

# Q4 2022

## AS TALLINK GRUPP





Beginning of the financial year	1 January 2022
End of the financial year	31 December 2022
Interim reporting period	1 October 2022 – 31 December 2022

## CONTENTS

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MANAGEMENT REPORT.....	3
MANAGEMENT BOARD'S CONFIRMATION.....	17
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	18
Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	18
Consolidated Statement of Financial Position .....	19
Consolidated Statement of Cash Flows .....	20
Consolidated Statement of Changes in Equity.....	21
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	22
Note 1 Corporate Information.....	22
Note 2 Basis of Preparation .....	22
Note 3 Segment Information.....	22
Note 4 Financial Items .....	24
Note 5 Earnings Per Share .....	24
Note 6 Property, Plant, and Equipment .....	25
Note 7 Intangible Assets .....	27
Note 8 Interest-Bearing Loans and Borrowings.....	27
Note 9 Share Capital.....	28
Note 10 Dividends.....	28
Note 11 Related Party Disclosures .....	29
Note 12 Subsequent Events.....	29
STATEMENT BY THE MANAGEMENT BOARD .....	30
ALTERNATIVE PERFORMANCE MEASURES .....	31
CONTACT INFORMATION .....	34

## MANAGEMENT REPORT

In the 2022 financial year (1 January – 31 December), AS Tallink Grupp and its subsidiaries (the Group) carried 5 462 085 passengers, which is 84.4% more than in the financial year 2021. The number of cargo units transported increased by 11.0% compared to the previous financial year. The Group's unaudited consolidated revenue amounted to EUR 771.4 million (EUR 476.9 million in 2021), up by 61.7%. Unaudited EBITDA was EUR 135.8 million (EUR 58.3 million in 2021) and the unaudited net profit for the period was EUR 13.9 million (net loss of EUR 56.6 million in the financial year 2021).

The following operational factors impacted the Group's revenue and operating results in the financial year 2022:

- In the beginning of the financial year, the Group's operations and operating results were continuously influenced by the COVID-19 in all home markets. The demand for travelling increased after the travel restrictions were lifted in February in Finland and Sweden, and in Estonia from mid-March.
- The demand was negatively impacted by the war in Ukraine that Russia unleashed on 24 February 2022 and the hindered recovery of inbound tourism from Asia due to COVID-19 related travel restrictions in these countries.
- The delivery of shuttle vessel MyStar to the Tallinn-Helsinki route in mid-December increased the total number of vessels operated by the Group to 15 – including 3 shuttle vessels, 2 cargo vessels and 4 cruise ferries as well as 6 vessels on charter (2 vessels on long-term and 4 vessels on short-term charter).
- The Group operated 3 hotels in Tallinn while the Riga Hotel has remained closed since October 2020.
- The planned maintenance works of vessels totalled to 138 days.
- High global fuel prices impacted the Group's cost level throughout the year.
- The Group continues to focus on cost savings from previously implemented measures and restoring profitable operations on its core routes.
- The Group regularly monitors the developments on its main routes including the capacity of each route and continues to look for chartering options for vessels not used on the main routes.

Number of passengers carried by the Group's ships in 2022

**5.5** million

The Group's unaudited consolidated 2022 revenue

**EUR 771** million



## Sales and Segments

In 2022, the Group's total revenue increased by EUR 294.5 million to EUR 771.4 million. Total revenue in 2021 was EUR 476.9 million.

Revenue from route operations (core business) increased by EUR 236.4 million to EUR 629.0 million compared to the financial year 2021.

In 2022, the Group's ships carried a total of 3.1 million passengers on the **Estonia-Finland** route, up by 76.9% year-on-year. The number of transported cargo units increased by 19.0%. The revenue from the Estonia-Finland route increased by EUR 93.3 million to EUR 277.8 million. The segment result improved by EUR 39.7 million to EUR 51.7 million. The segment reflects operations of two shuttle vessels, one cruise ferry, and one cargo vessel. Shuttle vessel MyStar was added to the Estonia-Finland route in mid-December 2022. The cruise ferry Silja Europa stopped operating on Tallinn-Helsinki route in August 2022 due to a charter agreement. The cargo ship Sea Wind was sold at the end of April 2022. Starting from the fourth quarter of 2022 the route was only operated by two shuttle vessels.

The number of passengers almost doubled on **Finland-Sweden** routes amounting to 1.9 million in 2022. The number of transported cargo units decreased by 9.9%. The routes' revenue increased by EUR 115.6 million to EUR 274.3 million and the segment result increased by EUR 14.6 million to a loss of EUR 1.0 million. The segment reflects the operations of two cruise ferries on the Turku-Stockholm and two cruise ferries on the Helsinki-Stockholm routes. Starting from the fourth quarter of 2022 the Turku-Stockholm route was only operated by one cruise ferry as the cruise ferry Galaxy stopped operating on the route from September 2022 due to a charter agreement.

On **Estonia-Sweden** routes the number of carried passengers almost doubled compared to 2021 amounting to 0.5 million. The number of transported cargo units remained at the same level as a year ago. The revenue of Estonia-Sweden routes increased by EUR 27.8 million to EUR 76.8 million and net loss increased by EUR 4.0 million to EUR 11.0 million. Estonia-Sweden routes reflect operation of two cargo vessels and one cruise ferry as well as expenses related to the suspended cruise ferry Victoria I until the ferry was chartered out.

Revenue from the segment **other** increased by a total of EUR 62.2 million and amounted to EUR 147.4 million. The increase was mainly driven by chartering out vessels, accommodation sales, opening of Burger King restaurants and to a lesser extent by various retail activities.

## Earnings

In 2022, the Group's gross profit grew more than four-fold compared to previous financial year amounting to EUR 113.5 million. EBITDA increased by EUR 77.5 million and amounted to EUR 135.8 million.

Amortisation and depreciation expense increased by EUR 2.8 million to EUR 98.1 million compared to last year.

As a result of increased interest-bearing liabilities, net finance costs increased by EUR 2.8 million year-on-year to 24.7 million euros.

The Group's unaudited net profit for 2022 was EUR 13.9 million or EUR 0.019 per share compared to a net loss of EUR 56.6 million or EUR 0.081 per share in 2021.

## Investments

The Group's investments in 2022 amounted to EUR 203.3 million majority of which (EUR 176.7 million euros) is related to the new shuttle vessel MyStar. Total cost of MyStar was EUR 252 million euros of which EUR 75.3 million was invested in 2021.

Due to the continuously challenging economic environment ship-related investments were kept to minimum. Only critical maintenance and repair works were performed. The maintenance and repair works lasted a total of 138 days in financial year 2022.

Investments were also made in the development of the online booking and sales systems as well as other administrative systems and in relation to the opening of new Burger King restaurants.



## Dividends

Due to a complicated operating environment and considering the Group's long-term interests, the Supervisory Board proposed not to pay dividends for the financial year ended on 31 December 2021, which was approved by the shareholders during the Annual General Meeting on 9 June 2022.

## Financial Position

At the end of financial year 2022, the Group's net debt amounted to EUR 738.6 million having increased by EUR 129.9 million compared to the end third quarter 2022 and by EUR 86.2 million compared to the end of financial year 2021. The net debt to EBITDA ratio was 5.4 at the reporting date (11.2 as at 31 December 2021).

As at 31 December 2022, the Group's cash and cash equivalents amounted to EUR 114.9 million (EUR 127.6 million on 31 December 2021) and the Group had EUR 135.0 million in unused credit lines (EUR 134.8 million on 31 December 2021). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 249.9 million (EUR 262.4 million on 31 December 2021). The payment of previously postponed principal payments under existing loan agreements restarted in the second quarter of 2022. In 2022, the Group loan repayments amounted to EUR 110.1 million compared to EUR 14.7 million in 2021. The current trade and other payables amounted to EUR 86.9 million (EUR 91.7 million on 31 December 2021).

