

Q2 2021

TALLINK GRUPP AS



TALLINK GRUPP

The leading European provider of leisure and business travel and sea transportation services in the Baltic Sea region.

OPERATIONS

- Fleet of 15 vessels
- Seven ferry routes (3 suspended)
- Operating four hotels (1 closed)

KEY FACTS

- Revenue of EUR 443 million in 2020
- Served 3.7 million passengers in 2020
- Transported 360 thousand cargo units
- Operating EUR 1.5 billion asset base
- 4 352 employees (end of Q2 2021)
- 2.8 million loyalty program members



STRONG BRANDS



STRATEGIC PLAN

CURRENTLY THE STRATEGIC FOCUS IS ON MANAGING COSTS AND CASH FLOWS TO ENSURE SUSTAINABILITY AND TO BRING TALLINK GRUPP THROUGH THE GLOBAL CRISIS

TALLINK'S VISION

To be the market pioneer in Europe by offering excellence in leisure and business travel and sea transportation services

LONG TERM OBJECTIVES TOWARD INCREASING THE COMPANY VALUE AND PROFITABILITY

- Strive for the highest level of customer satisfaction
- Increase volumes and strengthen the leading position on our home markets
- Develop a wide range of quality services directed at different customers and pursue new growth opportunities
- Ensure cost efficient operations
- Manage the optimal debt level that will allow sustainable dividends

CURRENT STRATEGIC CORNERSTONES AND COMPETITIVE ADVANTAGES

MOST MODERN FLEET

STRONG MARKET SHARE & BRAND AWARENESS

WIDE ROUTE NETWORK

HIGH SAFETY LEVEL & ENVIRONMENTAL STANDARDS

Q2 2021 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

Q2 Selected Key Figures (financials in million euros)	2021	2020	Change
Number of passengers	427 767	388 212	10.2%
Number of cargo units	91 990	86 755	6.0%
Number of passenger cars	125 713	102 479	22.7%

Revenue	86.1	65.0	32.5%
Gross profit / loss	-8.7	-21.9	60.2%
EBITDA	4.4	2.4	80.4%
EBIT	-19.4	-22.7	14.7%
Net result for the period	-24.3	-27.4	11.1%

Capital expenditures	3.1	14.4	-78.2%
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As at:	30.06.21	31.03.21	Change
Total assets	1 524.7	1 492.5	2.2%
Total equity	655.7	680.1	-3.6%
Interest-bearing liabilities	744.5	728.3	2.2%
Net debt	706.7	713.5	-1.0%

2021 unaudited

- **Revenue EUR 86.1m (EUR +21.1m or 32.5% vs LY)**
 - Extensive impact from COVID-19 related travel restrictions
 - More limited impact on cargo operations
 - 18% more departures compared to Q2 2020
- **Costs & support**
 - Cost of sales increased by 9% or EUR 7.9m
 - Costs relating to re-employment of vessels in Q2 2021
 - Administrative & marketing cost increased by 3% or EUR 0.4m
 - Reduced remuneration in Q2 2020
 - Total impact of various support measures: EUR 10.6m in Q2 2021 (EUR -17.1m vs LY)
- **EBITDA of EUR 4.4m (EUR +1.9m vs LY)**
- **Net loss of EUR 24.3m (EUR +3.0m vs LY)**

Q2 2021 SALES & RESULTS BY GEOGRAPHICAL SEGMENTS

Route	Key Figures (financial in EUR million)	2021	2020	Change	All routes affected by COVID-19, travel restrictions & suspension of operations
Estonia- Finland	Passengers (thousands)	336	323	4.1%	The results reflect the operations of the Estonia-Finland two shuttle vessels, a cargo vessel and two cruise ferries in June
	Cargo units (thousands)	64	60	7.9%	
	Revenue	41.1	33.6	22.2%	
	Segment result	0.2	-2.4	110.3%	
Finland- Sweden	Passengers (thousands)	82	54	52.3%	The results reflect the operations of two cruise ferries on Turku-Stockholm route and suspended Helsinki-Stockholm route cruise ferries
	Cargo units (thousands)	17	18	-8.2%	
	Revenue	18.8	16.2	15.8%	
	Segment result	-11.5	-18.4	37.6%	
Estonia- Sweden	Passengers (thousands)	10	8	17.8%	The results reflect the operations of two cargo vessels on Paldiski-Kapellskär route and two suspended cruise ferries
	Cargo units (thousands)	11	9	28.2%	
	Revenue	6.1	5.2	17.2%	
	Segment result	-4.3	-4.9	12.1%	
Latvia- Sweden	Passengers (thousands)	0	3	-100.0%	The Latvia-Sweden route result reflects expenses of two suspended cruise ferries
	Cargo units (thousands)	0	0	-100.0%	
	Revenue	0.1	1.3	-91.8%	
	Segment result	-3.5	-4.2	16.6%	
Other	Revenue	20.0	8.7	130.4%	Effectively only one hotel operated; increase from various retail activities and charter revenue
	Segment result	3.4	0.6	506.7%	
	Intersegment revenue	0.0	-0.1	80.1%	

