

29 JULY 2021

Q2 2021

TALLINK GRUPP AS RESULTS WEBINAR



PRESENTERS



PAAVO NÕGENE

CHAIRMAN OF THE MANAGEMENT BOARD



HARRI HANSCHMIDT

MEMBER OF THE MANAGEMENT BOARD



JOONAS JOOST

FINANCIAL DIRECTOR

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



STATUS OF EMPLOYMENT OF VESSELS IN 2021 YTD

Continuous employment in 2021

Megastar	Tallinn-Helsinki
Star	Tallinn-Helsinki
Galaxy	Turku-Stockholm
Baltic Princess	Turku-Stockholm
SeaWind	Muuga-Vuosaari
Regal Star	Paldiski-Kapellskär
Sailor	Paldiski-Kapellskär
Atlantic Vision	Long-term charter

Status of vessels not employed in the first months of the year

Silja Europa	Short-term charter in June; Tallinn-Helsinki from 23 June
Silja Serenade	Tallinn-Helsinki in June; Helsinki-Mariehamn from 24 June
Silja Symphony	Sweden domestic cruises in July and August
Baltic Queen	Tallinn-Stockholm from 7 July
Victoria I	Short-term charter in July-September
Romantika	Short-term charter in July-September
Isabelle	Inactive

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

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%

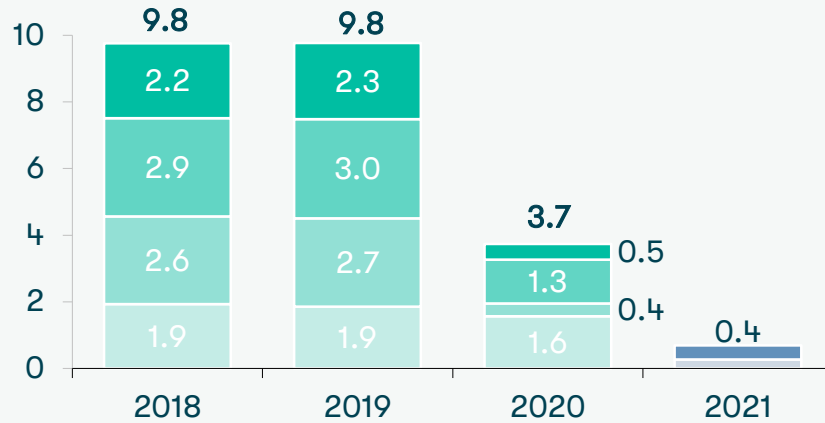
2021 unaudited

- **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)**

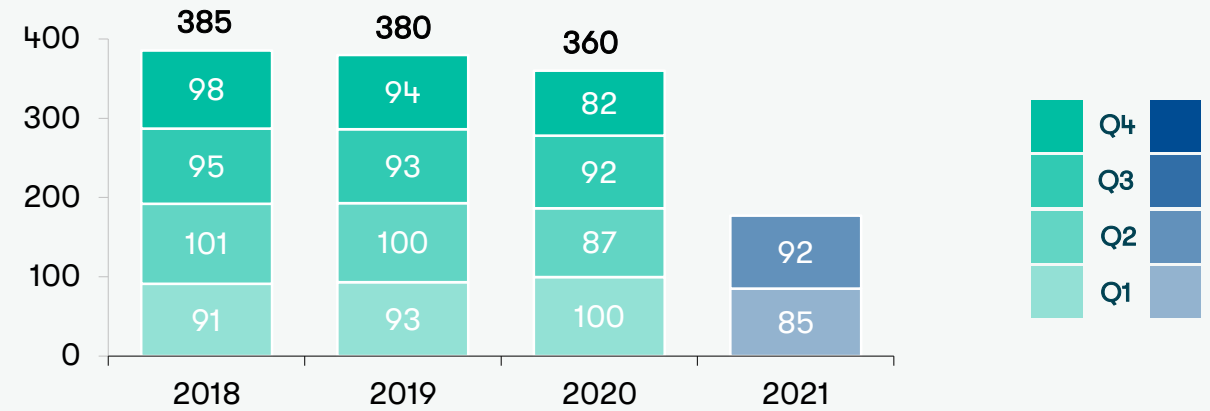
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

