

Q3 2023

AS TALLINK GRUPP



Beginning of the financial year	1 January 2023
End of the financial year	31 December 2023
Interim reporting period	1 July 2023 – 30 September 2023

CONTENTS

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 Share Option Programme	28
Note 11 Related Party Disclosures	29
STATEMENT BY THE MANAGEMENT BOARD	30
ALTERNATIVE PERFORMANCE MEASURES	31
CONTACT INFORMATION	34

MANAGEMENT REPORT

In the third quarter (1 July – 30 September) of the 2023 financial year, AS Tallink Grupp and its subsidiaries (the Group) carried 1 775 821 passengers, which is 6.2% less than in the third quarter of 2022. The number of cargo units transported decreased by 26.1% compared to the same period a year ago. The Group's unaudited consolidated revenue amounted to EUR 240.7 million (EUR 255.6 million in Q3 2022), down by 5.8% year-on-year. Unaudited EBITDA was EUR 82.1 million (EUR 67.7 million in Q3 2022) and the unaudited net profit for the period was EUR 48.7 million (EUR 37.9 million in Q3 2022), up by 21.3% and 28.5%, respectively.

The following operational factors impacted the Group's revenue and operating results in the third quarter of 2023:

- The volume of cargo and passenger transportation was impacted by less vessels in operations due to chartering and by 17% less trips made compared to the same period a year ago.
- The demand was also impacted by low consumer confidence levels, and weak economic environment in all Group's core markets but also by global geopolitical instability.
- As at the end of the quarter the Group operated 15 vessels including 2 shuttle vessels, 2 cargo vessels and 4 cruise ferries as well as 5 vessels that were chartered out (3 vessels on long-term and 2 vessels on short-term charter). During the quarter, 2 charter agreements ended. The charter agreement of the Group's vessel *Romantika* was terminated in September 2023 prior to the agreement's expiration date. The short-term charter agreement of the cruise ferry *Victoria I* ended in July 2023.
- The planned dry docking of the cruise ferry *Baltic Queen* for 12 days in September 2023.
- The Group operated 3 hotels in Tallinn and 1 in Riga.
- Declining global fuel prices and the optimal fleet size had a positive impact on the Group's cost base. However, while the fuel prices have dropped the fuel transportation cost component has increased.
- The Group's net debt to EBITDA ratio was down to 2.7 as at 30 September 2023 compared to 3.1 as at 30 June 2023.
- The Group continues to focus on cost efficiency from previously implemented measures and retaining profitable operations on its core routes.
- The Group regularly monitors the developments on its core routes including the capacity of each route and continues to look for new chartering options for vessels not used on the main routes and to work on extending the existing chartering agreements.

Number of passengers carried by the Group's ships in Q3 2023

1.8
million

The Group's unaudited consolidated Q3 2023 revenue

EUR **240.7**
million

The Group's EBITDA for Q3 2023

EUR **82.1**
million



Sales and Results by Segments

In the third quarter of 2023, the Group's total revenue decreased by EUR 14.9 million to EUR 240.7 million compared to EUR 255.6 million in the third quarter of 2022.

Revenue from route operations (core business) amounted to EUR 195.7 million, which is EUR 15.1 million less than in the third quarter of 2022. The segment result from route operations (core business) amounted to EUR 55.0 million compared to EUR 39.1 million in the third quarter of 2022.

The number of passengers carried on the **Estonia-Finland** route decreased by 0.6% year-on-year. The number of transported cargo units decreased by 27.0%. While the revenue from the Estonia-Finland route decreased by EUR 7.1 million to EUR 86.4 million, the segment result improved by EUR 5.6 million to EUR 32.3 million. The decline in passenger numbers, cargo volumes and revenue were mostly driven by less vessels in operations and less trips made compared to the same period a year ago. In the third quarter of 2023, the segment reflects the operations of two shuttle vessels, compared to two shuttle vessels and one cruise ferry in the third quarter of 2022. The cruise ferry *Silja Europa* stopped operating on the Estonia-Finland route in August 2022 due to a charter agreement. During the third quarter of 2022, the Tallinn-Helsinki route was operated by the shuttle vessels *Megastar* and *Oscar Wilde* (formerly *Star*). The shuttle vessel *Oscar Wilde* stopped operating the route in May 2023 due to a charter agreement. In the third quarter of 2023, a route was operated by shuttle vessel *Megastar* and a new shuttle vessel *MyStar* that was launched to the Tallinn-Helsinki route in December 2022.

In the third quarter of 2023, the year-on-year decrease in the number of passengers on **Finland-Sweden** routes was 18.1%. The number of transported cargo units decreased by 41.0%. The routes' revenue decreased by EUR 10.0 million to EUR 83.7 million while the segment result improved by EUR 8.0 million to EUR 18.9 million, year-on-year. The decline in passenger numbers, cargo volumes and revenue were mostly driven by less vessels in operations and less trips made compared to the same period a year ago. In the third quarter of 2023, the segment reflects the operations of one cruise ferry on Turku-Stockholm/Kapellskär routes and two cruise ferries on the Helsinki-Stockholm route. The cruise ferry *Galaxy I* stopped operating on the Turku-Stockholm route from September 2022 due to a charter agreement.

On **Estonia-Sweden** routes the number of carried passengers increased by 5.3% while the number of transported cargo units decreased by 1.1% compared to the third quarter of 2022. The revenue of Estonia-Sweden routes increased by EUR 2.0 million to EUR 25.5 million and segment result improved by EUR 2.3 million to EUR 3.9 million, year-on-year. Estonia-Sweden routes reflect the operation of two cargo vessels on the Paldiski-Kapellskär route and one cruise ferry on the Tallinn-Stockholm route.

Revenue from the segment **Other** increased by a total of EUR 0.6 million and amounted to EUR 47.4 million. The segment result declined year-on-year by EUR 5.2 million amounting to EUR 12.2 million. As at the end of third quarter 2023, the Group had 5 vessels on charter including 3 on long-term and 2 on short-term charter. During the quarter, the charter agreements of 2 vessels ended. The agreement for chartering out the cruise ferry *Romantika*, signed in March 2022, was terminated on 1 September 2023. The cruise ferry *Victoria I*, the charter agreement of which ended in July, started operating the Tallinn-Helsinki route on 12 October 2023.

In the third quarter of 2023, long-term charters included:

- The vessel *Atlantic Vision* was chartered to Canada in November 2008. The current agreement has been signed until May 2024 with an extension option for another 12 months.
- The shuttle vessel *Oscar Wilde* (formerly *Star*) was chartered out from 5 May 2023 for 20 months with the option of extending the charter by 2+2 year and the option of purchasing the shuttle.

