

FINANTSINSPEKTSIOON

Company AS TALLINNA SADAM

Type Company Release

Category Management interim statement or quarterly financial report

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Attachments:

- Tallinna Sadam Q4 2021 ENG.pdf (<http://oam.fi.ee/en/download?id=6092>)
- Tallinna-Sadam-Financial-Results-Q4-2021-Data.xlsx (<http://oam.fi.ee/en/download?id=6093>)
- Tallinna Sadam Q4 2021 webinar ENG.pdf (<http://oam.fi.ee/en/download?id=6094>)
- Tallinna Sadam Q4 2021 EST.pdf (<http://oam.fi.ee/en/download?id=6095>)
- Tallinna-Sadam-Financial-Results-Q4-2021-Data.xlsx (<http://oam.fi.ee/en/download?id=6096>)
- Tallinna Sadam Q4 2021 webinar ENG.pdf (<http://oam.fi.ee/en/download?id=6097>)

Currency

Title AS Tallinna Sadam financial results for 2021 Q4 and 12 months

In the fourth quarter, both sales revenue (+13%), adjusted EBITDA (+6%) and profit (+14%) increased. Growth in passenger volume and ferry calls increased revenue in the Passenger harbours segment, which made the biggest contribution to the improvement in the Group's financial performance. However, profitability indicators improved less than revenue because surging energy prices and some major maintenance and repair works

In 2021, the Group's revenue increased to EUR 110.1 million (+3%) supported by all segments, adjusted EBITDA was EUR 54 million (-8%) and profit amounted to EUR 25.6 million (-10%). Adjusted EBITDA margin decreased by 5.3 percentage points; the volume of investments was EUR 14.7 million (-60%). Due to the impact of the ongoing global COVID-19 crisis, the number of passengers passing through the Group's harbours in 2021 decreasing to EUR 3.5 million (-18%), cargo volume, on the other hand, reached the past six years' highest level of 22.4 million tonnes (+5%).

According to Valdo Kalm, Chairman of the Management Board of Tallinna Sadam, the company was able to increase revenue in all business areas despite the negative impact of the pandemic. In addition to the corona virus crisis, the Group's financial results were also affected by the energy crisis. "However, in the last quarter of the year we already saw a sharp increase in the number of passengers and passenger ship calls, which is a sign that the impact of the pandemic on the passenger business is starting to recede. We welcome the return of cruise passengers and the reopening of the Tallinn-Stockholm route. In terms of cargo volume, we made a record volume in the last six years and we continued at steady course in shipping. We believe that in the coming years, the pandemic will



affect our business less and less," said Kalm.

"Despite the crisis, we continued to invest and in the summer the cruise terminal, the promenade and the Admiral Bridge were completed in the Old City Harbour, which will connect the harbour area with the urban space and create an attractive environment for the real estate development of the Old City Harbour in the near future," Kalm noted. "Last year, we continued to reduce the negative footprint of our business - greenhouse gas emissions from our direct sources of pollution decreased by 10%. The shipping companies connected their ships calling at the Old City Harbour to onshore power, and automated mooring operations started from December, reducing air pollution and noise in the Old City Harbour and saving valuable time. At the beginning of last year, we switched to the consumption of electricity produced only from renewable sources, and in business development we are intensively engaged in the development of offshore wind farms and the application of hydrogen technology in port operations."

Tallinna Sadam will present the financial results of the Group at a webinar on 28 February at 11:00 (EET), to attend, please click here (https://teams.microsoft.com/l/meetup-join/19%3ameeting_N2RjNDk3ZWMtYTJkYS00N2Y5LThkMjgtZjYxODU2NDI3OWVk%40thread.v2/0?context=%7b%22Tid%22%3a%223c572f71-c808-4685-aa00-2ca59a11c7e2%22%2c%220id%22%3a%22a6492212-75ef-498f-8735-75f88c5d463a%22%2c%22IsBroadcastMeeting%22%3atrue%7d&btype=a&role=a). The webinar will be held in English.

