

Q1 2022

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 (1 suspended)
- Operating four hotels (1 closed)

KEY FACTS

- Revenue of EUR 477 million in 2021
- Served 3.0 million passengers in 2021
- Transported 369 thousand cargo units
- Operating EUR 1.6 billion asset base
- 4 740 employees (end of Q1 2022)
- 2.9 million loyalty program members
- 38 953 shareholders and FDR-holders of which 29 576 on Tallinn Stock Exchange and 9 377 on Helsinki Stock Exchange



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

Q1 2022 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

Q1 Selected Key Figures (financials in million euros)	2022	2021	Change
Number of passengers	720 261	267 224	169.5%
Number of cargo units	101 938	85 156	19.7%
Number of passenger cars	140 380	75 815	85.2%
Revenue	106.1	53.7	97.5%
Gross profit / loss	-19.9	-20.0	0.4%
EBITDA	-11.0	-6.3	-73.6%
EBIT	-34.6	-30.0	-15.5%
Net result for the period	-40.0	-34.4	-16.1%
Capital expenditures	8.9	4.2	111.8%
As at:	31.03.22	31.12.21	Change
Total assets	1 560.2	1 585.9	-1.6%
Total equity	652.5	692.5	-5.8%
Interest-bearing liabilities	789.5	779.9	1.2%
Net debt	688.5	652.4	5.5%

2022 unaudited

- **Revenue EUR 106.1m (EUR +52.4m or 97.5% vs LY)**
 - Impact of COVID-19 Omicron variant in the beginning of the quarter
 - Lifting of travel restrictions in Sweden, Finland and Estonia contributed to demand for travel
 - Impact from geopolitical and military conflict in Europe
 - 4% more departures compared to Q1 2021
- **Costs & support**
 - Cost of sales increased by 71% or EUR 52.3m
 - Fuel cost increased by 153% or EUR 17.1m
 - Limited government support of EUR 3.5m (EUR 5.0m in Q1 2021)
- **EBITDA of EUR -11.0m (EUR -4.6m vs LY)**
- **Net loss of EUR -40.0m (EUR -5.6m vs LY)**

Q1 2022 SALES & RESULTS BY GEOGRAPHICAL SEGMENTS

Route	Key Figures (financials in EUR million)	2022	2021	Change	All routes affected by COVID-19, travel restrictions
Estonia- Finland	Passengers (thousands)	428	201	112.4%	The results reflect operations of two shuttle vessels and one cargo vessel, as well as expenses of the suspended cruise ferry Silja Europa
	Cargo units (thousands)	70	58	21.5%	
	Revenue	41.3	24.8	66.8%	
	Segment result	-1.4	-4.9	72.3%	
Finland- Sweden	Passengers (thousands)	230	56	310.0%	The results reflect the operations of Turku-Stockholm and Helsinki-Stockholm routes
	Cargo units (thousands)	19	17	11.2%	
	Revenue	37.6	14.8	154.1%	
	Segment result	-13.8	-13.3	-3.7%	
Estonia- Sweden	Passengers (thousands)	63	10	544.8%	The results reflect the operations of two cargo vessels on Paldiski-Kapellskär route and one cruise ferry on Tallinn-Stockholm route, as well as expenses of a suspended cruise ferry Victoria I
	Cargo units (thousands)	13	11	23.4%	
	Revenue	12.3	4.9	149.2%	
	Segment result	-6.8	-3.2	-111.3%	
Latvia- Sweden	Passengers (thousands)	0	0	0.0%	The Latvia-Sweden route result reflects expenses of the suspended cruise ferries Isabelle as well as Romantika before the start of her charter period
	Cargo units (thousands)	0	0	0.0%	
	Revenue	0.1	0.0	0.0%	
	Segment result	-5.0	-3.5	-42.8%	
Other	Revenue	15.2	9.2	64.9%	Increase was mainly driven by accommodation sales, various retail activities and to a lesser extent by chartering of vessels
	Segment result	-0.3	-0.1	-289.1%	
	Intersegment revenue	-0.4	0.0	-	

Segment result is the result before administrative expenses, finance costs and taxes
2022 unaudited