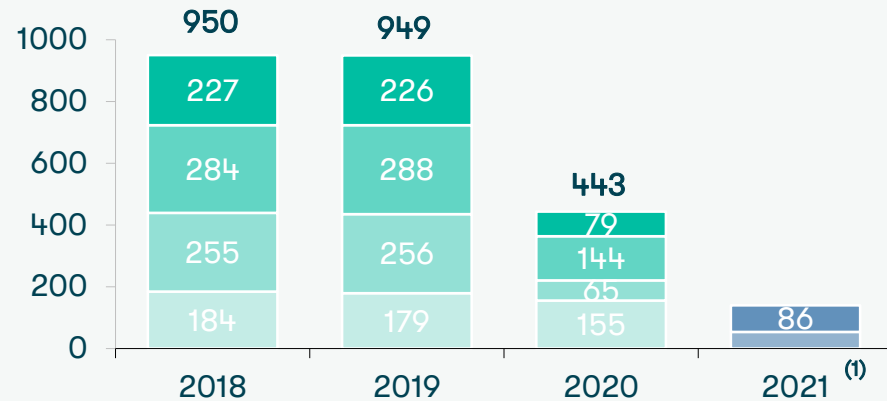
PASSENGERS (MILLIONS)



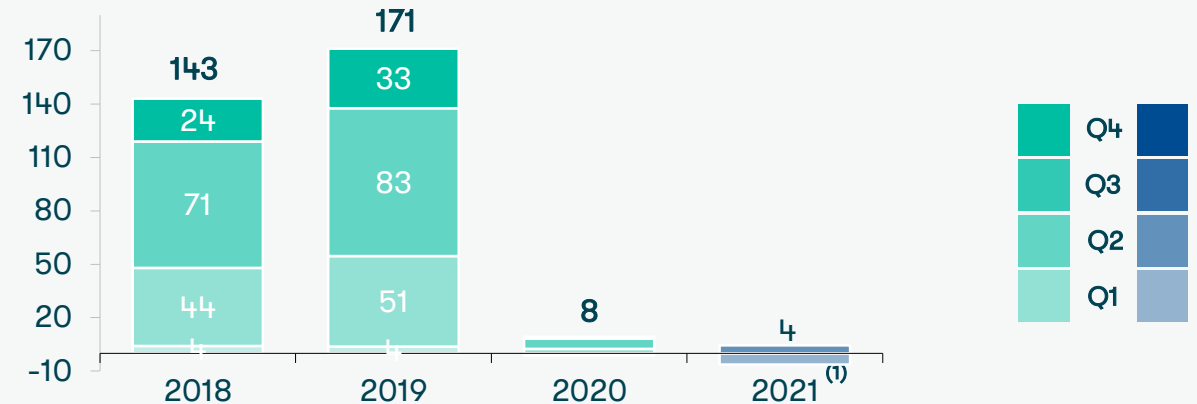
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