## Results of the Q4 2022

The Group's unaudited revenue in the fourth quarter (1 October – 31 December) 2022 increased by 22.2% year-on-year and amounted to EUR 203.7 million. During the quarter, the Group carried 1.3 million passengers which is 15.4% more compared to the same period last year. The restaurant and shop sales on-board and onshore increased by EUR 9.2 million and ticket revenue by EUR 10.5 million year-on-year. As there were fewer vessels available due to chartering the transported cargo units dropped by 5.4% resulting cargo revenue to decrease by EUR 2.8 million compared to the same period a year ago. Revenues from chartering increased by EUR 19.3 million compared to fourth quarter 2021.

Unaudited EBITDA in the fourth quarter 2022 was EUR 50.4 million (EUR 25.1 million, fourth quarter 2021) and unaudited net profit amounted to EUR 16.7 million (net loss of EUR 3.3 million, fourth quarter 2021).

The financial result of the fourth quarter of 2022 was driven by recovering demand, an increase in customer numbers, and the chartering of six vessels, while the war in Ukraine and the rapid increase in global fuel prices had an adverse impact.

## Key Figures

			Jan-Dec	Jan-Dec
<b>For the period</b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>2022</b>	<b>2021</b>
Revenue (EUR million)	203.7	166.6	771.4	476.9
Gross profit/loss (EUR million)	41.8	20.0	113.5	21.7
EBITDA <sup>1</sup> (EUR million)	50.4	25.1	135.8	58.3
EBIT <sup>1</sup> (EUR million)	23.5	0.9	37.7	-37.0
Net profit/loss for the period (EUR million)	16.7	-3.3	13.9	-56.6
Depreciation and amortisation (EUR million)	27.0	24.2	98.1	95.3
Capital expenditures <sup>1 2</sup> (EUR million)	179.7	9.2	203.3	20.2
Weighted average number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	694 444 381
Earnings/loss per share <sup>1</sup> (EUR)	0.022	-0.004	0.019	-0.081
Number of passengers	1 296 047	1 122 892	5 462 085	2 961 975
Number of cargo units	96 052	101 486	409 769	369 170
Average number of employees	4 948	4 743	5 023	4 360
<b>As at</b>	<b>31.12.2022</b>	<b>30.09.2022</b>	<b>31.12.2021</b>	<b>30.09.2021</b>
Total assets (EUR million)	1 691.6	1 535.3	1 585.9	1 616.7
Total liabilities (EUR million)	984.7	845.1	893.4	920.8
Interest-bearing liabilities (EUR million)	853.5	711.5	779.9	802.8
Net debt <sup>1</sup> (EUR million)	738.6	608.7	652.4	659.7
Net debt to EBITDA <sup>1</sup>	5.4	5.5	11.2	19.2
Total equity (EUR million)	706.9	690.2	692.5	695.9
Equity ratio <sup>1</sup> (%)	42%	45%	44%	43%
Number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	743 569 064
Shareholders' equity per share (EUR)	0.95	0.93	0.93	0.94
<b>Ratios<sup>1</sup></b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
Gross margin (%)	20.5%	12.0%	14.7%	4.5%
EBITDA margin (%)	24.8%	15.1%	17.6%	12.2%
EBIT margin (%)	11.5%	0.5%	4.9%	-7.8%
Net profit/loss margin (%)	8.2%	-2.0%	1.8%	-11.9%
ROA (%)	2.4%	-2.4%	2.4%	-2.4%
ROE (%)	2.1%	-8.2%	2.1%	-8.2%
ROCE (%)	3.1%	-2.8%	3.1%	-2.8%

<sup>1</sup> Alternative performance measures based on ESMA guidelines are disclosed in the Alternative Performance Measures section of this Interim Report.

<sup>2</sup> Does not include additions to right-of-use assets.

## Sales & Results by Segments

The following table provides an overview of the quarterly sales and result development by geographical segments.

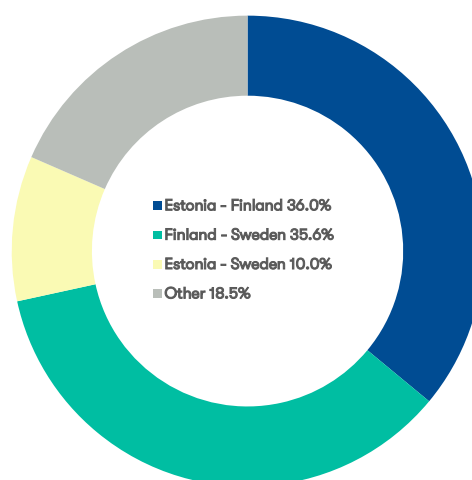
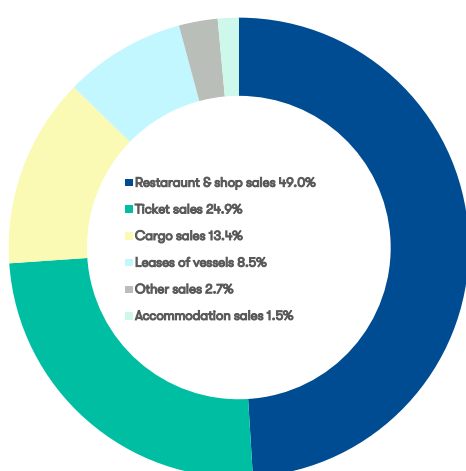
		Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q4 Change
Estonia - Finland	Passengers (thousands)	578	428	878	1 083	732	26.7%
	Cargo units (thousands)	67	70	78	76	73	9.3%
	Revenue (EUR million)	55.5	41.3	78.0	93.5	65.0	17.2%
	Segment result <sup>1</sup> (EUR million)	6.6	-1.4	12.4	26.7	13.9	111.3%
Finland - Sweden	Passengers (thousands)	431	230	538	658	433	0.4%
	Cargo units (thousands)	20	19	19	15	11	-42.3%
	Revenue (EUR million)	64.2	37.6	76.5	93.8	66.4	3.4%
	Segment result <sup>1</sup> (EUR million)	2.9	-13.8	-1.3	10.9	3.4	16.2%
Estonia - Sweden	Passengers (thousands)	114	63	136	152	132	15.4%
	Cargo units (thousands)	15	13	13	12	12	-21.9%
	Revenue (EUR million)	19.4	12.3	19.7	23.5	21.3	9.6%
	Segment result <sup>1</sup> (EUR million)	-1.1	-6.8	-4.3	1.5	-1.4	-24.3%
Other	Revenue (EUR million)	28.0	15.3	32.9	46.8	52.4	87.1%
	Segment result <sup>1</sup> (EUR million)	2.7	-5.2	8.1	17.5	14.6	442.4%
	Intersegment revenue (EUR million)	-0.5	-0.4	-1.1	-2.1	-1.4	-189.4%
	Total revenue (EUR million)	166.6	106.1	206.0	255.6	203.7	22.2%
	EBITDA (EUR million)	25.1	-11.0	28.7	67.7	50.4	100.7%
	Total segment result <sup>1</sup> (EUR million)	11.0	-27.2	14.9	56.6	30.4	176.2%
	Net profit/loss	-3.3	-40.0	-0.7	37.9	16.7	600.9%

<sup>1</sup> Segment result is the result before administrative expenses, finance costs and taxes.