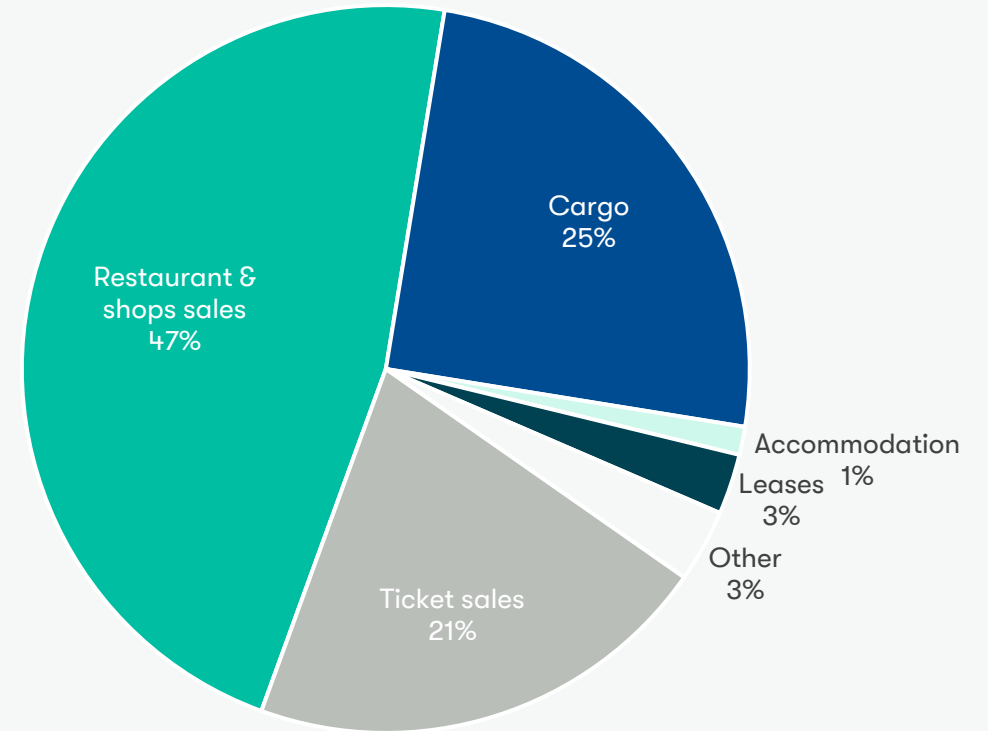
Q1 2022 SALES & RESULTS BY OPERATIONAL SEGMENTS

Revenue (EUR million)	2022	2021	Change
Restaurant and shop sales on-board and onshore	49.9	20.2	147.1%
Ticket sales	22.1	7.6	191.8%
Sales of cargo transportation	26.5	22.1	20.1%
Accommodation sales	1.3	0.1	1 272.5%
Income from charter of vessels	2.9	2.3	24.2%
Other sales	3.4	1.5	126.1%
Total revenue	106.1	53.7	97.5%

- Restaurant and shop sales on-board and onshore increased mainly due to higher number of passengers
- Increase in ticket sales attributable to increased demand and increased supply of overnight routes to and from Stockholm
- High competition in cargo transportation market
- Operation of three hotels in Q1 2022 (two hotels were open in Q1 2021)
- Start of long-term charter for Romantika from late March

