

Infortar Group

31 December 2021

Beginning of the financial year:	01.01.2021
Reporting date:	31.12.2021
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MANAGEMENT REPORT

Company overview

AS Infortar with its subsidiaries (hereinafter also referred to as “the Group”) is investment company, with primary activities: investment in real estate property; investment in other financial assets; renting and operating of own real estate. Group owns 40% of the leading European ferry operator AS Tallink Grupp shares, hotel in Riga and 2 hotels and 2 office buildings in Tallinn. Additionally Group owns 50% in 2 associates, which own hotel and building in Tallinn. Hotels are property investments, and fully rented out to operating company OÜ TLG Hotell.

As at 31.12.21 Group include parent company AS Infortar and 44 subsidiaries (See Notes for more detailed information).

AS Infortar investments

Key investments:

AS Tallink Grupp, 40% ownership (the leading transportation and shipping company in the Baltic Sea region)

AS Eesti Gaas Grupp, 100% ownership (the leading energy company in Estonia)

Hotels and commercial real estate:

OÜ Sunbeam (Tallink Spa & Conference Hotel)

OÜ Fastinvest (Tallink Express Hotel and two office buildings in Tallinn)

OÜ Vara HTG (Tallink City Hotel)

SIA Happy Trails (Tallink Hotel Riga in Latvia)

Hotels are real estate investments and fully rented out with long-term agreement to operating company OÜ TLG Hotell.

Service companies:

AS Vaba Maa and its subsidiary AS Printon (print and sale of commercial and high security products)

AS Tallink Takso (taxi services in Tallinn)

AS Gastrolink (sale of tableware and furnishings to restaurants and catering)

AS H.T.Valuuta (foreign currency exchange, amusement automates services onboard)

OÜ Lasnamäe Spordikeskus (sport services)

OÜ EMG Karjäärid and its subsidiaries OÜ EMG Kuiv Liiv , OÜ Geoforce (production of building materials)

OÜ EG Biofond and its associates (production of bioenergy)

OÜ Farmatar (wholesale of medicines)

OÜ InfEhitus (construction services)

Real estate companies:

OÜ Infor Invest (logistic centre in Maardu)

OÜ Vana-Posti Kinnisvara (real estate development in Old Town of Tallinn)

OÜ Lasnamäe Tennisekeskus (tennis centre)

