Trade payables	-34 932	-201	-1 853	-216	-37 202
Other current payables	-27 366	0	-3 922	-2	-31 290
Non-current portion of borrowings and other liabilities	-544 051	0	-1 109	0	-545 160
Total	-709 370	-201	-7 960	-218	-717 749
Net	-655 900	14	-632	-79	-656 597

A 10% strengthening of the euro against the following currencies at the end of the financial year would have increased (decreased) profit or loss and equity by the amounts shown below. This sensitivity analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2023.

As at 31 December, in thousands of EUR	2024 Profit or loss	2023 Profit or loss
USD	-22	-1
SEK	1	63
Other	8	8

Interest Rate Risk

The Group is exposed to interest rate risk through funding and cash management activities. The interest rate risk – the possibility that fluctuations in interest rates can have a significant impact on the profitability and cash flows of the Group – results mainly from long term floating rate bank loans.

At the reporting date the interest rate profile of the Group's interest-bearing financial liabilities was as follows:

As at 31 December, in thousands of EUR	2024	2023
Fixed rate financial liabilities	216 413	243 825
Variable rate financial liabilities	252 302	311 014
Total	468 715	554 839

The Group's floating rate loan commitments are mainly based on EURIBOR rates. During 2024, 3-month EURIBOR decreased from 3.905% on 2 January 2024 to 2.736% on 2 January 2025. At the end of March 2025, 3-month EURIBOR had dropped below the 2.4% mark.

A change of 10 basis points in the interest rates of interest-bearing financial liabilities at the reporting date would have increased (decreased) profit and equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2023.

In thousands of EUR	2024	2023
10 basis point increase	-252	-311
10 basis point decrease	252	311

When analysing interest rate risks, various hedging options are considered, including refinancing floating rate loan commitments with fixed rate loan commitments. The management of the Group has assessed the interest rate risks related to the assets and liabilities of the Group and concluded that there are no material risks to outline.

Fair Values of Financial Instruments

All financial assets and liabilities are measured at amortised cost excluding derivatives, which are measured at fair value.

According to the assessment of the Group's management, as at 31 December 2024 and 31 December 2023 the fair values of assets and liabilities measured at amortised cost did not differ materially from their carrying amounts.

Capital Management

The Group considers total shareholders' equity as capital. As at 31 December 2024 the shareholders' equity was EUR 782 306 thousand (2023: EUR 785 754 thousand). The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business.

The Group has made significant investments in recent years where strong shareholders' equity has been a major supporting factor for the investments. The Group seeks to maintain a balance between

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the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

At the General Meeting of Shareholders held on 8 February 2011, the management introduced the strategic target of reaching the optimal debt level which would allow the Group to start paying dividends. In management's opinion, a comfortable level for the Group's equity ratio is between 40% and 50% and for the net debt to EBITDA ratio an indicator below 5. As at 31 December 2024 the Group's equity ratio was 53.4% and the net debt to EBITDA ratio was 3.1 (2023: 50.5% and 2.8, respectively).

Management will propose to the General Meeting of Shareholders to pay a dividend of EUR 0.06 per share in 2025 (2024: to pay a dividend of EUR 0.06. per share from the results for 2023).

The Group may purchase its own shares from the market; the timing of these purchases may depend on market prices, the Group's liquidity position and business outlook. Additionally, legal factors may limit the timing of such decisions. Repurchased shares are intended to be cancelled. Currently the Group does not have a defined share buyback plan.

Note 25 Subsequent Events

In April 2025, the subsidiary of AS Tallink Grupp, Tallink Hansaway Limited, signed an agreement with Irish Continental Group plc for the sale of the shuttle vessel Star I. The shuttle vessel Star I was chartered to Irish Continental Group plc from April 2023 until January 2025.

Note 26 Primary Financial Statements of the Parent

Statement of profit or loss and other comprehensive income

For the year ended 31 December, in thousands of EUR	2024	2023
Revenue	433 533	429 692
Cost of sales	-367 210	-336 880
Gross profit	66 323	92 812
Sales and marketing expenses	-28 150	-27 189
Administrative expenses	-30 430	-30 176
Impairment loss on receivables	2	-45
Other operating income	1 405	1 055
Other operating expenses	-11	-23
Result from operating activities	9 139	36 434
Finance income	41 147	32 285
Finance costs	-35 254	-34 506
Share of profit of subsidiaries	39 811	13 800
Share of loss of equity-accounted investees	0	-75
Profit before income tax	54 843	47 938
Income tax	-6 694	1 180
Net profit for the year	48 149	49 118