Segment result is the result before administrative expenses, finance costs and taxes
2021 unaudited

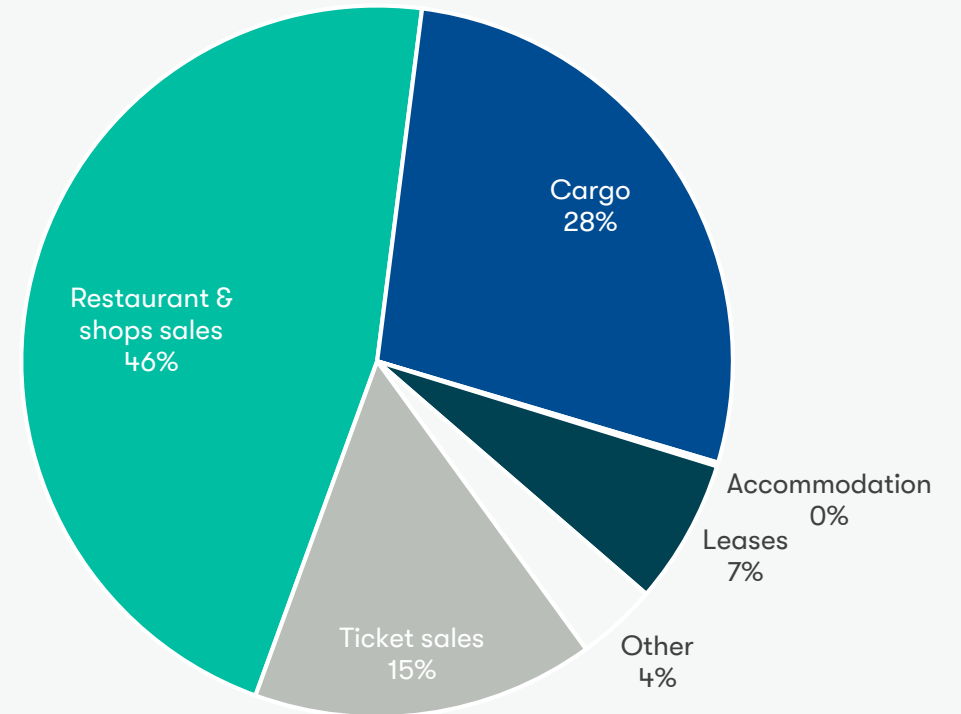
Q2 2021 SALES & RESULTS BY OPERATIONAL SEGMENTS

Revenue (EUR million)	2021	2020	Change
Restaurant and shop sales on-board and onshore	40.0	26.2	52.4%
Ticket sales	13.4	12.9	3.9%
Sales of cargo transportation	23.7	22.4	5.9%
Accommodation sales	0.1	0.2	-26.5%
Income from charter of vessels	5.7	2.5	126.2%
Other sales	3.2	0.7	335.3%
Total revenue	86.1	65.0	32.5%

- Restaurant and shop sales on-board and onshore increased due to various retail activities and higher volume of purchases by travelling passengers
- Relatively low increase in ticket sales due to absence of several ad hoc routes/services which were operated in in Q2 2020
- High competition in cargo transportation market
- Effectively only one hotel operated in Q2 2021
- Short-term charter of Silja Europa in June 2021

