

# Q4 2021

## TALLINK GRUPP AS



Beginning of the financial year	1 January 2021
End of the financial year	31 December 2021
Interim reporting period	1 October 2021 – 31 December 2021

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## MANAGEMENT REPORT

In the fourth quarter (1 October – 31 December) of the year, Tallink Grupp AS and its subsidiaries (the Group) carried 1 122 892 passengers, which is 660 thousand passengers more than in the fourth quarter last year. The number of cargo units transported increased by 24% in the same comparison. The Group's unaudited consolidated revenue increased by 110.1% or EUR 87.3 million to a total of EUR 166.6 million. Unaudited EBITDA was EUR 25.1 million (EUR 1.2 million in the fourth quarter 2020) and unaudited net loss was EUR 3.3 million (net loss of EUR 26.9 million in the fourth quarter 2020). Net profit in the second half of the year amounted to EUR 2.2 million (net loss of EUR 50.7 million in the second half of the year 2020).

The Group's operations and operating results were continuously strongly influenced by the COVID-19 situation in the fourth quarter. In the beginning of the quarter, particularly in October and November, the demand for travelling was relatively strong due to moderate restrictions, which allowed the business to start recovering and had positive effect on results. With the rise of new COVID-19 variant, demand was negatively affected, and additional restrictions were put in place by the end of the quarter in Group's home markets in Finland and Sweden. The operational factors impacting results were following:

- during the quarter 2 shuttle vessels, 3 cargo vessels, 6 cruise ferries and 3 hotels were operating;
- short-term charter of Silja Europa and Romantika;
- significant increase in the global fuel prices;
- cost savings from previously implemented measures.

To enhance travelling and contribute to resolving the COVID-19 crisis, the Group offered the opportunity for passengers to perform COVID-19 antigen testing and get vaccinated on board the Tallinn-Helsinki shuttle ferries since June 2021.

The results of the first half of the year were severely affected by limited operations of vessels and low demand for travelling due to strict travel restrictions imposed in Group's home markets. Despite of extensive travel restrictions and continuous negative effect of COVID-19, lower impact from support measures and government assistance, increasing fuel prices, the Group managed to operate profitably in the second half of the year since the beginning of the COVID-19 pandemic. In addition, reopening of Tallinn-Stockholm and Helsinki-Stockholm routes in the second half of the year contributed to the operating results of the Group. The earnings were supported by partial alleviation of travel restrictions, cost savings from previously implemented measures and short-term chartering of vessels.

Number of passengers carried by the Group's ships in Q4

**1.1** million

The Group's unaudited consolidated Q4 revenue

**EUR 166.6** million



## Operations during the quarter

Given the uncertainty regarding the duration of the crisis and the course of the post-crisis recovery with progress of vaccinations, the business environment has remained challenging. In the current situation, the focus has remained on costs and cash flow management to ensure the sustainability of the Group's core business.

Cruise ferry Baltic Queen operated on the Tallinn-Stockholm route in the fourth quarter. Cruise ferry Victoria I operated 3 return trips on the Tallinn-Helsinki route replacing the cruise ferry Silja Europa. Cruise ferries Silja Europa and Romantika were chartered out from mid-October to mid-November.

Operations of the Riga-Stockholm route were suspended during the quarter.

Tallink City Hotel, Tallink Spa & Conference Hotel and Tallink Express Hotel were all operating during the fourth quarter. Tallink Hotel Riga has remained closed since October 2020 and was not opened in 2021.

Estonia-Finland routes' shuttle vessels Megastar and Star, cargo vessel Sea Wind, Paldiski-Kapellskär route cargo vessels Regal Star and Sailor, and the four Finland-Sweden routes' cruise ferries continued their operations throughout the quarter.

## Sales and segments

In the fourth quarter of 2021, the Group's total revenue increased by EUR 87.3 million to EUR 166.6 million. Total revenue in the fourth quarter of 2020 and 2019 was EUR 79.3 million and EUR 226.4 million, respectively.

Revenue from route operations (core business) increased by EUR 71.4 million to EUR 139.2 million. The passenger operations and segment results on all routes were significantly affected by the COVID-19 situation and imposed travel restrictions.

The number of passengers carried on the **Estonia-Finland** routes increased by 70.9% compared to last year. The number of transported cargo units increased by 19.6%. Estonia-Finland routes' revenue increased by EUR 18.1 million, or 48.3%, to EUR 55.5 million. The segment result increased by EUR 7.4 million to EUR 6.6 million. The segment effectively reflects operations of two shuttle vessels, one cruise ferry and one cargo vessel.

The number of passengers carried on the **Finland-Sweden** routes increased by 283.1%. The number of transported cargo units increased by 34.4%. The route's revenue increased by EUR 42.4 million to EUR 64.2 million and the segment result improved by EUR 20.2 million to EUR 2.9 million. The segment reflects the operations of Turku-Stockholm and Helsinki-Stockholm routes.

On **Estonia-Sweden** routes' the number of passengers carried increased by 10+ thousand compared to last year. The number of transported cargo units increased by 40.8%. Estonia-Sweden routes' revenue increased by EUR 12.0 million to EUR 19.4 million and the segment result improved by EUR 3.7 million to EUR -1.1 million. Estonia-Sweden route reflects operation of two cargo vessels and one cruise ferry as well as expenses related to the suspended cruise ferry Victoria I.

The **Latvia-Sweden** route operations were suspended in the fourth quarter. The EUR -3.6 million segment result reflects the expenses of the suspended cruise ferries Isabelle as well as Romantika after conclusion of charter period.

Revenue from the segment **other** increased by a total of EUR 16.4 million and amounted to EUR 27.9 million. The increase was mainly driven by charter revenue and to a lesser extent by accommodation sales and various retail activities.

## Earnings

In the fourth quarter of 2021, the Group's gross profit improved by EUR 38.4 million compared to the same period last year, amounting to EUR 20.0 million. EBITDA increased by EUR 23.9 million and amounted to EUR 25.1 million.

In the fourth quarter, the net amount of government assistance from Group's home markets was limited at EUR 1.4 million (EUR 14.7 million in fourth quarter of 2020). In addition, the reduction in fairway dues in Estonia amounted to EUR 0.6 million (EUR 1.1 million in fourth quarter of 2020).

Amortisation and depreciation expense decreased by EUR 1.1 million to EUR 24.2 million compared to last year.

As a result of increased interest-bearing liabilities, net finance costs increased by EUR 0.9 million compared to the fourth quarter of last year.

The Group's unaudited net loss for the fourth quarter of 2021 was EUR 3.3 million or EUR 0.004 per share compared to a net loss of EUR 26.9 million or EUR 0.040 per share in 2020 and net profit of EUR 5.5 million or EUR 0.008 per share in 2019.