- The cruise ferry Isabelle has been on long-term charter since 1 July 2023 and the charter agreement includes a purchase option.

In the third quarter of 2023, short-term charters included:

- The cruise ferry Galaxy I was chartered out in September 2022. In September 2023, the agreement was extended for six months until April 2024.
- The cruise ferry Silja Europa was chartered out in August 2022. In October 2023, the charter agreement was extended until the end of 2024.

Earnings

In the third quarter of 2023, the Group's gross profit improved by EUR 11.6 million to EUR 77.7 million compared to EUR 66.0 million in the third quarter of 2022. EBITDA improved by EUR 14.4 million and amounted to EUR 82.1 million.

Amortisation and depreciation expense increased by EUR 1.5 million to EUR 25.2 million compared to the third quarter of the financial year 2022.

As a result of increased interest rates and increased financing obligations related to the shuttle-vessel Mystar, net finance costs increased by EUR 2.1 million year-on-year to EUR 8.4 million in the third quarter of 2023.

The Group's unaudited net profit for third quarter 2023 was EUR 48.7 million or EUR 0.065 per share compared to a EUR 37.9 million or EUR 0.051 per share in Q3 2022.

Investments

The Group's investments in the third quarter of 2023 amounted to EUR 6.1 million.

Majority of the investments were related to the maintenance and repair works of the vessels. The cruise ferry Victoria I was prepared for operating a 22-hour cruise service between Tallinn and Helsinki from October 2023.

During the planned docking of the cruise ferry Baltic Queen both technical works as well as interior upgrades were carried out. The ferry's propellers were re-bladed to enhance the speed of the ferry and to make the ferry more energy efficient. The expected fuel-saving from the re-blading is more than 13%. Additionally, the graphite paint was piloted on the cruise ferry Baltic Queen for hull painting to significantly reduce the water resistance of the vessel's hull and thus increase the vessel's efficiency.

Financial Position

At the end of the third quarter 2023, the Group's net debt amounted to EUR 620.4 million, a decrease of EUR 44.5 million compared to the end of second quarter of 2023. The net debt to EBITDA ratio was 2.7 at the reporting date (3.1 as at 30 June 2023).

As at 30 September 2023, the Group's cash and cash equivalents amounted to EUR 64.4 million (EUR 57.6 million as at 30 June 2023) and the Group had EUR 135.0 million in unused credit lines (EUR 135.0 million as at 30 June 2023). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 199.4 million (EUR 192.6 million as at 30 June 2023). In the third quarter of 2023, the Group repaid loans in the total amount of EUR 30.9 million compared to EUR 105.3 million in the second quarter of 2023. The current trade and other payables amounted to EUR 83.6 million (EUR 96.3 million as at 30 June 2023).

The Group's
net debt to EBITDA ratio
2.7
as at 30 September
2023

Dividends

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

Due to continued global uncertainties the Annual General Meeting of Shareholders held on 13 June 2023 decided not to pay dividends for the financial year 2022.

Results of the First 9 Months of 2023

In the first 9 months (1 January – 30 September) of the 2023 financial year, the Group carried 4.4 million passengers which is 4.8% more compared to the same period last year. The Group's unaudited revenue for the period increased by 13.0% and amounted to EUR 641.6 million. Unaudited EBITDA for the first 9 months was EUR 177.7 million (EUR 85.4 million in January-September 2022) and unaudited net profit was EUR 76.7 million (net loss of EUR 2.8 million in January-September 2022).

The financial result of the first 9 months of 2023 was impacted by the following factors:

- The volume of cargo and passenger transportation was impacted by less vessels available due to chartering of vessels resulting in 12% less trips made compared to the same period a year ago.
- The chartering of vessels supporting the stability of cash flows.
- Planned maintenance works of 57 days which affected both the Finland-Sweden segment's first quarter and the Estonia-Sweden segment's third quarter passenger and cargo levels as well as the financial result.
- Repayment of long-term loans in the amount of EUR 155.5 million compared to EUR 71.0 million in 9 months 2022.
- The lower operating cost base compared to the same period in 2022 arising from chartering of vessels but also lower global fuel costs.

Key Figures

For the period	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Revenue (EUR million)	240.7	255.6	641.6	567.7
Gross profit/loss (EUR million)	77.7	66.0	168.9	71.6
EBITDA ¹ (EUR million)	82.1	67.7	177.7	85.4
EBIT ¹ (EUR million)	56.8	43.9	101.9	14.2
Net profit/loss for the period (EUR million)	48.7	37.9	76.7	-2.8
Depreciation and amortisation (EUR million)	25.2	23.7	75.7	71.2
Capital expenditures ^{1 2} (EUR million)	6.1	5.5	22.3	23.6
Weighted average number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	743 569 064
Earnings/loss per share ¹ (EUR)	0.065	0.051	0.103	-0.004
Number of passengers	1 775 821	1 893 603	4 366 679	4 166 038
Number of cargo units	75 701	102 399	247 792	313 717
Average number of employees	4 756	5 256	4 878	5 048
As at	30.09.2023	30.06.2023	30.09.2022	31.06.2022
Total assets (EUR million)	1 597.4	1 613.6	1 535.3	1 550.1
Total liabilities (EUR million)	813.7	878.4	845.1	897.8
Interest-bearing liabilities (EUR million)	684.8	722.5	711.5	746.5
Net debt ¹ (EUR million)	620.4	664.9	608.7	655.9
Net debt to EBITDA ¹	2.7	3.1	5.5	8.4
Total equity (EUR million)	783.7	735.2	690.2	652.3
Equity ratio ¹ (%)	49%	46%	45%	42%
Number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	743 569 064
Shareholders' equity per share (EUR)	1.05	0.99	0.93	0.88
Ratios¹	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Gross margin (%)	32.3%	25.8%	22.8%	1.8%
EBITDA margin (%)	34.1%	26.5%	23.8%	5.7%
EBIT margin (%)	23.6%	17.2%	11.3%	-9.5%
Net profit/loss margin (%)	20.2%	14.8%	7.0%	-13.0%
ROA (%)	7.7%	1.0%	7.7%	1.0%
ROE (%)	12.9%	-0.9%	12.9%	-0.9%
ROCE (%)	9.6%	1.2%	9.6%	1.2%

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

² 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.

