AGENDA

→ Approval of the Annual Report of the financial year 2017 of AS Tallink Grupp

→ Proposal on distribution of profits

→ Extension of authorities of the member of the supervisory board

→ Appointment of an auditor for the financial year 2018 and the determination of the procedure of remuneration of an auditor
# TALLINK GRUPP TODAY

<table>
<thead>
<tr>
<th>14 SHIPS</th>
<th>5 HOTELS</th>
<th>7 291 EMPLOYEES</th>
<th>9.8 MILLION PASSENGERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 11 in core passenger operations</td>
<td>• 4 hotels in Tallinn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 2 dedicated to cargo service</td>
<td>• 1 hotel in Riga</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 1 chartered out</td>
<td>• 311 000 stays</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 9966 trips</td>
<td>• 5 114 on the sea</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 552 in hotels</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 1 625 in onshore organisation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

47% PASSENGER MARKET SHARE OF THE NORTHERN BALTIC SEA
GROUP OF STRONG BRANDS

TALLINK → EST-FIN, EST-SWE, LAT-SWE, cargo routes

SILJA LINE 🐻 → FIN-SWE routes

TALLINK Hotels → Hotels in Tallinn and Riga

CLUB ONE → Loyalty programme with 2.4 million members
**WIDE RANGE OF DINING CONCEPTS ON OUR SHIPS**

**OWN BRANDS AND INTERNATIONAL PREMIUM BRANDS**

<table>
<thead>
<tr>
<th>Buffet Restaurants</th>
<th>À la Carte Restaurants</th>
<th>Fine Dining Restaurants</th>
<th>Quick Service Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grande Buffet</td>
<td>Grill House</td>
<td>Bon Vivant</td>
<td>Coffee &amp; Co.</td>
</tr>
<tr>
<td>Delight Buffet</td>
<td>Tavolàta</td>
<td>Victoria</td>
<td>Fast Lane</td>
</tr>
<tr>
<td></td>
<td>Happy Lobster</td>
<td>Gourmet Baltic Queen</td>
<td>Sushi &amp; Co.</td>
</tr>
<tr>
<td></td>
<td>The Chef's Kitchen</td>
<td>Aleksandra</td>
<td>Burger King</td>
</tr>
</tbody>
</table>
In addition three **ESPRIT** brand stores in Tallinn and Tartu
## GLOBAL POSITION

### OPERATORS BY GROSS TONS

<table>
<thead>
<tr>
<th>Company</th>
<th>Gross tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Stena Line</td>
<td>1,064,790</td>
</tr>
<tr>
<td>2 Grimaldi Lines</td>
<td>701,340</td>
</tr>
<tr>
<td>3 Tallink</td>
<td>512,817</td>
</tr>
<tr>
<td>4 DFDS Seaways</td>
<td>438,479</td>
</tr>
<tr>
<td>5 P&amp;O Ferries</td>
<td>409,659</td>
</tr>
</tbody>
</table>

### OPERATORS BY BEDS

<table>
<thead>
<tr>
<th>Company</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Tallink</td>
<td>24,821</td>
</tr>
<tr>
<td>2 Stena Line</td>
<td>16,985</td>
</tr>
<tr>
<td>3 Viking Line</td>
<td>14,026</td>
</tr>
<tr>
<td>4 Grand Navi Veloci</td>
<td>13,328</td>
</tr>
<tr>
<td>5 Corsica ferries</td>
<td>11,676</td>
</tr>
</tbody>
</table>

### OPERATORS BY REVENUE (2017)

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue (mEuro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DFDS Group</td>
<td>1,925</td>
</tr>
<tr>
<td>2 Stena Line</td>
<td>1,322</td>
</tr>
<tr>
<td>3 Tallink</td>
<td>967</td>
</tr>
<tr>
<td>4 Finnlines</td>
<td>536</td>
</tr>
<tr>
<td>5 Viking Line</td>
<td>523</td>
</tr>
</tbody>
</table>

**Source:** ShipPax MARKET:17, company reports
BUSINESS ENVIRONMENT

TRAVEL & LEISURE INDUSTRY
- Growth from new markets globally
- Growth in Europe and Nordics
- Growth in domestic travel

DEMOGRAPHICS
- Ageing population
- More people have free time

DISPOSABLE INCOME
- Growth in all countries
- More spend devoted to free time

RETAIL SALES
- Modest inflation and continuous growth in total retail spending
EXTERNAL FACTORS

LAND BASED COMPETITION
- New ways to spend free time
- New business concepts
- New restaurants, shops etc.