## Results of the 12 months of 2021

In the 2021 financial year (1 January – 31 December), the Group carried a total of 2 961 975 passengers, which is 21% less compared to the 2020 financial year. The number of cargo units transported increased by 2.6% compared to the previous financial year.

The Group's unaudited consolidated revenue amounted to EUR 476.9 million (EUR 442.9 million in 2020). Unaudited EBITDA was EUR 58.3 million (EUR 8.0 million, 2020) and unaudited net loss for the financial year was EUR 56.6 million or EUR 0.08 per share (net loss of EUR 108.3 million or EUR 0.16 per share, 2020).

The financial result of the 2021 financial year was impacted by suspension of operations of vessels and hotels due to the COVID-19 situation and travel restrictions as well as increase in global fuel prices. The results of the first half of the year were strongly impacted by low season and low demand for travelling due to extensive travel restrictions and communication advising against travelling. Despite the continuous impact of the pandemic, the reopening of Tallinn-Stockholm and Helsinki-Stockholm routes in the second half of the year and income from short-term charter agreements contributed to the operating results, and the Group managed to earn net profit in the second half of the year.

The Group's  
investments in Q4  
amounted to

EUR **9.2**  
million



## Investments

The Group's investments in fourth quarter of 2021 amounted to EUR 9.2 million.

Due to the changed economic environment and suspension of vessel operations, ship-related investments were kept to minimum and only critical maintenance and repair works were performed.

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 Burger King restaurants.

## Dividends

Due to a deteriorated operating environment and considering the Group's long-term interests, the shareholders' annual general meeting decided not to distribute dividends for 2020.

## Financial position

In order to relieve the liquidity issues caused by the COVID-19 situation, Group entities were allowed to postpone tax payments in 2020 and 2021 by home markets tax boards. The postponed tax liabilities amounted to EUR 1.8 million at the end of the quarter and have different settlement dates over the coming years.

At the end of the second quarter, the Group agreed with financial institutions on the amendment and the prolongation of the waivers of financial covenants and the postponement of principal payments under existing loan agreements. From the second quarter of 2021 until the end of first quarter of 2022 repayments in the total amount of EUR 82.1 million are deferred and added to the last payment of each respective loan facility. The deferrals for the 2021 financial year amount to EUR 67.4 million.

At the end of the fourth quarter 2021, the Group's net debt had decreased by EUR 24.9 million to EUR 652.4 million compared to the end of the fourth quarter 2020.

As at 31 December 2021, the Group's cash and cash equivalents amounted to EUR 127.6 million (EUR 27.8 million at 31 December 2020) and the Group had EUR 134.8 million in unused credit lines (EUR 119.3 million at 31 December 2020). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 262.4 million (EUR 147.1 million at 31 December 2020). The current trade and other payables amounted to EUR 91.7 million (EUR 73.5 million at 31 December 2020).

## Key figures

<b>For the period</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>Change %</b>
Revenue (million euros)	166.6	79.3	110.1%
Gross profit/loss (million euros)	20.0	-18.4	209.1%
EBITDA <sup>1</sup> (million euros)	25.1	1.2	2019.3%
EBIT <sup>1</sup> (million euros)	0.9	-24.2	103.6%
Net loss for the period (million euros)	-3.3	-26.9	87.6%
Depreciation and amortisation (million euros)	24.2	25.4	-4.5%
Capital expenditures <sup>1 2</sup> (million euros)	9.2	4.8	91.0%
Weighted average number of ordinary shares outstanding	743 569 064	669 882 040	11.0%
Earnings/loss per share <sup>1</sup>	-0.004	-0.040	88.8%
Number of passengers	1 122 892	462 859	142.6%
Number of cargo units	101 486	81 861	24.0%
Average number of employees	4 743	4 707	0.8%
<b>As at</b>	<b>31.12.2021</b>	<b>30.09.2021</b>	<b>Change %</b>
Total assets (million euros)	1 585.9	1 616.7	-1.9%
Total liabilities (million euros)	893.4	920.8	-3.0%
Interest-bearing liabilities (million euros)	779.9	802.8	-2.8%
Net debt <sup>1</sup> (million euros)	652.4	659.7	-1.1%
Net debt to EBITDA <sup>1</sup>	11.2	19.2	-41.7%
Total equity (million euros)	692.5	695.9	-0.5%
Equity ratio <sup>1</sup> (%)	44%	43%	
Number of ordinary shares outstanding	743 569 064	743 569 064	0.0%
Equity per share <sup>1</sup>	0.93	0.94	-0.5%
<b>Ratios<sup>1</sup></b>	<b>Q4 2021</b>	<b>Q4 2020</b>	
Gross margin (%)	12.0%	-23.2%	
EBITDA margin (%)	15.1%	1.5%	
EBIT margin (%)	0.5%	-30.5%	
Net profit/loss margin (%)	-2.0%	-33.9%	
ROA (%)	-2.4%	-6.1%	
ROE (%)	-8.2%	-14.1%	
ROCE (%)	-2.8%	-7.2%	

<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 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q4 Change
Estonia - Finland	Passengers (thousands)	338	201	336	649	578	70.9%
	Cargo units (thousands)	56	58	64	61	67	19.6%
	Revenue (million euros)	37.4	24.8	41.1	63.2	55.5	48.3%
	Segment result <sup>1</sup> (million euros)	-0.8	-4.9	0.2	10.1	6.6	946.5%
Finland - Sweden	Passengers (thousands)	112	56	82	379	431	283.1%
	Cargo units (thousands)	15	17	17	18	20	34.4%
	Revenue (million euros)	21.7	14.8	18.8	60.9	64.2	195.1%
	Segment result <sup>1</sup> (million euros)	-17.3	-13.3	-11.5	6.3	2.9	116.7%
Estonia - Sweden	Passengers (thousands)	10	10	10	116	114	1009.1%
	Cargo units (thousands)	11	11	11	12	15	40.8%
	Revenue (million euros)	7.5	4.9	6.1	18.6	19.4	159.6%
	Segment result <sup>1</sup> (million euros)	-4.8	-3.2	-4.3	1.6	-1.1	76.3%
Latvia - Sweden	Passengers (thousands)	2	0	0	0	0	-100.0%
	Cargo units (thousands)	1	0	0	0	0	-100.0%
	Revenue (million euros)	1.2	0.0	0.1	0.0	0.1	-88.6%
	Segment result <sup>1</sup> (million euros)	-4.5	-3.5	-3.5	-1.9	-3.6	19.4%
Other	Revenue (million euros)	11.5	9.2	20.0	28.1	27.9	142.7%
	Segment result <sup>1</sup> (million euros)	1.8	-0.1	3.4	6.0	6.3	255.6%
	Intersegment revenue (million euros)	-0.1	-0.0	-0.0	-0.4	-0.5	-734.1%
	Total revenue (million euros)	79.3	53.7	86.1	170.5	166.6	110.1%
	EBITDA (million euros)	1.2	-6.3	4.4	35.1	25.1	2016.7%
	Total segment result <sup>1</sup> (million euros)	-25.7	-25.0	-15.6	22.1	11.0	143.0%
	Net profit/loss	-26.9	-34.4	-24.3	5.5	-3.3	87.6%