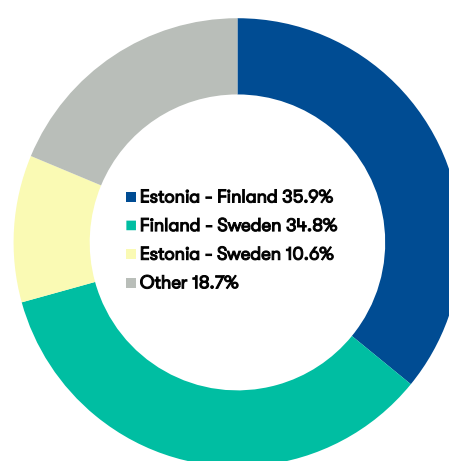
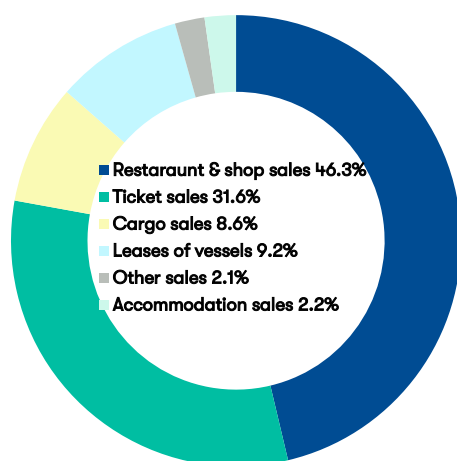
		Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q3 Change 2022 vs 2023
Estonia- Finland	Passengers (thousands)	1 083	732	627	921	1 077	-0.6%
	Cargo units (thousands)	76	73	64	61	56	-27.0%
	Revenue (EUR million)	93.5	65.0	57.4	79.8	86.4	-7.6%
	Segment result ¹ (EUR million)	26.7	13.9	6.2	24.9	32.3	20.9%
Finland- Sweden	Passengers (thousands)	658	433	312	450	539	-18.1%
	Cargo units (thousands)	15	11	9	11	9	-41.0%
	Revenue (EUR million)	93.8	66.4	47.7	70.3	83.7	-10.7%
	Segment result ¹ (EUR million)	10.9	3.4	-3.4	10.0	18.9	73.3%
Estonia- Sweden	Passengers (thousands)	152	132	111	170	160	5.3%
	Cargo units (thousands)	12	12	14	13	11	-1.1%
	Revenue (EUR million)	23.5	21.3	19.4	24.8	25.5	8.6%
	Segment result ¹ (EUR million)	1.5	-1.4	-1.5	3.3	3.9	151.0%
Other	Revenue (EUR million)	46.8	52.4	47.8	56.5	47.4	1.2%
	Segment result ¹ (EUR million)	17.5	14.6	14.4	17.0	12.2	-29.8%
	Intersegment revenue (EUR million)	-2.1	-1.4	-1.1	-1.8	-2.4	-14.8%
	Total revenue (EUR million)	255.6	203.7	171.2	229.7	240.7	-5.8%
	EBITDA (EUR million)	67.7	50.4	27.1	68.5	82.1	21.3%
	Total segment result ¹ (EUR million)	56.6	30.4	15.7	55.2	67.3	18.9%
	Net profit/loss	37.9	16.7	-5.4	33.4	48.7	28.5%

¹ 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)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q3 Change 2022 vs 2023
Restaurant and shop sales on-board and onshore	120.9	96.2	74.2	108.2	111.4	-7.9%
Ticket sales	75.4	44.8	35.2	59.2	76.0	0.8%
Sales of cargo transportation	25.3	23.6	25.3	23.8	20.7	-18.3%
Accommodation sales	4.1	2.9	2.2	4.0	5.4	30.4%
Income from charter of vessels	21.4	31.6	30.3	29.5	22.1	2.9%
Other sales	8.3	4.5	4.0	5.0	5.1	-38.1%
Total revenue	255.6	203.7	171.2	229.7	240.7	-5.8%

The following charts provide an overview of the Group's third quarter of 2023 sales by operational and geographical segments.



Market Developments

The following table provides an overview of the passengers, cargo units and passenger vehicles transported during the third quarter and nine months of 2023 and 2022.

Passengers	Q3 2023	Q3 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change
Estonia-Finland	1 076 675	1 083 276	-0.6%	2 625 237	2 388 881	9.9%
Finland-Sweden	539 121	658 376	-18.1%	1 300 603	1 426 688	-8.8%
Estonia-Sweden	160 025	151 951	5.3%	440 839	350 469	25.8%
Total	1 775 821	1 893 603	-6.2%	4 366 679	4 166 038	4.8%

Cargo units	Q3 2023	Q3 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change
Estonia-Finland	55 601	76 117	-27.0%	180 683	224 030	-19.3%
Finland-Sweden	8 718	14 771	-41.0%	28 122	52 450	-46.4%
Estonia-Sweden	11 382	11 511	-1.1%	38 987	37 237	4.7%
Total	75 701	102 399	-26.1%	247 792	313 717	-21.0%

Passenger vehicles	Q3 2023	Q3 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change
Estonia-Finland	223 335	208 526	7.1%	571 083	515 041	10.9%
Finland-Sweden	39 189	57 503	-31.8%	72 615	103 008	-29.5%
Estonia-Sweden	10 990	11 718	-6.2%	24 211	25 641	-5.6%
Total	273 514	277 747	-1.5%	667 909	643 690	3.8%