The following table provides an overview of the quarterly sales development by operating segments:

Revenue (EUR million)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q4 Change
Restaurant and shop sales on-board and onshore	87.0	49.9	111.1	120.9	96.2	10.5%
Ticket sales	34.3	22.1	49.6	75.4	44.8	30.6%
Sales of cargo transportation	26.5	26.5	27.7	25.3	23.6	-10.7%
Accommodation sales	1.4	1.3	2.9	4.1	2.9	107.0%
Income from charter of vessels	12.3	2.9	9.9	21.4	31.6	156.3%
Other sales	5.1	3.4	4.7	8.3	4.5	-10.8%
<b>Total revenue</b>	<b>166.6</b>	<b>106.1</b>	<b>206.0</b>	<b>255.6</b>	<b>203.7</b>	<b>22.2%</b>

The following charts provide an overview of the Group's sales by operational and geographical segments in financial year 2022.





## Costs Breakdown

The following table provides a detailed overview of the cost items during the 12-month period ended 31 December.

Costs (in thousands of EUR)	Jan-Dec 2022	Jan-Dec 2021	Change
Cost of goods	160 556	110 451	45.4%
Staff cost	120 018	86 101	39.4%
Marketing & Administration <sup>1 2</sup>	74 262	62 075	19.6%
Port & Stevedoring	77 198	62 998	22.5%
Fuel cost	144 141	72 234	99.5%
Ship operating expenses	51 607	34 363	50.2%
Other costs <sup>3</sup>	18 667	6 768	175.8%
Total costs from operations	646 449	434 991	48.6%
Depreciation and amortisation	98 136	95 313	3.0%
Net finance cost <sup>4</sup>	24 746	21 967	12.7%
<b>Total costs</b>	<b>769 331</b>	<b>552 271</b>	<b>39.3%</b>

<sup>1</sup> Depreciation and amortisation excluded.

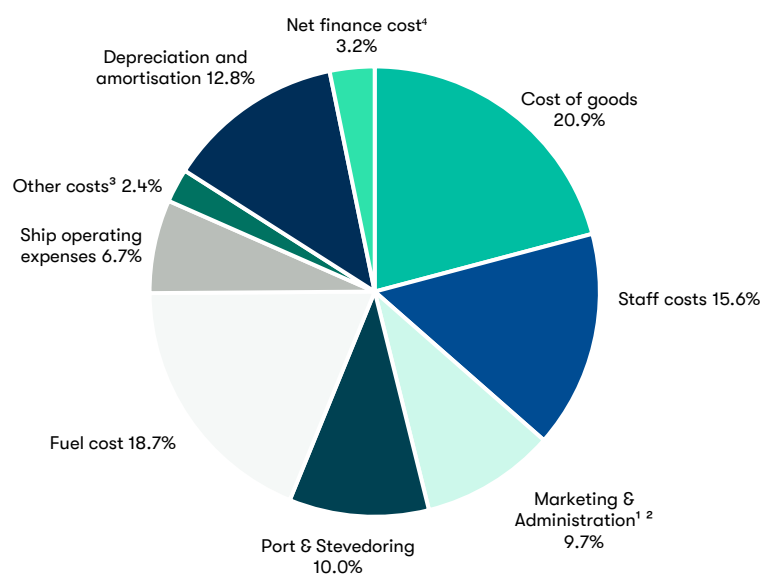
<sup>2</sup> Includes marketing and administration staff costs.

<sup>3</sup> Includes package costs.

<sup>4</sup> Includes share of profit/loss of equity-accounted investees.

In 2021, staff cost was impacted by salary support from the Government of Estonia paid directly to employees. However, no such support was received from the Government of Estonia in 2022. Salary support paid by Government of Sweden is recognized as other operating income in 2021.

The following chart provides breakdown of costs in the financial year 2022.



## Market Developments

The following table provides an overview of the passengers, cargo units and passenger vehicles transported in 2022 and 2021.

<b>Passengers</b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Change</b>	<b>Jan-Dec 2022</b>	<b>Jan-Dec 2021</b>	<b>Change</b>
Estonia - Finland	731 650	577 653	26.7%	3 120 531	1 764 058	76.9%
Finland - Sweden	432 521	430 943	0.4%	1 859 209	948 534	96.0%
Estonia - Sweden	131 876	114 296	15.4%	482 345	249 383	93.4%
<b>Total</b>	<b>1 296 047</b>	<b>1 122 892</b>	<b>15.4%</b>	<b>5 462 085</b>	<b>2 961 975</b>	<b>84.4%</b>

<b>Cargo units</b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Change</b>	<b>Jan-Dec 2022</b>	<b>Jan-Dec 2021</b>	<b>Change</b>
Estonia - Finland	72 920	66 728	9.3%	296 950	249 603	19.0%
Finland - Sweden	11 388	19 726	-42.3%	63 838	70 855	-9.9%
Estonia - Sweden	11 744	15 032	-21.9%	48 981	48 712	0.6%
<b>Total</b>	<b>96 052</b>	<b>101 486</b>	<b>-5.4%</b>	<b>409 769</b>	<b>369 170</b>	<b>11.0%</b>

<b>Passenger vehicles</b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Change</b>	<b>Jan-Dec 2022</b>	<b>Jan-Dec 2021</b>	<b>Change</b>
Estonia - Finland	155 589	144 778	7.5%	670 630	499 005	34.4%
Finland - Sweden	14 300	18 879	-24.3%	117 308	83 130	41.1%
Estonia - Sweden	5 650	7 380	-23.4%	31 291	19 898	57.3%
<b>Total</b>	<b>175 539</b>	<b>171 037</b>	<b>2.6%</b>	<b>819 229</b>	<b>602 033</b>	<b>36.1%</b>

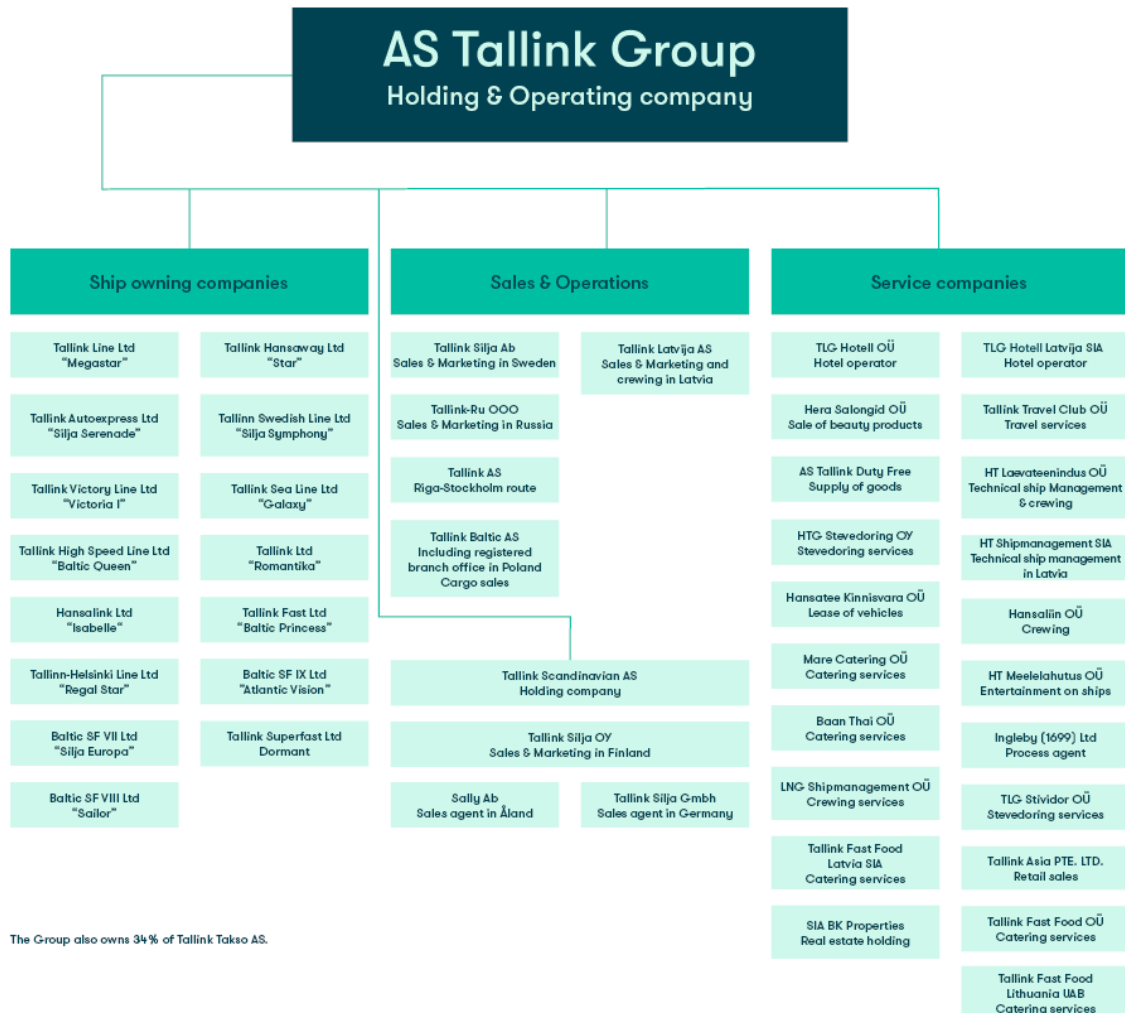
The Group's estimated market shares on the routes operated during the 12-month period ended 31 December 2022 were as follows:

- the Group carried approximately 49% of the passengers and 60% of the ro-ro cargo on the route between Tallinn and Helsinki.
- the Group carried approximately 47% of the passengers and 25% 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.

The Group's market share in its core routes was mainly impacted by the available capacity. In 2022, the Group chartered out cruise ferry Silja Europa from the Estonia-Finland route and cruise ferry Galaxy from the Turku-Stockholm route.

## Group Structure

At the reporting date, the Group consisted of 46 companies. All subsidiaries are wholly owned by AS Tallink Grupp. The following diagram represents the Group's structure as at the reporting date:





## Personnel

As of 31 December 2022, the Group had 4 904 employees (4 785 on 31 December 2021). The number of employees includes 167 employees on maternity leave. The following table provides a more detailed overview of the Group's personnel.

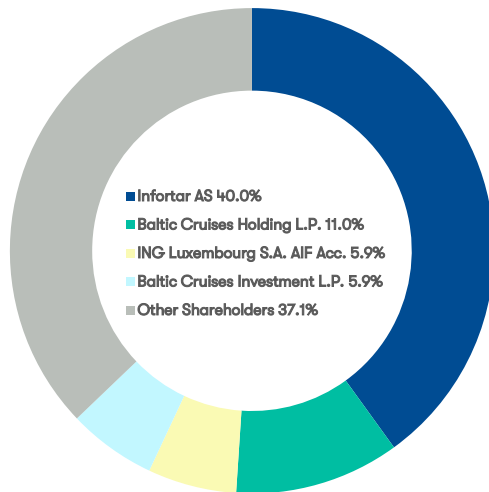
	Average of Q4			Average of Jan-Dec			End of Q4		
	2022	2021	Change	2022	2021	Change	2022	2021	Change
Onshore total	1 100	1 049	4.8%	1 112	1 060	4.9%	1 081	1 049	3.1%
Estonia	738	671	10.0%	727	674	7.9%	723	668	8.2%
Finland	242	238	1.7%	252	240	5.0%	241	241	0.0%
Sweden	99	103	-3.6%	103	108	-4.9%	98	103	-4.9%
Latvia	13	21	-38.1%	19	22	-14.8%	13	21	-38.1%
Russia	2	11	-81.8%	6	11	-46.2%	1	11	-90.9%
Germany	5	5	0.0%	5	5	-5.0%	5	5	0.0%
Onboard	3 185	3 214	-0.9%	3 282	2 891	13.5%	3 150	3 231	-2.5%
Burger King <sup>1</sup>	378	240	57.5%	349	223	56.5%	380	272	39.7%
Hotel <sup>1</sup>	285	240	18.9%	280	186	50.4%	293	233	25.8%
Total	4 948	4 743	4.3%	5 023	4 360	15.2%	4 904	4 785	2.5%

<sup>1</sup> The number of Burger King and hotel personnel is not included in the total number of onshore personnel.

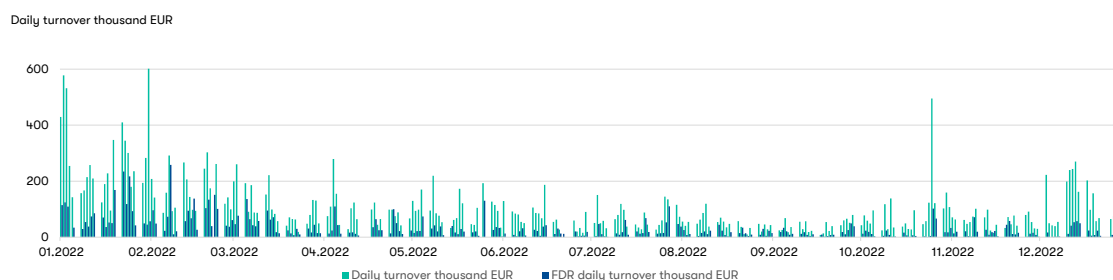
In the 2022 financial year, staff costs amounted to EUR 162.9 million (EUR 124.0 million in 2021), which is an 31.3% increase compared to the same period last year. The increase in average FTEs is 7.5% compared to the financial year 2021. The increase is driven mainly by expanded operations (more ships and hotels operated) compared to 2021.

## Shareholders & Share Price Development

The following chart displays the shareholder structure of AS Tallink Grupp as of 31 December 2022.



The shares of AS Tallink Grupp have been listed on the Nasdaq Tallinn stock exchange since 9 December 2005, where the shares are traded under the ticker symbol TAL1T. Starting from 3 December 2018, the shares of AS Tallink Grupp are listed as Finnish Depository Receipts (FDRs) also on Nasdaq Helsinki stock exchange, where the FDRs are traded under the ticker symbol TALLINK. At the reporting date, the closing share price on Nasdaq Baltic was EUR 0.52 and the closing price of the FDR on Nasdaq Helsinki was EUR 0.50. The following charts give an overview of the share and FDR price and turnover developments in the past twelve months. The account NORDEA BANK ABP / CLIENTS FDR represented 9 177 FDR-holders on 31 December 2022. The total number of shareholders and FDR-holders was 39 985.



## Key Management Personnel

### Supervisory Board

The Supervisory Board of AS Tallink Grupp consists of seven members and includes:

- Mr Enn Pant, Chairman
- Mr Toivo Ninnas
- Ms Eve Pant
- Mr Ain Hanschmidt
- Mr Colin Douglas Clark
- Mr Kalev Järvelill
- Mr Raino Paron

### Management Board

The Management Board of AS Tallink Grupp operates with five members, including:

- Mr Paavo Nõgene, Chairman
- Mrs Kadri Land
- Mr Harri Hanschmidt
- Mrs Piret Mürk-Dubout
- Mr Margus Schults

## Economic Environment

The Group's operations were predominantly impacted by changes in consumer behaviour and the economic developments in its core markets of Finland, Sweden, and Estonia, but also by the global geopolitical situation and war in Europe. The demand for international travel has continued to grow steadily but has not yet returned to pre-COVID-19 levels. Additionally, the recovery of inbound tourism from Asia has been halted as number of countries in Asian region only raised their COVID-19 travel restrictions at the end of 2022.

