

Company AS Tallink Grupp
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Attachments:

- 2023 Tallink Grupp Q1 Presentation.pdf (<http://oam.fi.ee/en/download?id=7283>)
- Tallink Grupp 2023 Q1 ENG.pdf (<http://oam.fi.ee/en/download?id=7284>)
- Tallink Grupp 2023 Q1 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=7285>)
- 2023 Tallink Grupp Q1 Presentation.pdf (<http://oam.fi.ee/en/download?id=7286>)
- Tallink Grupp 2023 Q1 EST.pdf (<http://oam.fi.ee/en/download?id=7287>)
- Tallink Grupp 2023 Q1 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=7288>)

Currency

Title AS Tallink Grupp Unaudited Consolidated Interim Report Q1 2023

In the first quarter (1 January - 31 March) of 2023 financial year, AS Tallink Grupp and its subsidiaries (the Group) carried 1 049 777 passengers, which is 45.7% more than in the first quarter 2022. The number of cargo units transported decreased by 14.9% compared to the same period a year ago. The Group's unaudited consolidated revenue amounted to EUR 171.2 million (EUR 106.1 million in Q1 2022), up by 61.3%. Unaudited EBITDA was EUR 27.1 million (EUR -11.0 million in Q1 2022) and the unaudited net loss for the period was EUR 5.4 million (net loss of EUR 40.0 million in Q1 2022).

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

- * Growing demand for travelling supported by improving consumer confidence levels in all Group's core markets.
- * Ongoing war in Ukraine continues to impact the demand.
- * During the quarter the Group operated 15 vessels including 3 shuttle vessels, 2 cargo vessels, 4 cruise ferries and 6 vessels that were chartered out (2 vessels on long-term and 4 vessels on short-term charter).
- * The Group operated 3 hotels in Tallinn while the hotel in Riga remained closed since October 2020.
- * Planned maintenance works totalled 45 days which affected the Finland-Sweden segment's first quarter passenger and cargo levels as well as the financial result.
- * The Group continues to focus on cost savings from previously implemented measures and achieving 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 chartering options for vessels not used on the main routes.

Sales and Segments

In the first quarter of 2023, the Group's total revenue increased by EUR 65.1 million to EUR 171.2 million, compared to EUR 106.1 million a year ago.

Revenue from route operations (core business) increased by EUR 33.2 million to EUR 124.5 million compared to Q1 2022.

The number of passengers carried on the Estonia-Finland route increased by 46.6% year-on-year. The number of transported cargo units decreased by 8.8%. The revenue from the Estonia-Finland route increased by EUR 16.1 million to EUR 57.4 million. The segment result improved by EUR 7.5 million to EUR 6.2 million. The segment reflects the operations of three shuttle vessels. Shuttle vessel MyStar that was added to the Estonia-Finland route in mid-December 2022 has received a warm welcome from passengers. The cruise ferry Silja Europa stopped operating on the Tallinn-Helsinki route in August 2022 due to a charter agreement. The cargo vessel Sea Wind was sold at the end of April 2022.

In the first quarter of 2023, the number of passengers increased by 35.5% on Finland-Sweden routes year-on-year. The number of transported cargo units decreased by 53.8%. The routes' revenue increased by EUR 10.0 million to EUR 47.7 million and the segment result improved by EUR 10.5 million to a loss of EUR 3.3 million. The segment reflects the operations of one cruise ferry on the Turku-Stockholm and two cruise ferries on the Helsinki-Stockholm route. The cruise ferry Galaxy stopped operating on Turku-Stockholm and Turku-Kapellskär routes from September 2022 due to a charter agreement.

On Estonia-Sweden routes the number of carried passengers increased by 77.4% year-on-year. The number of transported cargo units increased by 8.5% compared to Q1 2022. The revenue of Estonia-Sweden routes increased by EUR 7.1 million to EUR 19.4 million and segment result improved by EUR 5.3 million to a loss of EUR 1.5 million. Estonia-Sweden routes reflect operation of two cargo vessels and one cruise ferry in the first quarter of 2023.

Revenue from the segment Other increased by a total of EUR 32.5 million and amounted to EUR 47.8 million. The increase was mainly driven by chartering out vessels, accommodation sales and to a lesser extent by various catering and retail activities. The shuttle 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 agreement for chartering the cruise vessel Romantika was signed in March 2022 for three years and with the option to extend the agreement (3+1+1). Short-term charter agreements have been signed for cruise vessels Victoria I, Isabelle, Galaxy and Silja Europa.