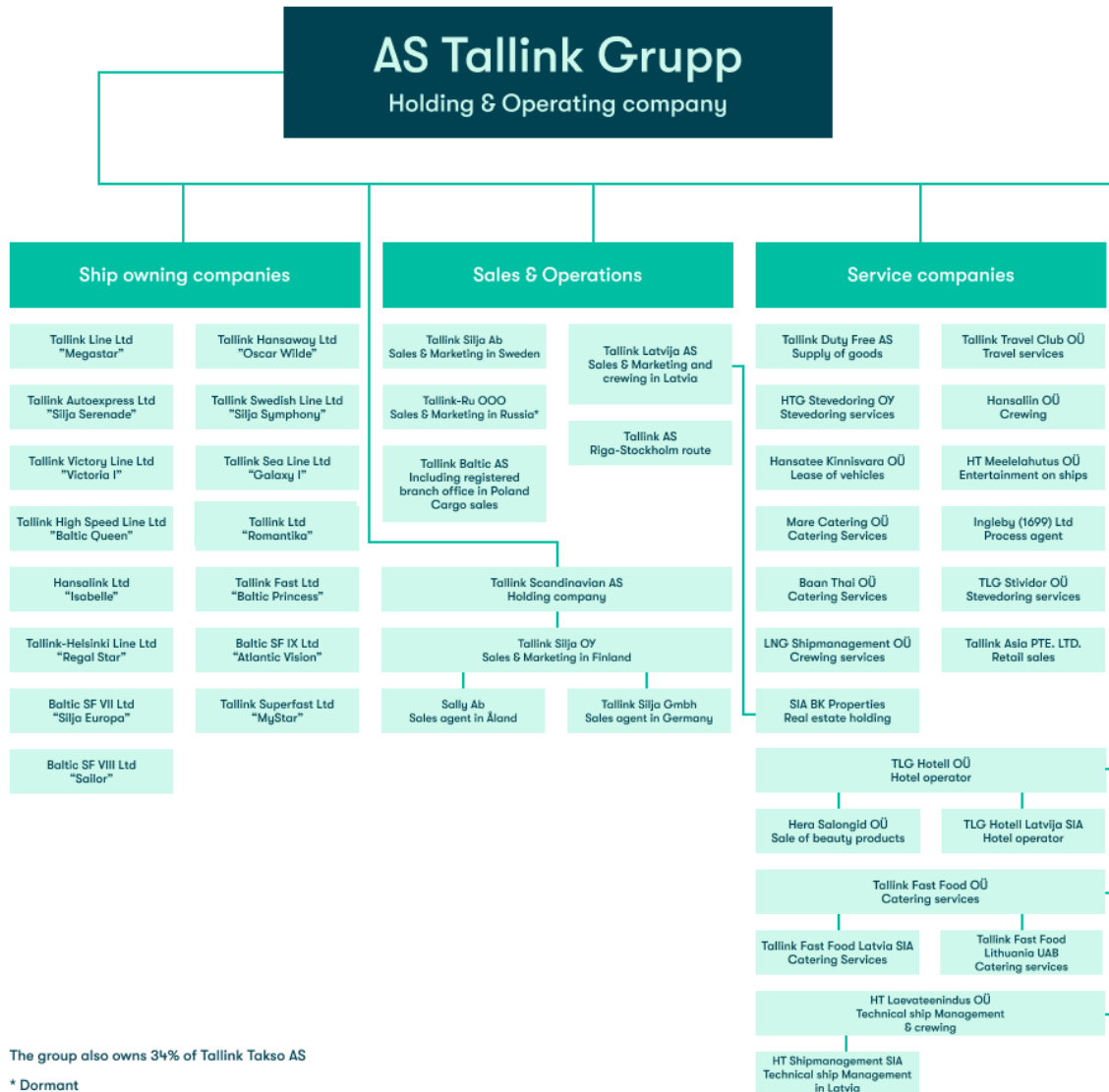
The Group's estimated market shares on the routes operated during the 12-month period ended on 30 September 2023 were as follows:

- the Group carried approximately 47% of the passengers and 54% of the ro-ro cargo on the route between Tallinn and Helsinki.
- the Group carried approximately 44% of the passengers and 17% 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 on its core routes was mainly impacted by the available capacity. During the third quarter of 2023, the Group had charters covering the cruise ferry Silja Europa previously operating on the Estonia-Finland route as well as the cruise ferry Galaxy I previously operating on the Finland-Sweden route. Both vessels were operating in the third quarter of 2022.

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 at 30 September 2023, the Group had 4 619 employees (4 916 as at 30 September 2022). The number of employees includes 138 employees on maternity leave. The following table provides a more detailed overview of the Group's personnel.

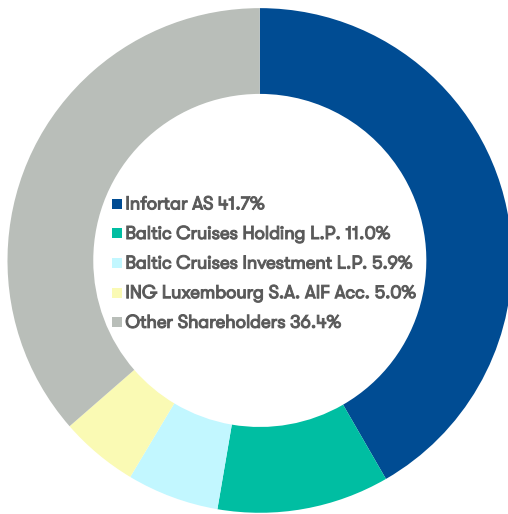
	Average of Q3			Average of Jan-Sep			End of Q3		
	2023	2022	Change	2023	2022	Change	2023	2022	Change
Onshore total	1 125	1 157	-2.8%	1 109	1 115	-0.5%	1 103	1 117	-1.3%
Estonia	744	760	-2.1%	736	723	1.8%	731	742	-1.5%
Finland	262	263	-0.4%	258	255	1.2%	254	249	2.0%
Sweden	103	110	-6.4%	98	104	-5.8%	102	105	-2.9%
Latvia	9	15	-40.0%	11	21	-47.6%	9	13	-30.8%
Russia	1	5	-80.0%	1	7	-85.7%	1	3	-66.7%
Germany	6	4	50.0%	5	5	0.0%	6	5	20.0%
Onboard	2 897	3 443	-15.9%	3 055	3 315	-7.8%	2 801	3 176	-11.8%
Burger King ¹	369	355	3.9%	369	340	8.5%	359	342	5.0%
Hotel ¹	365	301	21.3%	345	278	24.1%	356	281	26.7%
Total	4 756	5 256	-9.5%	4 878	5 048	-3.4%	4 619	4 916	-6.0%