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Statement of Financial Position

As at 31 December, in thousands of EUR	2024	2023 restated
ASSETS		
Cash and cash equivalents	1 298	3 095
Receivables from subsidiaries	102 345	112 907
Receivables and prepayments	14 779	17 760
Inventories	14 101	12 921
Intangible assets	6 901	0
Current assets	139 424	146 683
Investments in subsidiaries	525 177	520 177
Receivables from subsidiaries	551 179	567 443
Other financial assets and prepayments	28	4 329
Property, plant and equipment	473 246	488 125
Intangible assets	6 402	7 288
Non-current assets	1 556 032	1 587 362
TOTAL ASSETS	1 695 456	1 734 045
LIABILITIES AND EQUITY		
Interest-bearing loans and borrowings	175 158	173 568
Payables and deferred income	115 612	83 610
Dividends payable to shareholders	6	6
Tax liabilities	4 281	4 476
Current liabilities	295 057	261 660
Interest-bearing loans and borrowings	610 360	686 441
Non-current liabilities	610 360	686 441
Total liabilities	905 417	948 101
Share capital	349 477	349 477
Share premium	663	663
Reserves	35 631	35 071
Retained earnings	404 268	400 733
Equity	790 039	785 944
TOTAL LIABILITIES AND EQUITY	1 695 456	1 734 045

Statement of Cash Flows

For the year ended 31 December, in thousands of EUR	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	48 149	49 118
Adjustment for:		
Depreciation and amortisation	73 658	71 771
Net gain/loss on disposals of property, plant and equipment and intangible assets	-1	9
Net interest expense	-5 914	2 164
Income from subsidiaries	-39 811	-13 800
Income tax	6 694	-1 180
Other adjustments	560	198
Adjustments	35 186	59 162
Changes in:		
Receivables and prepayments related to operating activities	6 183	738
Inventories	-8 081	-2 938
Liabilities related to operating activities	62 538	6 773
Changes in assets and liabilities	60 640	4 573
Cash generated from operating activities	143 975	112 853
NET CASH FROM OPERATING ACTIVITIES	143 975	112 853
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, equipment and intangible assets	-7 085	-7 408
Proceeds from disposals of property, plant and equipment	0	29
Increase in share capital of subsidiaries	-5 000	-16 000
Loans granted to subsidiaries	-24 040	-43 698
Repayments of loans granted	41 415	59 290
Dividends received from subsidiaries	30 711	11 900
Interest received	38 312	28 186
NET CASH FROM INVESTING ACTIVITIES	74 313	32 299
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	0	59 972
Proceeds from loans from subsidiaries	17 500	19 000
Repayment of loans	-55 354	-109 509
Repayment of loans to subsidiaries	-29 200	-14 200
Change in overdraft	-3 659	-2 848
Payment of lease liabilities	-66 665	-62 343
Interest paid	-34 915	-30 800
Payment of transaction costs related to loans	-450	-3 343
Dividends paid	-44 614	0
Income tax on dividends paid	-2 728	0
NET CASH USED IN FINANCING ACTIVITIES	-220 085	-144 071
NET CASH FLOW	-1 797	1 081
Cash and cash equivalents at the beginning of period	3 095	2 014
Change	-1 797	1 081
Cash and cash equivalents at the end of period	1 298	3 095

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Statement of Changes in Equity

In thousands of EUR	Share capital	Share premium	Mandatory legal reserve	Share option programme reserve	Retained earnings	Total equity
As at 31 December 2023 restated	349 477	663	34 948	123	400 733	785 944
Net profit for 2024	0	0	0	0	48 149	48 149
Dividends	0	0	0	0	-44 614	-44 614
Share options	0	0	0	560	0	560
Total transactions with owners of the Company recognised directly in equity	0	0	0	560	0	560
As at 31 December 2024	349 477	663	34 948	683	404 268	790 039
As at 31 December 2022 restated	349 477	663	32 159	0	354 404	736 703
Net profit for 2023	0	0	0	0	49 118	49 118
Transfer from profit for 2022	0	0	2 789	0	-2 789	0
Share options	0	0	0	123	0	123
Total transactions with owners of the Company recognised directly in equity	0	0	0	123	0	123
As at 31 December 2023 restated	349 477	663	34 948	123	400 733	785 944

In thousands of EUR	2024	2023 restated
Unconsolidated equity at 31 December	790 039	785 944
Interests under control and significant influence:		
Carrying amount	-525 177	-520 177
Value under the equity method	517 444	519 987
Adjusted unconsolidated equity at 31 December	782 306	785 754

Company's consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed (Link://https://nasdaqbaltic.com/)

STATEMENT BY THE MANAGEMENT BOARD

We hereby take responsibility for the preparation of the consolidated financial statements of AS Tallink Grupp (in the consolidated financial statements referred to as "the Parent") and its subsidiaries (together referred to as "the Group").