2022 unaudited

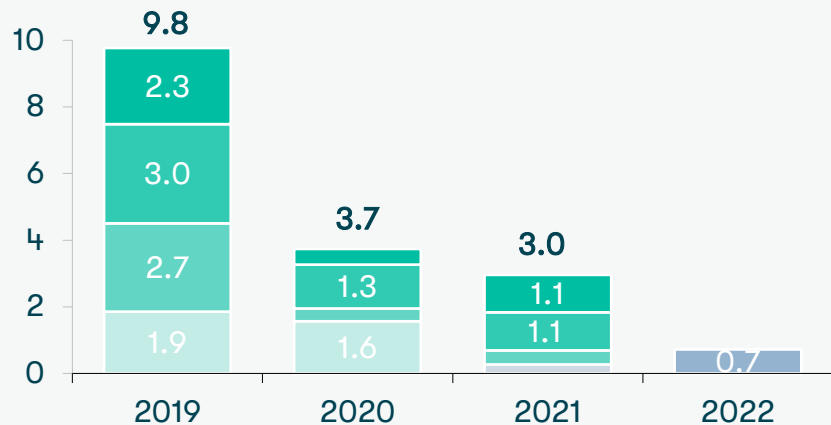
REVENUE STRUCTURE IN Q1 2022



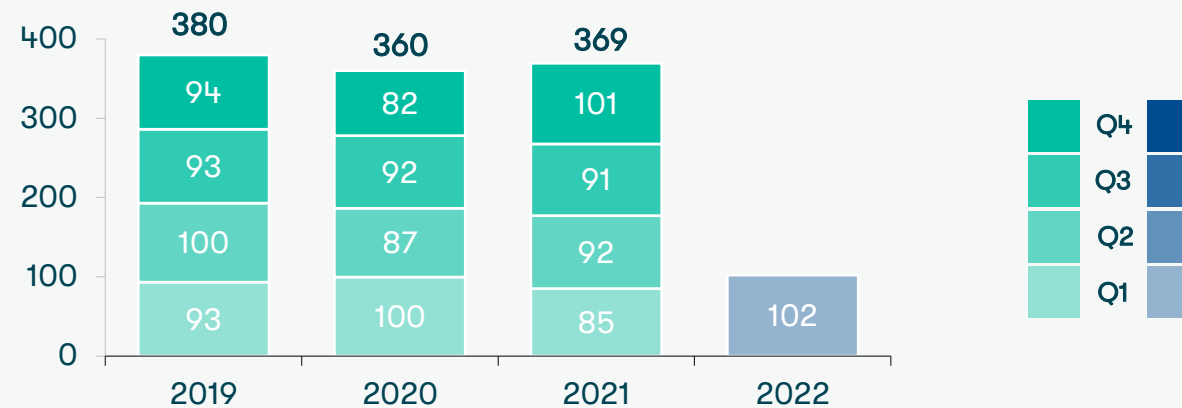
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

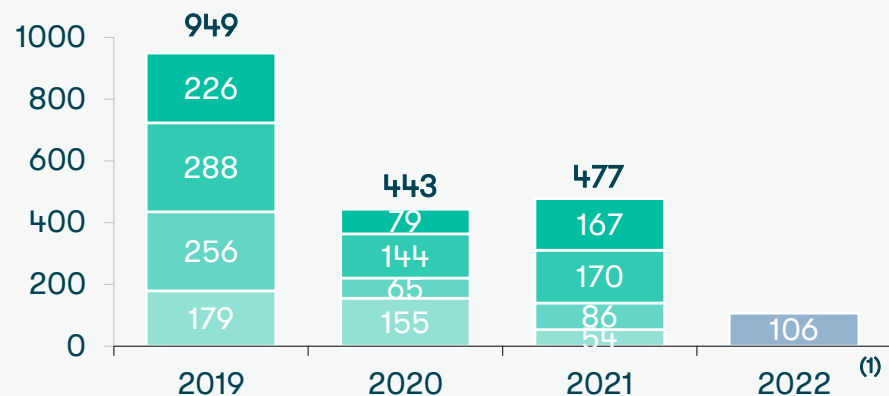
PASSENGERS (MILLIONS)



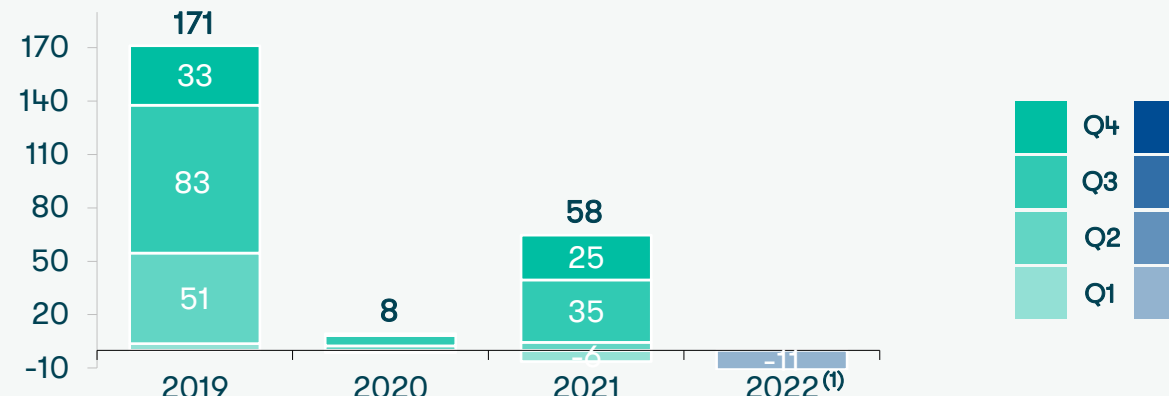
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

