

23 AUGUST 2021

# INVESTOR PRESENTATION



# PRESENTERS



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**PAAVO NÕGENE**  
CHAIRMAN OF THE  
MANAGEMENT BOARD

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**HARRI HANSCHMIDT**  
MEMBER OF THE  
MANAGEMENT BOARD

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**MARGUS SCHULTS**  
MEMBER OF THE  
MANAGEMENT BOARD

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**JOONAS JOOST**  
FINANCIAL DIRECTOR

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# OVERVIEW OF TALLINK GRUPP



## OPERATIONS

- Fleet of 15 vessels
- 7 ferry routes (1 suspended)
- Operating 4 hotels (1 closed until high season of 2022)

## KEY FACTS/KPIs

- Revenue of EUR 86m in Q2 2021 (EUR 65m in Q2 2020) and EUR 443m in 2020 (EUR 949m in 2019)
- Served 427 767 passengers in Q2 2021 (388 212 in Q2 2020)
- Transported 91 990 cargo units in Q2 2021 (86 755 in Q2 2020)
- EUR 1 525m asset base
- 4 352 employees as at 30.06.2021



## COMPANY IN POSITION TO EFFECTIVELY OVERCOME DIFFICULTIES IMPOSED BY COVID-19

### 1. Sustainable and cost efficient operations

- Company has effectively managed to reduce cost base during the crisis
- Number of personnel decreased by 45% in Q2 2021 versus Q2 2019
- Enables to use more flexible personnel structure going forward which is also favourable due to reasonable nature of the business

### 2. New business lines and ad-hoc routes keeping business operations active and diversified

- 6 new ad-hoc routes or special cruises in 2020 and 2021
- Extension of on-shore business operations by opening 10 new Burger King restaurants during 2020-2021 H1
- Webshop revenue up to EUR 6.5m in 2020 from EUR 1.0m in 2019
- Chartering vessels, currently 3 (Atlantic Vision, Victoria I, Romantika)

### 3. Solid liquidity buffer

- Company has liquidity buffer of EUR 116.7m as at 30.06.2021
- In addition, undrawn part of EUR 90m of the EUR 100m working capital loan from NIB

# CORPORATE GOVERNANCE

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

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

# SHAREHOLDERS AND TRADING UPDATE

## TEN LARGEST SHAREHOLDERS AS AT 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 on 30 June 2021

## SHAREHOLDERS OF TALLINK



## TRADING UPDATE



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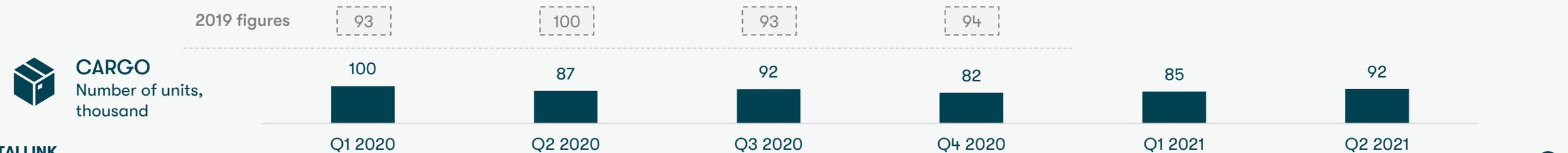
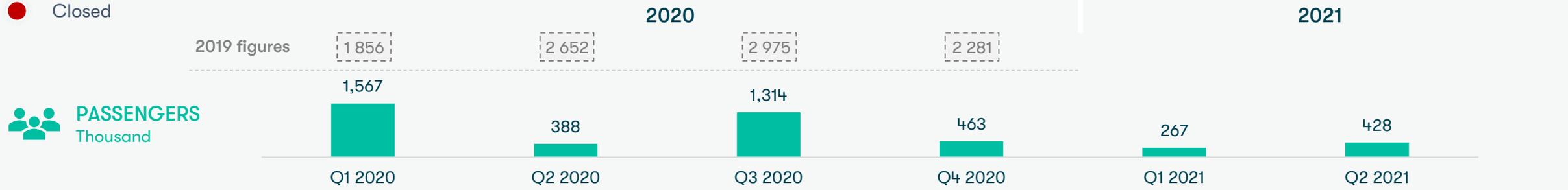
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# COVID-19 IMPACT