2021 unaudited

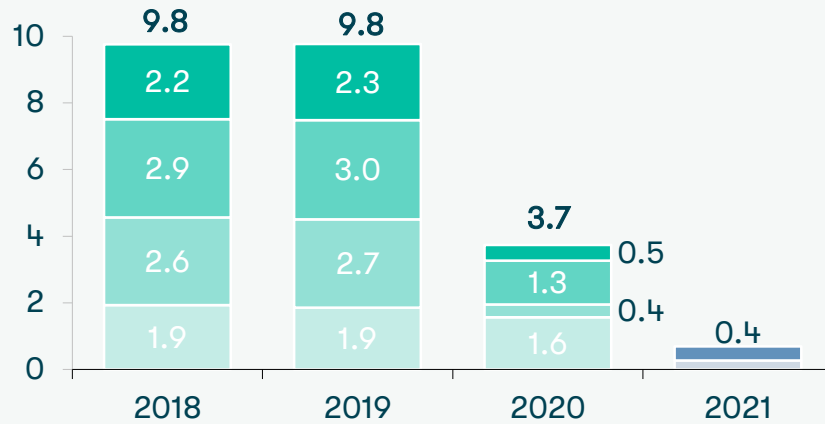
REVENUE STRUCTURE IN Q2 2021



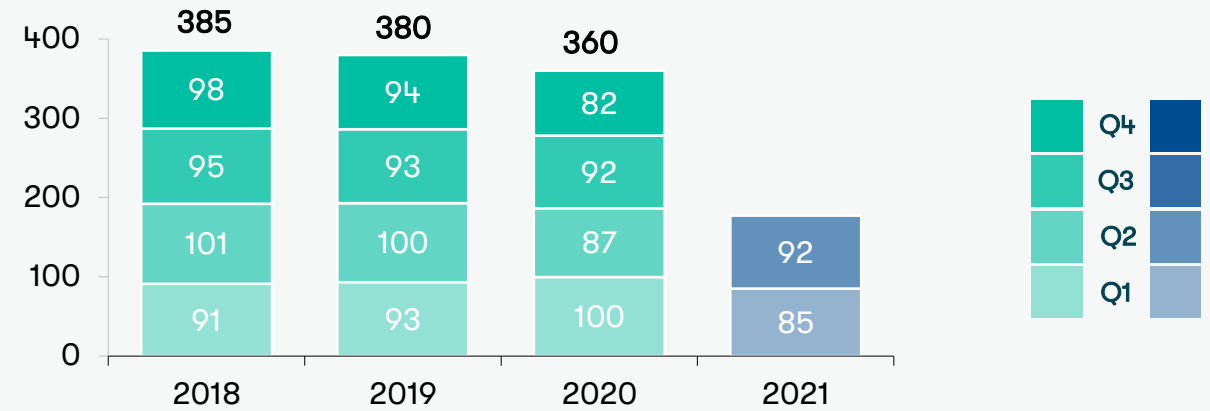
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

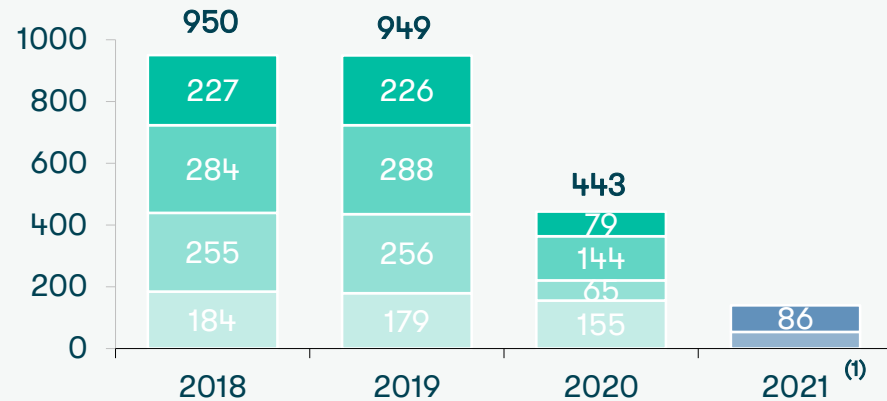
PASSENGERS (MILLIONS)