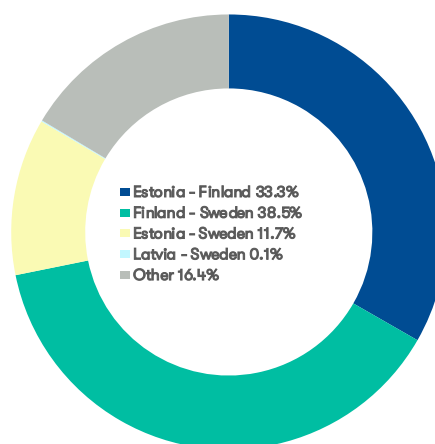
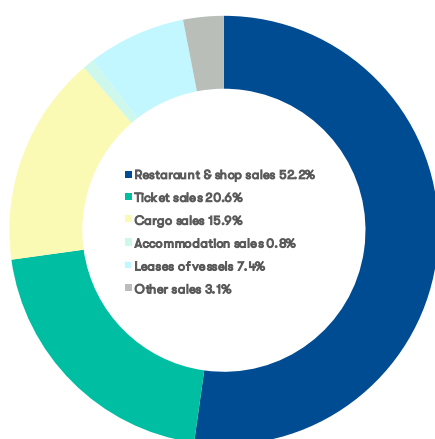
<sup>1</sup> Segment result is the result before administrative expenses, finance costs and taxes.



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

Revenue (million euros)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q4 Change
Restaurant and shop sales on-board and onshore	37.6	20.2	40.0	86.2	87.0	131.6%
Ticket sales	15.5	7.6	13.4	43.8	34.3	121.9%
Sales of cargo transportation	20.9	22.1	23.7	22.5	26.5	26.5%
Accommodation sales	0.2	0.1	0.1	1.7	1.4	477.1%
Income from charter of vessels	2.4	2.3	5.7	10.0	12.3	405.6%
Other sales	2.6	1.5	3.2	6.3	5.1	92.5%
<b>Total revenue</b>	<b>79.3</b>	<b>53.7</b>	<b>86.1</b>	<b>170.5</b>	<b>166.6</b>	<b>110.1%</b>

The following charts provide an overview of the Group's fourth quarter sales by operational and geographical segments.



## 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 euros)	Jan-Dec 2021	Jan-Dec 2020	Change
Cost of goods	110 451	116 624	-5.3%
Staff cost	86 101	116 818	-26.3%
Marketing & Administration <sup>1</sup>	62 075	71 797	-13.5%
Port & Stevedoring	62 998	68 100	-7.5%
Fuel cost	72 234	56 341	28.2%
Ship operating expenses	34 363	36 923	-6.9%
Other costs <sup>2</sup>	6 768	5 631	20.2%
Total costs from operations	434 991	472 234	-7.9%
Depreciation and amortisation	95 313	100 661	-5.3%
Net finance cost <sup>3</sup>	21 967	18 000	22.0%
<b>Total costs</b>	<b>552 271</b>	<b>590 894</b>	<b>-6.5%</b>

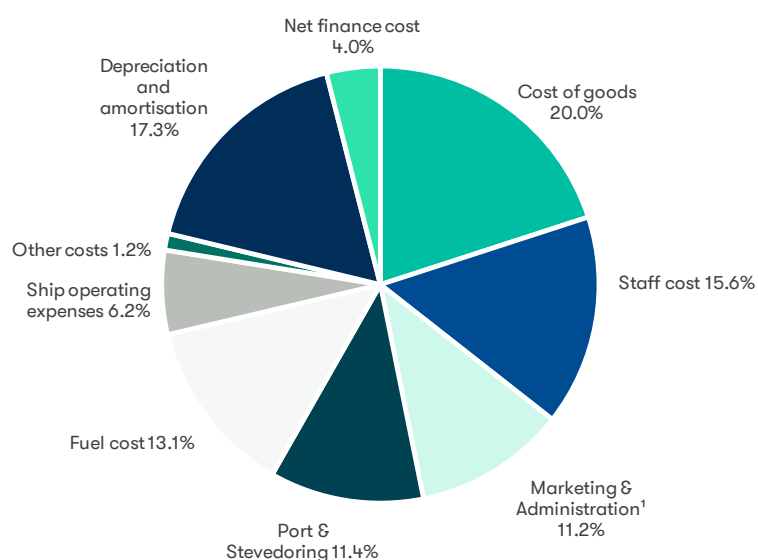
<sup>1</sup> Depreciation and amortisation excluded.

<sup>2</sup> Includes package costs.

<sup>3</sup> Includes share of profit/loss of equity-accounted investees.

2021 staff cost was impacted by salary support from Government of Estonia paid directly to employees. Salary support paid by Government of Sweden is recognized as other operating income.

The following chart provides an overview of the proportions of the cost items in the 2021.



## Market developments

The following table provides an overview of the passengers, cargo units and passenger vehicles transported during the fourth quarter of 2021 and 2020.