Earnings

In the first quarter of 2023, the Group's gross profit improved by EUR 44.7 million to EUR 24.8 million. EBITDA improved by EUR 38.1 million and amounted to



EUR 27.1 million.

Amortisation and depreciation expense increased by EUR 1.6 million to EUR 25.2 million compared to the first quarter of the financial year 2022.

As a result of increased interest-bearing liabilities, net finance costs increased by EUR 1.9 million year-on-year to EUR 7.6 million in first quarter 2023.

The Group's unaudited net loss for Q1 2023 was EUR 5.4 million or EUR 0.007 per share compared to a net loss of EUR 40.0 million or EUR 0.054 per share in Q1 2022.

Investments

The Group's investments in the first quarter of 2023 amounted to EUR 11.5 million majority of which were critical maintenance and repair works on three vessels (Silja Serenade, Silja Symphony and Baltic Princess). Maintenance and repair work on these vessels lasted for a total of 45 days.

Investments were also made in the development of IT systems and shore-to-ship green power solution. The shore-to-ship green power solution allows shuttle vessel Megastar to use more environmentally friendly shore power during overnight stay in port.

Financial Position

At the end of Q1 2023, the Group's net debt amounted to EUR 735.4 million having decreased by EUR 3.2 million compared to the end of 2022. The net debt to EBITDA ratio was 4.2 at the reporting date (5.4 as at 31 December 2022).

As at 31 March 2023, the Group's cash and cash equivalents amounted to EUR 96.5 million (EUR 114.9 million as at 31 December 2022) and the Group had EUR 135.0 million in unused credit lines (EUR 135.0 million as at 31 December 2022). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 231.5 million (EUR 249.9 million as at 31 December 2022). In the first quarter of 2023, the Group repaid loans in the total amount of EUR 19.3 million while no repayments were made during the same period a year ago. The current trade and other payables amounted to EUR 87.7 million (EUR 86.9 million as at 31 December 2022).

Key Figures

For the period	Q1 2023	Q1 2022	Change %
Revenue (EUR million)	171.2	106.1	61.3%
Gross profit/loss (EUR million)	24.8	-19.9	224.5%
EBITDA ¹ (EUR million)	27.1	-11.0	347.2%



EBIT ¹ (EUR million)	1.9	-34.6	105.4%
Net profit/loss for the period (EUR million)	-5.4	-40.0	86.4%
Depreciation and amortisation (EUR million)	25.2	23.7	6.6%
Capital expenditures ^{1 2} (EUR million)	11.5	8.9	4.0%
Weighted average number of ordinary shares outstanding	743 569 064	743 569 064	0.0%
Earnings/loss per share ¹ (EUR)	-0.007	-0.054	86.4%
Number of passengers	1 049 777	720 261	45.7%
Number of cargo units	86 732	101 938	-14.9%
Average number of employees	4 883	4 634	5.4%
As at	31.03.2023	31.12.2022	Change %
Total assets (EUR million)	1672.1	1691.6	-1.2%
Total liabilities (EUR million)	970.5	984.7	-1.4%
Interest-bearing liabilities (EUR million)	831.8	853.5	-2.5%
Net debt ¹ (EUR million)	735.4	738.6	-0.4%
Net debt to EBITDA ¹	4.2	5.4	-22.2%
Total equity (EUR million)	701.6	706.9	-0.8%
Equity ratio ¹ (%)	42%	42%	
Number of ordinary shares outstanding	743 569 064	743 569 064	0.0%
Shareholders' equity per share (EUR)	0.94	0.95	-0.8%



Ratios ¹	Q1 2023	Q1 2022
Gross margin (%)	14.5%	-18.7%
EBITDA margin (%)	15.8%	-10.3%
EBIT margin (%)	1.1%	-32.6%
Net profit/loss margin (%)	-3.2%	-37.7%
ROA (%)	4.6%	-2.7%
ROE (%)	7.1%	-9.2%
ROCE (%)	6.0%	-3.3%

(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.

