

28 OCTOBER 2021

Q3 2021

TALLINK GRUPP AS RESULTS WEBINAR



PRESENTERS



HARRI HANSCHMIDT

MEMBER OF THE MANAGEMENT BOARD



MARGUS SCHULTS

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 (1 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
- 4 513 employees (end of Q3 2021)
- 2.8 million loyalty program members



STRONG BRANDS



2021 Q3 DEVELOPMENTS AND KEY FACTS

OPERATING ENVIRONMENT

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

ACTIVITIES AND EVENTS

- Re-start of Tallinn-Stockholm and Helsinki-Stockholm routes
- Victoria I and Romantika on short-term charter agreement operated on the Mediterranean sea in July-September
- Christening of the new LNG shuttle vessel MyStar in Rauma
- Public issue of 73.7 million new shares for EUR 34.6 million
- Disposal of subsidiary Baltic Retail OÜ and exit from onshore fashion retail business
- Short-term charter agreement for Silja Europa and Romantika as accommodation vessels in Scotland in October and November



Silja Europa in Glasgow

Q3 2021 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

Q3 Selected Key Figures (financials in million euros)	2021	2020	Change
Number of passengers	1 144 092	1 314 301	-13.0%
Number of cargo units	90 538	91 578	-1.1%
Number of passenger cars	229 468	275 735	-16.8%

Revenue	170.5	143.7	18.6%
Gross profit / loss	30.3	-3.0	1 102.3%
EBITDA	35.1	5.7	516.7%
EBIT	11.5	-19.7	158.3%
Net result for the period	5.5	-23.9	123.1%

Capital expenditures	3.7	53.8	-93.1%
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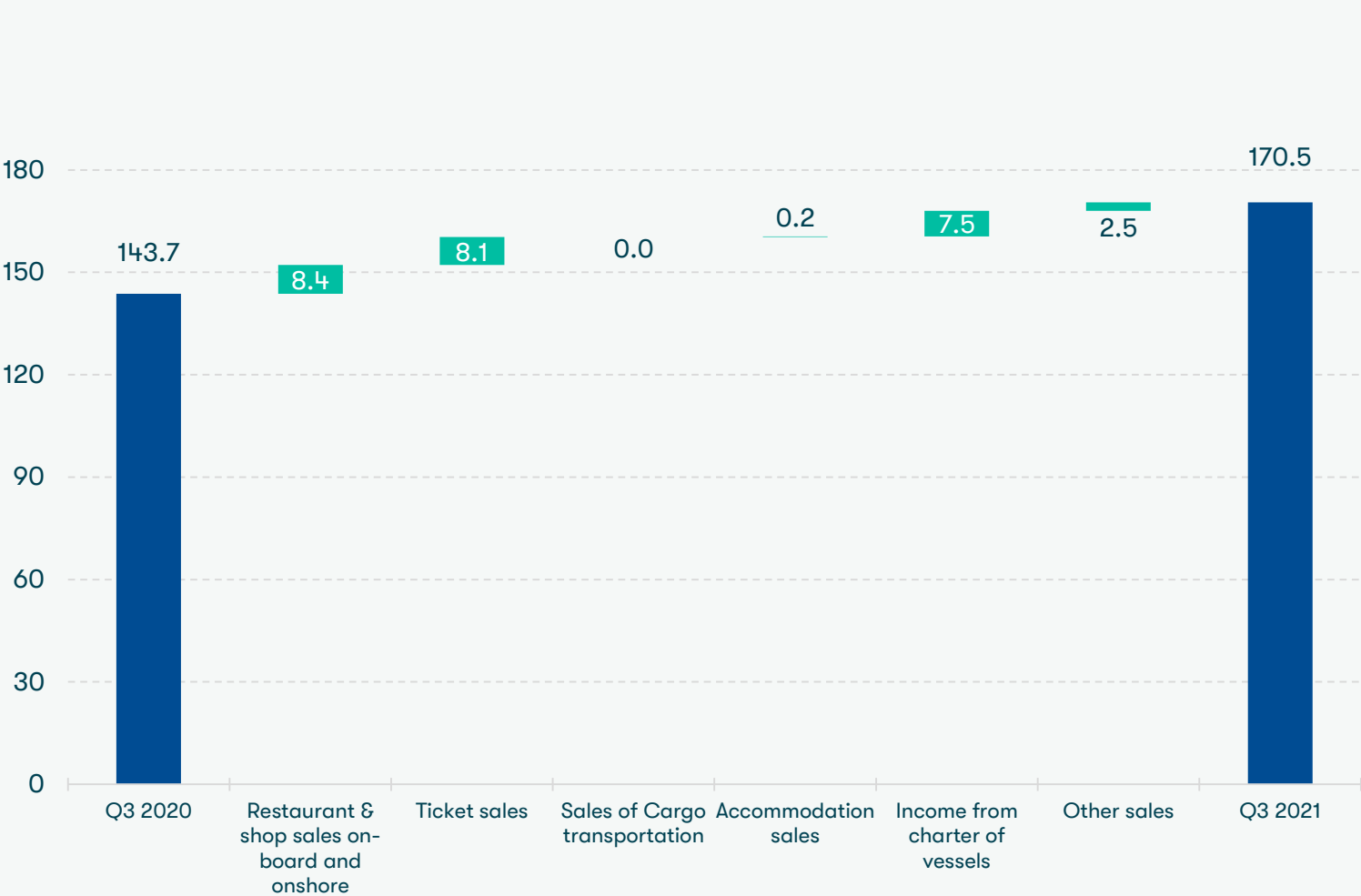
As at:	30.09.21	30.06.21	Change
Total assets	1 616.7	1 524.7	6.0%
Total equity	695.9	655.7	6.1%
Interest-bearing liabilities	802.8	744.5	7.8%
Net debt	659.7	706.7	-6.7%