<b>Passengers</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>Change</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>	<b>Change</b>
Estonia - Finland	577 653	338 057	70.9%	1 764 058	2 439 972	-27.7%
Finland - Sweden	430 943	112 481	283.1%	948 534	980 076	-3.2%
Estonia - Sweden	114 296	10 305	1009.1%	249 383	172 226	44.8%
Latvia - Sweden	0	2 016	-100.0%	0	139 828	-100.0%
<b>Total</b>	<b>1 122 892</b>	<b>462 859</b>	<b>142.6%</b>	<b>2 961 975</b>	<b>3 732 102</b>	<b>-20.6%</b>

<b>Cargo units</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>Change</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>	<b>Change</b>
Estonia - Finland	66 728	55 775	19.6%	249 603	244 481	2.1%
Finland - Sweden	19 726	14 672	34.4%	70 855	70 088	1.1%
Estonia - Sweden	15 032	10 675	40.8%	48 712	40 193	21.2%
Latvia - Sweden	0	739	-100.0%	0	5 049	-100.0%
<b>Total</b>	<b>101 486</b>	<b>81 861</b>	<b>24.0%</b>	<b>369 170</b>	<b>359 811</b>	<b>2.6%</b>

<b>Passenger vehicles</b>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>Change</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>	<b>Change</b>
Estonia - Finland	144 778	117 102	23.6%	499 005	596 661	-16.4%
Finland - Sweden	18 879	15 739	20.0%	83 130	80 768	2.9%
Estonia - Sweden	7 380	763	867.2%	19 898	10 788	84.4%
Latvia - Sweden	0	592	-100.0%	0	14 485	-100.0%
<b>Total</b>	<b>171 037</b>	<b>134 196</b>	<b>27.5%</b>	<b>602 033</b>	<b>702 702</b>	<b>-14.3%</b>

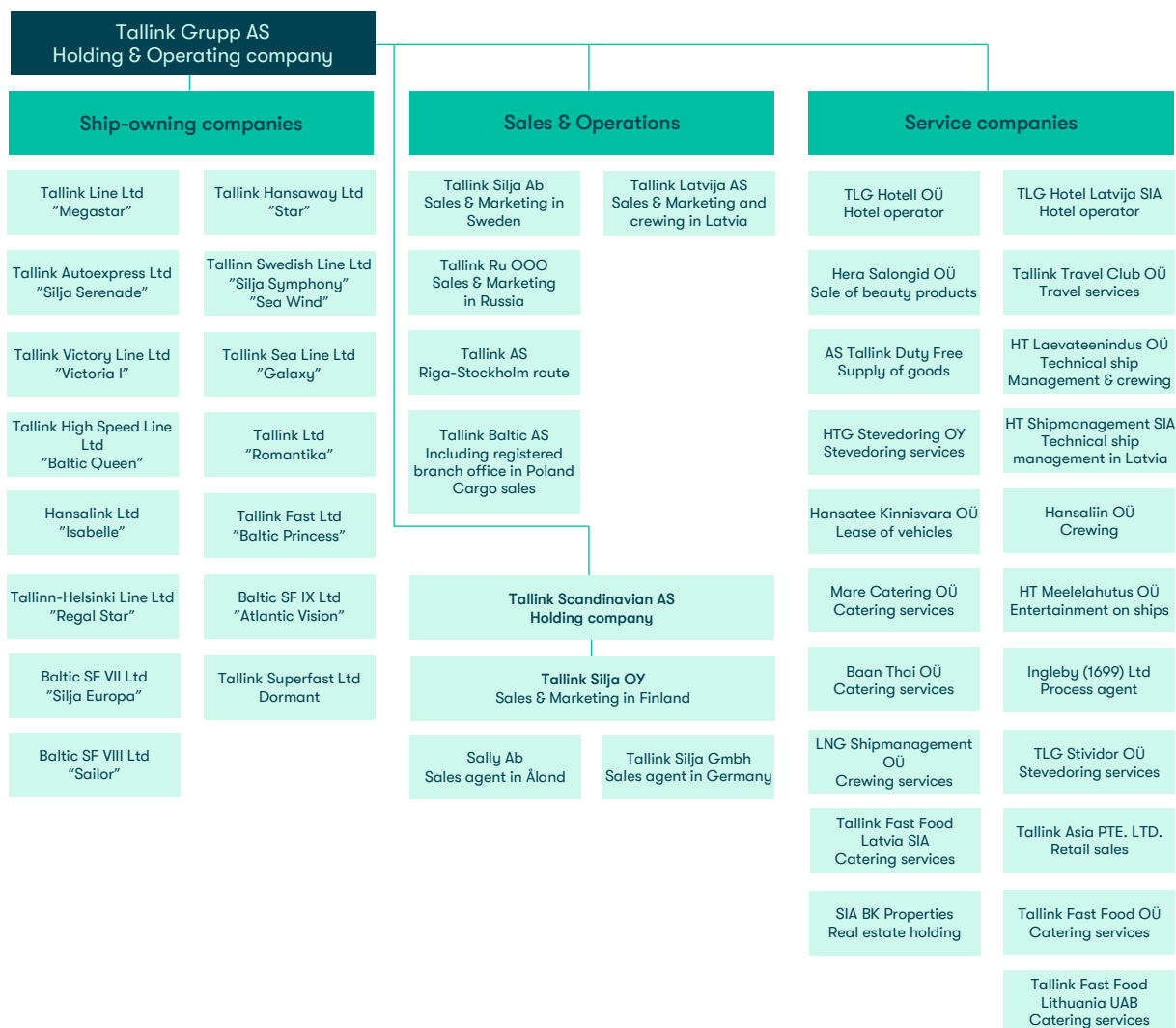
The Group's estimated market shares on the routes operated during the 12-month period ended 31 December 2021 were as follows:

- the Group carried approximately 54% of the passengers and 53% of the ro-ro cargo on the route between Tallinn and Helsinki;
- the Group carried approximately 50% of the passengers and 26% 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.

Since mid-March 2020 there has not been consistent daily passenger operation on the Latvia-Sweden routes.

## Group structure

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



The Group also owns 34% of Tallink Takso AS.

## Personnel

As at 31 December 2021, the Group had 4 785 employees (4 200 at 31 December 2020). The number of employees includes 217 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		
	2021	2020	Change	2021	2020	Change	2021	2020	Change
Onshore total	1 049	1 226	-14.4%	1 060	1 467	-27.7%	1 049	1 123	-6.6%
Estonia	671	699	-4.0%	674	864	-22.0%	668	671	-0.4%
Finland	238	343	-30.6%	240	396	-39.4%	241	272	-11.4%
Sweden	103	122	-15.6%	108	131	-17.6%	103	122	-15.6%
Latvia	21	44	-52.3%	22	58	-62.1%	21	40	-47.5%
Russia	11	12	-8.3%	11	12	-8.3%	11	12	-8.3%
Germany	5	6	-16.7%	5	6	-16.7%	5	6	-16.7%
Onboard	3 214	3 101	3.6%	2 891	4 187	-31.0%	3 231	2 750	17.5%
Burger King <sup>1</sup>	240	186	29.0%	223	98	127.6%	272	206	32.0%
Hotel <sup>1</sup>	240	194	23.7%	186	352	-47.2%	233	121	92.6%
Total	4 743	4 707	0.8%	4 360	6 104	-28.6%	4 785	4 200	13.9%

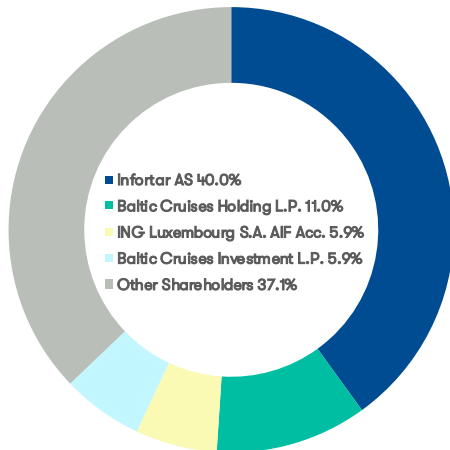
<sup>1</sup> The number of Burger King and hotel personnel is not included in the total number of onshore personnel.