OECD measured consumer confidence that reached its record low in September 2022 has since started to show slight improvement on hopes that lower energy prices might help avoid a recession in 2023. However, the volatility of energy prices, the war in Ukraine, the tightening monetary policy and the high inflation continue to be key concerns globally. The improving confidence was reflected in the increasing passenger volumes during the fourth quarter.

The company's cargo business remained steady and robust during the period, although the market conditions and availability of shipping fleet put further pressure on the already challenging price competition.

During the fourth quarter, global fuel prices increased on average about 60% compared to the same period last year while the average prices in 2022 almost doubled compared to the previous financial year of 2021. Therefore, the Group's overall fuel cost increased by 100% and amounted to EUR 144 million in 2022 despite of lower frequency of operations.

For the foreseeable future and according to current best knowledge and estimates, the key risks for the business continue to be related to the fluctuations in fuel prices, the war in Ukraine, rising interest rates and the changing customer travel and consumption habits.



## Events in the Fourth Quarter

### Changes in AS Tallink Grupp's loan obligations

AS Tallink Grupp amended and restated the EUR 280 million loan agreement from December 2016. The final maturity of the Euribor based floating interest rate loan was extended by 3 years with two further extension possibilities, each by one year. Sustainability-linked clauses were added to the amended and restated loan agreement. The outstanding balance at the time of the restatement of the loan was EUR 135.5 million.

As a result of the amended and restated loan agreement the company's refinancing risk decreases.

The new loan is guaranteed by the subsidiaries of AS Tallink Grupp: Tallink Sea Line Ltd, Tallink Victory Line Ltd, Tallink Ltd, Tallink Autoexpress Ltd and Tallinn Swedish Line Ltd. The loan is secured by the mortgages on the ships belonging to these subsidiaries.

### Short-Term Charter Agreement

AS Tallink Grupp and Estonian Social Insurance Board signed a short-term time-charter agreement for one of the company's vessels. To fulfil the contract, the company used a vessel that was currently not operating on any routes or providing any other services during the contract period. The vessel is chartered to the Estonian authorities from 8 December 2022 for six months with extension options (6+1+1). Previous agreement between AS Tallink Grupp and Estonian Social Insurance Board for chartering one of the Group's vessels was signed in April 2022 for four months with extension options (4+2+2).

The vessel is used to provide temporary accommodation to Ukrainian refugees arriving in Estonia.

### Delivery of MyStar

On 7 December 2022, Tallink Superfast Ltd, a subsidiary of AS Tallink Grupp, took delivery of the new shuttle vessel MyStar from Rauma Marine Constructions shipyard, Finland.

The cost of the ship amounted to EUR 252 million and the purchase was financed with a loan of EUR 196.3 million from KfW IPEX-Bank GmbH Ltd., the credit is guaranteed by Finnish Export Credit Agency "Finnvera". The long-term loan was drawn down at the delivery, the maturity of the loan is twelve years and bears fixed interest rate.

MyStar is co-financed by European Union, the Connecting Europe Facility, Transport – Motorways of the Sea in the amount of EUR 0.1 million.

MyStar started operating on 13 December 2022.

### Short-Term Extension of Vessel Charter Agreement (Victoria I)

AS Tallink Grupp and Corporate Travel Management (North) Ltd on behalf of The Scottish Government agreed an extension to the short-term time-charter agreement for the vessel Victoria I. The vessel is used to provide temporary accommodation in Scotland. The charter was extended for five months from 14 January 2023.

## Events After the Reporting Period and Outlook

### New Collective Agreement

On 6 February 2023, AS Tallink Grupp and the Estonian Seamen's Independent Union signed a new collective agreement for the next 4 years. Subject to the agreement, the wages of the Group's maritime workers in Estonia will increase by 13.5% (service personnel) and 16.1% (technical personnel) compared to the minimum wages of the previous collective agreement.

### Silja Europa chartering agreement

In February 2023, AS Tallink Grupp and Slaapschepen Public BV, an organisation nominated by Centraal Orgaan Opvang Asielzoekers (COA) in the Netherlands, have used the option for extending the existing short-term charter agreement for Silja Europa until 19 June 2023.

### Earnings

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 prior experience, most of the Group's earnings are generated during the summer months (June-August). In 2022-2023, seasonal fluctuations in revenue generation are smoothed by Group's earnings from chartering services.

The war in Ukraine has a negative impact on the demand of certain customer groups, mainly customers from the countries directly participating in the conflict and from Asian countries, together with the risk of an increase in some input prices, mainly fuel and raw materials. The exact magnitude and duration of the potential effects from the conflict remain difficult to assess.

Despite the uncertainties in the outlook of the economic environment the management is continuously looking for ways to manage risks for the low season (for example through charters).

### Research and Development Projects

The Group does not have any substantial ongoing research and development projects. The Group is continuously seeking opportunities for expanding its operations to improve its results.

The Group is continuously 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 focusing on the solutions for reducing the CO2 footprint of the ships.

### Risks

The Group's business, financial position and operating results could be materially affected by various risks. These risks are not the only ones that we face. Additional risks and uncertainties not presently known to us, or that we currently believe are immaterial or unlikely, could also impair the 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
- 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
- Increase in the fuel prices and interest rates
- Market and customer behaviour
- Variations in labour legislation impact the competitiveness while sailing under different flags

## MANAGEMENT BOARD'S CONFIRMATION

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We confirm that to the best of our knowledge, the management report of AS Tallink Grupp for the fourth quarter and 12 months of 2022 presents a true and fair view of the Group's development, results and financial position and includes an overview of the main risks and uncertainties.



**Paavo Nõgene**  
Chairman of the Management Board



**Kadri Land**  
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

This Interim Report has been signed digitally.



# UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

Unaudited, in thousands of EUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Revenue (Note 3)	203 661	166 618	771 387	476 937
Cost of sales	-161 827	-146 593	-657 917	-455 282
Gross profit/loss	41 834	20 025	113 470	21 655
Sales and marketing expenses	-11 399	-9 008	-38 796	-29 262
Administrative expenses	-12 658	-13 460	-47 708	-45 732
Other operating income	5 759	3 334	10 871	16 336
Other operating expenses	-80	-11	-164	-28
Result from operating activities	23 456	880	37 673	-37 031
Finance income (Note 4)	167	-37	215	34
Finance costs (Note 4)	-7 024	-5 867	-24 871	-21 921
Share of profit/loss of equity-accounted investees	-90	-80	-90	-80
Profit/loss before income tax	16 509	-5 104	12 927	-58 998
Income tax	214	1 766	1 008	2 422
Net profit/loss for the period	16 723	-3 338	13 935	-56 576
Net profit/loss for the period attributable to equity holders of the Parent	16 723	-3 338	13 935	-56 576
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translating foreign operations	-11	-13	480	123
Other comprehensive income for the period	-11	-13	480	123
Total comprehensive profit/loss for the period	16 712	-3 351	14 415	-56 453
Total comprehensive profit/loss for the period attributable to equity holders of the Parent	16 712	-3 351	14 415	-56 453
Profit/loss per share (in EUR, Note 5)	0.022	-0.004	0.019	-0.081