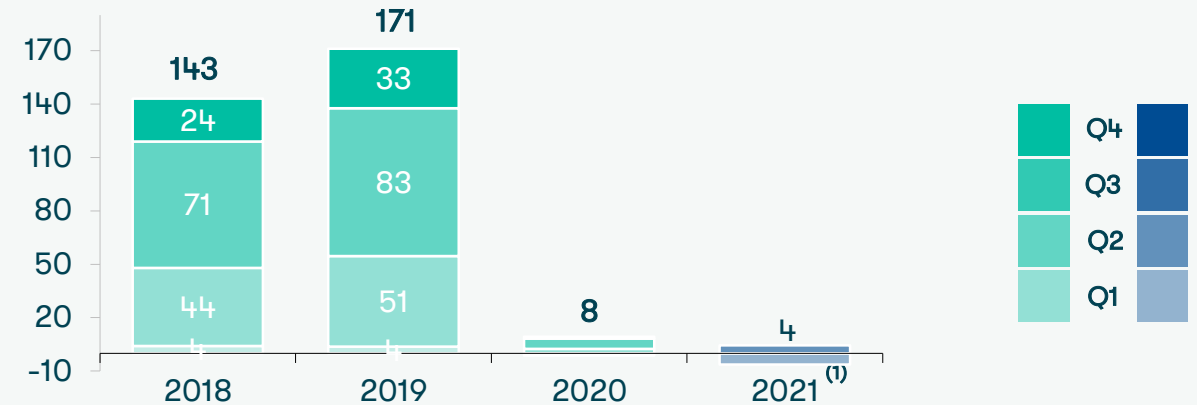
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

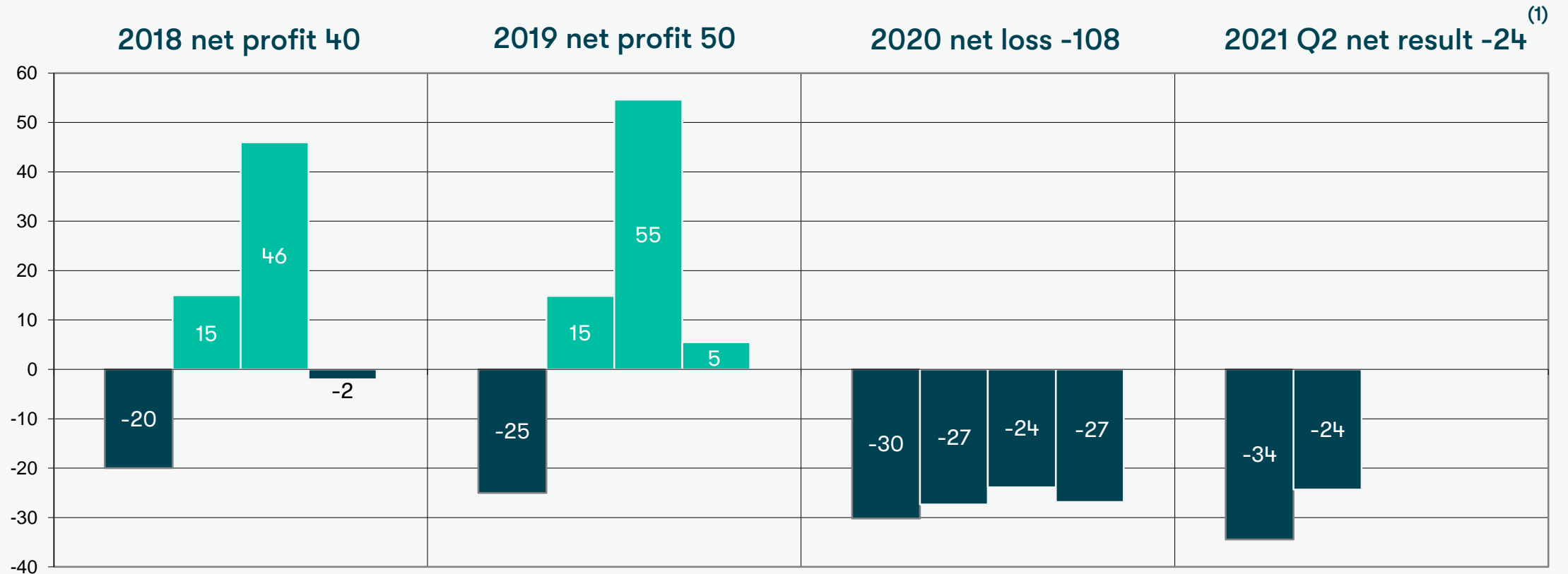


EBITDA (EUR MILLION)