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

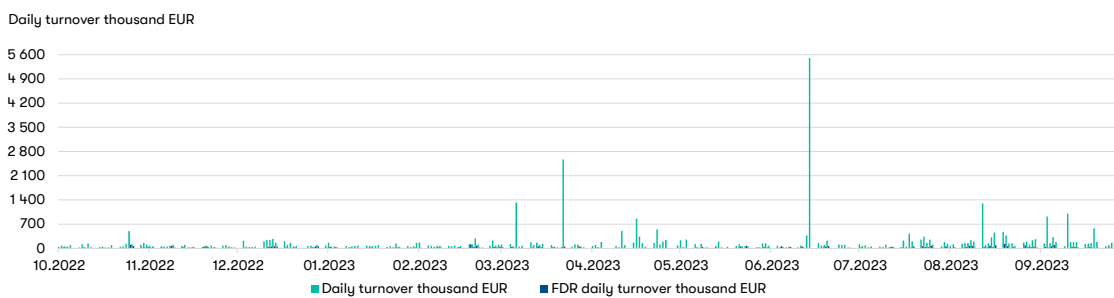
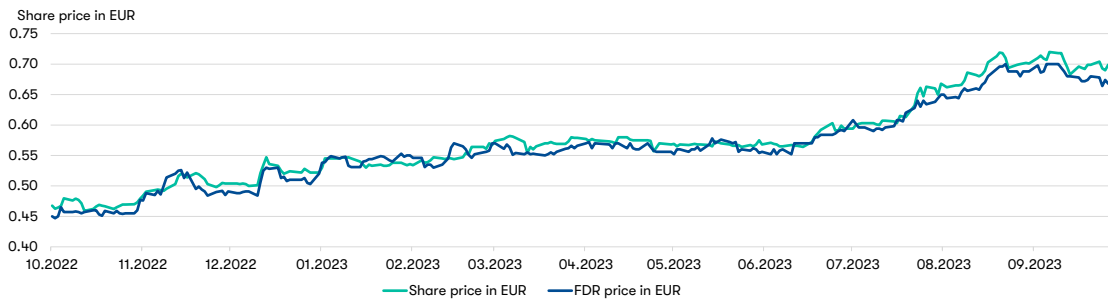
In the third quarter of 2023, staff costs amounted to EUR 43.0 million (EUR 42.7 million in Q3 2022).

Shareholders & Share Price Development

The following chart displays the shareholder structure of AS Tallink Grupp as at 30 September 2023.



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 0.701 and the closing price of the FDR on Nasdaq Helsinki was EUR 0.68. 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 8 583 FDR-holders on 30 September 2023. The total number of shareholders and FDR-holders was 39 254.



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 of the Management Board
- 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.

According to UNWTO, the demand for international travel is expected to reach about 80-95% of pre-pandemic levels in 2023 since current prospects point to a more moderate pace following the peak travel season of June-August. Challenging economic environment continues to be a critical factor in the effective recovery of international tourism. The recovery is also impacted by the recent geopolitical developments in Israel. The inbound tourism from Asia is slowly recovering since the region raised its COVID-19 related travel restrictions at the end of 2022.

OECD measured consumer confidence index that reached its record low in September 2022 was followed by the upward trend until June 2023 when the consumer confidence level in the Group's home markets especially in Sweden and Finland have shown steady decline. The war in Ukraine, the tight monetary policy, the continuing high inflation, and the outlook of economic recession continue to be key concerns globally.

The Group's operations were impacted by the availability of vessels for operations and the number of trips made but also the challenging economic environment and the weak demand in construction sectors in the Group's core markets.

During the third quarter, the global fuel prices decreased about 23% compared to the same period a year ago. In the third quarter of 2023, the Group's overall fuel cost decreased by 45% or EUR 19.6 million compared to the same period in 2022. The decrease was driven by significantly lower global fuel prices, but also lower consumption compared to the same period a year ago arising from the number of vessels on charter. At the same time, the Group's fuel transport cost component in fuel price has increased year-on-year due to the increased distance of the fuel sourcing.

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 changing customer travel and consumption habits.

Events in the Third Quarter 2023

Early termination of charter agreement for cruise ferry Romantika

The charter agreement for the cruise ferry Romantika signed between a subsidiary of AS Tallink Grupp, AS Tallink Latvija and Holland Norway Lines BV, has been terminated on 1 September 2023 before the charter agreement's expiration date.

Extension of Galaxy I charter agreement

In September 2023, the charter agreement of the cruise ferry Galaxy I was extended for six months until April 2024 with the option of extending the agreement for another six months at the end of the agreement period.

All Tallink hotels awarded with the Green Key international eco-label

All the Group's hotels, Tallink City Hotel, Tallink Spa & Conference Hotel, Tallink Express Hotel and Tallink Hotel Riga, have been awarded with the international Green Key eco-label. The Green Key is awarded to businesses in the tourism sector who in their activities are dedicated to sustainable operations and environmental responsibility, thus enabling their guests to make a difference to the environment and reduce their carbon footprint.

Events After the Reporting Period and Outlook

Extension of Silja Europa charter agreement

In October 2023, the Group extended the charter agreement of cruise ferry Silja Europa until the end of 2024. The cruise ferry Silja Europa has been chartered out to the Netherlands for providing temporary accommodation since August 2022.

Cruise ferry Victoria I to operate on the Tallinn-Helsinki route

The cruise ferry Victoria I started operating the popular 22-hour cruise service on the Tallinn-Helsinki route from 12 October 2023. Previously, Victoria I was chartered out to provide accommodation service in Scotland from July 2022 until July 2023.

Profitability

The Group's earnings are not generated evenly throughout the year. The summer period is the high season in the Group's operations. In management's opinion and based on prior experience, most of the Group's earnings are generated during the summer months (June-August). In 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. Recent geopolitical developments in Israel also increase the fuel price risk. The exact magnitude and duration of the potential effects from such conflicts 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). The Group has partially fixed the LNG price risk.

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
- Changes in the Estonian tax environment no longer support the stability of tax environment, the key advantage to the Estonian economy until now
- 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
- Impact of variations in labour legislation on competitiveness while sailing under different flags

MANAGEMENT BOARD'S CONFIRMATION

We confirm that to the best of our knowledge, the management report of AS Tallink Grupp for the third quarter and 9 months of 2023 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	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Revenue (Note 3)	240 668	255 555	641 588	567 726
Cost of sales	-163 013	-189 536	-472 682	-496 090
Gross profit/loss	77 655	66 019	168 906	71 636
Sales and marketing expenses	-10 399	-9 455	-30 781	-27 397
Administrative expenses	-11 175	-12 156	-37 494	-35 050
Other operating income	789	-463	1 382	5 112
Other operating expenses	-35	0	-68	-84
Result from operating activities	56 835	43 945	101 945	14 217
Finance income (Note 4)	133	-133	804	48
Finance costs (Note 4)	-8 507	-6 188	-26 803	-17 847
Profit/loss before income tax	48 461	37 624	75 946	-3 582
Income tax	222	248	762	794
Net profit/loss for the period	48 683	37 872	76 708	-2 788
Net profit/loss for the period attributable to equity holders of the Parent	48 683	37 872	76 708	-2 788
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translating foreign operations	-244	43	29	491
Other comprehensive income for the period	-244	43	29	491
Total comprehensive profit/loss for the period	48 439	37 915	76 737	-2 297
Total comprehensive profit/loss for the period attributable to equity holders of the Parent	48 439	37 915	76 737	-2 297
Basic and diluted profit/loss per share (in EUR, Note 5)	0.065	0.051	0.103	-0.004