## Consolidated Statement of Financial Position

Unaudited, in thousands of EUR	31.12.2022	31.12.2021
<b>ASSETS</b>		
Cash and cash equivalents	114 935	127 556
Trade and other receivables	31 380	29 298
Prepayments	9 379	11 924
Prepaid income tax	37	0
Inventories	39 965	34 631
<b>Current assets</b>	<b>195 696</b>	<b>203 409</b>
Investments in equity-accounted investees	75	165
Other financial assets and prepayments	3 622	555
Deferred income tax assets	21 840	21 840
Investment property	300	300
Property, plant and equipment (Note 6)	1 438 286	1 323 353
Intangible assets (Note 7)	31 823	36 293
<b>Non-current assets</b>	<b>1 495 946</b>	<b>1 382 506</b>
<b>TOTAL ASSETS</b>	<b>1 691 642</b>	<b>1 585 915</b>
<b>LIABILITIES AND EQUITY</b>		
Interest-bearing loans and borrowings (Note 8)	165 049	244 436
Trade and other payables	86 934	91 687
Payables to owners	6	6
Income tax liability	35	47
Deferred income	44 222	21 734
<b>Current liabilities</b>	<b>296 246</b>	<b>357 910</b>
Interest-bearing loans and borrowings (Note 8)	688 465	535 489
<b>Non-current liabilities</b>	<b>688 465</b>	<b>535 489</b>
<b>Total liabilities</b>	<b>984 711</b>	<b>893 399</b>
Share capital (Note 9)	349 477	349 477
Share premium	663	663
Reserves	66 363	67 930
Retained earnings	290 428	274 446
<b>Equity attributable to equity holders of the Parent</b>	<b>706 931</b>	<b>692 516</b>
<b>Total equity</b>	<b>706 931</b>	<b>692 516</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1 691 642</b>	<b>1 585 915</b>

## Consolidated Statement of Cash Flows

Unaudited, in thousands of EUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit/loss for the period	16 723	-3 338	13 935	-56 576
Adjustments	33 557	29 973	122 147	116 083
Changes in:				
Receivables and prepayments related to operating activities	10 964	6 446	-3 638	-6 925
Inventories	-208	560	-5 334	-6 513
Liabilities related to operating activities	-3 618	-6 045	17 415	13 447
Changes in assets and liabilities	7 138	961	8 443	9
Cash generated from operating activities	57 418	27 596	144 525	59 516
Income tax repaid/paid	-112	-20	-227	-137
<b>NET CASH FROM/USED OPERATING ACTIVITIES</b>	<b>57 306</b>	<b>27 576</b>	<b>144 298</b>	<b>59 379</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant, equipment and intangible assets (Notes 6, 7)	-179 689	-9 191	-203 322	-20 192
Proceeds from disposals of property, plant, equipment	25	26	2 768	816
Interest received	209	1	215	3
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-179 455</b>	<b>-9 164</b>	<b>-200 339</b>	<b>-19 373</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from loans received (Note 8)	196 290	0	196 290	90 000
Repayment of loans received (Note 8)	-39 025	0	-110 055	-14 667
Change in overdraft (Note 8)	-11 811	-25 482	-165	-15 556
Payment of lease liabilities (Note 8)	-4 313	-4 159	-17 157	-14 903
Interest paid	-5 494	-4 328	-23 516	-19 296
Payment of transaction costs related to loans	-1 376	0	-1 977	-495
Issue of shares	0	0	0	34 633
<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>134 271</b>	<b>-33 969</b>	<b>43 420</b>	<b>59 716</b>
<b>TOTAL NET CASH FLOW</b>	<b>12 122</b>	<b>-15 557</b>	<b>-12 621</b>	<b>99 722</b>
Cash and cash equivalents at the beginning of period	102 813	143 113	127 556	27 834
Change in cash and cash equivalents	12 122	-15 557	-12 621	99 722
Cash and cash equivalents at the end of period	114 935	127 556	114 935	127 556



## Consolidated Statement of Changes in Equity

Unaudited, in thousands of EUR	Share capital	Share premium	Translation reserve	Ships re-valuation reserve	Mandatory legal reserve	Retained earnings	Equity attributable to equity holders of the Parent	Total equity
As at 31 December 2021	349 477	663	360	35 411	32 159	274 446	692 516	692 516
Net profit/loss for the period	0	0	0	0	0	13 935	13 935	13 935
Other comprehensive income for the period								
Exchange differences on translating foreign operations	0	0	480	0	0	0	480	480
Total comprehensive profit/loss for the period	0	0	480	0	0	13 935	14 415	14 415
Transactions with owners of the Company recognised directly in equity								
Transfer from revaluation reserve	0	0	0	-2 047	0	2 047	0	0
Transactions with owners of the Company recognised directly in equity	0	0	0	-2 047	0	2 047	0	0
<b>As at 31 December 2022</b>	<b>349 477</b>	<b>663</b>	<b>840</b>	<b>33 364</b>	<b>32 159</b>	<b>290 428</b>	<b>706 931</b>	<b>706 931</b>
As at 31 December 2020	314 844	663	237	37 458	32 159	328 975	714 336	714 336
Net profit/loss for the period	0	0	0	0	0	-56 576	-56 576	-56 576
Other comprehensive income for the period								
Exchange differences on translating foreign operations	0	0	123	0	0	0	123	123
Total comprehensive profit/loss for the period	0	0	123	0	0	-56 576	-56 453	-56 453
Transactions with owners of the Company recognised directly in equity								
Transfer from revaluation reserve	0	0	0	-2 047	0	2 047	0	0
Issue of shares	34 633	0	0	0	0	0	34 633	34 633
Transactions with owners of the Company recognised directly in equity	34 633	0	0	-2 047	0	2 047	34 633	34 633
As at 31 December 2021	349 477	663	360	35 411	32 159	274 446	692 516	692 516

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## Note 1 Corporate Information

The consolidated interim financial statements of AS Tallink Grupp (the “Parent”) and its subsidiaries (together referred to as the “Group”) for the fourth quarter of 2022 were authorised for issue by the Management Board on 21 February 2023.

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. Starting from 3 December 2018 the shares of AS Tallink Grupp are also listed as Finnish Depository Receipts (FDRs) on the Nasdaq Helsinki Stock Exchange.

The principal activities of the Group are related to marine transportation in the Baltic Sea (passenger and cargo transportation). As of 31 December 2022, the Group employed 4 904 people (4 785 as of 31 December 2021).

## Note 2 Basis of Preparation

These interim consolidated financial statements of AS Tallink Grupp have been prepared in a condensed form in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

These interim consolidated financial statements have been prepared using the same accounting policies and measurement bases that were applied in the preparation of the consolidated financial statements of AS Tallink Grupp for the financial year ended on 31 December 2021. The Group prepares its consolidated annual financial statements in accordance with IFRS as adopted by the EU.

The interim consolidated financial statements are presented in thousand euros (EUR).

## Note 3 Segment Information

The Group’s operations are organized and managed separately according to the nature of the different markets. Different routes represent different business segments.

The following tables present the Group’s revenue and profit by reportable segments for the reporting and the comparative period.

## Geographical Segments – by the Location of Assets

For the period 1 January - 31 December, in thousands of EUR	Estonia-Finland routes	Estonia-Sweden routes	Finland-Sweden routes	Other	Intersegment elimination	Total
<b>2022</b>						
Sales to external customers	277 806	76 835	274 314	142 432	0	771 387
Intersegment sales	0	0	0	4 997	-4 997	0
Revenue	277 806	76 835	274 314	147 429	-4 997	771 387
Segment result	51 664	-10 997	-942	34 948	0	74 673
Unallocated expenses						-37 000
Net financial items (Note 4)						-24 656
Share of profit/loss of equity-accounted investees						-90
Profit/loss before income tax						12 927

For the period 1 January - 31 December, in thousands of EUR	Estonia-Finland routes	Estonia-Sweden routes	Finland-Sweden routes	Other	Intersegment elimination	Total
<b>2021</b>						
Sales to external customers	184 529	49 065	158 697	84 646	0	476 937
Intersegment sales	0	0	0	874	-874	0
Revenue	184 529	49 065	158 697	85 520	-874	476 937
Segment result	11 962	-7 025	-15 587	3 043	0	-7 607
Unallocated expenses						-29 424
Net financial items (Note 4)						-21 887
Share of profit/loss of equity-accounted investees						-80
Profit/loss before income tax						-58 998

Please note that the items previously reported under geographical segment Latvia-Sweden routes are included in the segment Other as Latvia-Sweden route was not operated in 2022 and the amounts are below materiality threshold.