The Management Board confirms that:

- The consolidated financial statements are in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union.
- The consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Parent.
- AS Tallink Grupp and its subsidiaries are able to continue as going concerns for at least one year after the date of approval of these consolidated financial statements.

Paavo Nõgene
Chairman of the Management Board

Elise Nassar
Member of the Management Board

Harri Hanschmidt
Member of the Management Board

Piret Mürk-Dubout
Member of the Management Board

Margus Schults
Member of the Management Board

11 April 2025

This audited annual report has been signed digitally.

Independent auditors' report

To the Shareholders of Aktsiaselts Tallink Grupp

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aktsiaselts Tallink Grupp and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value of ships

Refer to notes 14 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group's property, plant and equipment include ships, which are measured at revalued amounts (i.e. fair value less depreciation charged subsequent to the date of the revaluation). The carrying value of the Group's ships as at 31 December 2024 was EUR 1 175 177 thousand. The fair value of ships depends on many factors, including changes in the fleet composition, current and forecast market values and technical factors which may affect the useful life expectancy of the assets and therefore could have a material impact	Our audit procedures in this area included, among others: • assessing the methodologies used by the external appraisers to estimate the fair values of the ships; • evaluating the independent external appraisers' competence, capabilities and objectivity; • evaluating the historical accuracy of the Group's assessment of the fair values of the ships by comparing them to transaction prices in prior years;

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on any impairment charges or the depreciation charge for the year. In order to assess the fair value of the ships, the Group's management used independent appraisers. We have identified the carrying value of ships as a key audit matter because of its significance to the consolidated financial statements and because applying the Group's accounting policies in this area involves a significant degree of judgement by management in considering the nature, timing and likelihood of changes to the factors noted above which may affect both the carrying value of the Group's ships as well the depreciation charge for the current year and future years.	• testing the adequacy of the capitalized expenditures of the ships; • analysing the estimates of useful lives and residual values and comparing them to published estimates of other international ship operators; and • assessing the adequacy of the consolidated financial statement disclosures.
Impairment assessment of right-of-use assets	
Refer to Notes 14 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group's property, plant and equipment include right-of-use assets related to hotels located in Estonia and Latvia (buildings and premises), which at 31 December 2024 amounted to EUR 47 508 thousand and which management has assessed for impairment. The recoverable amounts of the assets were found using the discounted cash flow method. The Group carries out impairment testing on the basis of budgets and forecasts prepared for the lease term. The impairment tests performed did not indicate a need to recognise an impairment loss. We determined the impairment assessment of right-of-use assets to be a key audit matter because it requires management to make significant judgements about the assumptions applied in estimating the recoverable amounts of right-of-use assets.	Our audit procedures in this area included, among others: • reviewing the significant assumptions applied by management in forecasting cash flows, such as projected revenues and expenses; • comparing the inputs used in impairment testing with the approved business plan and detailed budgets; • evaluating the reasonability of the discount rate applied in the impairment assessment; and • assessing the adequacy of the consolidated financial statement disclosures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the group and strategy description, the letter to shareholders, the management report, the corporate governance report, the remuneration report and the consolidated sustainability statement, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements. With respect to the remuneration report, our responsibility also includes considering whether the remuneration report has been prepared in accordance with the requirements of Article 135[3] (3) of the Securities Market Act.

We have issued a separate assurance report on the consolidated sustainability statement.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard and we state that the information presented in the management report is materially consistent with the consolidated financial statements and in accordance with the applicable legal and regulatory requirements.

In our opinion, the remuneration report has been prepared in accordance with the requirements of Article 135^3 (3) of the Securities Market Act.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgement 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 management.
- Conclude on the appropriateness of management'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, then we are required to draw attention in our auditors' 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 auditors' 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.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with the Requirements for iXBRL tagging of Consolidated Financial Statements included within the European Single Electronic Format Regulatory Technical Standard (ESEF RTS)

We have undertaken a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files 529900QRMWAKKR3L9W75-2024-12-31-en.zip prepared by Aktsiaselts Tallink Grupp.