2021 unaudited

- **Revenue EUR 170.5m (EUR +26.7m or 18.6% vs LY)**
 - Extensive impact from COVID-19 related travel restrictions
 - Easing of restrictions and limitations
 - More limited impact on cargo operations
 - 13% less departures compared to Q3 2020
- **Costs & support**
 - Cost of sales decreased by 4% or EUR 6.6m
 - Administrative & marketing cost decreased by 6% or EUR 1.2m
 - Very limited government support in Q3 2021 – EUR 0.3m (EUR 4.6m in Q3 2020)
- **EBITDA of EUR 35.1m (EUR +29.4m vs LY)**
- **Net profit of EUR 5.5m (EUR +29.4m vs LY)**

Q3 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

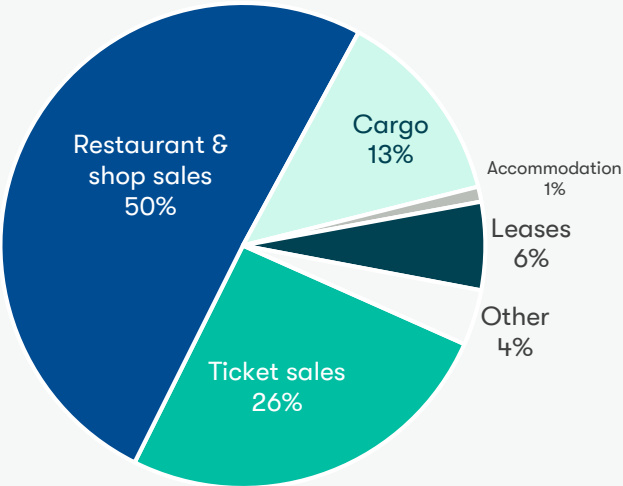
Increase in ticket sales mainly attributable to increased demand and supply of overnight routes to and from Stockholm