## Revenue by Service

In thousands of EUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Restaurant and shop sales on-board and onshore	96 164	87 005	378 163	233 376
Ticket sales	44 794	34 306	191 920	99 094
Sales of cargo transport	23 646	26 481	103 183	94 763
Sales of accommodation	2 926	1 414	11 325	3 367
Income from charter of vessels	31 596	12 328	65 808	30 278
Other	4 535	5 084	20 988	16 059
<b>Total revenue of the Group</b>	<b>203 661</b>	<b>166 618</b>	<b>771 387</b>	<b>476 937</b>

## Note 4 Financial Items

In thousands of EUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Net foreign exchange gain	-42	-38	0	31
Income from other financial assets	209	1	215	3
<b>Total finance income</b>	<b>167</b>	<b>-37</b>	<b>215</b>	<b>34</b>
Net foreign exchange loss	-34	0	-34	0
Expenses from other financial assets	0	0	0	-75
Interest expense on financial liabilities measured at amortised cost	-6 424	-5 198	-22 447	-19 424
Interest expense on right-of-use asset lease liabilities	-566	-669	-2 390	-2 422
<b>Total finance costs</b>	<b>-7 024</b>	<b>-5 867</b>	<b>-24 871</b>	<b>-21 921</b>
<b>Net finance costs</b>	<b>-6 857</b>	<b>-5 904</b>	<b>-24 656</b>	<b>-21 887</b>

## Note 5 Earnings Per Share

Earnings per share (EPS) are calculated by dividing the net profit/loss for the period attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period.

At the end of the period, in thousands	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Shares issued	743 569	743 569	743 569	743 569
Shares outstanding	743 569	743 569	743 569	743 569

For the period, in thousands of EUR	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Weighted average number of ordinary shares outstanding (in thousands)	743 569	743 569	743 569	694 444
Net profit/loss attributable to equity holders of the Parent	16 723	-3 338	13 935	-56 576
<b>Profit/loss per share</b>	<b>0.022</b>	<b>-0.004</b>	<b>0.019</b>	<b>-0.081</b>

## Note 6 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 2021	1 582	1 082 535	50 472	108 809	79 955	1 323 353
Additions	1 388	175 893	7 152	8 245	16 362	209 040
Reclassification	0	87 152	5 892	0	-92 967	77
Disposals	0	-2 587	-159	-222	0	-2 968
Depreciation for the period	-185	-55 278	-15 425	-20 328	0	-91 216
Book value as at 31 December 2022	2 785	1 287 715	47 932	96 504	3 350	1 438 286
As at 31 December 2022						
Gross carrying amount	10 065	1 908 961	131 139	156 638	3 350	2 210 153
Accumulated depreciation	-7 280	-621 246	-83 207	-60 134	0	-771 867
Book value as at 31 December 2020	1 477	1 134 564	54 483	94 738	78 223	1 363 485
Additions	259	-398	6 334	35 372	11 239	52 806
Reclassification	140	3 443	5 924	0	-9 507	0
Disposals	0	0	-509	-4 055	0	-4 564
Depreciation for the period	-294	-55 074	-15 760	-17 246	0	-88 374
Book value as at 31 December 2021	1 582	1 082 535	50 472	108 809	79 955	1 323 353
As at 31 December 2021						
Gross carrying amount	8 677	1 653 461	119 577	151 997	79 955	2 013 667
Accumulated depreciation	-7 095	-570 926	-69 105	-43 188	0	-690 314



## Right-of-Use Assets

In thousands of EUR	Buildings and premises	Plant and equipment	Total right-of- use assets
Book value as at 31 December 2021	108 340	469	108 809
Additions	7 548	697	8 245
Disposals	-184	-38	-222
Depreciation for the period	-19 997	-331	-20 328
Book value as at 31 December 2022	95 707	797	96 504
As at 31 December 2022			
Gross carrying amount	154 910	1 728	156 638
Accumulated depreciation	-59 203	-931	-60 134
As at 31 December 2021			
Book value as at 31 December 2020	94 102	636	94 738
Additions	35 159	213	35 372
Disposals	-4 020	-35	-4 055
Depreciation for the period	-16 901	-345	-17 246
Book value as at 31 December 2021	108 340	469	108 809
As at 31 December 2021			
Gross carrying amount	150 576	1 421	151 997
Accumulated depreciation	-42 236	-952	-43 188

## Note 7 Intangible Assets

In thousands of EUR	Goodwill	Trademark	Other	Assets under construction	Total
Book value as at 31 December 2021	11 066	13 090	11 426	711	36 293
Additions	0	0	167	2 360	2 527
Reclassification	0	0	2 456	-2 533	-77
Amortisation for the period	0	-2 916	-4 004	0	-6 920
Book value as at 31 December 2022	11 066	10 174	10 045	538	31 823
As at 31 December 2022					
Cost	11 066	58 288	44 071	538	113 963
Accumulated amortisation	0	-48 114	-34 026	0	-82 140
Book value as at 31 December 2020	11 066	16 006	12 829	547	40 448
Additions	0	0	725	2 058	2 783
Reclassification	0	0	1 894	-1 894	0
Amortisation for the period	0	-2 916	-4 022	0	-6 938
Book value as at 31 December 2021	11 066	13 090	11 426	711	36 293
As at 31 December 2021					
Cost	11 066	58 288	41 699	711	111 764
Accumulated amortisation	0	-45 198	-30 273	0	-75 471

## Note 8 Interest-Bearing Loans and Borrowings

In thousands of EUR	31.12.2021	Addition	Repayments	Exchange differences	Other changes <sup>1</sup>	31.12.2022
Lease liabilities	116	0	-31	-8	0	77
Right-of-use assets lease liabilities	116 403	8 245	-17 126	-129	-298	107 095
Overdrafts	180		-165	0	0	15
Long-term bank loans	663 226	196 290	-110 055	0	-3 134	746 327
Total borrowings	779 925	204 535	-127 377	-137	-3 432	853 514
Current portion	244 436					165 049
Non-current portion	535 489					688 465
Total borrowings	779 925					853 514

In thousands of EUR	31.12.2020	Addition	Repayments	Exchange differences	Other changes <sup>1</sup>	31.12.2021
Lease liabilities	258	25	-57	-4	-106	116
Right-of-use assets lease liabilities	102 509	35 372	-16 929	-1	-4 548	116 403
Overdrafts	15 736	0	-15 556	0	0	180
Long-term bank loans	586 616	90 000	-14 667	0	1 277	663 226
<b>Total borrowings</b>	<b>705 119</b>	<b>125 397</b>	<b>-47 209</b>	<b>-5</b>	<b>-3 377</b>	<b>779 925</b>
Current portion	111 601					244 436
Non-current portion	593 518					535 489
<b>Total borrowings</b>	<b>705 119</b>					<b>779 925</b>

<sup>1</sup> Capitalisation and amortisation of transaction costs and the termination of lease agreements.