THE DYNAMICS OF HIGH SEASONALITY ON THE PROFIT LEVEL

NET PROFIT BY QUARTERS (EUR MILLION)



MOST OF THE PROFITS ARE TYPICALLY EARNED IN THE SUMMER, THE HIGH SEASON

2021 Q2 DEVELOPMENTS AND KEY FACTS

OPERATING ENVIRONMENT

- Extensive impact of COVID-19 and suspension of cruise ferries operations continued
- Restrictions imposed by the governments

ACTIVITIES AND EVENTS

- Continuous cost control to ensure efficiency and savings from previously implemented measures
- Appointment of the new Management Board member Margus Schults
- Changes in loan agreements
- Short-term charter agreements for Silja Europa, Victoria I and Romantika
- Opening of third Burger King restaurant in Latvia
- Completion of renovation and reopening of Tallink City Hotel on 30 June 2021



Silja Europa at the port of Falmouth

EVENTS AFTER THE REPORTING PERIOD & OUTLOOK



Restaurant at renovated Tallink City Hotel

- Christening of the new LNG powered shuttle vessel MyStar in Rauma shipyard in August 2021. The godmother of the new vessel will be the President of the Republic of Estonia Kersti Kaljulaid.
- Continuing preparations for opening new Burger King restaurants in 2021. In the second half of the year altogether six new restaurants are planned to be opened in Latvia and Lithuania.

Due to the ongoing COVID-19 situation the earnings outlook is uncertain and continues to be strongly affected by external factors such as the progress of vaccination, states' decisions regarding the timing of the lifting of travel restrictions and allowing passenger traffic as well as the duration of the recovery period.

Management expects the passenger traffic between Estonia and Finland to recover rapidly after the restrictions and authorities' advice against travelling have been lifted.

CONSOLIDATED INCOME STATEMENT

(EUR million)	2019	2020	Q2 2020	Q2 2021 ⁽³⁾
Sales	949	443	65	86
Cost of sales ⁽¹⁾	(752)	(486)	(87)	(95)
Marketing & administrative cost ⁽¹⁾	(125)	(86)	(17)	(17)
Other operating items, net ⁽²⁾	2	37	16	7
EBITDA	171	8	2	4
Margin (%)	18.0%	1.8%	3.7%	5.1%
Net Result	50	(108)	(27)	(24)
EPS	0.074	(0.162)	(0.041)	(0.036)

CONSOLIDATED CASH FLOW STATEMENT

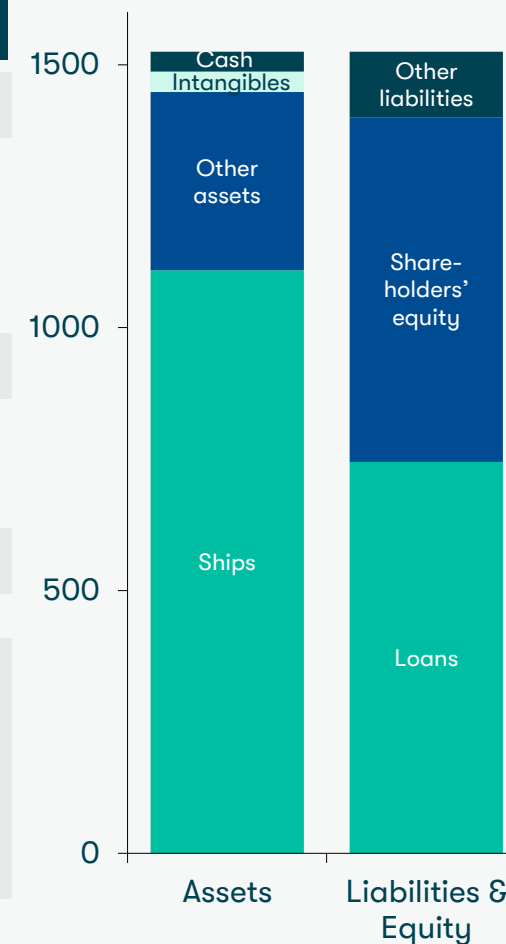
(EUR million)	2019	2020	Q2 2020	Q2 2021 ⁽¹⁾
Operating cash flow	175	(7)	4	30
Capital expenditure	(61)	(100)	(14)	(3)
Asset disposal	0	0	0	0
Free cash flow	114	(107)	(10)	27
Debt financing (net effect)	(52)	112	19	0
Interests & other financial items	(17)	(16)	(3)	(4)
Dividends & reduction of share capital	(80)	0	0	0
Income tax on dividends paid	(8)	0	0	0
Change in cash	(43)	(11)	5	23