High competition in cargo transportation market

Operation on three hotels both in Q3 2021 and 2020

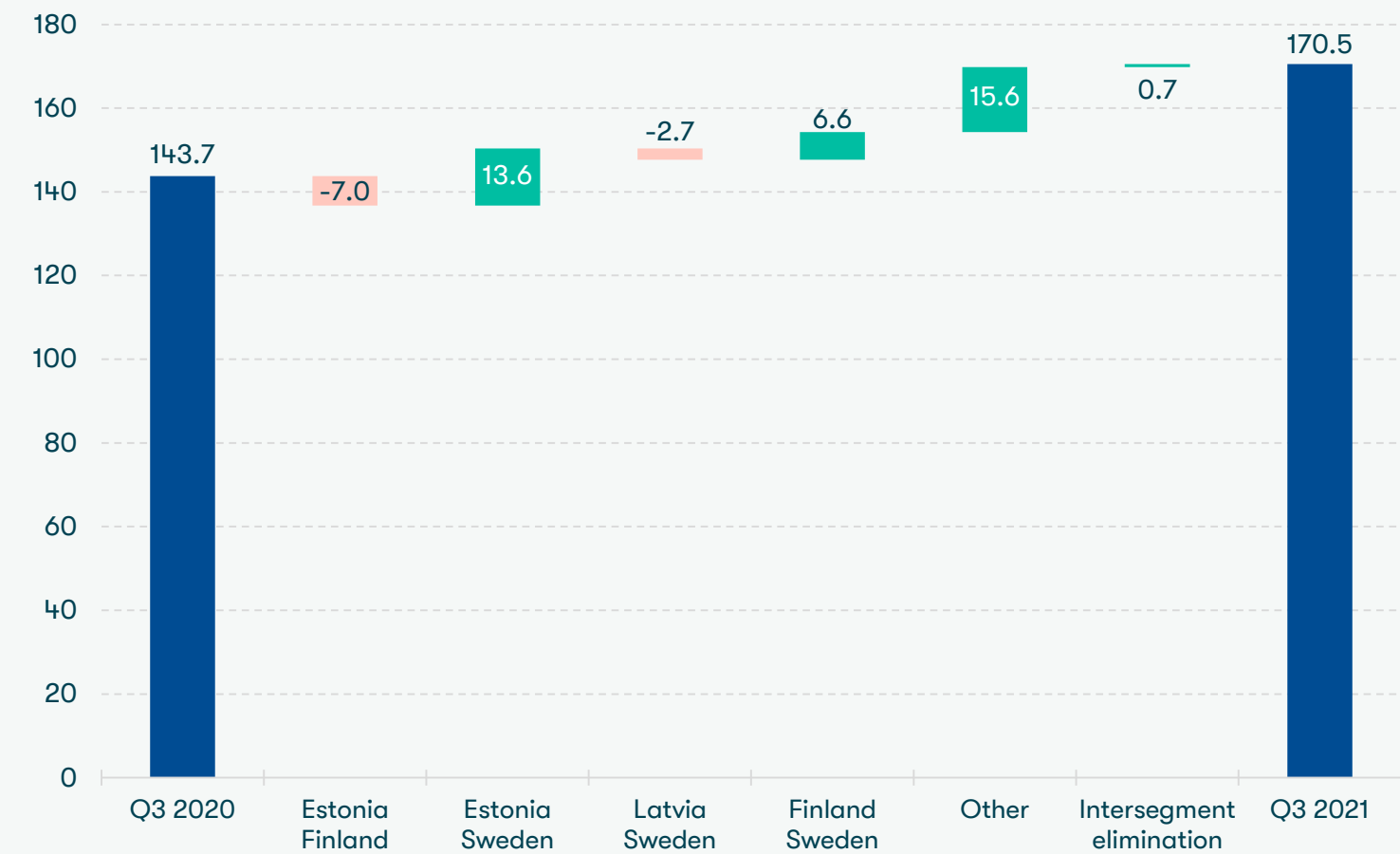
Short-term charter of Victoria I and Romantika in Q3 2021