In the fourth quarter of 2021, staff costs amounted to EUR 37.3 million (EUR 33.2 million in 2020), which is an 12.5% increase compared to the same period last year\*. In the fourth quarter of 2021 the Group did not receive any salary support from governments.

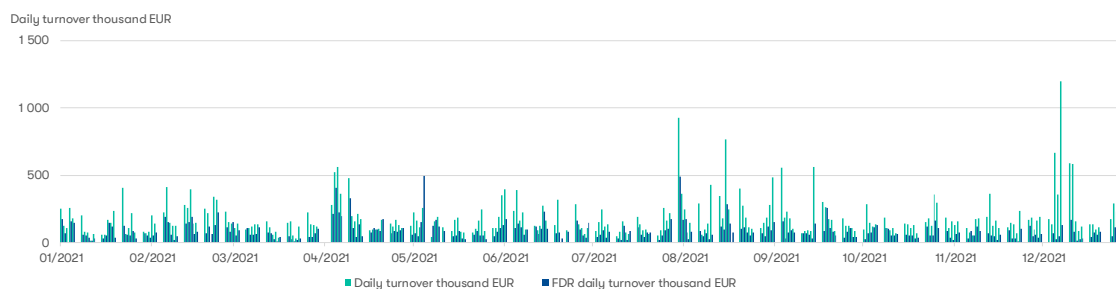
\*During the fourth quarter, the Group operated with 6 cruise ferries, 2 shuttle ferries and 3 cargo vessels. In the fourth quarter of 2020, the Group effectively operated with 3 cruise ferries, 2 shuttle ferries and 3 cargo vessels.

## Shareholders & share price development

The following chart displays the shareholder structure of Tallink Grupp AS as at 31 December 2021.



The shares of Tallink Grupp AS have been listed on the Nasdaq Tallinn stock exchange since 9 December 2005, where the shares are traded under the ticker symbol TALIT. Starting from 3 December 2018, the shares of Tallink Grupp AS 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 0.59 and the closing price of the FDR on Nasdaq Helsinki was EUR 0.58. 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 9 571 FDR-holders at 31 December 2021. The total number of shareholders and FDR-holders was 37 334.



## Key Management Personnel

### Supervisory Board

The Supervisory Board of Tallink Grupp AS 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 Tallink Grupp AS operated with six members, including:

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

The term of office of Mr Lembit Kitter ended on 30 December 2021.

## Economic Environment

The Group considers Finland, Sweden, Estonia and Latvia its home markets with the most exposure to the economic and travel restriction developments in Finland. The Group has also high exposure to the economic and travel restriction developments in Estonia and Sweden. In the fourth quarter of 2021, the Group's economic environment was still dominated by the ongoing COVID-19 pandemic and restrictions related to international travel, although to a lesser extent compared to previous periods.

Despite some decline during the quarter, the confidence of Finnish, Swedish and Estonian consumers remained relatively high. The overall demand in passenger traffic remained negatively affected by the COVID-19 related considerations, particularly in the end of the quarter on Finnish and Swedish markets.

In the fourth quarter, the cargo business remained solid supported by the continuously robust business confidence on all home markets. The market conditions regarding the price competition remained challenging.

Measured in euros and weighted with the Group's consumption volumes, the global fuel prices increased, on average, by 138% in the fourth quarter of 2021 compared to last year. Increase in the fuel prices was the main cause of the Group's overall fuel cost increase by 132% compared to the same period last year.

High levels of vaccination in Finland and Sweden contributed to consumer confidence to travel, which was evident in the first months of the fourth quarter. The developments with the new COVID-19 variant affected negatively the demand in December. By the end of the quarter, infection rates grew rapidly in all home markets and additional restrictions were put in place in Finland and Sweden, effectively resulting in lower demand for travelling. The vaccination pace in Latvia and particularly in Estonia unfortunately lagged and the lower than average level of vaccination rate contributed to the countries rapid growth in infections and hospitalisations per capita compared to other home markets.

For the foreseeable future, the key risk has to do with global and regional developments of the COVID-19 situation, progress of national vaccination efforts and related restrictions on travel and other economic activities, the economic damage it may cause and its impact on local and international trade.

## Events in Q4

### Short-term chartering of cruise ferries Silja Europa and Romantika

Cruise ferries Silja Europa and Romantika were chartered out from mid-October to mid-November to provide accommodation for the COP26 event in Glasgow, Scotland.

### Opening of Burger King restaurants

In December 2021, three new Burger King restaurants were opened in Lithuania. By the end of the year, the Group operated 14 Burger King restaurants in the Baltics.

## Events after the reporting period and outlook

### Opening of Burger King restaurants

In January 2022, one new Burger King restaurant was opened in Latvia. The Group continues preparations for opening additional Burger King restaurants in 2022.

### Easing of travel restrictions in Group's home markets

Starting from February 2022, travel restrictions were lifted in Group's home markets in Finland and Sweden, which contributed to the increase in number of bookings.

### Compromise for termination of dispute with AS Tallinna Sadam

On 11 February 2022, AS Tallink Grupp and AS Tallinna Sadam concluded a settlement upon approval of which by the court, the court dispute between the parties concerning the fees of port services provided to passenger vessels at Old City Harbour is terminated, AS Tallink Grupp waives all the claims filed in the matter and AS Tallinna Sadam will amend the port fees applied to passenger vessels visiting the Old City Harbour.

### Completion of the new LNG-based shuttle vessel MyStar

The new LNG-based shuttle vessel built in Rauma Shipyard is expected to be delivered during spring 2022. MyStar is estimated to start operating on the Tallinn-Helsinki route from June 2022.

## 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 (June-August). However, this year, dependent on situation with the vaccinations and cross-border travelling, the period extended to autumn.

Due to the ongoing COVID-19 situation the earnings outlook is uncertain and continues to be strongly affected by external factors such as the progress of vaccination and situation with new COVID-19 variants, states' decisions regarding the timing of the lifting or imposing of travel restrictions and allowing passenger traffic, passengers' willingness to travel as well as the duration of the recovery period. Management expects the passenger traffic between Estonia and Finland to recover more rapidly from the second quarter of 2022, when greater immunity is expected to be reached for most of the population on Group's home markets and hospitalisation rates are decreasing.