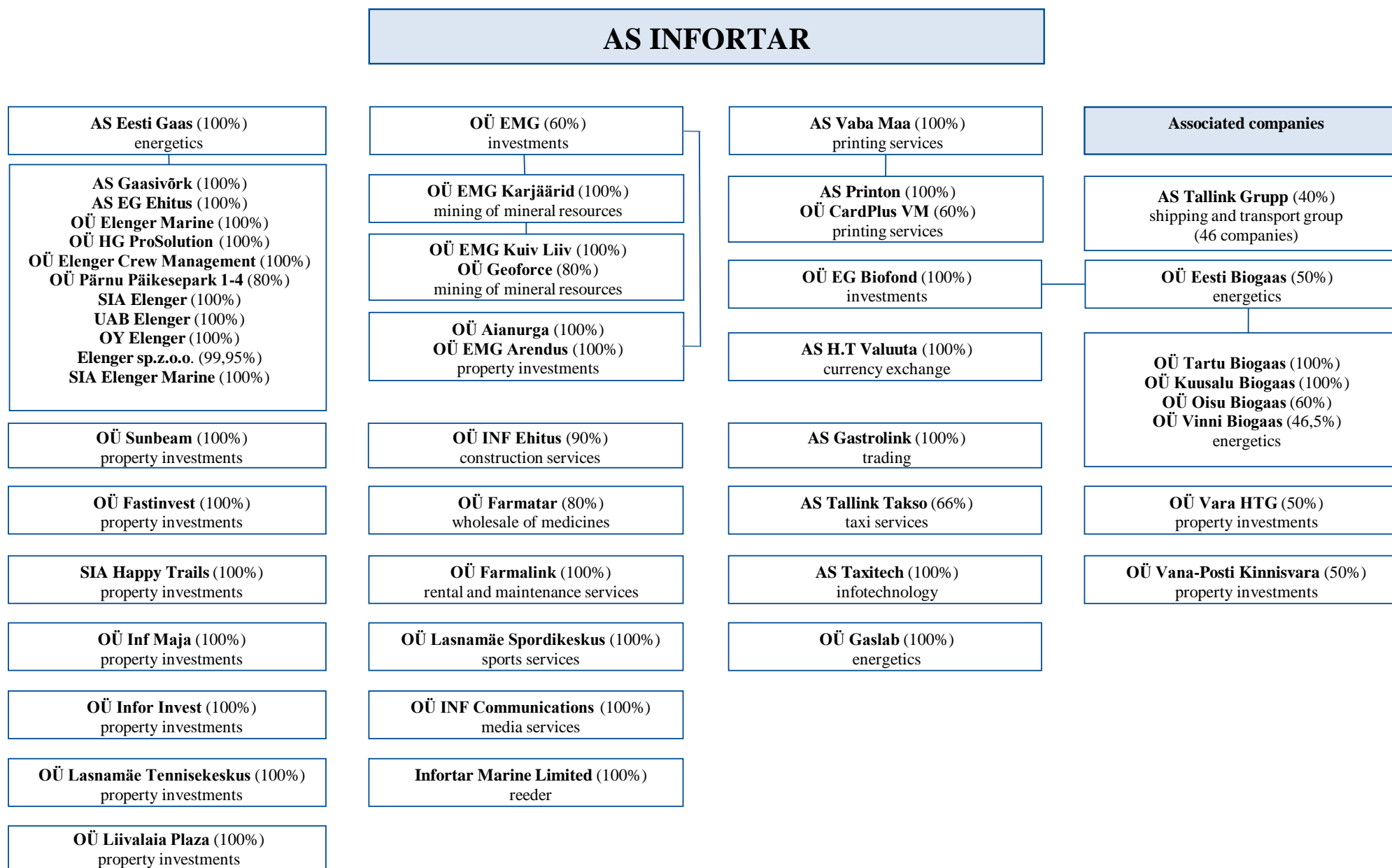
OÜ Inf Maja (development project in Lasnamäe)

OÜ EMG Grupp (investments to production of building materials)

KEY FIGURES OF FINANCIAL YEAR

(in thousands of EUR)

	31.12.21	31.12.20
Total assets	882 517	696 293
Interest-bearing liabilities	342 366	245 443
Total equity	392 655	374 684
Equity ratio (equity /assets) (%)	44,5%	53,8%
Interest-bearing liabilities /equity (%)	87,2%	65,5%
Total equity attributable to equity holders of the Parent	391 912	374 059
Number of ordinary shares	315 000	300 000
Earnings per share	59	-52
Accounting value per share	1 244	1 247
Number of group employees	486	460
Group labour costs with taxes	22 286	19 587
	2021	2020
Revenue	412 565	208 560
Gross profit	50 785	39 058
Net profit before amortization and reappraisal investment property (EBITDA)	46 444	35 892
Operating profit (-loss) (EBIT)	41 104	21 045
Net profit (-loss) of the financial year	18 868	-15 822
Net profit (-loss) holders of the Parent	18 687	-15 564
Average assets	789 405	723 208
Average equity	383 670	400 330
ROA % = EBIT/Average assets	5,2%	2,9%
ROE % = Net profit/Average equity	4,9%	-4,0%