REVENUE STRUCTURE IN Q3 2021



Q3 REVENUE DEVELOPMENT BY GEOGRAPHICAL SEGMENTS

(EUR MILLION)



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

Estonia-Finland

The results reflect operations of two shuttle vessels, a cruise ferry; a cargo vessel was docked for repairs for most of the quarter

Estonia-Sweden

The results reflect the operations of two cargo vessels on Paldiski-Kapellskär route and one cruise ferry on Tallinn-Stockholm route

Latvia-Sweden

No daily operations – ferries suspended/chartered

Finland-Sweden

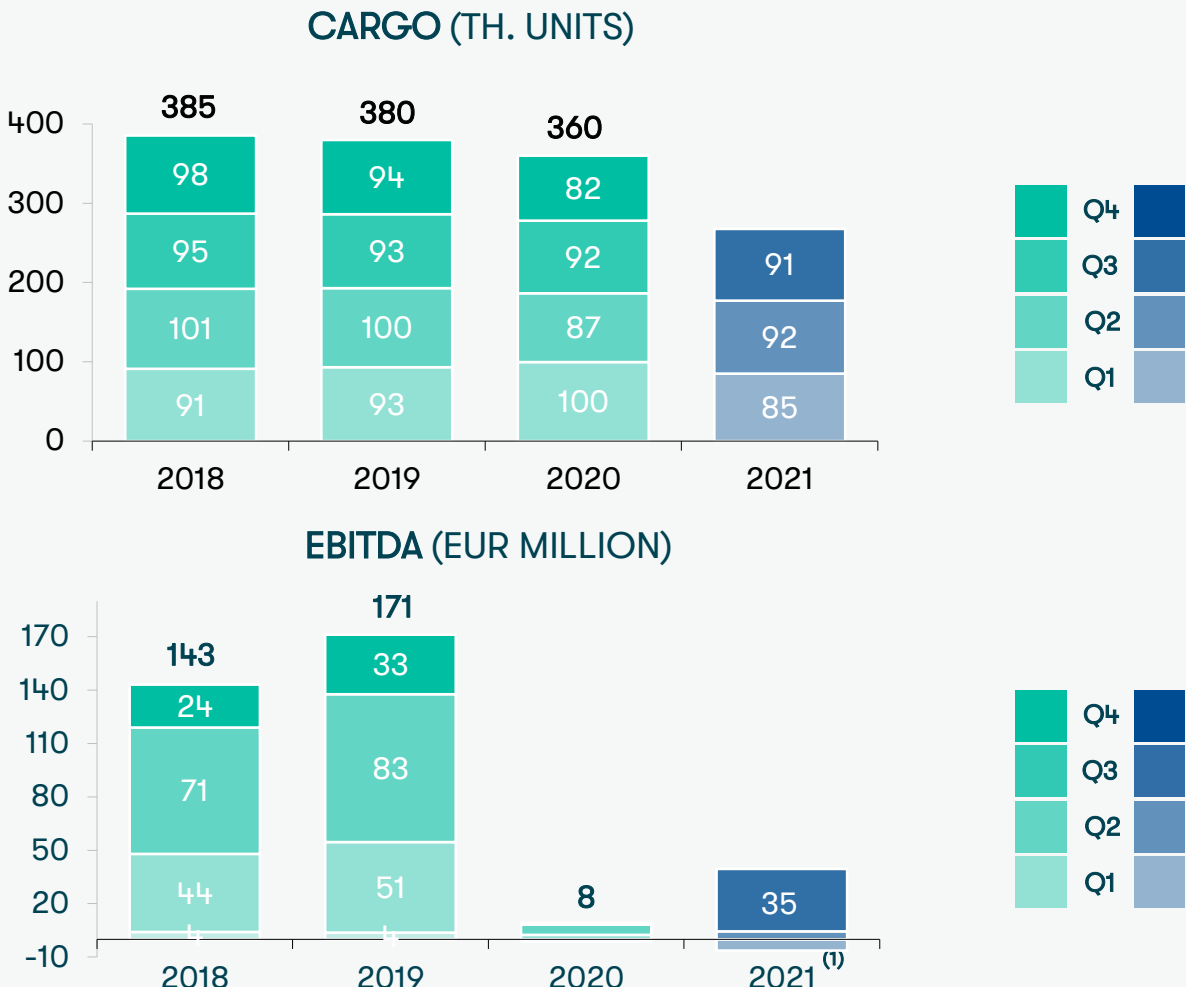
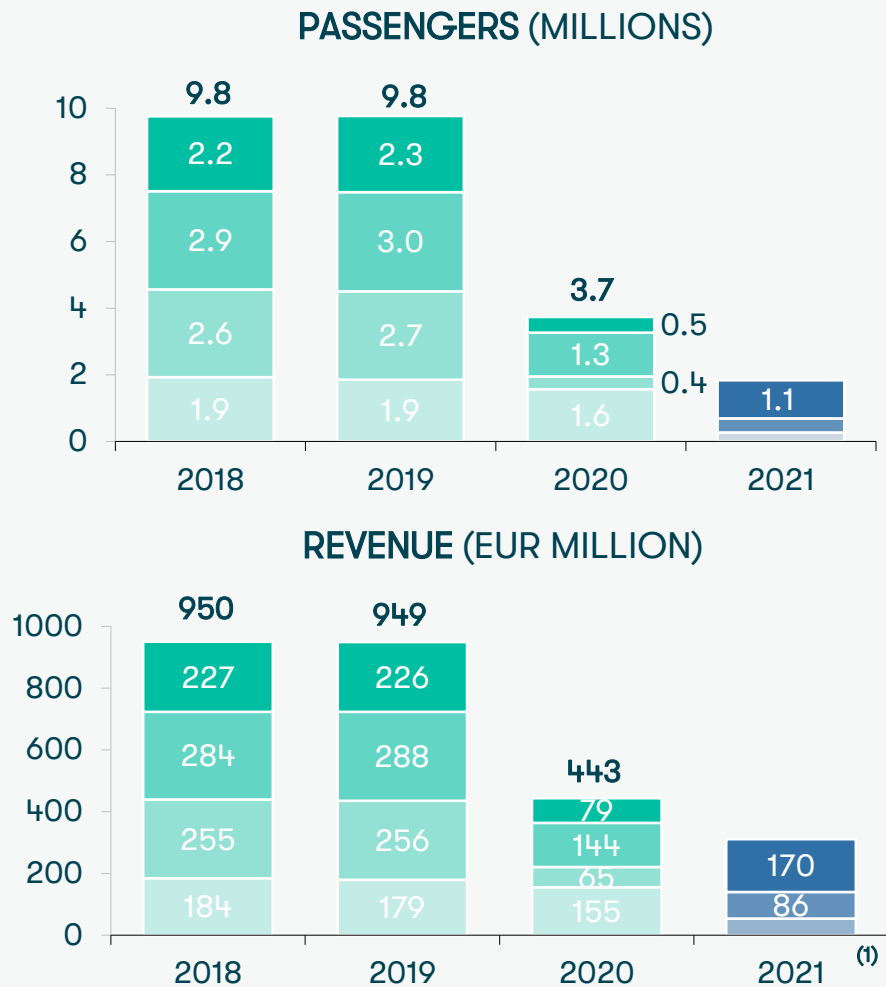
Operations of Turku-Stockholm route and restart of Helsinki-Stockholm route in August, both with two cruise ferries; domestic cruises in July and August