## 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 in order 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 reduction of the ships CO2 footprint.

## Risks

The Group's business, financial position and operating results could be materially affected by various risks. These risks are not the only ones we face. Additional risks and uncertainties not presently known to us, or that we currently believe 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.

- COVID-19 situation and developments
- Governmental restrictions on business activities
- 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

## MANAGEMENT BOARD'S CONFIRMATION

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We confirm that to the best of our knowledge, the management report of Tallink Grupp AS for the fourth quarter of 2021 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 2021	Q4 2020	Jan-Dec 2021	Jan-Dec 2020
Revenue (Note 3)	166 618	79 295	476 937	442 934
Cost of sales	-146 593	-97 658	-455 282	-486 388
Gross loss /profit	20 025	-18 363	21 655	-43 454
Sales and marketing expenses	-9 008	-7 289	-29 262	-37 817
Administrative expenses	-13 460	-13 301	-45 732	-48 391
Other operating income	3 334	14 974	16 336	37 339
Other operating expenses	-11	-205	-28	-298
Result from operating activities	880	-24 184	-37 031	-92 621
Finance income (Note 4)	-37	0	34	1
Finance costs (Note 4)	-5 867	-4 983	-21 921	-17 843
Share of profit/loss of equity-accounted investees	-80	-158	-80	-158
Loss/ profit before income tax	-5 104	-29 325	-58 998	-110 621
Income tax	1 766	2 474	2 422	2 313
Net loss/ profit for the period	-3 338	-26 851	-56 576	-108 308
Net loss/ profit for the period attributable to equity holders of the Parent	-3 338	-26 851	-56 576	-108 308
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translating foreign operations	-13	-320	123	-193
Other comprehensive income for the period	-13	-320	123	-193
Total comprehensive loss/ profit for the period	-3 351	-27 171	-56 453	-108 501
Total comprehensive loss/ profit for the period attributable to equity holders of the Parent	-3 351	-27 171	-56 453	-108 501
Loss per share (in EUR, Note 5)	-0.004	-0.040	-0.081	-0.162

## Consolidated statement of financial position

Unaudited, in thousands of EUR	31.12.2021	31.12.2020
<b>ASSETS</b>		
Cash and cash equivalents	127 556	27 834
Trade and other receivables	29 298	25 463
Prepayments	11 924	7 216
Inventories	34 631	28 707
<b>Current assets</b>	<b>203 409</b>	<b>89 220</b>
Investments in equity-accounted investees	165	245
Other financial assets and prepayments	555	2 233
Deferred income tax assets	21 840	20 270
Investment property	300	300
Property, plant and equipment (Note 6)	1 323 353	1 363 485
Intangible assets (Note 7)	36 293	40 448
<b>Non-current assets</b>	<b>1 382 506</b>	<b>1 426 981</b>
<b>TOTAL ASSETS</b>	<b>1 585 915</b>	<b>1 516 201</b>
<b>LIABILITIES AND EQUITY</b>		
Interest-bearing loans and borrowings (Note 8)	244 436	111 601
Trade and other payables	91 687	73 477
Payables to owners	6	6
Income tax liability	47	10
Deferred income	21 734	23 253
<b>Current liabilities</b>	<b>357 910</b>	<b>208 347</b>
Interest-bearing loans and borrowings (Note 8)	535 489	593 518
<b>Non-current liabilities</b>	<b>535 489</b>	<b>593 518</b>
<b>Total liabilities</b>	<b>893 399</b>	<b>801 865</b>
Share capital (Note 9)	349 477	314 844
Share premium	663	663
Reserves	67 930	69 854
Retained earnings	274 446	328 975
<b>Equity attributable to equity holders of the Parent</b>	<b>692 516</b>	<b>714 336</b>
<b>Total equity</b>	<b>692 516</b>	<b>714 336</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1 585 915</b>	<b>1 516 201</b>

## Consolidated statement of cash flows

Unaudited, in thousands of EUR	Q4 2021	Q4 2020	Jan-Dec 2021	Jan-Dec 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss for the period	-3 338	-26 851	-56 576	-108 308
Adjustments	29 973	29 188	116 083	117 305
Changes in:				
Receivables and prepayments related to operating activities	6 446	2 950	-6 925	10 822
Inventories	560	3 799	-6 513	8 548
Liabilities related to operating activities	-6 045	-21 343	13 447	-35 307
Changes in assets and liabilities	961	-14 594	9	-15 937
Cash generated from operating activities	27 596	-12 257	59 516	-6 940
Income tax repaid/paid	-20	-21	-137	-107
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>27 576</b>	<b>-12 278</b>	<b>59 379</b>	<b>-7 047</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant, equipment and intangible assets (Notes 6, 7)	-9 191	-17 163	-20 192	-100 024
Proceeds from disposals of property, plant, equipment	26	37	816	115
Interest received	1	0	3	1
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-9 164</b>	<b>-17 126</b>	<b>-19 373</b>	<b>-99 908</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from loans received (Note 8)	0	70 000	90 000	125 000
Repayment of loans received (Note 8)	0	0	-14 667	-14 667
Change in overdraft (Note 8)	-25 482	-34 937	-15 556	15 736
Payment of lease liabilities (Note 8)	-4 159	-3 704	-14 903	-12 565
Interest paid	-4 328	-4 122	-19 296	-16 290
Payment of transaction costs related to loans	0	-670	-495	-1 302
Increase of share capital (Note 9)	0	0	34 633	0
<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>-33 969</b>	<b>26 567</b>	<b>59 716</b>	<b>95 912</b>
<b>TOTAL NET CASH FLOW</b>	<b>-15 557</b>	<b>-2 837</b>	<b>99 722</b>	<b>-11 043</b>
Cash and cash equivalents at the beginning of period	143 113	30 671	27 834	38 877
Change in cash and cash equivalents	-15 557	-2 837	99 722	-11 043
Cash and cash equivalents at the end of period	127 556	27 834	127 556	27 834

## 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 2020	314 844	663	237	37 458	32 159	328 975	714 336	714 336
Net loss for the period	0	0	0	0	0	-56 576	-56 576	-56 576
Other comprehensive income for the period	0	0	123	0	0	0	123	123
Total comprehensive 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
Increase of share capital	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
As at 31 December 2019	314 844	663	430	39 505	29 673	437 722	822 837	822 837
Net loss for the period	0	0	0	0	0	-108 308	-108 308	-108 308
Other comprehensive income for the period	0	0	-193	0	0	0	-193	-193
Total comprehensive loss for the period	0	0	-193	0	0	-108 308	-108 501	-108 501
recognised directly in equity								
Transfer from profit for 2019	0	0	0	0	2 486	-2 486	0	0
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	2 486	-439	0	0
As at 31 December 2020	314 844	663	237	37 458	32 159	328 975	714 336	714 336

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## Note 1 Corporate information

The consolidated interim financial statements of Tallink Grupp AS (the “Parent”) and its subsidiaries (together referred to as the “Group”) for the fourth quarter of 2021 were authorised for issue by the Management Board on 22 February 2022.