Totals may not sum due to rounding

(1) Unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2019	30.06.2020	31.12.2020	30.06.2021 ⁽²⁾
Total assets	1 533	1 506	1 516	1 525
Non-current assets	1 412	1 414	1 427	1 407
Current assets	121	92	89	118
- of which cash	39	22	28	38
Total liabilities	710	741	802	869
Interest bearing liabilities	578	616	705	745
Other liabilities	132	125	97	125
Shareholders' equity	823	765	714	656
Net debt/EBITDA	3.1x	5.0x	84.2x	143.2x
Net debt	539	594	677	707
Equity/assets ratio	54%	51%	47%	43%
BVPS⁽¹⁾ (in EUR)	1.23	1.14	1.07	0.98



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) Unaudited

DEBT STRUCTURE

LONG TERM BANK LOANS

- EUR 573 million as at 30.06.2021
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 1-8 years
- EUR denominated, fixed and EURIBOR floating

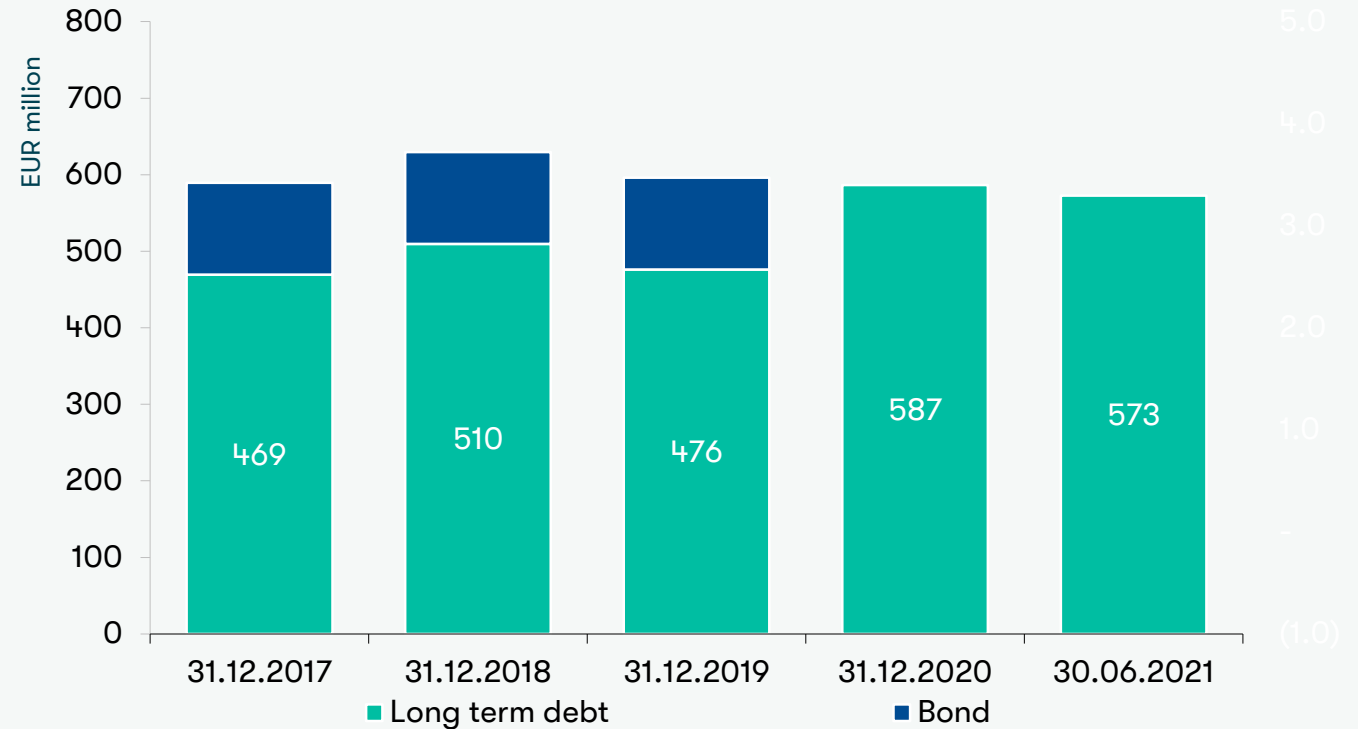
OVERDRAFTS (as at 30.06.2021)