CONSOLIDATED BALANCE SHEET

in thousands of EUR

<u>ASSETS</u>	<u>31.12.21</u>	<u>31.12.20</u>	Notes
Current assets			
Cash and cash equivalents	45 183	22 760	1
Short-term financial investments	16 048	652	2
Trade and other receivables	117 522	40 944	3
Prepayments for inventories	20 698	9 903	
Inventories	69 302	43 759	
Total current assets	268 753	118 018	
Non-current assets			
Investments to associates	283 090	290 502	4
Other financial assets	18 963	4 936	
Long-term requirements	3 626	3 650	
Investment property	146 741	140 802	5
Property, plant and equipment	143 067	117 279	6
Intangible assets	7 895	8 890	
Rental assets	10 382	12 216	
Total non-current assets	613 764	578 275	
TOTAL ASSETS	882 517	696 293	
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Interest-bearing loans and borrowings	187 642	108 068	9
Other current liabilities	106 937	30 256	10
Total current liabilities	294 579	138 324	
Non-current liabilities			
Long-term provisions	17 196	18 076	
Deferred taxes	23 363	27 834	
Interest-bearing loans and borrowings	154 724	137 375	9
Total non-current liabilities	195 283	183 285	
Total liabilities	489 862	321 609	
Equity			
Share capital	1 985	1 890	
Treasury shares	-95	0	
Option reserve	225	0	
Share capital reserve	205	205	
Risks hedging reserve	-12 465	-11 406	
Retained earnings	383 370	398 934	
Net profit of the financial year	18 687	-15 564	
Total equity attributable to equity holders of the Parent	391 912	374 059	
Minority interests	743	625	
Total equity	392 655	374 684	
TOTAL LIABILITIES AND EQUITY	882 517	696 293	

CONSOLIDATED INCOME STATEMENT

in thousands of EUR

	2021	2020	Notes
Revenue	412 565	208 560	11
Cost of sales	-361 780	-169 502	12
Gross profit	50 785	39 058	
Marketing expenses	-1 298	-1 510	13
Administrative expenses	-14 089	-12 251	14
Profit (-loss) from Investment property	4 543	-5 173	5
Other operating income	1 902	1 163	
Other operating expenses	-739	-242	
Operating profit	41 104	21 045	
Financial income and expenses			
Profit from associates	-23 952	-42 029	
Income(-expenses) from available-for-sale financial assets	975	8	
Interest expenses	-4 169	-3 704	
Change in value of assets in foreign currency.	0	1	
Other financial income and expenses	439	382	
Total	-26 707	-45 342	
Profit before tax	14 397	-24 297	
Income tax expense	4 471	8 475	
Net profit of the financial year	18 868	-15 822	
Attributable to:			
Equity holders of the Parent	18 687	-15 564	
Minority interests	181	-258	
Other comprehensive income			
Items that may be reclassified to the income statement:			
Cash flow hedges - the effective portion of a change in fair value	-1 059	-17 471	
Total comprehensive income / loss for the financial year	17 809	-33 293	
Attributable to:			
Equity holders of the Parent	17 628	-33 035	
Minority interests	181	-258	

CONSOLIDATED STATEMENT OF CASH FLOWS

in thousands of EUR	2021	2020	Notes
<u>Cash flows from operating activities</u>			
Net profit of the financial year	14 397	-24 297	
<u>Adjustments:</u>			
Depreciation and amortization	9 883	9 674	
Change in fair value of inv. property	-4 543	5 173	5
Share profit of associates	23 952	42 030	
Profit from sale of financial assets	-26 494	7 592	
Income tax paid	0	-214	
Interest expenses	4 169	3 704	
Proceeds from sale of property	-802	-43	
Changes in assets related to op.activities	-76 382	-6 485	
Changes in inventories	-36 338	1 158	
Changes in liabilities related to op.activities	75 280	-7 622	
Net cash from operating activities	-16 878	30 670	
<u>Cash flows from investing activities</u>			
Acquisition / reduction of capital of associates	0	1 033	
Purchases of associates	-16 540	-1 486	
Proceeds from sale of financial assets	1 331	433	
Purchases of other financial assets	-4 344	-1 165	
Dividends received	0	1 900	
Purchases of subsidiaries	-161	0	
Proceeds from sale of minority	10	1	
Purchases Investment property	-1 396	-47	
Purchases of property, plant and equipment	-31 211	-7 859	6
Proceeds from sale of property	1 076	184	
Net cash used in investing activities	-51 235	-7 006	
<u>Cash flows from financing activities</u>			
Received government grants	0	1 290	
Changes in overdraft	6 159	-10 514	9
Proceeds from borrowings	167 830	84 242	
Repayments of borrowings	-75 742	-77 295	9
Repayment of finance lease liabilities	-3 228	-1 987	
Interest paid	-4 482	-3 345	
Dividends paid	0	-18 000	
Net cash used in financing activities	90 537	-25 609	
TOTAL NET CASH FLOW	22 424	-1 945	
Cash at the beginning of the year	22 759	24 705	1
Cash at the end of the year	45 183	22 760	1
Net (decrease)/increase in cash	22 424	-1 945	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousands of EUR