Consolidated Statement of Financial Position

Unaudited, in thousands of EUR	30.09.2023	30.09.2022	31.12.2022
ASSETS			
Cash and cash equivalents	64 433	102 813	114 935
Trade and other receivables	34 577	39 988	31 380
Prepayments	11 485	14 522	9 379
Prepaid income tax	1	1	37
Inventories	39 758	39 757	39 965
Current assets	150 254	197 081	195 696
Investments in equity-accounted investees	75	165	75
Other financial assets and prepayments	4 510	3 377	3 622
Deferred income tax assets	21 840	21 840	21 840
Investment property	300	300	300
Property, plant and equipment (Note 6)	1 391 682	1 279 659	1 438 286
Intangible assets (Note 7)	28 734	32 878	31 823
Non-current assets	1 447 141	1 338 219	1 495 946
TOTAL ASSETS	1 597 395	1 535 300	1 691 642
LIABILITIES AND EQUITY			
Interest-bearing loans and borrowings (Note 8)	126 148	249 707	165 049
Trade and other payables	83 593	85 257	86 934
Payables to owners	6	6	6
Income tax liability	35	47	35
Deferred income	45 237	48 299	44 222
Current liabilities	255 019	383 316	296 246
Interest-bearing loans and borrowings (Note 8)	558 659	461 765	688 465
Non-current liabilities	558 659	461 765	688 465
Total liabilities	813 678	845 081	984 711
Share capital (Note 9)	349 477	349 477	349 477
Share premium	663	663	663
Reserves	67 694	66 885	66 363
Retained earnings	365 883	273 194	290 428
Equity attributable to equity holders of the Parent	783 717	690 219	706 931
Total equity	783 717	690 219	706 931
TOTAL LIABILITIES AND EQUITY	1 597 395	1 535 300	1 691 642

Consolidated Statement of Cash Flows

Unaudited, in thousands of EUR	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/loss for the period	48 683	37 872	76 708	-2 788
Adjustments	33 283	29 671	100 721	88 590
Changes in:				
Receivables and prepayments related to operating activities	2 480	5 254	-5 282	-14 602
Inventories	2 496	4 736	207	-5 126
Liabilities related to operating activities	-27 274	-17 051	-2 703	21 033
Changes in assets and liabilities	-22 298	-7 061	-7 778	1 305
Cash generated from operating activities	59 668	60 482	169 651	87 107
Income tax repaid/paid	-20	-39	-111	-115
NET CASH FROM/USED OPERATING ACTIVITIES	59 648	60 443	169 540	86 992
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant, equipment and intangible assets (Notes 6, 7)	-6 083	-5 500	-22 249	-23 633
Proceeds from disposals of property, plant, equipment	164	-38	244	2 743
Interest received	133	4	804	6
NET CASH USED IN INVESTING ACTIVITIES	-5 786	-5 534	-21 201	-20 884
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loans received (Note 8)	-30 858	-25 042	-155 477	-71 030
Change in overdraft (Note 8)	-15	-6 481	-15	11 646
Payment of lease liabilities (Note 8)	-8 219	-4 332	-17 025	-12 844
Interest paid	-7 982	-6 548	-25 212	-18 022
Payment of transaction costs related to loans	0	-298	-1 112	-601
NET CASH FROM/USED IN FINANCING ACTIVITIES	-47 074	-42 701	-198 841	-90 851
TOTAL NET CASH FLOW	6 788	12 208	-50 502	-24 743
Cash and cash equivalents at the beginning of period	57 645	90 605	114 935	127 556
Change in cash and cash equivalents	6 788	12 208	-50 502	-24 743
Cash and cash equivalents at the end of period	64 433	102 813	64 433	102 813

Consolidated Statement of Changes in Equity

Unaudited, in thousands of EUR	Share capital	Share premium	Translation reserve	Ships re-valuation reserve	Mandatory legal reserve	Share option programme reserve	Retained earnings	Equity attributable to equity holders of the Parent	Total equity
As at 31 December 2022	349 477	663	840	33 364	32 159	0	290 428	706 931	706 931
Net profit/loss for the period	0	0	0	0	0	0	76 708	76 708	76 708
Other comprehensive income for the period									
Exchange differences on translating foreign operations	0	0	29	0	0	0	0	29	29
Total comprehensive profit/loss for the period	0	0	29	0	0	0	76 708	76 737	76 737
Transactions with owners of the Company recognised directly in equity									
Transfer from profit for 2022	0	0	0	0	2 789	0	-2 789	0	0
Transfer from revaluation reserve	0	0	0	-1 536	0	0	1 536	0	0
Share-based payment transactions	0	0	0	0	0	49	0	49	49
Transactions with owners of the Company recognised directly in equity	0	0	0	-1 536	2 789	49	-1 253	49	49
As at 30 September 2023	349 477	663	869	31 828	34 948	49	365 883	783 717	783 717
As at 31 December 2021	349 477	663	360	35 411	32 159	0	274 446	692 516	692 516
Net profit/loss for the period	0	0	0	0	0	0	-2 788	-2 788	-2 788
Other comprehensive income for the period									
Exchange differences on translating foreign operations	0	0	491	0	0	0	0	491	491
Total comprehensive profit/loss for the period	0	0	491	0	0	0	-2 788	-2 297	-2 297
Transactions with owners of the Company recognised directly in equity									
Transfer from revaluation reserve	0	0	0	-1 536	0	0	1 536	0	0
Transactions with owners of the Company recognised directly in equity	0	0	0	-1 536	0	0	1 536	0	0
As at 30 September 2022	349 477	663	851	33 875	32 159	0	273 194	690 219	690 219

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 third quarter and 9 months of 2023 were authorised for issue by the Management Board on 26 October 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. As at 30 September, the Group had a total of 39 254 shareholders and FDR-holders.

The principal activities of the Group are related to marine transportation in the Baltic Sea (passenger and cargo transportation). As of 30 September 2023, the Group employed 4 619 people (4 916 as of 30 September 2022).