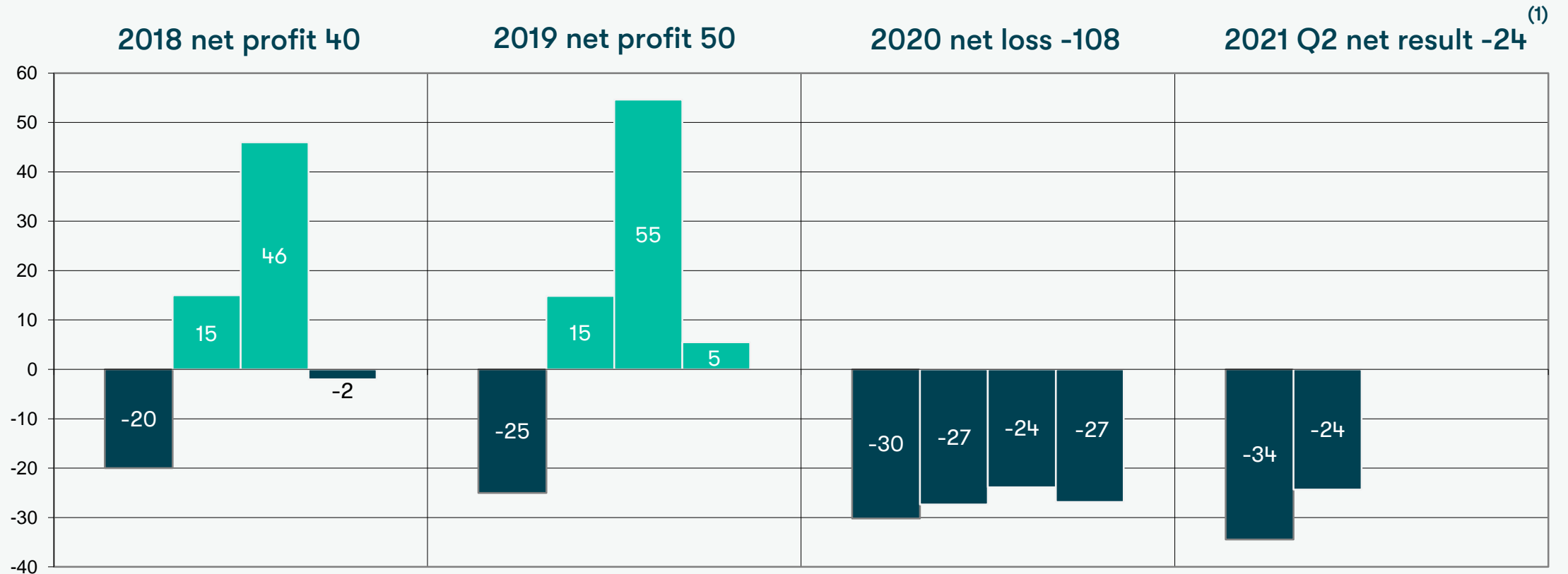


EBITDA (EUR MILLION)



THE DYNAMICS OF HIGH SEASONALITY ON THE PROFIT LEVEL

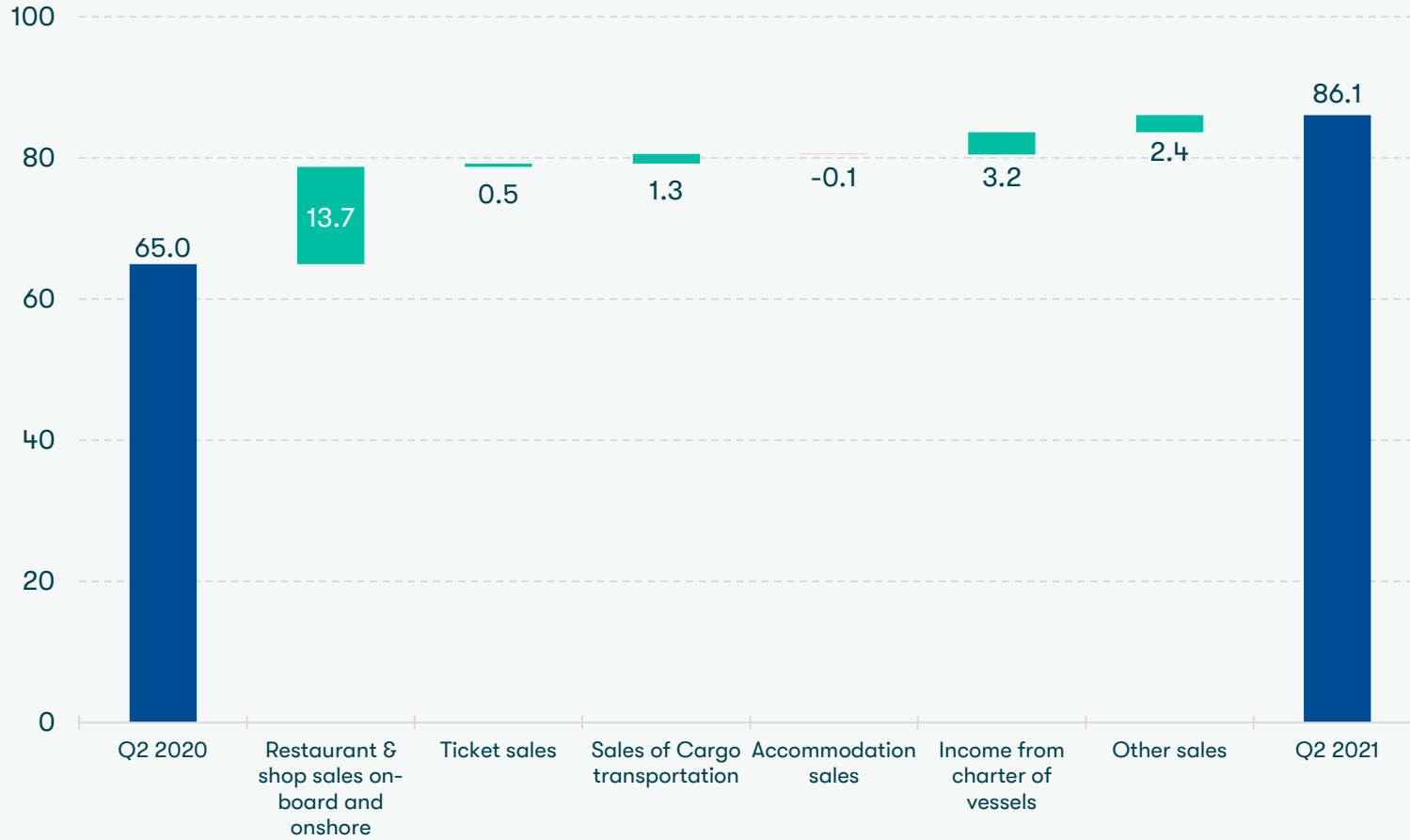
NET PROFIT BY QUARTERS (EUR MILLION)