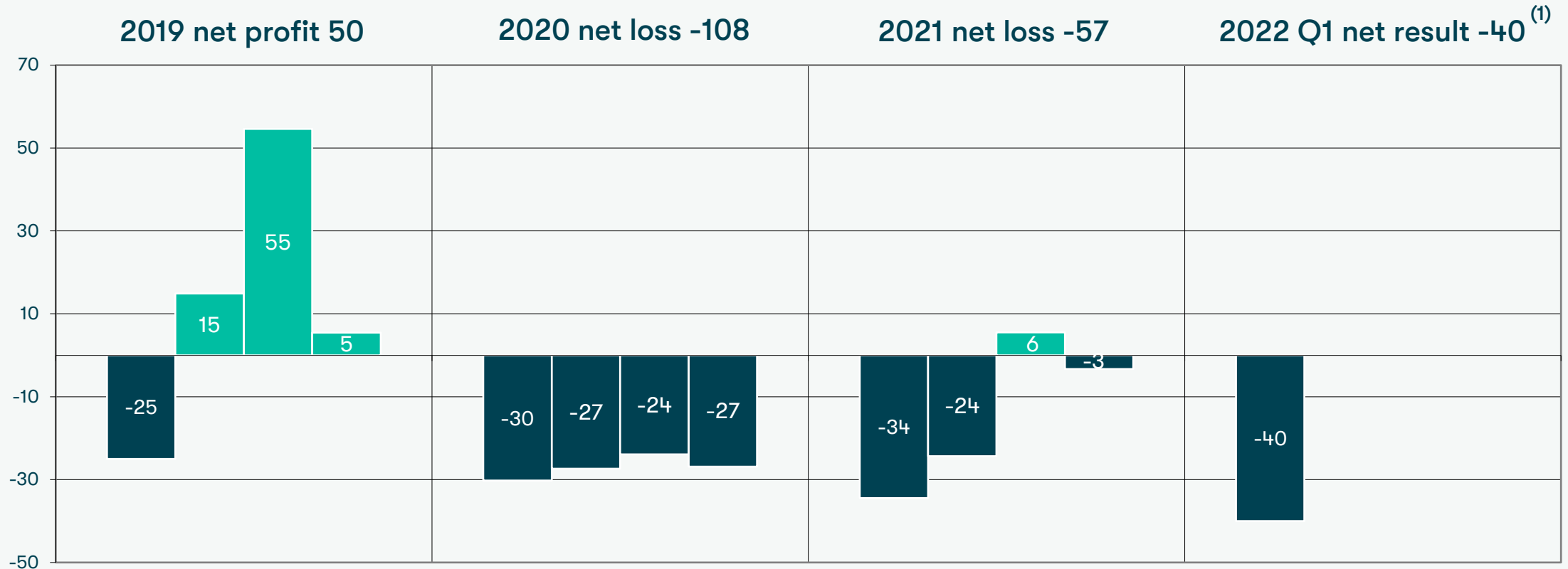


EBITDA (EUR MILLION)