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 2022. 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 - 30 September, in thousands of EUR	Estonia-Finland routes	Estonia-Sweden routes	Finland-Sweden routes	Other	Intersegment elimination	Total
2023						
Sales to external customers	223 675	69 778	201 688	146 447	0	641 588
Intersegment sales	0	0	0	5 286	-5 286	0
Revenue	223 675	69 778	201 688	151 733	-5 286	641 588
Segment result	63 294	5 731	25 484	43 616	0	138 125
Unallocated expenses						-36 180
Net financial items (Note 4)						-25 999
Profit/loss before income tax						75 946

For the period 1 January - 30 September, in thousands of EUR	Estonia-Finland routes	Estonia-Sweden routes	Finland-Sweden routes	Other	Intersegment elimination	Total
2022						
Sales to external customers	212 819	55 529	207 936	91 442	0	567 726
Intersegment sales	0	0	0	3 581	-3 581	0
Revenue	212 819	55 529	207 936	95 023	-3 581	567 726
Segment result	37 750	-9 581	-4 293	20 363	0	44 239
Unallocated expenses						-30 022
Net financial items (Note 4)						-17 799
Profit/loss before income tax						-3 582

Revenue by Service

In thousands of EUR	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Restaurant and shop sales on-board and onshore	111 397	120 949	293 856	281 999
Ticket sales	75 971	75 393	170 352	147 126
Sales of cargo transport	20 713	25 339	69 809	79 537
Sales of accommodation	5 401	4 141	11 580	8 399
Income from charter of vessels	22 053	21 440	81 918	34 212
Other	5 133	8 293	14 073	16 453
Total revenue of the Group	240 668	255 555	641 588	567 726

Note 4 Financial Items

In thousands of EUR	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Net foreign exchange gain	0	-137	0	42
Income from other financial assets	133	4	804	6
Total finance income	133	-133	804	48
Net foreign exchange loss	35	0	-218	0
Interest expense on financial liabilities measured at amortised cost	-7 996	-5 598	-24 892	-16 023
Interest expense on right-of-use asset lease liabilities	-546	-590	-1 693	-1 824
Total finance costs	-8 507	-6 188	-26 803	-17 847
Net finance costs	-8 374	-6 321	-25 999	-17 799

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. The Group has issued 7 270 thousand share options. As at 30 September, the effective number of share options was 7 210 thousand.

At the end of the period, in thousands	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
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	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Weighted average number of ordinary shares outstanding (in thousands)	743 569	743 569	743 569	743 569
Effect of share options on issue	2 165	0	1 566	0
Weighted average number of ordinary shares outstanding (in thousands, diluted)	745 734	743 569	745 135	743 569
Net profit/loss attributable to equity holders of the Parent	48 683	37 872	76 708	-2 788
Profit/loss per share	0.065	0.051	0.103	-0.004
Diluted EPS (EUR)	0.065	0.051	0.103	-0.004

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 2022	2 785	1 287 715	47 932	96 504	3 350	1 438 286
Additions	0	317	7 357	4 029	12 644	24 347
Reclassification	0	9 371	583	0	-9 954	0
Disposals	0	0	-168	-33	0	-201
Depreciation for the period	-172	-46 090	-11 127	-13 361	0	-70 750
Book value as at 30 September 2023	2 613	1 251 313	44 577	87 139	6 040	1 391 682
As at 30 September 2023						
Gross carrying amount	10 065	1 915 588	138 445	159 979	6 040	2 230 117
Accumulated depreciation	-7 452	-664 275	-93 868	-72 840	0	-838 435
As at 30 September 2022						
Book value as at 31 December 2021	1 582	1 082 535	50 472	108 809	79 955	1 323 353
Additions	0	-960	5 558	3 261	17 195	25 054
Reclassification	0	11 843	3 560	4	-15 326	81
Disposals	0	-2 587	-136	-101	0	-2 824
Depreciation for the period	-137	-41 167	-11 511	-13 190	0	-66 005
Book value as at 30 September 2022	1 445	1 049 664	47 943	98 783	81 824	1 279 659
As at 30 September 2022						
Gross carrying amount	8 677	1 657 283	128 158	154 822	81 824	2 030 764
Accumulated depreciation	-7 232	-607 619	-80 215	-56 039	0	-751 105

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 2022	95 707	797	96 504
Additions	4 027	2	4 029
Disposals	-31	-2	-33
Depreciation for the period	-13 107	-254	-13 361
Book value as at 30 September 2023	86 596	543	87 139
As at 30 September 2023			
Gross carrying amount	158 465	1 514	159 979
Accumulated depreciation	-71 869	-971	-72 840
As at 31 December 2021			
Book value as at 31 December 2021	108 340	469	108 809
Additions	2 561	700	3 261
Reclassification	4	0	4
Disposals	-66	-35	-101
Depreciation for the period	-12 944	-246	-13 190
Book value as at 30 September 2022	97 895	888	98 783
As at 30 September 2022			
Gross carrying amount	152 963	1 859	154 822
Accumulated depreciation	-55 068	-971	-56 039

Note 7 Intangible Assets

In thousands of EUR	Goodwill	Trademark	Other	Assets under construction	Total
Book value as at 31 December 2022	11 066	10 174	10 045	538	31 823
Additions	0	0	489	1 477	1 966
Reclassification	0	0	914	-914	0
Disposals	0	0	0	-61	-61
Amortisation for the period	0	-2 187	-2 807	0	-4 994
Book value as at 30 September 2023	11 066	7 987	8 641	1 040	28 734
As at 30 September 2023					
Cost	11 066	58 288	45 474	1 040	115 868
Accumulated amortisation	0	-50 301	-36 833	0	-87 134
As at 31 December 2021					
Book value as at 31 December 2021	11 066	13 090	11 426	711	36 293
Additions	0	0	125	1 715	1 840
Reclassification	0	0	1 457	-1 534	-77
Amortisation for the period	0	-2 187	-2 991	0	-5 178
Book value as at 30 September 2022	11 066	10 903	10 017	892	32 878
As at 30 September 2022					
Cost	11 066	58 288	43 281	892	113 527
Accumulated amortisation	0	-47 385	-33 264	0	-80 649

Note 8 Interest-Bearing Loans and Borrowings

In thousands of EUR	31.12.2022	Addition	Repayments	Exchange differences	Other changes ¹	30.09.2023
Lease liabilities	77	35	-18	-2	0	92
Right-of-use assets lease liabilities	107 095	4 029	-17 012	-111	-20	93 981
Overdrafts	15	0	-15	0	0	0
Long-term bank loans	746 327	0	-155 477	0	-116	590 734
Total borrowings	853 514	4 064	-172 522	-113	-136	684 807
Current portion	165 049					126 148
Non-current portion	688 465					558 659
Total borrowings	853 514					684 807

In thousands of EUR	31.12.2021	Addition	Repayments	Exchange differences	Other changes ¹	30.09.2022
Lease liabilities	116	0	-24	-5	0	87
Right-of-use assets lease liabilities	116 403	3 261	-12 820	-105	-161	106 578
Overdrafts	180	11 646	0	0	0	11 826
Long-term bank loans	663 226	0	-71 030	0	785	592 981
Total borrowings	779 925	14 907	-83 874	-110	624	711 472
Current portion	244 436					249 707
Non-current portion	535 489					461 765
Total borrowings	779 925					711 472

¹ 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, KfW IPEX-Bank GmbH and Nordic Investment Bank for loans of EUR 345 236 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 245 498 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 Share Option Programme

On 13 June 2023, the Group's General Meeting of Shareholders adopted a resolution to approve the 3-year share option program and subject to which the Group has the right to issue share options for acquiring shares, which represent a total of up to 3% of AS Tallink Grupp's share capital (maximum 1% of share capital annually).