	Share capital	Treasury shares	Option reserve	Share capital reserve	Risks hedging reserve	Retained earnings	Minority Interest	Total equity
As of 31 dec 2019	1 890	0	0	205	6 065	416 934	882	425 976
Dividends paid	0	0	0	0	0	-18 000	0	-18 000
Acquisition of minority interests	0	0	0	0	0	0	1	1
Net profit	0	0	0	0	-17 471	-15 564	-258	-33 293
As of 31 dec 2020	1 890	0	0	205	-11 406	383 370	625	374 684
Share capital increase	95	0	0	0	0	0	0	95
Acquisition of own shares	0	-95	0	0	0	0	0	-95
Stock options	0	0	225	0	0	0	0	225
Acquisition of minority interests	0	0	0	0	0	0	-63	-63
Net profit	0	0	0	0	-1 059	18 687	181	17 809
As of 31 dec 2021	1 985	-95	225	205	-12 465	402 057	743	392 655

Note 1. Cash and cash equivalents

	in thousands of EUR	31.12.21	31.12.20
Cash in hand		48	109
Cash at bank and short-term deposits		45 135	22 651
Total		45 183	22 760

Note 2. Derivatives

	in thousands of EUR	31.12.21	31.12.20
Short - term derivatives		16 048	652
Long - term derivatives		9 683	0
Total		25 731	652

Note 3. Trade and other receivables

	in thousands of EUR	31.12.21	31.12.20
Trade receivables		111 981	41 413
Interest receivable		662	490
Tax prepayments		327	245
Other prepayments		7 194	819
Prepaid expenses		984	1 627
Total		121 148	44 594

Note 4. Investments to associates

		31.12.21	31.12.20
	Interest		
OÜ Vara HTG		50%	50%
AS Tallink Grupp		40%	39%
OÜ Vana-Posti Kinnisvara		50%	50%
Eesti Biogaas OÜ		50%	50%
Value of shares according to the equity method		283 090	290 502

Note 5. Investment property

in thousands of EUR

	Fair value
at 31.12.20	140 802
Purchases investment property	1 396
Change in fair value	4 543
at 31.12.21	146 741

Note 6. Property, plant and equipment

in thousands of EUR	Land and buildings	Assets under construction	Plant and equipment	Other	TOTAL
Cost or valuation as of 31.12.20	137 976	19 079	28 024	1 942	187 021
Accumulated depreciation as of 31.12.20	-48 393	0	-20 263	-1 085	-69 741
Book value as of 31.12.20	89 583	19 079	7 761	857	117 280
Additions	4 952	23 565	1 782	236	30 535
Depreciation charge	-4 234	0	-589	-210	-5 033
Reclassification	0	-37 009	37 558	11	560
Disposals	-187	-9	-79	0	-275
Book value as of 31.12.21	90 114	5 626	46 433	894	143 067
Cost or valuation as of 31.12.21	142 298	5 626	65 798	2 179	215 901
Accumulated depreciation as of 31.12.21	-52 184	0	-19 365	-1 285	-72 834

Note 7. Intangible assets

in thousands of EUR	Software	Customer contracts	Mining permits	TOTAL
Book value as of 31.12.20	2 832	3 797	2 261	8 890
Additions	676	0	0	676
Depreciation charge	-1 044	-524	-103	-1 671
Company acquisition				0
Reclassification				0
Book value as of 31.12.21	2 464	3 273	2 158	7 895

Note 8. Rental assets

in thousands of EUR	Land and buildings	Plant and equipment	TOTAL
Book value as of 31.12.20	607	11 609	12 216
Additions	103	1 801	1 904
Depreciation charge	-72	-3 107	-3 179
Disposals	0	-559	-559
Book value as of 31.12.21	638	9 744	0