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

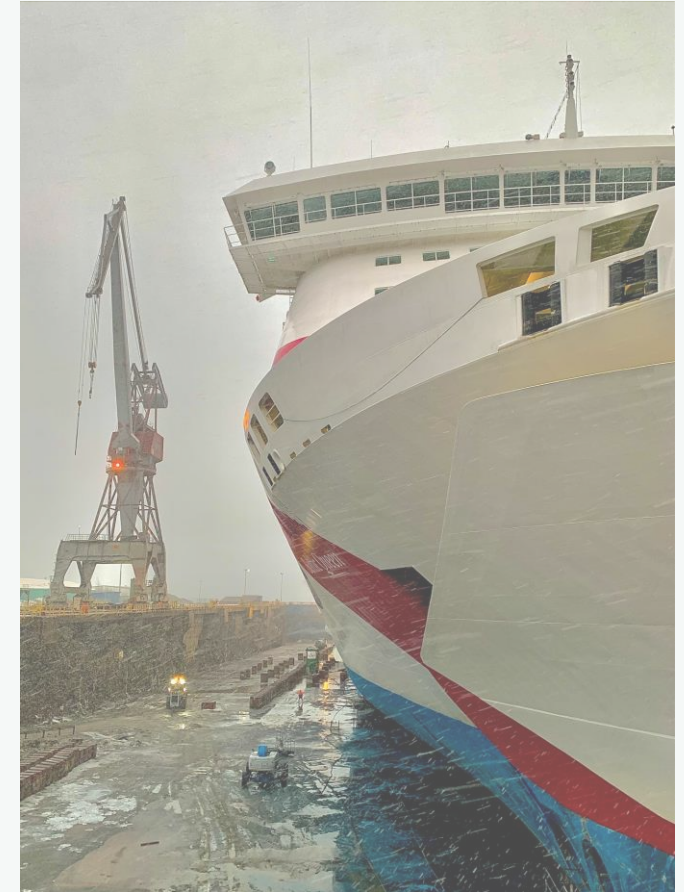
2022 Q1 DEVELOPMENTS AND KEY FACTS

OPERATING ENVIRONMENT

- Impact of Omicron variant in the beginning of the quarter
- Lifting of travel restrictions in Group's home markets in Sweden, Finland and Estonia from February and March contributing to the increase in number of bookings
- Geopolitical situation and armed conflict in Europe since February and rapid increase in global fuel prices

ACTIVITIES AND EVENTS

- Temporary scale-back of operations of cruise ferries
- Long-term charter of cruise ferry Romantika from late March
- Planned dockings of 8 vessels
- One new Burger King Restaurant opened in Riga, Latvia, in January
- Compromise agreement for termination of dispute with Port of Tallinn (AS Tallinna Sadam) regarding port fees



Baltic Queen in Naantali

EVENTS AFTER THE REPORTING PERIOD & OUTLOOK

Pilt?



Isabelle, March 2022

- Short-term chartering of cruise ferry Isabelle Riga-Stockholm route not operated in 2022
- Disposal of the cargo vessel Sea Wind
- Continuously exploring options for chartering out vessels
- The new dual fuel (LNG, MGO) shuttle vessel MyStar is expected to be delivered and start operations on the Tallinn-Helsinki route in Q3 2022

Despite the uncertainties in the outlook of the economic environment the management expects a quicker recovery in the passenger traffic from the second quarter of 2022.

CONSOLIDATED INCOME STATEMENT

(EUR million)	2020	2021	Q1 2021	Q1 2022 ⁽³⁾
Sales	443	477	54	106
Cost of sales ⁽¹⁾	(486)	(455)	(74)	(126)
Marketing & administrative cost ⁽¹⁾	(86)	(75)	(15)	(18)
Other operating items, net ⁽²⁾	37	16	5	4
EBITDA	8	58	(6)	(11)
<i>Margin (%)</i>	1.8%	12.2%	(11.7%)	(10.3%)
Net Result	(108)	(57)	(34)	(40)
EPS	(0.162)	(0.081)	(0.051)	(0.054)

CONSOLIDATED CASH FLOW STATEMENT

(EUR million)	2020	2021	Q1 2021	Q1 2022 ⁽¹⁾
Operating cash flow	(7)	59	(22)	(18)
Capital expenditure	(100)	(20)	(4)	(9)
Asset disposal	0	1	0	0
Free cash flow	(107)	40	(26)	(27)
Debt financing (net effect)	112	44	19	7
Interests & other financial items	(16)	(19)	(5)	(6)
Increase of share capital	0	35	0	0
Change in cash	(11)	100	(13)	(27)

Totals may not sum due to rounding

(1) 2022 unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2020	31.03.2021	31.12.2021	31.03.2022 ⁽²⁾
Total assets	1 516	1 493	1 586	1 560
Non-current assets	1 427	1 410	1 383	1 372
Current assets	89	83	203	188
- of which cash	28	15	128	101
Total liabilities	802	812	893	908
Interest bearing liabilities	705	728	780	789
Other liabilities	97	84	113	118
Shareholders' equity	714	680	693	653
Net debt/EBITDA	84.2x	238.7x	11.2x	12.8x
Net debt	677	714	652	688
Equity/assets ratio	47%	46%	44%	42%
BVPS⁽¹⁾ (in EUR)	1.07	1.02	0.93	0.88