Bank overdrafts are secured with commercial pledges (in the total amount of EUR 20 204 thousand) and ship mortgages. AS Tallink Grupp has given guarantees to Nordea Bank Plc, Danske Bank A/S, KfW IPEX-Bank GmbH and Nordic Investment Bank for loans of EUR 404 462 thousand granted to its ship-owning subsidiaries and Tallink Silja OY. Ship-owning subsidiaries have given guarantees to Nordea Bank Finland Plc, Swedbank AS and SA KredEx for loans of EUR 341 865 thousand granted to AS Tallink Grupp. The primary securities for these loans are pledges of the shares in the ship-owning subsidiaries and mortgages on the ships belonging to the aforementioned subsidiaries.

## Note 9 Share Capital

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 shareholders' general meeting. 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 shareholders' general meeting.

AS Tallink Grupp has 743 569 064 registered shares without nominal value and the notional value of each share is EUR 0.47.

## Note 10 Dividends

In October 2018, the Management Board of AS Tallink Grupp decided to supplement the Company's dividend policy, according to which if the economic performance enables it, dividends would be paid in the minimum amount of EUR 0.05 per share.

Due to a complicated operating environment and considering the Group's long-term interests, on 9 June 2022 the shareholders' Annual General Meeting approved the proposal not to pay dividends in 2022.

## Note 11 Related Party Disclosures

The Group has conducted transactions with related parties and has outstanding balances with related parties.

For the period ended 31 December 2022, 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	823	22 912	43	94 005
Associated companies	9	142	0	14
<b>Total</b>	<b>832</b>	<b>23 054</b>	<b>43</b>	<b>94 019</b>

For the period ended 31 December 2021, 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	2 117	24 205	68	100 137
Associated companies	1	128	1	11
<b>Total</b>	<b>2 118</b>	<b>24 333</b>	<b>69</b>	<b>100 148</b>

## Note 12 Subsequent Events

On 6 February 2023, the Group signed a new 4-year collective agreement signed with Estonian Seamen's Independent Union.

In February 2023, AS Tallink Grupp and Slaapschepen Public BV, an organisation nominated by Centraal Orgaan Opvang Asielzoekers (COA) in the Netherlands, used the option for extending the existing short-term charter agreement for Silja Europa until 19 June 2023.

## STATEMENT BY THE MANAGEMENT BOARD

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Hereby we acknowledge our responsibility for the AS Tallink Grupp Unaudited Condensed Consolidated Interim Financial Statements for the fourth quarter and 12 months of 2022 and confirm that these financial statements have been prepared in accordance with IAS 34 and give a true and fair view of the Group's financial position, financial performance, and cash flows.

Based on today's knowledge, the Management Board is of the opinion that AS Tallink Grupp and its subsidiaries are able to continue as going concerns for a period of at least one year after the date of approval of these interim financial statements.



**Paavo Nõgene**  
Chairman of the Management Board



**Kadri Land**  
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

This Interim Report has been signed digitally.



## ALTERNATIVE PERFORMANCE MEASURES

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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 significant additional information related to the Group’s operating results, financial position and/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 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 of equity-accounted investees, taxes, depreciation and amortization

**EBIT:** result from operating activities before net financial items and taxes

**Earnings/loss 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/loss 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

## Reconciliations of Certain Alternative Performance Measures

In thousands of EUR	Q4 2022	Q4 2021
Depreciation	25 211	22 501
Amortisation	1 742	1 733
Depreciation and amortisation	26 953	24 234
Result from operating activities	23 456	880
Depreciation and amortisation	26 953	24 234
EBITDA	50 409	25 114
EBITDA	50 409	25 114
IFRS 16 adoption effect	-7 702	-5 147
Adjusted EBITDA	42 707	19 967
Additions to property, plant and equipment	179 002	8 460
Additions to intangible assets	687	731
Capital expenditures	179 689	9 191
Net profit/loss for the period	16 723	-3 338
Weighted average number of shares outstanding	743 569 064	743 569 064
Earnings/loss per share (EUR)	0.022	-0.004
Lease liabilities	77	116
Lease liabilities related to right-of-use assets	107 095	116 403
Overdraft	15	180
Long-term bank loans	746 327	663 226
Interest-bearing liabilities	853 514	779 925
Gross profit/loss	41 834	20 025
Net sales	203 661	166 618
Gross margin (%)	20.5%	12.0%
EBITDA	50 409	25 114
Net sales	203 661	166 618
EBITDA margin (%)	24.8%	15.1%
Adjusted EBITDA	42 707	19 967
Net sales	203 661	166 618
Adjusted EBITDA margin (%)	21.0%	12.0%
EBIT	23 456	880
Net sales	203 661	166 618
EBIT margin (%)	11.5%	0.5%
Net profit/loss	16 723	-3 338
Net sales	203 661	166 618
Net profit/loss margin (%)	8.2%	-2.0%
Result from operating activities 12-months trailing	37 673	-37 031
Total assets 31 December (previous year)	1 585 915	1 516 201
Total assets 31 March	1 560 167	1 492 507
Total assets 30 June	1 550 110	1 524 741
Total assets 30 September	1 535 300	1 616 656
Total assets 31 December	1 691 642	1 585 915
Average assets	1 584 627	1 547 204
ROA (%)	2.4%	-2.4%

<b>In thousands of EUR</b>	<b>Q4 2022</b>	<b>Q4 2021</b>
Net profit/loss 12-months trailing	13 935	-56 576
Total equity 31 December (previous year)	692 516	714 336
Total equity 31 March	652 526	680 079
Total equity 30 June	652 304	655 682
Total equity 30 September	690 219	695 867
Total equity 31 December	706 931	692 516
Average equity	678 899	687 696
<b>ROE (%)</b>	<b>2.1%</b>	<b>-8.2%</b>
Result from operating activities 12-months trailing	37 673	-37 031
Total assets 31 December (previous year)	1 585 915	1 516 201
Total assets 31 March	1 560 167	1 492 507
Total assets 30 June	1 550 110	1 524 741
Total assets 30 September	1 535 300	1 616 656
Total assets 31 December	1 691 642	1 585 915
Current liabilities 31 December (previous year)	357 910	208 347
Current liabilities 31 March	390 345	233 651
Current liabilities 30 June	405 694	218 923
Current liabilities 30 September	383 316	207 183
Current liabilities 31 December	296 246	357 910
Total assets - current liabilities 31 December (previous year)	1 228 005	1 307 854
Total assets - current liabilities 31 March	1 169 822	1 258 856
Total assets - current liabilities 30 June	1 144 416	1 305 818
Total assets - current liabilities 30 September	1 151 984	1 409 473
Total assets - current liabilities 31 December	1 395 396	1 228 005
Average assets - current liabilities	1 217 925	1 302 001
<b>ROCE (%)</b>	<b>3.1%</b>	<b>-2.8%</b>
<b>In thousands of EUR</b>	<b>31.12.2022</b>	<b>30.09.2022</b>
Interest-bearing liabilities	853 514	711 472
Cash and cash equivalents	114 935	102 813
<b>Net debt</b>	<b>738 579</b>	<b>608 659</b>
Total equity	706 931	690 219
Total assets	1 691 642	1 535 300
<b>Equity ratio (%)</b>	<b>41.8%</b>	<b>45.0%</b>
Equity attributable to equity holders of the Parent	706 931	690 219
Number of ordinary shares outstanding	743 569 064	743 569 064
<b>Shareholders' equity per share (EUR)</b>	<b>0.95</b>	<b>0.93</b>
Net debt	738 579	608 659
12-months trailing		
Depreciation	91 216	88 506
Amortisation	6 920	6 911
Depreciation and amortisation	98 136	95 417
EBITDA	135 809	110 514
<b>Net debt to EBITDA</b>	<b>5.4</b>	<b>5.5</b>

## CONTACT INFORMATION

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