Other

Increase from charter revenue and from various retail activities; three hotels operated in Tallinn

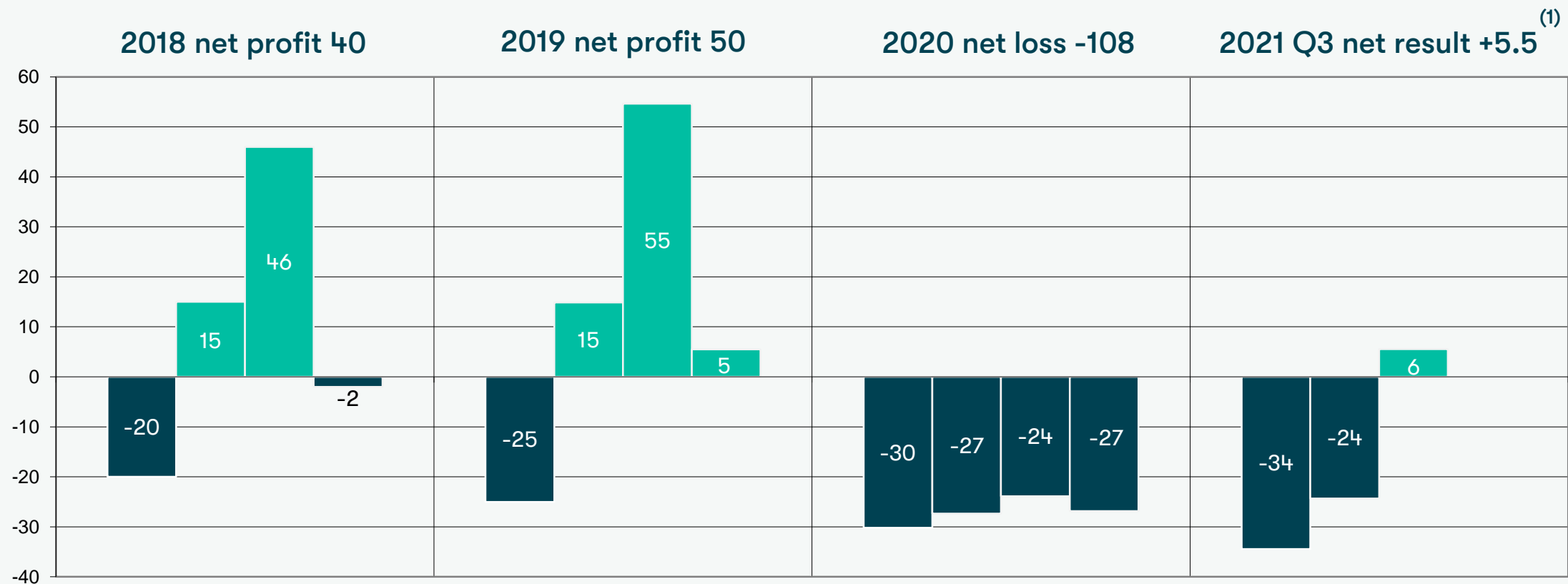
RESULTS

QUARTERLY SEASONALITY BREAKDOWN



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

CONSOLIDATED INCOME STATEMENT

(EUR million)	2019	2020	Q3 2020	Q3 2021 ⁽³⁾
Sales	949	443	144	170
Cost of sales ⁽¹⁾	(752)	(486)	(147)	(140)
Marketing & administrative cost ⁽¹⁾	(125)	(86)	(21)	(20)
Other operating items, net ⁽²⁾	2	37	5	1
EBITDA	171	8	6	35
<i>Margin (%)</i>	18.0%	1.8%	4.0%	20.6%
Net Result	50	(108)	(24)	6
EPS	0.074	(0.162)	(0.036)	0.008