Responsibilities of Management for the Digital Files Prepared in Compliance with the ESEF RTS

Management is responsible for preparing digital files that comply with the ESEF RTS. This responsibility includes:

- the selection and application of appropriate iXBRL tags using judgement where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF RTS.

Auditors' Responsibilities

Our responsibility is to express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the ESEF RTS based on the evidence we have obtained.

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about compliance with the ESEF RTS. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF RTS, whether due to fraud or error. A reasonable assurance engagement includes:
- obtaining an understanding of the tagging and the ESEF RTS, including of internal control over the tagging process

relevant to the engagement;

- reconciling the tagged data with the audited consolidated financial statements of the Group dated 31 December 2024;
- evaluating the completeness of the tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements included in the annual report of Aktsiaselts Tallink Grupp identified as 529900QRMWAKKR3L9W75-2024-12-31- en.zip for the year ended 31 December 2024 are tagged, in all material respects, in compliance with the ESEF RTS.

Other Requirements of the Auditors' Report in Accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council

We were appointed by those charged with governance on 7 May 2024 to audit the consolidated financial statements of Aktsiaselts Tallink Grupp for the year ending 31 December 2024. Our total uninterrupted period of engagement is 18 years, covering the periods ending 31 August 2007 to 31 December 2024.

We confirm that:

our audit opinion is consistent with the additional report presented to the Audit Committee of the Group;

we have not provided to the Group the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014. We also remained independent of the audited entity in conducting the audit.

Tallinn, 11 April 2025

/signed electronically/	/signed electronically/
Indrek Alliksaar	**Lembi Uett**
Certified Public Accountant Licence No 446	Certified Public Accountant, Licence No 566

KPMG Baltics OÜ
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Independent auditors' Limited Assurance report

To the Shareholders of Aktsiaselts Tallink Grupp

Report on the Consolidated Sustainability Statement

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of Aktsiaselts Tallink Grupp and its subsidiaries (the 'Group') as at and for the year ended 31 December 2024 included in the *Consolidated Sustainability Statement* section of the Group's Management Report (the 'Consolidated Sustainability Statement').

Based on the procedures we have performed and the evidFFence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with subsection 4 of § 31 of the Estonian Accounting Act, which transposes Article 29a of EU Directive 2013/34/EU. This includes:

- compliance with the European Sustainability Reporting Standards, including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement (the 'Process') is in accordance with the description in the section *Double Materiality Assessment* of the Consolidated Sustainability Statement; and
- that the disclosures in the *EU Taxonomy Reporting* section of the chapter *Environment* of the Consolidated Sustainability Statement comply with Article 8 of EU Regulation 2020/852.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE (EE) 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the *Auditors' Responsibilities for the Limited Assurance Engagement* section of our report.

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the International Ethics Standards Board for Accountants, together with the ethical requirements that are relevant to limited assurance engagements on sustainability statements in Estonia.

Our firm applies International Standard on Quality Management (Estonia) 1 (Revised) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Sustainability Statement

Management is responsible for designing, implementing and maintaining a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the European Sustainability Reporting

Standards and for disclosing this process in the section *Double Materiality Assessment* on pages 70-73 of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- selecting and applying methodologies and making assumptions and estimates that are reasonable in the circumstances.

Management is further responsible for the preparation of the Consolidated Sustainability Statement in accordance with subsection 4 of § 31 of the Estonian Accounting Act, which transposes Article 29a of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards;
- compliance of the disclosures in the section *Disclosures as set out in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)* in the chapter *Environment* of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852;
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methodologies and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent Limitations in Preparing the Consolidated Sustainability Statement

In reporting forward-looking information in accordance with the European Sustainability Reporting Standards, the Group's management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosure requirements for the Consolidated Sustainability Statement, the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation, and, accordingly, are subject to uncertainty.

Auditors' Responsibilities for the Limited Assurance Engagement

Our responsibility is to design and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

Our responsibilities in respect of the Consolidated Sustainability Statement and the Process of its preparation include:

- obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and

- designing and performing procedures to evaluate whether the Process is consistent with the Group's description of the Process, as disclosed in the section *Double Materiality Assessment* on pages 70-73 of the Consolidated Sustainability Statement.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular controls, obtaining evidence about their implementation or testing their effectiveness; and
- designing and performing procedures to detect potential material misstatements in the Consolidated Sustainability Statement. 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.