DIRECT COMPETITION
- Pricing
- Investments
- Changes in Tallinn-Helsinki route

GEOPOLITICAL SITUATION
- Free movement of travellers
- The number of passengers from Russia remains low
- The number of Asian passengers continues to grow

ECONOMY
- Strong economies in all markets but unfavourable tax changes
STRATEGY

THE MAIN GOALS OF THE STRATEGY THAT IS DIRECTED TOWARD INCREASING TALLINK’S VALUE AND PROFITABILITY:

→ Increase the volumes and strengthen the market position in the region
→ Cost efficient operations
→ Strive for the highest level of customer satisfaction
→ Develop a wide range of quality services for different customers and to pursue new growth opportunities
→ Regular investments to improve and diversify the service quality of the passenger area
→ Optimal debt level that allows sustainable dividends
CAPITAL DISTRIBUTION

TALLINK GRUPP HAS MADE A TOTAL OF EUR 141 MILLION PAYMENTS FROM EQUITY TO SHAREHOLDERS IN THE PERIOD 2013-2017

DIVIDEND POLICY

→ In May 2018, the Management Board of Tallink Grupp AS decided to raise the minimum dividend rate by 50% to EUR 0.03 per share. The management board of Tallink Grupp AS states that the company is working to ensure that Tallink Grupp AS is a stable dividend payer and that the dividend paid to investors will increase over time.

→ To the annual general meeting of 2018 the Management Board will propose a dividend of EUR 0.03 per share from the net profit for 2017.
TALLINK GRUPP 2017

→ All time high annual passenger number
→ Strong growth of the cargo business
→ New LNG fast ferry Megastar started on Tallinn - Helsinki route
→ New Helsinki passenger terminal taken into use
→ Lower chartering revenues compared to last year
→ Scheduled maintenances of five ships in Q1
→ Group-wide ship renovation program continues
→ Increased competition on Tallinn – Helsinki route
→ Lower costs from termination of the fast ferry Superstar charter
→ Effects from re-routing of vessels in December 2016
→ One cruise ferry on Tallinn – Helsinki route
→ Two cruise ferries on Riga – Stockholm route
→ Sale of two Superfast vessels

Tallink Grupp’s passenger market share is 47% of the Northern Baltic Sea
LNG SHUTTLE FERRY MEGASTAR
DEVELOPMENT OF THE TALLINN–HELSINKI SHUTTLE SERVICE

SPECIFICATIONS

• Gross tonnage 49 000
• Length 212 meters
• Capacity 2 800 passengers
• Lane meters 3 600
• Dual fuel engine
• Service speed 27 knots
• Built in Meyer Turku Shipyards

LNG POWERED SHUTTLE FERRY MEGASTAR CARRIED MORE THAN 2 MILLION PASSENGERS DURING THE FIRST YEAR OF OPERATIONS ON THE TALLINN–HELSINKI SHUTTLE SERVICE
LNG SHUTTLE FERRY MEGASTAR
A SAFER SHIP WITH A SMALLER ECOLOGICAL FOOTPRINT

TECHNICAL INNOVATIONS DELIVER IMPROVED SAFETY, HIGH ENERGY EFFICIENCY AND ENVIRONMENTAL SAVINGS

• Safe Return to Port (SRtP) compliant ship
• Dual fuel ship uses environmentally friendly LNG as main fuel
• LNG produces 25% less CO2, 85% less NOx and almost zero SOx and particles
• Improved ship hull hydrodynamics enable very low hull resistance and high propulsion efficiency to further minimise fuel consumption and emissions
• Ship’s Green Passport - improved waste management and recycling

The Shippax Technology and Design Award 2017 was given to Megastar for being the world’s most advanced ro-pax ferry

MEGASTAR COMPLIES WITH THE CURRENT AND KNOWN FUTURE EMISSION REGULATIONS FOR THE EMISSION CONTROL AREAS, INCLUDING THE BALTIC SEA
RESULTS OF THE 2017 FINANCIAL YEAR