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) 2022 unaudited

DEBT STRUCTURE

LONG TERM BANK LOANS

- EUR 663 million as at 31.03.2022
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 1-8 years
- EUR denominated, fixed and EURIBOR floating

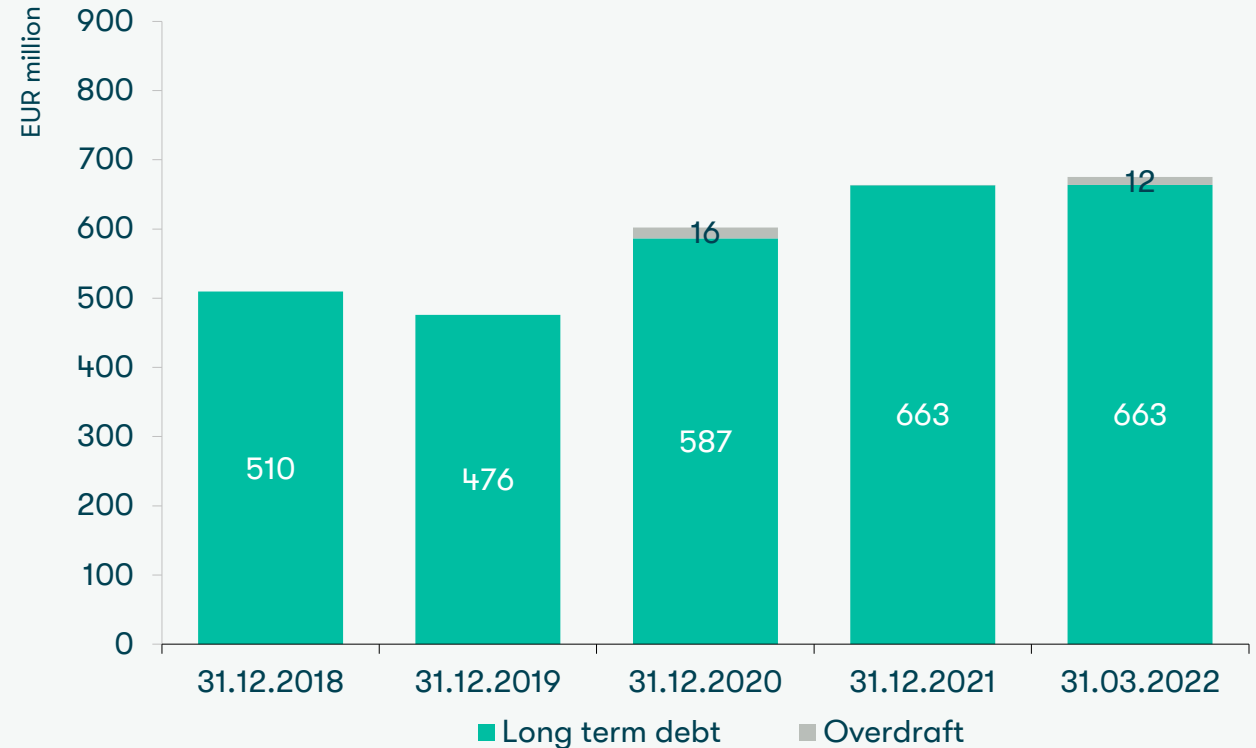
OVERDRAFTS (as at 31.03.2022)

- EUR 11.6 million used
- EUR 123.4 million unused

SIGNED, NOT YET DRAWN

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

Total EUR 675 million long-term bank loans and used overdrafts as at 31.03.2022



2022 unaudited

PRINCIPAL PAYMENTS UNDER EXISTING LOAN AGREEMENTS POSTPONED

CORPORATE GOVERNANCE

MANAGEMENT BOARD

Paavo Nõgene – Chairman of the Management Board



Born in 1980, with the company since 2018
CEO since May, 2018

Kadri Land



Born in 1964, with the company since 2005.
 Member of Management Board since February, 2019

Harri Hanschmidt



Born in 1982, with the company since 2009.
 Member of Management Board since February, 2019

Piret Mürk-Dubout



Born in 1970, with the company and Member of Management Board since April, 2019

Margus Schults



Born in 1966, with the company since 2008
 Member of Management Board since April, 2021

Enn Pant - Chairman of the Supervisory Board



Born in 1965, with the company since 1996
Chairman of the Supervisory Board since 2015
 CEO of AS Tallink Grupp in 1996-2015