Tallink Grupp AS is a public limited company incorporated and domiciled in Estonia, with a registered office at Sadama 5, Tallinn. Tallink Grupp AS shares have been publicly traded on the Nasdaq Tallinn Stock Exchange since 9 December 2005. Starting from 3 December 2018 the shares of Tallink Grupp AS 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 at 31 December 2021, the Group employed 4 785 people (4 200 as at 31 December 2020).

## Note 2 Basis of preparation

These interim consolidated financial statements of Tallink Grupp AS 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 Tallink Grupp AS for the financial year ended on 31 December 2020. 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	Latvia-Sweden route	Finland-Sweden routes	Other	Intersegment elimination	Total
<b>2021</b>							
Sales to external customers	184 529	49 065	280	158 697	84 366	0	476 937
Intersegment sales	0	0	0	0	874	-874	0
Revenue	184 529	49 065	280	158 697	85 240	-874	476 937
Segment result	11 962	-7 025	-12 543	-15 587	15 586	0	-7 607
Unallocated expenses							-29 424
Net financial items (Note 4)							-21 887
Share of profit/loss of equity-accounted investees							-80
Loss before income tax							-58 998

For the period 1 January - 31 December, in thousands of EUR	Estonia-Finland routes	Estonia-Sweden routes	Latvia-Sweden route	Finland-Sweden routes	Other	Intersegment elimination	Total
<b>2020</b>							
Sales to external customers	200 439	34 858	15 390	149 485	42 762	0	442 934
Intersegment sales	0	0	0	0	2 434	-2 434	0
Revenue	200 439	34 858	15 390	149 485	45 196	-2 434	442 934
Segment result	3 461	-17 921	-17 519	-53 937	4 645	0	-81 271
Unallocated expenses							-11 350
Net financial items (Note 4)							-17 842
Share of profit of equity-accounted investees							-158
Loss before income tax							-110 621



## Revenue by service

In thousands of EUR	Q4 2021	Q4 2020	Jan-Dec 2021	Jan-Dec 2020
Restaurant and shop sales on-board and onshore	87 005	37 574	233 376	228 487
Ticket sales	34 306	15 459	99 094	95 629
Sales of cargo transport	26 481	20 937	94 763	93 959
Sales of accommodation	1 414	245	3 367	4 022
Income from charter of vessels	12 328	2 437	30 278	9 967
Other	5 084	2 643	16 059	10 870
Total revenue of the Group	166 618	79 295	476 937	442 934

## Note 4 Financial items

In thousands of EUR	Q4 2021	Q4 2020	Jan-Dec 2021	Jan-Dec 2020
Net foreign exchange gain	-38	0	31	0
Income from other financial assets	1	0	3	1
Total finance income	-37	0	34	1
Net foreign exchange loss	0	-338	0	-569
Expenses from other financial assets	0	0	-75	0
Interest expense on financial liabilities measured at amortised cost	-5 198	-4 086	-19 424	-14 989
Interest expense on right-of-use asset lease liabilities	-669	-559	-2 422	-2 285
Total finance costs	-5 867	-4 983	-21 921	-17 843
Net finance costs	-5 904	-4 983	-21 887	-17 842

## 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 2021	Q4 2020	Jan-Dec 2021	Jan-Dec 2020
Shares issued	743 569	669 882	743 569	669 882
Shares outstanding	743 569	669 882	743 569	669 882

For the period, in thousands of EUR	Q4 2021	Q4 2020	Jan-Dec 2021	Jan-Dec 2020
Weighted average number of ordinary shares outstanding (in thousands)	743 569	669 882	694 444	669 882
Net loss attributable to equity holders of the Parent	-3 338	-26 851	-56 576	-108 308
Loss per share	-0.004	-0.040	-0.081	-0.162

## 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 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
Book value as at 31 December 2019	1 870	1 173 534	56 985	97 723	16 981	1 347 093
Additions	13	8 500	3 187	13 747	84 865	110 312
Reclassification	0	12 580	11 043	0	-23 623	0
Disposals	0	0	-283	-331	0	-614
Depreciation for the period	-406	-60 050	-16 449	-16 401	0	-93 306
Book value as at 31 December 2020	1 477	1 134 564	54 483	94 738	78 223	1 363 485
As at 31 December 2020						
Gross carrying amount	8 278	1 653 005	112 447	125 779	78 223	1 977 732
Accumulated depreciation	-6 801	-518 441	-57 964	-31 041	0	-614 247

## 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 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
As at 31 December 2020			
Book value as at 31 December 2019	97 142	581	97 723
Additions	13 038	709	13 747
Disposals	-90	-241	-331
Depreciation for the period	-15 988	-413	-16 401
Book value as at 31 December 2020	94 102	636	94 738
As at 31 December 2020			
Gross carrying amount	124 491	1 288	125 779
Accumulated depreciation	-30 389	-652	-31 041

## Note 7 Intangible assets

In thousands of EUR	Goodwill	Trademark	Other	Assets under construction	Total
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
As at 31 December 2020					
Book value as at 31 December 2019	11 066	18 922	13 055	1 221	44 264
Additions	0	0	394	3 144	3 538
Reclassification	0	0	3 818	-3 818	0
Amortisation for the period	0	-2 916	-4 438	0	-7 354
Book value as at 31 December 2020	11 066	16 006	12 829	547	40 448
As at 31 December 2020					
Cost	11 066	58 288	40 357	547	110 258
Accumulated amortisation	0	-42 282	-27 528	0	-69 810

## Note 8 Interest-bearing loans and borrowings

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>

In thousands of EUR	31/12/2019	Addition	Repayments	Exchange differences	Other changes <sup>1</sup>	31/12/2020
Lease liabilities	304	79	-95	12	-42	258
Right-of-use assets lease liabilities	101 577	13 747	-12 470	2	-347	102 509
Overdrafts	0	15 736	0	0	0	15 736
Long-term bank loans	475 999	125 000	-14 667	0	284	586 616
<b>Total borrowings</b>	<b>577 880</b>	<b>154 562</b>	<b>-27 232</b>	<b>14</b>	<b>-105</b>	<b>705 119</b>
Current portion	89 198					111 601
Non-current portion	488 682					593 518
<b>Total borrowings</b>	<b>577 880</b>					<b>705 119</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. Tallink Grupp AS has given guarantees to Nordea Bank Plc, Danske Bank A/S and Nordic Investment Bank for loans of EUR 247 159 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 416 067 thousand granted to Tallink Grupp AS. 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.