Summary of the procedures we performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement. We designed and performed our procedures to obtain evidence about the Consolidated Sustainability Statement that is sufficient and appropriate to provide a basis for our conclusion. The nature, timing and extent of our procedures depended on our professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement. We exercised professional judgment and maintained professional scepticism throughout the engagement.

In conducting our limited assurance engagement, with respect to the Process, the procedures we performed included:

- obtaining an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Group's internal documentation of its Process; and
- evaluating whether the evidence obtained from our procedures about the Process applied in the Group was consistent with the description of the Process set out in the section *Double Materiality Assessment*.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, the procedures we performed included:

- obtaining an understanding of the Group's reporting processes relevant to the preparation of the Consolidated Sustainability Statement by:
  - obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular controls, obtaining evidence about their implementation or testing their effectiveness; and
  - obtaining an understanding of the roles and responsibilities in the preparation of the Consolidated Sustainability Statement, including communication within the Group and between management and those charged with governance; and
- evaluating whether material information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluating whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the European Sustainability Reporting Standards;
- conducting interviews with relevant personnel and performing analytical procedures on disclosures in the Consolidated Sustainability Statement;
- performing assurance procedures on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- where applicable, comparing disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and the Management Report;
- evaluating the methods, assumptions and data for developing material estimates and forward-looking information;

- obtaining an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement; and
- performing assurance procedures on a sample basis on the taxonomy-aligned and taxonomy-eligible revenue, capital expenditure (CapEx) and operating expenditure (OpEx).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other matter

Our limited assurance engagement did not extend to the comparative information as at and for the year ended 31 December 2023 disclosed in the Consolidated Sustainability Statement. Our conclusion is not modified in respect of this matter.

Tallinn, 11 April 2025

/signed electronically/

Indrek Alliksaar

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ALTERNATIVE PERFORMANCE MEASURES

AS Tallink Grupp presents certain performance measures as key figures, which in accordance with the "Alternative Performance Measures" guidance by the European Securities and Markets Authority (ESMA) are not accounting measures of historical financial performance, financial position and cash flows, defined or specified in IFRS, but which are instead non-financial measures and alternative performance measures (APMs).

The non-financial measures and APMs provide the management, investors, securities analysts and other parties with significant additional information related to the Group's results of operations, financial position or cash flows and are often used by analysts, investors and other parties.

The non-financial measures and APMs should not be considered in isolation or as a substitute to the measures under IFRS. The APMs are unaudited.

Calculation Formulas of Alternative Performance Measures

EBITDA: result from operating activities before net financial items, share of profit or loss of equity-accounted investees, taxes, depreciation and amortisation

EBIT: result from operating activities

Earnings per share: net profit or loss / weighted average number of shares outstanding

Equity ratio: total equity / total assets

Shareholder's equity per share: shareholder's equity / number of shares outstanding

Gross margin: gross profit or loss / net sales

EBITDA margin: EBITDA / net sales

EBIT margin: EBIT / net sales

Net profit margin: net profit or loss / net sales

Capital expenditure: additions to property, plant and equipment – additions to right-of-use assets + additions to intangible assets

ROA: earnings before net financial items, taxes 12 months trailing / average total assets

ROE: net profit or loss 12 months trailing / average shareholders' equity

ROCE: earnings before net financial items, taxes 12 months trailing / (total assets – current liabilities (average for the period))

Net debt: interest-bearing liabilities less cash and cash equivalents

Net debt to EBITDA: net debt / EBITDA 12 months trailing

Current ratio: current assets / current liabilities

Company's consolidated financial statements in pdf-format without European Single Electronic Format (ESEF) markups. The original document is submitted in machine-readable .xhtml format to the Nasdaq Tallinn Stock Exchange and digitally signed (Link://https://nasdaqbaltic.com/)