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/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 profit/loss margin: gross profit / 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 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

Consolidated statement of profit or loss and other comprehensive income

Unaudited, in thousands of EUR	Q1 2023	Q1 2022
Revenue	171 245	106 143



Cost of sales	-146 463	-126 043
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Gross profit/loss	24 782	-19 900
Sales and marketing expenses	-9 090	-7 329
Administrative expenses	-14 112	-11 128
Impairment loss on receivables		
Other operating income	285	3 734
Other operating expenses	-8	-5
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Result from operating activities	1 857	-34 628
Finance income	355	39
Finance costs	-7 957	-5 698
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Share of profit/loss of equity-accounted investees	0	0
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Profit/loss before income tax	-5 745	-40 287
Income tax	321	298
Net profit/loss for the period	-5 424	-39 989
Net profit/loss for the period attributable to equity holders of the Parent	-5 424	-39 989
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	74	-1
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Other comprehensive income for the period	74	-1



Total comprehensive profit/loss for the period	-5 350	-39 990
Total comprehensive profit/loss for the period attributable to equity holders of the Parent	-5 350	-39 990
Profit/loss per share (in EUR)	-0.007	-0.054

Consolidated statement of financial position

Unaudited, in thousands of EUR	31.03.2023	31.03.2022	31.12.2022
ASSETS			
Cash and cash equivalents	96 455	100 977	114 935
Trade and other receivables	33 492	30 622	31 380
Prepayments	15 873	15 441	9 379
Prepaid income tax	35	0	37
Inventories	40 843	41 048	39 965
Current assets	186 698	188 088	195 696
Investments in equity-accounted investees	75	165	75
Other financial assets and prepayments	3 992	2 817	3 622
Deferred income tax assets	21 840	21 840	21 840
Investment property	300	300	300
Property, plant and equipment	1 428 058	1 311 910	1 438 286
Intangible assets	31 089	35 047	31 823
Non-current assets	1 485 354	1 372 079	1 495 946



TOTAL ASSETS	1 672 052	1 560 167	1 691 642
LIABILITIES AND EQUITY			
Interest-bearing loans and borrowings	169 986	272 159	165 049
Trade and other payables	87 668	84 625	86 934
Derivatives	0	0	0
Payables to owners	6	6	6
Income tax liability	35	47	35
Deferred income	50 928	33 508	44 222
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Current liabilities	308 623	390 345	296 246
Interest-bearing loans and borrowings	661 848	517 296	688 465
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Derivatives	0	0	0
Other liabilities	0	0	0
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Non-current liabilities	661 848	517 296	688 465
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Total liabilities	970 471	907 641	984 711
Share capital	349 477	349 477	349 477
Share premium	663	663	663
Reserves	65 925	67 417	66 363
Retained earnings	285 516	234 969	290 428
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Equity attributable to equity holders of the Parent	701 581	652 526	706 931
Total equity	701 581	652 526	706 931
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TOTAL LIABILITIES AND EQUITY	1 672 052	1 560 167	1 691 642



Consolidated statement of cash flows

Unaudited, in thousands of EUR

Q1 2023 Q1 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net profit/loss for the period	-5 424	-39 989
Adjustments	32 502	29 037
Changes in:		
Receivables and prepayments related to operating activities	-8 606	-6 462
Inventories	-878	-6 417
Liabilities related to operating activities	8 039	5 561
Changes in assets and liabilities	-1 445	-7 318
Cash generated from operating activities	25 633	-18 270
Income tax repaid/paid	-47	-41
NET CASH FROM/USED OPERATING ACTIVITIES	25 586	-18 311

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant, equipment and intangible assets	-11 510	-8 891
Proceeds from disposals of property, plant, equipment	79	41
Proceeds from other financial assets	0	0
Interest received	355	1
NET CASH USED IN INVESTING ACTIVITIES	-11 076	-8 849

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loans received	0	0
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Repayment of loans received	-19 307	0
Repayment of bonds	0	0
Change in overdraft	-15 11 431	
Payments for settlement of derivatives	0	0
Payment of lease liabilities	-4 435	-4 215
Interest paid	-8 121	-6 332
Payment of transaction costs related to loans	-1 112	-303
Dividends paid	0	0
Issue of shares	0	0
Income tax on dividends paid	0	0
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NET CASH FROM/USED IN FINANCING ACTIVITIES	-32 990	581
TOTAL NET CASH FLOW	-18 480	-26 579
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Cash and cash equivalents at the beginning of period	114 935	127 556
Change in cash and cash equivalents	-18 480	-26 579
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Cash and cash equivalents at the end of period	96 455	100 977

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