Toivo Ninnas



Born in 1940, with the Supervisory Board since 1997

Kalev Järvelill



Born in 1965, with the Supervisory Board since 2007

Eve Pant



Born in 1968, with the Supervisory Board since 1997

Ain Hanschmidt



Born in 1961, with the Supervisory Board since 2005

Raino Paron



Born in 1965, with the Supervisory Board since 2019

Colin Douglas Clark

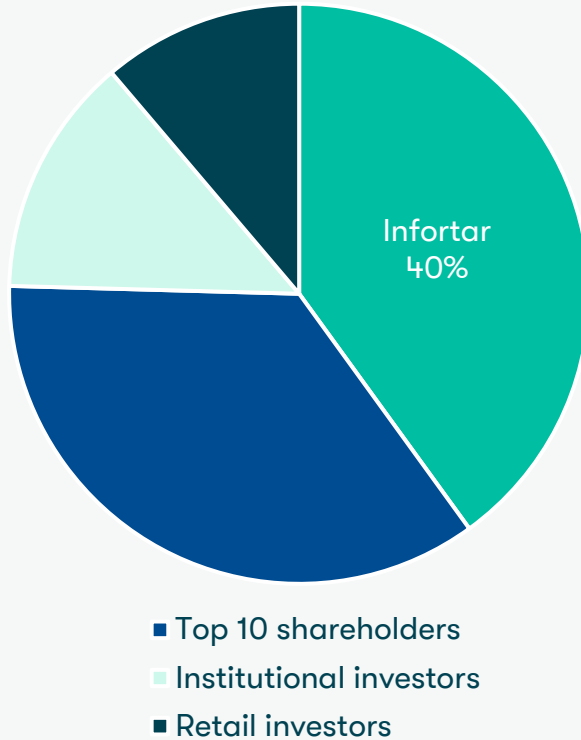


Born in 1974, with the Supervisory Board since 2013

SUPERVISORY BOARD

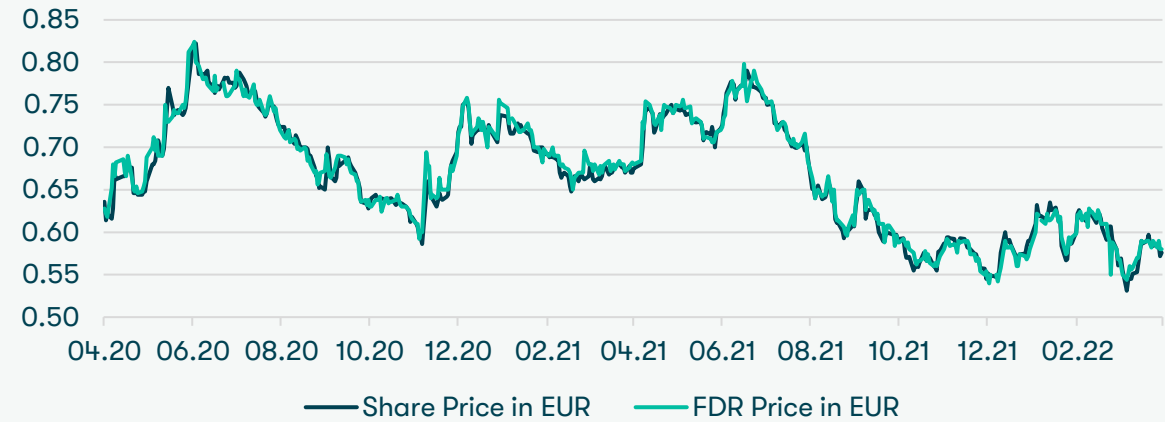
SHAREHOLDERS AND SHARE PERFORMANCE

SHAREHOLDERS OF AS TALLINK GRUPP



TEN LARGEST SHAREHOLDERS AS OF 31.03.2022

Infortar AS	40%
Baltic Cruises Holding, L.P.	11%
ING Luxembourg S.A. AIF Account	6%
Baltic Cruises Investment L.P.	6%
Citigroup Venture Capital International G.P	4%
Nordea Bank Abp / Clients FDR	4%
Mersok OÜ	2%
Luksusjaht AS	1%
Clearstream Banking AG	1%
LHV Pensionifond L	1%



THANK YOU



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