Reconciliations of Certain Alternative Performance Measures

In thousands of EUR	2024	2023	2022
Depreciation	91 738	94 635	91 216
Amortisation	6 013	6 589	6 920
Depreciation and amortisation	97 751	101 224	98 136
Result from operating activities	77 430	113 304	37 673
Depreciation and amortisation	97 751	101 224	98 136
EBITDA	175 181	214 528	135 809
EBITDA	175 181	214 528	135 809
IFRS 16 adoption effect	-21 029	-20 096	-22 718
Adjusted EBITDA	154 152	194 432	113 091
Additions to property, plant and equipment	20 488	25 710	200 795
Additions to intangible assets	1 904	2 498	2 527
Capital expenditures	22 392	28 208	203 322
Net profit/loss	40 274	78 872	13 935
Weighted average number of shares outstanding	743 569 064	743 569 064	743 569 064
Earnings/loss per share (EUR)	0.054	0.106	0.019
Lease liabilities	195	126	77
Lease liabilities related to right-of-use assets	87 659	94 418	107 095
Overdraft	0	0	15
Long-term bank loans	468 520	554 713	746 327
Interest-bearing liabilities	556 374	649 257	853 514
Total equity	782 306	785 754	706 931
Total assets	1 463 941	1 555 221	1 691 642
Equity ratio (%)	53.4%	50.5%	41.8%
Equity attributable to equity holders of the Parent	782 306	785 754	706 931
Number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064
Shareholders' equity per share (EUR)	1.05	1.06	0.95
Gross profit/loss	153 556	203 834	113 470
Net sales	785 822	835 325	771 387
Gross margin (%)	19.5%	24.4%	14.7%
EBITDA	175 181	214 528	135 809
Net sales	785 822	835 325	771 387
EBITDA margin (%)	22.3%	25.7%	17.6%
Adjusted EBITDA	154 152	194 432	113 091
Net sales	785 822	835 325	771 387
Adjusted EBITDA margin (%)	19.6%	23.3%	14.7%
EBIT	77 430	113 304	37 673
Net sales	785 822	835 325	771 387
EBIT margin (%)	9.9%	13.6%	4.9%
Net profit/loss	40 274	78 872	13 935
Net sales	785 822	835 325	771 387
Net profit/loss margin (%)	5.1%	9.4%	1.8%

In thousands of EUR	2024	2023	2022
Result from operating activities 12-months trailing	77 430	113 304	37 673
Total assets 31 December (previous year)	1 555 221	1 691 642	1 585 915
Total assets 31 March	1 548 604	1 672 052	1 560 167
Total assets 30 June	1 567 018	1 613 646	1 550 110
Total assets 30 September	1 498 900	1 597 395	1 535 300
Total assets 31 December	1 463 941	1 555 221	1 691 642
Average assets	1 526 737	1 625 991	1 584 627
ROA (%)	5.1%	7.0%	2.4%
Net profit/loss 12-months trailing	40 274	78 872	13 935
Total equity 31 December (previous year)	785 754	706 931	692 516
Total equity 31 March	788 589	701 581	652 526
Total equity 30 June	750 371	735 229	652 304
Total equity 30 September	787 364	783 717	690 219
Total equity 31 December	782 306	785 754	706 931
Average equity	778 877	742 642	678 899
ROE (%)	5.2%	10.6%	2.1%
Result from operating activities 12-months trailing	77 430	113 304	37 673
Total assets 31 December (previous year)	1 555 221	1 691 642	1 585 915
Total assets 31 March	1 548 604	1 672 052	1 560 167
Total assets 30 June	1 567 018	1 613 646	1 550 110
Total assets 30 September	1 498 900	1 597 395	1 535 300
Total assets 31 December	1 463 941	1 555 221	1 691 642
Current liabilities 31 December (previous year)	224 307	296 246	357 910
Current liabilities 31 March	234 634	308 623	390 345
Current liabilities 30 June	301 433	325 820	405 694
Current liabilities 30 September	227 724	255 019	383 316
Current liabilities 31 December	229 810	224 307	296 246
Total assets - current liabilities 31 December (previous year)	1 330 914	1 395 396	1 228 005
Total assets - current liabilities 31 March	1 313 970	1 363 429	1 169 822
Total assets - current liabilities 30 June	1 265 585	1 287 826	1 144 417
Total assets - current liabilities 30 September	1 271 176	1 342 376	1 151 984
Total assets - current liabilities 31 December	1 234 131	1 330 914	1 395 396
Average assets - current liabilities	1 283 155	1 343 988	1 217 925
ROCE (%)	6.0%	8.4%	3.1%
Interest-bearing liabilities	556 374	649 257	853 514
Cash and cash equivalents	18 705	41 921	114 935
Net debt	537 669	607 336	738 579
Net debt	537 669	607 336	738 579
Depreciation	91 738	94 635	91 216
Amortisation	6 013	6 589	6 920
Depreciation and amortisation	97 751	101 224	98 136
EBITDA	175 181	214 528	135 809
Net debt to EBITDA	3.1	2.8	5.4
Current assets	107 721	122 952	195 696
Current liabilities	229 810	224 307	296 246
Current ratio	0.5	0.5	0.7