Key figures (in million EUR):

	Q4 2021	Q4 2020	+/- %	2021	2020	+/- %
Revenue	28.5	25.3	12.8	110.1	107.4	2.5
Adjusted EBITDA	12.8	12.1	5.7	54.0	58.4	-7.5
Adjusted EBITDA margin	44.9%	47.9%	-3.0	49.1%	54.4%	-5.3
Operating profit	6.6	6.3	6.3	29.8	35.6	-16.3
Income tax	0,0	0.0	-	-3.3	-4.9	-33.3
Profit for the period	6.5	5.7	14.2	25.6	28.5	-10.2
Investments	4.5	8.2	-45.2	14.7	37.1	-60.4
	31.12.2021	31.12.2020	+/-			
Total assets	629.5	628.1	0.2%			

Interest bearing debt	203.3	211.6	-3.9%
Other liabilities	45.3	41.1	10.3%
Equity	380.9	375.4	1.5%
Number of shares	263.0	263.0	0.0%

Major events in Q4:

- * The impact of the COVID-19 pandemic continued
- * Past six years' record cargo volume in 2021 - 22.4 million tons
- * Increase in the number of passengers in Q4 +93% year-on-year due to lifting of travel restrictions
- * Establishment of a remuneration committee
- * Worldwide Caro Establishment's appeal denied by court
- * Rene Pärt was appointed as a new member of the supervisory board of OÜ TS Laevad
- * Court dispute over port dues with AS Tallink Grupp (compromise agreement reached in the beginning of 2022)
- * Cruise terminal and promenade was awarded as "Tallinn Development Project 2021"
- * Admiral Bridge was awarded as "Structure of the Year 2021"
- * Automated mooring system started to serve ships sailing on the Tallinn-Helsinki route

Revenue

Revenue for 2021 was EUR 110.1 million, EUR 2.7 million (+2.5%) up from a year earlier. Most revenue streams showed growth. The increase was the largest in electricity sales, which grew by EUR 1.8 million (+40%), mainly due to a sharp rise in the electricity price and the launch of onshore power supply service. Passenger fee revenue decreased the most, dropping by 1.4 million euros (-19%) to EUR 5.7 million consistent with the decrease in the number of passengers.

Revenue for the fourth quarter of 2021 grew to EUR 28.5 million (+13%). Revenue growth was mainly attributable to a rise in the number of passengers and ferry calls, which increased passenger fee and vessel due revenues in the Passenger harbours segment, and growth in the charter fee revenue from the icebreaker Botnica.

Annual revenue of the Passenger harbours segment remained stable year on year. Passenger fee revenue decreased by EUR 1.4 million due to a decline in the number of passengers due to the COVID-19 restrictions. This was offset by growth in revenue from vessel dues on cruise ship calls (there were no cruise ship calls in 2020). The fourth quarter revenue of the Passenger harbours segment grew to EUR 8.4 million (+36%).

Annual revenue of the Cargo harbours segment increased mainly through the effect of revenue from the sale of electricity, which grew due to a sharp rise in the electricity price. Cargo charge revenue increased in connection with growth in cargo volumes. Revenue from vessel dues decreased, particularly due to lower



volumes of liquid bulk cargo and stiff competition that lowered margins. The fourth quarter revenue of the Cargo harbours segment decreased to EUR 10.4 million (-1.7%).

Annual revenue of the Ferry segment grew mostly through the effect of the indexation of the contractual fee rates to the price indices and a higher number of trips made (in spring 2020 the number of trips was reduced due to the COVID-19 restrictions). The fourth quarter revenue grew to EUR 7.4 million (+6.7%).

Annual revenue of the segment Other grew because at the request of the Canadian customer the summer charter of the icebreaker Botnica was extended. Revenue growth was supported by the indexation of the icebreaking and summer charter fee rates to the inflation index. The fourth quarter revenue grew to EUR 2.3 million (+45%).

EBITDA

Adjusted EBITDA dropped by EUR 4.4 million (-7.5%) to EUR 54.0 million due to a decrease in the Cargo harbours, Passenger harbours and Ferry segments. Adjusted EBITDA margin declined from 54.4% to 49.1%. Adjusted EBITDA for the fourth quarter grew by EUR 0.7 million (+5.7%) year on year.

Profit

The Group's net profit for 2021 amounted to EUR 25.6 million, which is EUR 2.9 million (-10%) less than a year earlier. Net profit for the fourth quarter was EUR 6.5 million (+14%).

Investments

The Group's capital investments in 2021 totalled EUR 14.7 million (-60%), which is the past five years' lowest level because most major works carried out in recent years were completed in 2020. The main capital investments in 2021 were again made at Old City Harbour, where the largest completed projects included the construction of a cruise terminal with a promenade and a movable footbridge across the canal of the Admiralty Basin. The Group started to reconstruct the outdoor area surrounding Terminal D. The largest works at Muuga Harbour were related to developing the conditions of ro-ro traffic and improving traffic conditions in the harbour area. In the Ferry segment, the largest works included scheduled dry-dock maintenance of ferries and development of electronic interfaces for customer service. The investment in the sixth ferry, which was planned a year earlier, was not made, as the state decided to order the vessel not through OÜ TS Laevad, but through the Transport Administration. On the icebreaker Botnica, the machinery control system was renewed and other technical systems were upgraded.