EUR 100 000 thousand has been drawn from the 100 000 thousand working capital loan limit signed between Tallink Grupp AS and SA KredEx. EUR 100 000 thousand has been drawn from the 100 000 thousand working capital loan limit signed between Tallink Silja OY and Nordic Investment Bank.

## 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.

Tallink Grupp AS held the public offering of the new shares of the company from 18 August to 1 September 2021. Altogether 73 687 024 new shares of the company were allocated to the investors. The company's share capital was increased by EUR 34 633 thousand.

Tallink Grupp AS 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 Tallink Grupp AS 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 deteriorated operating environment and considering the Company's long-term interests, on 15 June 2021, the shareholders' general meeting decided not to pay dividends in 2021.

## 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 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>

For the period ended 31 December 2020, 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	716	18 287	59	89 166
Associated companies	4	157	0	11
<b>Total</b>	<b>720</b>	<b>18 444</b>	<b>59</b>	<b>89 177</b>

## STATEMENT BY THE MANAGEMENT BOARD

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Hereby we acknowledge our responsibility for the Tallink Grupp AS Unaudited Condensed Consolidated Interim Financial Statements for the fourth quarter of 2021, 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 and giving also consideration to the successfully concluded negotiations over the amendments of existing loan agreements the Management Board is of opinion that Tallink Grupp AS 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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Tallink Grupp AS 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 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 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

**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 / 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 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 2021	Q4 2020
Depreciation	22 501	23 555
Amortisation	1 733	1 814
Depreciation and amortisation	24 234	25 369
Result from operating activities	880	-24 184
Depreciation and amortisation	24 234	25 369
EBITDA	25 114	1 185
EBITDA	25 114	1 185
IFRS 16 adoption effect	-5 147	-4 806
EBITDA adjusted	19 967	-3 621
Additions to property, plant and equipment	8 460	4 171
Additions to intangible assets	731	642
Capital expenditures	9 191	4 813
Net loss for the period	-3 338	-26 851
Weighted average number of shares outstanding	743 569 064	669 882 040
Loss per share (EUR)	-0.004	-0.040
Lease liabilities	116	258
Lease liabilities related to right-of-use assets	116 403	102 509
Overdraft	180	15 736
Long-term bank loans	663 226	586 616
Interest-bearing liabilities	779 925	705 119
Gross profit/loss	20 025	-18 363
Net sales	166 618	79 295
Gross margin	12.0%	-23.2%
EBITDA	25 114	1 185
Net sales	166 618	79 295
EBITDA margin	15.1%	1.5%
EBITDA adjusted	19 967	-3 621
Net sales	166 618	79 295
EBITDA margin adjusted	12.0%	-4.6%
EBIT	880	-24 184
Net sales	166 618	79 295
EBIT margin	0.5%	-30.5%
Net loss	-3 338	-26 851
Net sales	166 618	79 295
Net loss margin	-2.0%	-33.9%
Result from operating activities 12-months trailing	-37 031	-92 621
Total assets 31 December (previous year)	1 516 201	1 532 963
Total assets 31 March	1 492 507	1 517 773
Total assets 30 June	1 524 741	1 505 876
Total assets 30 September	1 616 656	1 542 932
Total assets 31 December	1 585 915	1 516 201
Average assets	1 547 204	1 523 149
ROA	-2.4%	-6.1%



In thousands of EUR	Q4 2021	Q4 2020
Net loss 12-months trailing	-56 576	-108 308
Total equity 31 December (previous year)	714 336	822 837
Total equity 31 March	680 079	793 224
Total equity 30 June	655 682	765 349
Total equity 30 September	695 867	741 507
Total equity 31 December	692 516	714 336
Average equity	687 696	767 451
<b>ROE</b>	<b>-8.2%</b>	<b>-14.1%</b>
Result from operating activities 12-months trailing	-37 031	-92 621
Total assets 31 December (previous year)	1 516 201	1 532 963
Total assets 31 March	1 492 507	1 517 773
Total assets 30 June	1 524 741	1 505 876
Total assets 30 September	1 616 656	1 542 932
Total assets 31 December	1 585 915	1 516 201
Current liabilities 31 December (previous year)	208 347	221 444
Current liabilities 31 March	233 651	234 336
Current liabilities 30 June	218 923	254 934
Current liabilities 30 September	207 183	275 820
Current liabilities 31 December	357 910	208 347
Total assets - current liabilities 31 December (previous year)	1 307 854	1 311 519
Total assets - current liabilities 31 March	1 258 856	1 283 437
Total assets - current liabilities 30 June	1 305 818	1 250 942
Total assets - current liabilities 30 September	1 409 473	1 267 112
Total assets - current liabilities 31 December	1 228 005	1 307 854
Average assets - current liabilities	1 302 001	1 284 173
<b>ROCE</b>	<b>-2.8%</b>	<b>-7.2%</b>
In thousands of EUR	31/12/2021	30/09/2021
Interest-bearing liabilities	779 925	802 763
Cash and cash equivalents	127 556	143 113
<b>Net debt</b>	<b>652 369</b>	<b>659 650</b>
Total equity	692 516	695 867
Total assets	1 585 915	1 616 656
<b>Equity ratio</b>	<b>43.7%</b>	<b>43.0%</b>
Equity attributable to equity holders of the Parent	692 516	695 867
Number of ordinary shares outstanding	743 569 064	743 569 064
<b>Shareholders' equity per share (EUR per share)</b>	<b>0.93</b>	<b>0.94</b>
Net debt	652 369	659 650
12-months trailing		
Depreciation	88 374	89 428
Amortisation	6 938	7 019
Depreciation and amortisation	95 312	96 447
EBITDA	58 281	34 352
<b>Net debt to EBITDA</b>	<b>11.2</b>	<b>19.2</b>

## CONTACT INFORMATION

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Commercial Registry no.	10238429
Address	Sadama 5 10111, Tallinn Republic of Estonia
Phone	+372 6 409 800
Fax	+372 6 409 810
Website	<a href="http://www.tallink.com">www.tallink.com</a>
Main activity	maritime transport (passenger & cargo transport)