## OVERVIEW OF COVID-19 IMPACT ON BUSINESS OPERATIONS

### PASSENGERS

Estonia – Finland	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Finland – Sweden	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Estonia – Sweden	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Latvia – Sweden	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CARGO	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
● Open	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
● Limited capacity	Q1			Q2			Q3			Q4			Q1			Q2			
● Closed	2020												2021						



# ASSET BASE - VESSELS

## OVERVIEW OF VESSELS (AS AT 31.07.2021)

Vessel name	Vessel type	Built/renovated	Original route	Status
Star	High-speed ro-pax	2007	Finland-Estonia	Active
Megastar	High-speed ro-pax	2017	Finland-Estonia	Active
Silja Europa	Cruise ferry	1993/2006	Finland-Estonia	Active
Sea Wind	Ro-ro cargo vessel	1972/1989	Finland-Estonia	Active
Baltic Queen	Cruise ferry	2009	Sweden-Estonia	Active
Regal Star	Ro-ro cargo vessel	1999	Sweden-Estonia	Active
Sailor	Ro-ro cargo vessel	1987	Sweden-Estonia	Active
Galaxy	Cruise ferry	2006	Finland-Sweden	Active
Baltic Princess	Cruise ferry	2008	Finland-Sweden	Active
1 Silja Symphony	Cruise ferry	1991	Finland-Sweden	Active
2 Silja Serenade	Cruise ferry	1990	Finland-Sweden	Active
Atlantic Vision	High-speed ro-pax	2002	Canada	Long-term charter
Victoria I	Cruise ferry	2004	Sweden-Estonia	Short-term charter
Romantika	Cruise ferry	2002	Sweden-Latvia	Short-term charter
Isabelle	Cruise ferry	1989	Sweden-Latvia	Inactive

### 1 Silja Symphony

- Swedish domestic cruises in July and August
- Re-scheduled to Helsinki-Stockholm from 27.08.2021 onward

### 2 Silja Serenade

- Started on Tallinn-Helsinki on 4.06.2021
- On Helsinki-Aland from 24.06.2021
- Re-scheduled to Helsinki-Stockholm route on 1.08.2021

# ASSET BASE - HOTELS



## Tallink City Hotel

- Operations suspended from mid-March 2020 due to renovation
- Hotel opened on 30.06.2021



## Tallink Express Hotel

- Operational in limited capacity during mid-March 2020 until mid-June 2020 and from autumn 2020 until February 2021
- Operational in high season of 2020
- Limited capacity operations from mid-March 2021, opened in July 2021



## Tallink Spa & Conference Hotel

- Operations suspended from mid-March 2020
- Operational from mid-June 2020 until late autumn 2020 and in limited capacity from autumn 2020 until February 2021
- Operations effectively suspended from March 2021 and opened on 25.06.2021



## Tallink Hotel Riga

- Operations suspended from mid-March 2020
- Operational from mid-June 2020 until mid-October 2020
- Hotel operations suspended from mid-October 2020 and throughout 2021

# KEY EVENTS DURING 2020 - YTD 2021

## 2020



Completion of pre-payments for **MyStar** and start of the construction of the vessel

Cost cutting and extensive reorganisation enabling more efficient business operations

Tallink **webshop** achieved **significant growth** during 2020



Additional **cargo vessel Sailor** acquired and started operating on the Paldiski-Kapellskär route from July



**8 Burger King restaurants** opened across the Baltic states by the end of 2020



Renovation of **Tallink City Hotel**

**3 temporary** pop-up routes and a number of **special cruises** operated during 2020

**Helsinki-Riga**

**Tallinn-Turku**

**Stockholm-Visby**

**Stockholm-Härnösand**

**Helsinki-Saaremaa**

**Tallinn-Riga special cruises**

## YTD 2021<sup>(1)</sup>

Opening of **two Burger King** restaurants in Latvia



Re-opening of **Tallink City Hotel**

Re-start of **Tallinn-Stockholm & Helsinki-Stockholm** routes

New destination added to Swedish domestic routes: **Stockholm-Ystad**

Short-term time-charter agreements for the vessels **Victoria I and Romantika**, which will operate on international shipping routes in the Mediterranean

Christening of **MyStar** on 12.08.2021



Sold 100% of shares in its subsidiary Baltic Retail OÜ, which focuses on onshore fashion retail business