On 1 August 2023, the Group issued 7 270 thousand share options of which 3 300 thousand were issued to the members of the Management and the Supervisory Board and 3 970 thousand to the key employees of the Group. As at 30 September 2023, the effective number of share options was 7 210 thousand. Each option entitles to the acquiring of one share of AS Tallink Grupp at a price equal to the notional value of the share at the time of exercise of the share option (EUR 0.47 as at 30 September 2023).

The share options are non-transferable with the vesting period of three years from issuing of the share options. Exercising of share options is carried out by increasing the share capital of AS Tallink Grupp and issuing of new shares, which is decided by the General Meeting of Shareholders of AS Tallink Grupp or by the Supervisory Board of AS Tallink Grupp on the basis of the Articles of Association.

The fair value of the share options is measured by using the Black-Scholes model as of the grant date and is recorded as an expense during the vesting period of 36 months from August 2023. The cost of share options issued amounted to EUR 49 thousand in the third quarter of 2023.

The outstanding share options have diluting effect due to their exercise price being lower than average price in stock market during the reporting period (see Note 5).

Note 11 Related Party Disclosures

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

For the period ended 30 September 2023, in thousands of EUR	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Companies controlled by the Key Management Personnel	467	23 089	50	81 472
Associated companies	17	112	2	10
Total	484	23 201	52	81 482

For the period ended 30 September 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	488	17 857	53	93 335
Associated companies	4	102	4	12
Total	492	17 959	57	93 347

STATEMENT BY THE MANAGEMENT BOARD

Hereby we acknowledge our responsibility for the AS Tallink Grupp Unaudited Condensed Consolidated Interim Financial Statements for the third quarter and 9 months of 2023 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

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	Q3 2023	Q3 2022
Depreciation	23 640	21 977
Amortisation	1 607	1 741
Depreciation and amortisation	25 247	23 718
Result from operating activities	56 835	43 945
Depreciation and amortisation	25 247	23 718
EBITDA	82 082	67 663
EBITDA	82 082	67 663
IFRS 16 adoption effect	-5 017	-4 996
Adjusted EBITDA	77 065	62 667
Additions to property, plant and equipment	5 672	4 769
Additions to intangible assets	446	731
Capital expenditures	6 118	5 500
Net profit/loss for the period	48 683	37 872
Weighted average number of shares outstanding	743 569 064	743 569 064
Earnings/loss per share (EUR)	0.065	0.051
Lease liabilities	92	87
Lease liabilities related to right-of-use assets	93 981	106 578
Overdraft	0	11 826
Long-term bank loans	590 734	592 981
Interest-bearing liabilities	684 807	711 472
Gross profit/loss	77 655	66 019
Net sales	240 668	255 555
Gross margin (%)	32.3%	25.8%
EBITDA	82 082	67 663
Net sales	240 668	255 555
EBITDA margin (%)	34.1%	26.5%
Adjusted EBITDA	77 065	62 667
Net sales	240 668	255 555
Adjusted EBITDA margin (%)	32.0%	24.5%
EBIT	56 835	43 945
Net sales	240 668	255 555
EBIT margin (%)	23.6%	17.2%
Net profit/loss	48 683	37 872
Net sales	240 668	255 555
Net profit/loss margin (%)	20.2%	14.8%
Result from operating activities 12-months trailing	125 401	15 097
Total assets 30 September (previous year)	1 535 300	1 616 656
Total assets 31 December	1 691 642	1 585 915
Total assets 31 March	1 672 052	1 560 167
Total assets 30 June	1 613 646	1 550 110
Total assets 30 September	1 597 395	1 535 300
Average assets	1 622 007	1 569 630
ROA (%)	7.7%	1.0%

In thousands of EUR	Q3 2023	Q3 2022
Net profit/loss 12-months trailing	93 431	-6 126
Total equity 30 September (previous year)	690 219	695 867
Total equity 31 December	706 931	692 516
Total equity 31 March	701 581	652 526
Total equity 30 June	735 229	652 304
Total equity 30 September	783 717	690 219
Average equity	723 535	676 686
ROE (%)	12.9%	-0.9%
Result from operating activities 12-months trailing	125 401	15 097
Total assets 30 September (previous year)	1 535 300	1 616 656
Total assets 31 December	1 691 642	1 585 915
Total assets 31 March	1 672 052	1 560 167
Total assets 30 June	1 613 646	1 550 110
Total assets 30 September	1 597 395	1 535 300
Current liabilities 30 September (previous year)	383 316	207 183
Current liabilities 31 December	296 246	357 910
Current liabilities 31 March	308 623	390 345
Current liabilities 30 June	325 820	405 694
Current liabilities 30 September	255 019	383 316
Total assets - current liabilities 30 September (previous year)	1 151 984	1 409 473
Total assets - current liabilities 31 December	1 395 396	1 228 005
Total assets - current liabilities 31 March	1 363 429	1 169 822
Total assets - current liabilities 30 June	1 287 826	1 144 416
Total assets - current liabilities 30 September	1 342 376	1 151 984
Average assets - current liabilities	1 308 202	1 220 740
ROCE (%)	9.6%	1.2%
In thousands of EUR	30.09.2023	30.06.2023
Interest-bearing liabilities	684 807	722 513
Cash and cash equivalents	64 433	57 645
Net debt	620 374	664 868
Total equity	783 717	735 229
Total assets	1 597 395	1 613 646
Equity ratio (%)	49.1%	45.6%
Equity attributable to equity holders of the Parent	783 717	735 229
Number of ordinary shares outstanding	743 569 064	743 569 064
Shareholders' equity per share (EUR)	1.05	0.99
Net debt	620 374	664 868
12-months trailing		
Depreciation	95 961	94 298
Amortisation	6 736	6 870
Depreciation and amortisation	102 697	101 168
EBITDA	228 159	213 679
Net debt to EBITDA	2.7	3.1

CONTACT INFORMATION

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