Fourth quarter capital investments amounted to EUR 4.5 million (-45%).

Interim condensed consolidated statement of financial position:

In thousands of euros	31 December 2021	31 December 2020
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ASSETS



Current assets		
Cash and cash equivalents	34,840	26,679
Trade and other receivables	14,151	10,183
Inventories	399	360
Non-current assets held for sale	0	114
Total current assets	49,390	37,336
 Non-current assets		
Investments in associates	1,559	1,147
Other long-term receivables	896	0
Property, plant and equipment	575,563	587,506
Intangible assets	2,130	2,104
Total non-current assets	580,148	590,757
 Total assets	629,538	628,093

LIABILITIES

Current liabilities		
Loans and borrowings	15,916	17,266
Derivative financial instruments	0	102
Provisions	1,572	1,289
Government grants	1,223	1,919
Taxes payable	890	744



Trade and other payables	10,348	9,149
Total current liabilities	29,949	30,469
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Non-current liabilities		
Loans and borrowings	187,398	194,314
Government grants	29,835	26,145
Other payables	1,461	1,733
Total non-current liabilities	218,694	222,192
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Total liabilities	248,643	252,661
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EQUITY		
Share capital at par value	263,000	263,000
Share premium	44,478	44,478
Statutory capital reserve	21,271	20,262
Hedge reserve	0	-102
Retained earnings (prior periods)	26,534	19,276
Profit for the period	25,612	28,518
Total equity	380,895	375,432
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Total liabilities and equity	629,538	628,093
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Interim condensed consolidated statement of profit or loss:

In thousands of euros Q4 2021 Q4 2020 2021 2020



Revenue	28,540	25,303	110,051	107,358
Other income	742	223	1,779	3,015
Operating expenses	-10,508	-7,576	-35,962	-30,858
Personnel expenses	-5,807	-5,426	-20,920	-19,491
Depreciation, amortisation and impairment	-6,258	-6,199	-24,761	-24,094
Other expenses	-60	-68	-429	-368
Operating profit	6,649	6,257	29,758	35,562

Finance income and costs

Finance income	35	7	95	36
Finance costs	-296	-410	-1,378	-1,705
Finance costs - net	-261	-403	-1,283	-1,669

Share of profit of an associate accounted for under the equity method	146	-130	412	-462
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Profit before income tax	6,534	5,724	28,887	33,431
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Income tax	0	0	-3,275	-4,913
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Profit for the period	6,534	5,724	25,612	28,518
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Attributable to owners of the Parent	6,534	5,724	25,612	28,518
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Basic and diluted earnings per share (in euros)	0.02	0.02	0.10	0.11
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Basic and diluted earnings per share - continuing operations (in euros)	0.02	0.02	0.10	0.11
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Interim condensed consolidated statement of cash flows:

In thousands of euros	2021	2020
Cash receipts from sale of goods and services	117,001	114,378
Cash receipts related to other income	144	94
Payments to suppliers	-44,427	-41,354
Payments to and on behalf of employees	-18,665	-15,713
Payments for other expenses	-451	-376
Other payments	0	-2,600
Income tax paid on dividends	-3,440	-4,913
Cash from operating activities	50,162	49,516
Purchases of property, plant and equipment	-14,535	-35,811
Purchases of intangible assets	-641	-661
Proceeds from sale of property, plant and equipment	2,573	2,863
Government grants received	409	3,561
Interest received	3	15
Cash used in investing activities	-12,191	-30,033
Redemption of debt securities	0	-9,000
Loans received	0	20,000
Repayments of loans received	-8,266	-7,266
Dividends paid	-20,085	-30,008
Interest paid	-1,458	-1,694



Other payments related to financing activities	-1	-19
Cash from/used in financing activities	-29,810	-27,987
NET CASH FLOW	8,161	-8,504
Cash and cash equivalents at beginning of the period	26,679	35,183
Change in cash and cash equivalents	8,161	-8,504
Cash and cash equivalents at end of the period	34,840	26,679

Tallinna Sadam is one of the largest cargo- and passenger port complexes in the Baltic Sea region, which serves annually 10 million passengers and 20 million tons of cargo in average. In addition to passenger and freight services, Tallinna Sadam group also operates in shipping business via its subsidiaries - OÜ TS Laevad provides ferry services between the Estonian mainland and the largest islands, and OÜ TS Shipping charters its multifunctional vessel Botnica for icebreaking and construction services in Estonia and offshore projects abroad. Tallinna Sadam group is also a shareholder of an associate AS Green Marine, which provides waste management services. According to unaudited financial results, the group's sales in 2021 totalled EUR 110 million, adjusted EBITDA EUR 54 million and profit EUR 26 million.

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