CONSOLIDATED CASH FLOW STATEMENT

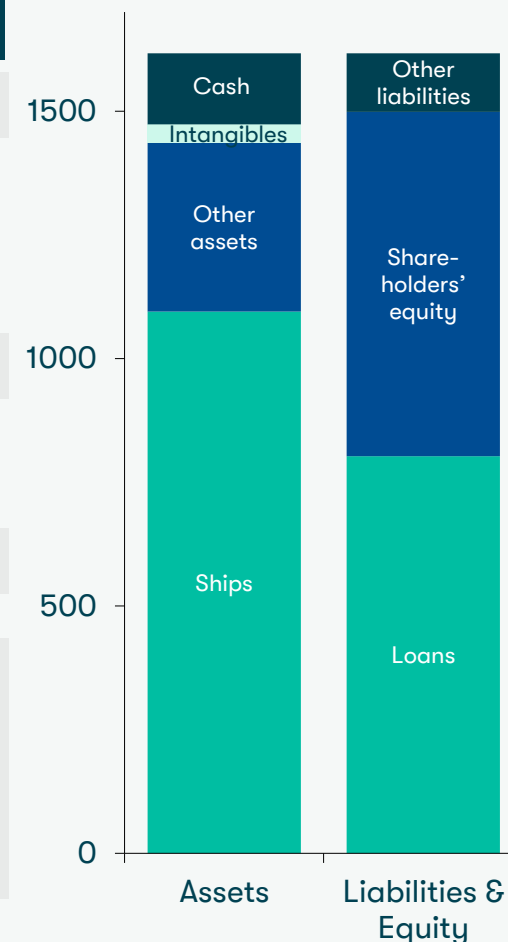
(EUR million)	2019	2020	Q3 2020	Q3 2021 ⁽¹⁾
Operating cash flow	175	(7)	0	24
Capital expenditure	(61)	(100)	(41)	(4)
Asset disposal	0	0	0	1
Free cash flow	114	(107)	(41)	21
Debt financing (net effect)	(52)	112	54	55
Interests & other financial items	(17)	(16)	(4)	(6)
Increase of share capital	0	0	0	35
Dividends & reduction of share capital	(80)	0	0	0
Income tax on dividends paid	(8)	0	0	0
Change in cash	(43)	(11)	9	105

Totals may not sum due to rounding

(1) 2021 unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2019	30.09.2020	31.12.2020	30.09.2021 ⁽²⁾
Total assets	1 533	1 543	1 516	1 617
Non-current assets	1 412	1 443	1 427	1 389
Current assets	121	100	89	227
- of which cash	39	31	28	143
Total liabilities	710	801	802	921
Interest bearing liabilities	578	671	705	803
Other liabilities	132	130	97	118
Shareholders' equity	823	742	714	696
Net debt/EBITDA	3.1x	15.9x	84.2x	19.2x
Net debt	539	640	677	660
Equity/assets ratio	54%	48%	47%	43%
BVPS ⁽¹⁾ (in EUR)	1.23	1.11	1.07	0.94



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) Unaudited

DEBT STRUCTURE

LONG TERM BANK LOANS

- EUR 663 million as at 30.09.2021
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 1-8 years
- EUR denominated, fixed and EURIBOR floating