**PASSENGERS (MILLIONS)**

- 2016: 9.5
- 2017: 9.8
- Increase: +3.2%

**CARGO UNITS (THOUSANDS)**

- 2016: 328
- 2017: 364
- Increase: +11.0%
# RESULTS OF THE 2017 FINANCIAL YEAR

<table>
<thead>
<tr>
<th>Income statement</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (EUR million)</td>
<td>938</td>
<td>967</td>
</tr>
<tr>
<td>Gross profit (EUR million)</td>
<td>193</td>
<td>195</td>
</tr>
<tr>
<td>EBITDA(^{(1)}) (EUR million)</td>
<td>149</td>
<td>158</td>
</tr>
<tr>
<td>Net profit/-loss (EUR million)</td>
<td>44</td>
<td>46</td>
</tr>
<tr>
<td>EPS</td>
<td>0.066</td>
<td>0.069</td>
</tr>
</tbody>
</table>

\(^{(1)}\) EBITDA – earnings before net financial items, share of profit of equity accounted investees, taxes, depreciation and amortization.

![Revenue (EUR million) chart]
RESULTS OF THE 2017 FINANCIAL YEAR

+

→ Ticket and on-board revenue growth from routes ~EUR 22 M
→ Cargo revenue growth ~EUR 14 M
→ Less Superstar charter cost
→ Less financial cost ~EUR 6 M

→ Less revenue from chartering of ships ~EUR 7 M
→ Additional costs from more ships in operations and cost inflation ~EUR 37 M, including:
  → Fuel cost EUR 12 M
  → Staff cost EUR 8 M
  → Depreciation EUR 9 M
## RESULTS OF THE 2017 FINANCIAL YEAR

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>-68</td>
<td>-219</td>
</tr>
<tr>
<td>Asset disposal</td>
<td>0</td>
<td>132</td>
</tr>
<tr>
<td>New loans</td>
<td>280</td>
<td>184</td>
</tr>
<tr>
<td>Redemption of loans</td>
<td>-277</td>
<td>-174</td>
</tr>
<tr>
<td>Interests &amp; other financial items</td>
<td>-31</td>
<td>-25</td>
</tr>
<tr>
<td>Dividends &amp; tax</td>
<td>-54</td>
<td>-24</td>
</tr>
<tr>
<td><strong>Total net cash flow</strong></td>
<td>-3</td>
<td>10</td>
</tr>
<tr>
<td>Cash at the end of period</td>
<td>79</td>
<td>89</td>
</tr>
</tbody>
</table>
RESULTS OF THE 2017 FINANCIAL YEAR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets (EUR million)</td>
<td>1,539</td>
<td>1,559</td>
<td>1.3%</td>
</tr>
<tr>
<td>Interest bearing liabilities (EUR million)</td>
<td>559</td>
<td>561</td>
<td>0.0%</td>
</tr>
<tr>
<td>Shareholder’s equity (EUR million)</td>
<td>810</td>
<td>836</td>
<td>3.2%</td>
</tr>
<tr>
<td>Shareholder’s equity per share (EUR)</td>
<td>1.21</td>
<td>1.25</td>
<td>3.2%</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>53%</td>
<td>54%</td>
<td></td>
</tr>
</tbody>
</table>

![Bar chart showing assets and liabilities distribution](chart.png)
SHAREHOLDERS’ EQUITY PER SHARE

EUR per share


0.86 0.96 0.97 0.96 1.00 1.05 1.14 1.15 1.16 1.23 1.21 1.25
THE NET DEBT HAS DECREASED BY OVER EUR 700 MILLION FROM THE PEAK IN 2009 TO EUR 472 MILLION
INTERESTING FACTS FOR 2017

→ Customers made a total of 8.6 million purchases in Tallink Grupp’s stores
→ Customers made a total of 12.1 million purchases in Tallink Grupp’s restaurants and bars
→ Tallink Grupp ships served 10.3 million meals
→ Tallink Hotels provided 311 000 overnight stays
→ Tallink Grupp ships carried 5790 km of vehicles and cargo
→ Tallink Takso provided 839 000 taxi rides
→ LNG Megastar produces 25% less CO2 and 85% less nitrogen dioxide, which in turn saves the environment
→ Among other products, 24 tonnes of herring, 47 tonnes of shrimp, 124 tonnes of salmon, 715 tonnes of potatoes and 397 000 litres of milk were consumed on ships
AGENDA