Note 9. Interest Bearing Loans, Borrowings and Commitments

		in thousands of EUR	
	<u>Maturity</u>	<u>31.12.21</u>	<u>31.12.20</u>
<u>Current</u>	< 1 year	187 642	108 068
Non-current	1 - 5 year	152 847	135 312
Non-current	> 5 year	1 877	2 063
Total		342 366	245 443
incl:			
<u>Current</u>		<u>31.12.21</u>	<u>31.12.20</u>
	Bank overdraft	25 635	19 476
	Short-term bank loans	118 500	40 000
	Current portion long-term bank loans	41 837	45 382
Total		185 972	104 858
<u>Non-current</u>		<u>31.12.21</u>	<u>31.12.20</u>
	Long-term bank loans	146 634	129 501
<u>Finance lease</u>		<u>31.12.21</u>	<u>31.12.20</u>
	Current	1 670	3 210
	Non-current	8 090	7 874
		9 760	11 084

Note 10. Other liabilities

		in thousands of EUR	
		<u>31.12.21</u>	<u>31.12.20</u>
Trade and other payables		29 122	5 952
Prepayments		467	432
Tax liabilities		24 647	7 126
Payables to employees		4 628	3 467
Interest payable		114	427
Other payables		1 808	2 187
Future earnings		15 953	15 480
Derivative liabilities		46 151	11 958
Deferred income tax liability		23 363	27 834
Long-term provisions		1 243	1 303
Total		147 496	76 166

Note 11. Revenue

	in thousands of EUR	
	2021	2020
Renting and operating of own or leased real estate	11 448	10 634
Sale of gas and gas network service	380 494	182 243
Printing of periodicals, forms etc.	6 773	6 016
Taxi operation	2 183	2 552
Retail and wholesale trade	2 557	547
Sale of mineral resources and construction materials	7 069	5 180
Other income	2 041	1 388
Total	412 565	208 560

Note 12. Cost of sales

	in thousands of EUR	
	2021	2020
Raw material	-288 109	-115 778
Discount and write off	-8	-5
Cost of goods	-5 538	-2 072
Cost of services	-34 371	-20 217
Cost of energy	-369	-265
Cost of fuel	-1 175	-828
Rendering of services	-6 669	-5 413
Cost of transportation	-1 967	-2 065
Ground rent expenses	-6	-7
Other rent expenses	-394	-477
Office expenses	-1 611	-1 623
Cost of business trip	-31	-39
Employees training cost	-47	-25
Taxes	-234	-283
Cost of account receivable	-58	-178
Employee benefit expense	-11 421	-10 789
Depreciation and amortization	-9 193	-8 680
Other cost of sales	-579	-758
Total	-361 780	-169 502

Note 13. Marketing expenses

	in thousands of EUR	
	2021	2020
Cost of transportation	-272	-267
Office expenses	-5	-62
Cost of business trip	0	-2
Training costs	0	-1
Taxes	-2	-11
Employee benefit expense	-681	-725
Depreciation and amortization	-105	-181
Other marketing expenses	-233	-261
Total	-1 298	-1 510

Note 14. Administrative expenses

	in thousands of EUR	
	2021	2020
Other rent expenses	-40	-56
Cost of energy	-98	-65
Cost of fuel	-24	-22
Cost of transportation	-338	-282
Office expenses	-2 049	-1 968
Cost of business trip	-19	-44
Employees training cost	-47	-49
Taxes	-348	-335
Expenditure on doubtful receivables	-2	-45
Employee benefit expense	-9 908	-8 073
Depreciation and amortization	-585	-813
Other administrative expenses	-631	-499
Total	-14 089	-12 251

Note 15. Personnel expenses

	in thousands of EUR	
	2021	2020
Employees at period end	486	460
Salary cost	-16 777	-14 745
Tax cost connected to salary	-5 509	-4 842
Total	-22 286	-19 587