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

Q2 REVENUE DEVELOPMENT BY OPERATING SEGMENTS

(EUR MILLION)



Restaurant and shop sales on-board and onshore increased due to various retail activities and higher volume of purchases by travelling passengers

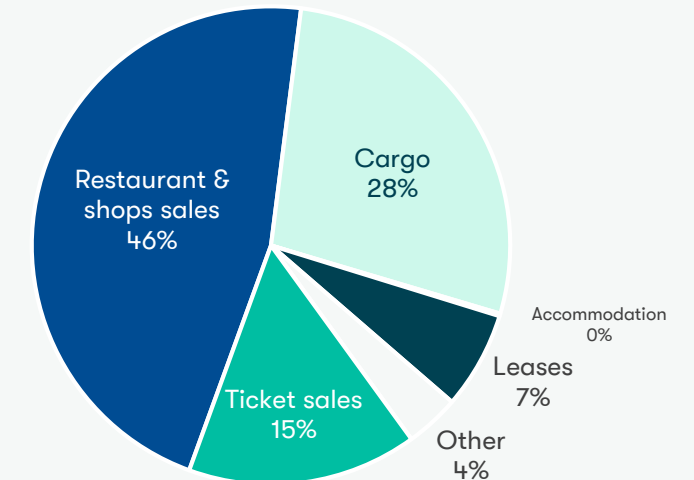
Relatively low increase in ticket sales due to absence of several ad hoc routes/services which were operated in in Q2 2020

High competition in cargo transportation market

Effectively only one hotel operated in Q2 2021

Short-term charter of Silja Europa in June 2021

REVENUE STRUCTURE IN Q2 2021



Q2 REVENUE DEVELOPMENT BY GEOGRAPHICAL SEGMENTS

(EUR MILLION)



Revenues of all routes negatively affected by Covid-19, travel restrictions, suspensions in operations and tight competition on cargo market

Estonia-Finland

The results reflect the operations of the Estonia-Finland two shuttle vessels, a cargo vessel and two cruise ferries in June

Estonia-Sweden

The results reflect the operations of two cargo vessels on Paldiski-Kapellskär route (two cruise ferries suspended)

Latvia-Sweden

No daily operations – two cruise ferries suspended

Finland-Sweden

Operations of two cruise ferries on Turku-Stockholm route (two Helsinki-Stockholm route cruise ferries suspended)

Other

Effectively only one hotel operated; increase from various retail activities and charter revenue