→ Approval of the Annual Report of the financial year 2017 of AS Tallink Grupp

→ Proposal on distribution of profits

→ Extension of authorities of the member of the supervisory board

→ Appointment of an auditor for the financial year 2018 and the determination of the procedure of remuneration of an auditor
AGENDA

→ Approval of the Annual Report of the financial year 2017 of AS Tallink Grupp

→ Proposal on distribution of profits

→ Extension of authorities of the member of the supervisory board

→ Appointment of an auditor for the financial year 2018 and the determination of the procedure of remuneration of an auditor
CHANGES ON THE MANAGEMENT BOARD

→ In March 2018, the Supervisory Board of Tallink Grupp AS appointed Mr Paavo Nõgene as the Chairman of the Management Board from 1 May 2018 for a period of 3 years

→ Since 1 May 2018, Tallink Grupp AS has had a four-member Management Board, consisting of Mr Paavo Nõgene, Mr Janek Stalmeister, Mr Andres Hunt and Mr Lembit Kitter
# I Quarter Results of the 2018 Financial Year

1 January – 31 March 2018

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of passengers (Thousand)</td>
<td>1,940</td>
<td>1,930</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Cargo Units (Thousand)</td>
<td>84</td>
<td>91</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>Net Sales</strong> (EUR million)</td>
<td>191.5</td>
<td>184.2</td>
<td>-3.9%</td>
</tr>
<tr>
<td>EBITDA (EUR million)</td>
<td>5.3</td>
<td>4.2</td>
<td>-20.3%</td>
</tr>
<tr>
<td>Net profit/-loss (EUR million)</td>
<td>-20.3</td>
<td>-19.6</td>
<td>3.7%</td>
</tr>
</tbody>
</table>
THE DYNAMICS OF HIGH SEASONALITY ON THE PROFIT LEVEL

NET RESULT BY QUARTERS

TYPICAL TO THE TALLINK BUSINESS MODEL IS THAT MOST OF THE RESULT IS MADE IN THE SUMMER, THE HIGH SEASON
## I Quarter Results of the 2018 Financial Year

### 1 January – 31 March 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1 2017 (EUR million)</th>
<th>Q1 2018 (EUR million)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>-3</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>204</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>New long term loan</td>
<td>184</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Redemption of loans</td>
<td>10</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Cash at the end of period</td>
<td>72</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Net debt (as of the end of the 1st quarter)</td>
<td>691</td>
<td>481</td>
<td>-30.4%</td>
</tr>
</tbody>
</table>
CASH FLOW IN 2018

→ Cash flow from operations
→ Refinancing of bond

→ Capital expenditure and maintenance
→ Scheduled loan repayments EUR 70 M and bond repayment EUR 120 M
→ Interest
→ Dividends & tax EUR 24 M
PROPOSAL ON DISTRIBUTION OF PROFITS

→ dividends to the shareholders 0.03 euros per share, in the total amount of EUR 20 096 000

TALLINK GRUPP HAS MADE A TOTAL OF EUR 141 MILLION DIVIDEND PAYMENTS TO SHAREHOLDERS IN THE PERIOD 2013 – 2017
AGENDA

→ Approval of the Annual Report of the financial year 2017 of AS Tallink Grupp

→ Proposal on distribution of profits

→ Extension of authorities of the member of the supervisory board

→ Appointment of an auditor for the financial year 2018 and the determination of the procedure of remuneration of an auditor
AGENDA

→ Approval of the Annual Report of the financial year 2017 of AS Tallink Grupp

→ Proposal on distribution of profits

→ Extension of authorities of the member of the supervisory board

→ Appointment of an auditor for the financial year 2018 and the determination of the procedure of remuneration of an auditor
AGENDA

→ Approval of the Annual Report of the financial year 2017 of AS Tallink Grupp

→ Proposal on distribution of profits

→ Extension of authorities of the member of the supervisory board

→ Appointment of an auditor for the financial year 2018 and the determination of the procedure of remuneration of an auditor