Note 16

BALANCE SHEET OF THE PARENT

in thousands of EUR

	<u>31.12.21</u>	<u>31.12.20</u>
<u>ASSETS</u>		
Cash and cash equivalents	5 002	9
Short-term financial investments	1	1
Trade and other receivables	3 554	610
Total current assets	8 557	620
Non-current assets		
Investments to subsidiaries	24 032	23 717
Investments to associates	30 726	14 186
Other financial assets	41 855	37 488
Investment property	4 952	3 712
Property, plant and equipment	239	15 001
Total non-current assets	101 804	94 104
TOTAL ASSETS	110 361	94 724
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Interest-bearing loans and borrowings	33 499	29 805
Trade and other payables	1 756	874
Prepayments	3	3
Other current liabilities	909	1 104
Total current liabilities	36 167	31 786
Non-current liabilities		
Long-term provisions	100	2 369
Interest-bearing loans and borrowings	59 354	41 765
Total non-current liabilities	59 454	44 134
Total liabilities	95 621	75 920
<u>Equity</u>		
Share capital	1 985	1 890
Treasury shares	-95	0
Option reserve	225	0
Share capital reserve	205	205
Retained earnings	16 709	13 650
Net profit of the financial year	-4 289	3 059
Total equity	14 740	18 804
TOTAL LIABILITIES AND EQUITY	110 361	94 724

Note 17

INCOME STATEMENT OF THE PARENT

	in thousands of EUR	
	2021	2020
Revenue	798	852
Cost of sales	-32	-41
Gross profit	766	811
Administrative expenses	-4 228	-3 352
Profit (-loss) from Investment property	-145	-1 377
Other operating income	6	0
Other operating expenses	-52	-2
Operating profit	-3 653	-3 920
Financial income and expenses		
Profit from subsidiaries	-2 923	4 252
Profit from associates	0	1 900
Income(-expenses) from available-for-sale financial assets	3 253	2 045
Interest expenses	-966	-1 218
Total	-636	6 979
Net profit of the financial year	-4 289	3 059

Note 18

PARENT COMPANY STATEMENT OF CASH FLOWS

	in thousands of EUR	<u>2021</u>	<u>2020</u>
Cash flows from operating activities			
Net profit/-loss of the financial year		-4 289	3 059
	<u>Adjustments:</u>		
Financial income		-330	-8 197
Change in fair value of inv. property		145	1 377
Interest expenses		664	1 218
Proceeds from sale of property		-6	0
Changes in assets related to op.activities		126	-164
Changes in liabilities related to op.activities		-512	161
Net cash from operating activities		-4 198	-2 546
Cash flows from investing activities			
Purchases of associates		-16 540	-1 486
Purchases of subsidiaries		-3 238	-1 663
Loans to subsidiaries		-4 534	0
Purchases of other financial assets		1 230	0
Dividends received		0	8 200
Interest received		2 121	2 025
Purchases of property, plant and equipment		-21 643	-713
Proceeds from sale of property		31 846	0
Net cash used in investing activities		-10 758	6 363
Cash flows from financing activities			
Received Grants		0	1 290
Changes in overdraft		1 694	-2 997
Proceeds from borrowings		19 589	14 000
Repayments of borrowings		0	-19 020
Interest paid		-1 334	-857
Dividends paid		0	-18 000
Net cash used in financing activities		19 949	-25 584
TOTAL NET CASH FLOW		4 993	-21 767
Cash at the beginning of the year		9	21 776
Cash at the end of the year		5 002	9
Net (decrease)/increase in cash		4 993	-21 767

Note 19

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

in thousands of EUR

	Share capital	Treasury shares	Option reserve	Share capital reserve	Retained earnings	Total equity
As of 31 dec 2019	1 890	0	0	205	31 650	33 745
Dividends paid	0	0	0	0	-18 000	-18 000
Net profit	0	0	0	0	3 059	3 059
As of 31 dec 2020	1 890	0	0	205	16 709	18 804
Share capital increase	95	0	0	0	0	95
Acquisition of own shares	0	-95	0	0	0	-95
Stock options	0	0	225	0	0	225
Net profit	0	0	0	0	-4 289	-4 289
As of 31 dec 2021	1 985	-95	225	205	12 420	14 740
Calculation equity by fair value at 31.12.21						
Unconsolidated equity						14 740
Carrying value of associates.						-54 758
Fair value of associates by equity method.						431 788
Unconsolidated equity by fair value						391 770