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

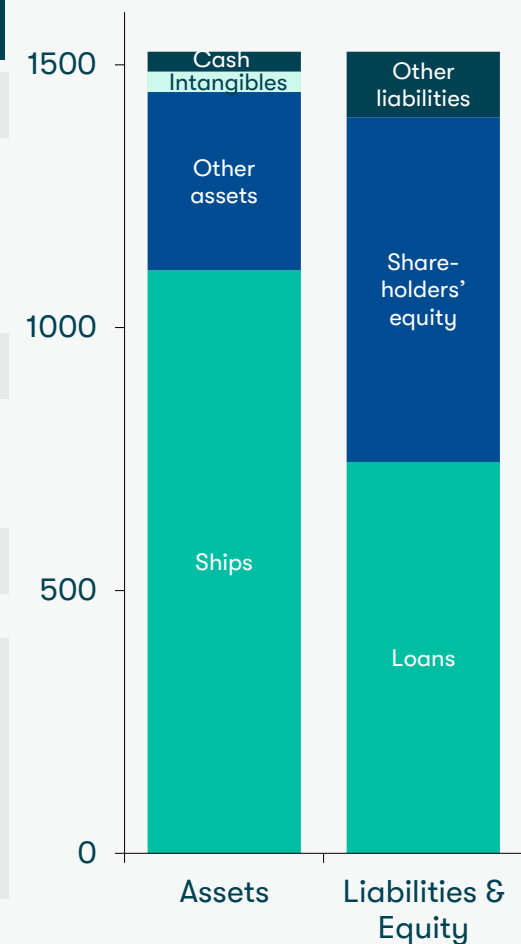
(EUR million)	2019	2020	Q2 2020	Q2 2021 ⁽¹⁾
Operating cash flow	175	(7)	4	30
Capital expenditure	(61)	(100)	(14)	(3)
Asset disposal	0	0	0	0
Free cash flow	114	(107)	(10)	27
Debt financing (net effect)	(52)	112	19	0
Interests & other financial items	(17)	(16)	(3)	(4)
Dividends & reduction of share capital	(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

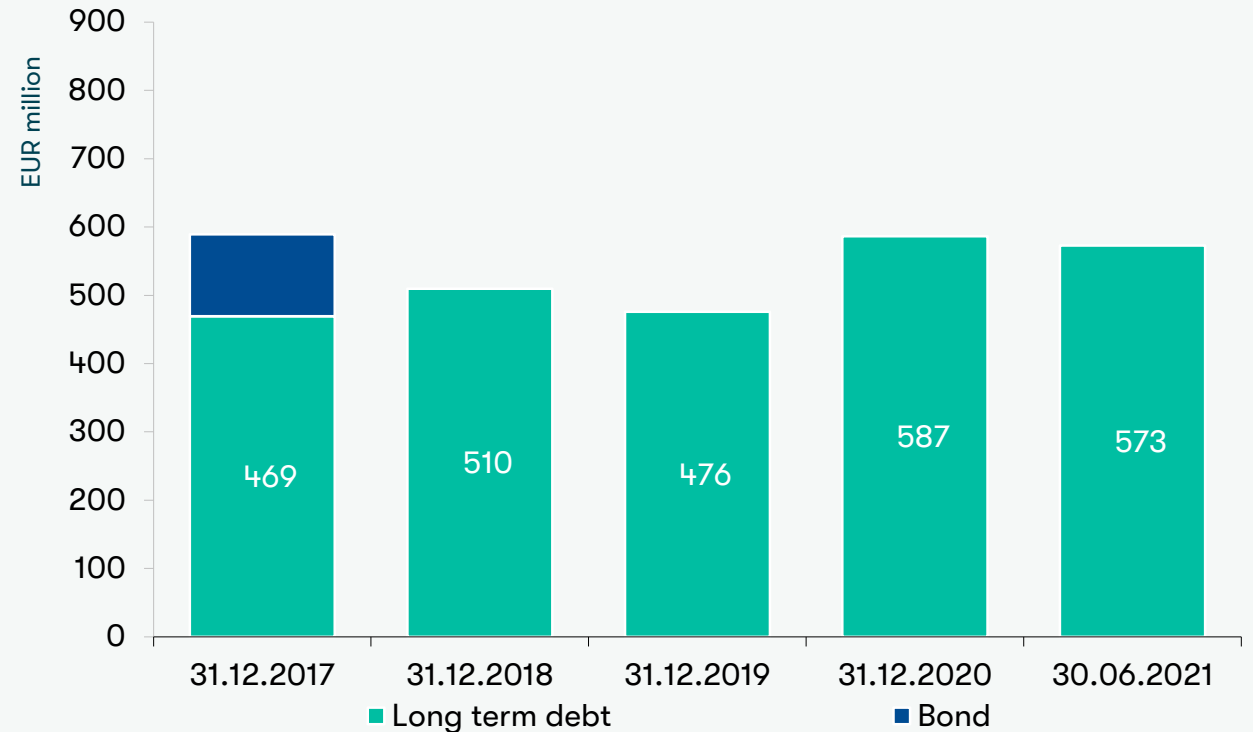
OVERDRAFTS (as at 30.06.2021)

- 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

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.

QUESTIONS & ANSWERS



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THANK YOU



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