- EUR 56 million used
- EUR 79 million unused

SIGNED, NOT YET DRAWN

- EUR 198 million from KfW IPEX-Bank GmbH (MyStar)
- EUR 90 million undrawn of EUR 100 million working capital loan from Nordic Investment Bank

Total EUR 745 million interest bearing liabilities as at 30.06.2021



2021 unaudited

PRINCIPAL PAYMENTS UNDER EXISTING LOAN AGREEMENTS POSTPONED

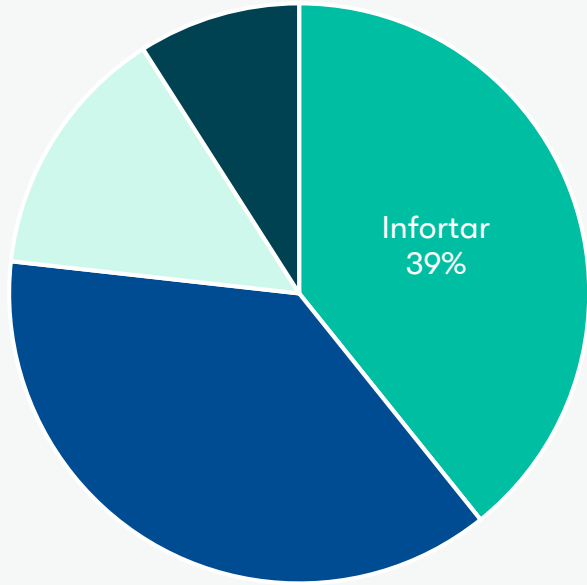
CORPORATE GOVERNANCE

MANAGEMENT BOARD	Paavo Nõgene  <p>Born in 1980, with the company since 2018 CEO since May, 2018</p>		Lembit Kitter  <p>Born in 1953, with the company and Member of Management Board since 2006</p>	
	Kadri Land  <p>Born in 1964, with the company since 2005. Member of Management Board since February, 2019</p>		Harri Hanschmidt  <p>Born in 1982, with the company since 2009. Member of Management Board since February, 2019</p>	
	Piret Mürk-Dubout  <p>Born in 1970, with the company and Member of Management Board since April, 2019</p>		Margus Schults  <p>Born in 1966, with the company since 2008 Member of Management Board since April, 2021</p>	

SUPERVISORY BOARD	Enn Pant - Chairman of the Supervisory Board  <p>Born in 1965, with the company since 1996 Chairman of the Supervisory Board since 2015 CEO of AS Tallink Grupp in 1996-2015</p>		
	Toivo Ninnas  <p>Born in 1940, with the Supervisory Board since 1997</p>		Kalev Järvelill  <p>Born in 1965, with the Supervisory Board since 2007</p>
	Eve Pant  <p>Born in 1968, with the Supervisory Board since 1997</p>		Ain Hanschmidt  <p>Born in 1961, with the Supervisory Board since 2005</p>
	Raino Paron  <p>Born in 1965, with the Supervisory Board since 2019</p>		Colin Douglas Clark  <p>Born in 1974, with the Supervisory Board since 2013</p>

SHAREHOLDERS AND SHARE PERFORMANCE

SHAREHOLDERS OF AS TALLINK GRUPP



- Top 10 shareholders
- Institutional investors
- Retail investors

TEN LARGEST SHAREHOLDERS AS OF 30.06.2021

Infortar AS	39%
Baltic Cruises Holding, L.P.	16%
ING Luxembourg S.A. AIF Account	7%
Baltic Cruises Investment L.P.	6%
Nordea Bank Abp / Clients FDR	3%
Citigroup Venture Capital International G.P	2%
Clearstream Banking AG	1%
LHV Pensionifond L	1%
State Street Bank And Trust Omnibus Account A Fund No OM01	1%
Mersok OÜ	1%



28,715 SHAREHOLDERS AND FDR-HOLDERS AT THE END OF THE QUARTER

THANK YOU



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