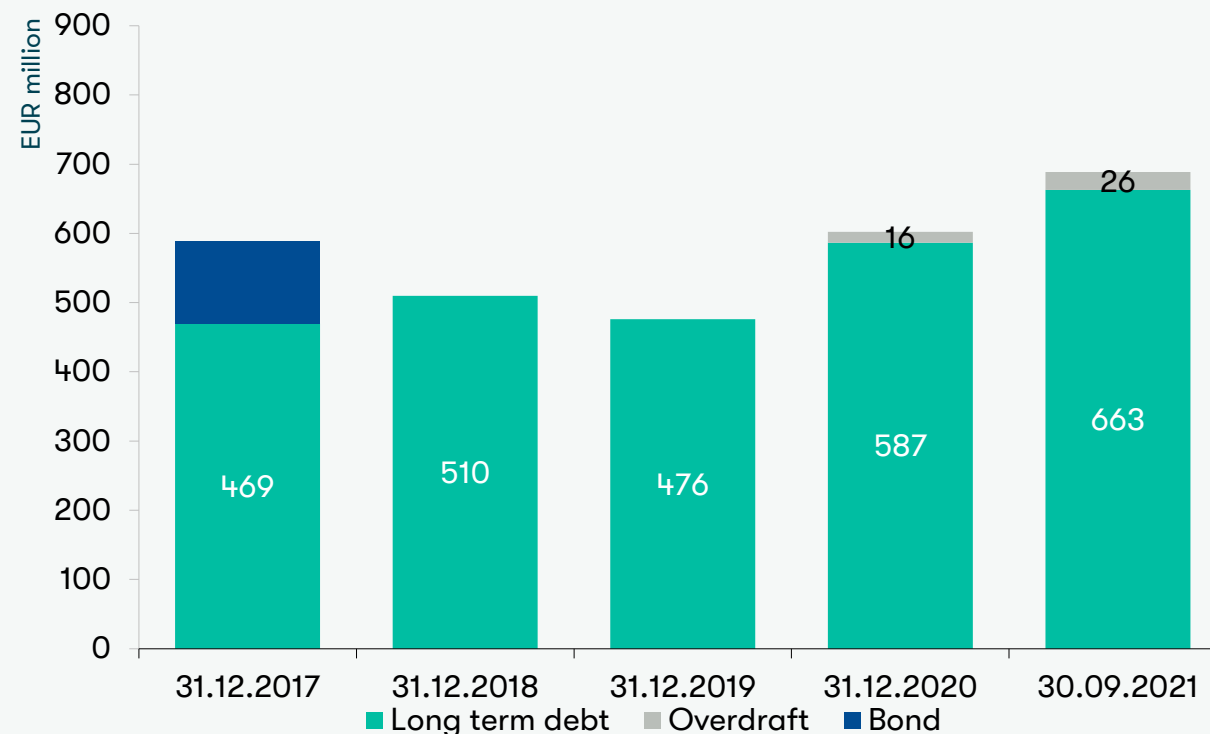
OVERDRAFTS (as at 30.09.2021)

- EUR 26 million used
- EUR 109 million unused

SIGNED, NOT YET DRAWN

- EUR 198 million from KfW IPEX-Bank GmbH (MyStar)

Total EUR 689 million long-term bank loans and used overdrafts as at 30.09.2021



2021 unaudited

PRINCIPAL PAYMENTS UNDER EXISTING LOAN AGREEMENTS POSTPONED

EVENTS AFTER THE REPORTING PERIOD & OUTLOOK



Burger King restaurant in Vilnius

- One new Burger King Restaurant opened in Vilnius in late October. Four more restaurants planned to be opened in Q4 in Latvia and Lithuania.
- Difficult situation with vaccination against COVID-19 in Estonia and Latvia and recent high and continuously growing infection and hospitalisation rates increase risk for significantly reduced attractiveness as travel destination and for new restrictions.
- Continuously exploring options for chartering out vessels.

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 or imposing of travel restrictions and allowing passenger traffic, passengers' willingness to travel as well as the duration of the recovery period.

Management expects the passenger traffic between Estonia and Finland to recover after vaccination, infection and hospitalisation rates in Estonia improve and travelling restrictions remain lifted.

QUESTIONS & ANSWERS

The background of the slide features a serene landscape of a calm sea meeting a clear, light blue sky at a bright, glowing horizon. The water in the foreground is a deep teal color, covered in fine, shimmering ripples that catch the light. The sky transitions from a pale blue near the horizon to a slightly deeper blue at the top. The overall composition is clean and minimalist, emphasizing the vastness and tranquility of the natural scene.

THANK YOU



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