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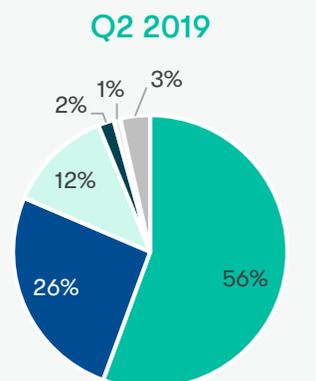
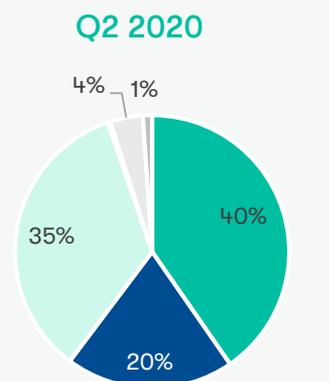
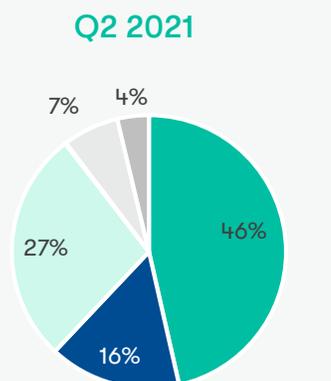
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# SALES AND RESULTS BY GEOGRAPHICAL SEGMENTS

Route	Key figures (financials in EURm)	Q2 2021 <sup>(1)</sup>	Q2 2020	Q2 2019	Comments
Estonia-Finland	Passengers (thousands)	336	323	1 385	<ul style="list-style-type: none"> <li>For 2021, the results reflect the operations of the Estonia-Finland two shuttle vessels, a cargo vessel and two cruise ferries in June</li> <li>The results include also the operations of the Paldiski-Sassnitz (Q2 2020) and the Tallinn-Mariehamn routes but do not reflect Finland's National Emergency Supply Agency support</li> </ul>
	Cargo units (thousands)	64	60	64	
	Revenue	41.1	33.6	94.9	
	Costs	-40.9	-36.0	-73.4	
	Segment results <sup>(1)</sup>	0.2	-2.4	21.5	
Finland-Sweden	Passengers (thousands)	82	54	772	<ul style="list-style-type: none"> <li>The results reflect the operations of two cruise ferries on Turku-Stockholm route and suspended Helsinki-Stockholm route cruise ferries</li> <li>Also include the operations of the Helsinki-Riga route (Q2 2020) as well as the expenses related to the suspended Helsinki-Stockholm route but do not reflect Finland's National Emergency Supply Agency support</li> </ul>
	Cargo units (thousands)	17	18	20	
	Revenue	18.8	16.2	89.6	
	Costs	-30.3	-34.6	-80.3	
	Segment results <sup>(1)</sup>	-11.5	-18.4	9.3	
Estonia-Sweden	Passengers (thousands)	10	8	271	<ul style="list-style-type: none"> <li>The results reflect the operations of the Paldiski-Kapellskär route and the expenses related to the suspended operations of the Tallinn-Stockholm route</li> </ul>
	Cargo units (thousands)	11	9	12	
	Revenue	6.1	5.2	31.3	
	Costs	-10.4	-10.1	-29.0	
	Segment results <sup>(1)</sup>	-4.3	-4.9	2.3	
Latvia-Sweden	Passengers (thousands)	0	3	223	<ul style="list-style-type: none"> <li>Results include also limited operations of the Riga-Stockholm route as well as the special Cruises from Riga to Helsinki and Mariehamn (Q2 2020)</li> </ul>
	Cargo units (thousands)	0	0	4	
	Revenue	0.1	1.3	20.0	
	Costs	-3.6	-5.5	-19.7	
	Segment results <sup>(1)</sup>	-3.5	-4.2	0.3	
Other	Revenue	20.0	8.7	22.2	<ul style="list-style-type: none"> <li>Effectively only one hotel operated, positive impact from short-term charter agreement, online shop sales, first Burger King restaurants and mooring services</li> </ul>
	Costs	-16.6	-8.1	-14.2	
	Segment result <sup>(1)</sup>	3.4	0.6	8.0	
	Intersegment revenue	-0.0	-0.1	-1.9	

# SALES BY OPERATIONAL SEGMENTS

Revenue (financials in EURm)	Q2 2021 <sup>(1)</sup>	Q2 2020	Q2 2019
Restaurant and shops sales on-board and onshore	40.0	26.2	142.3
Ticket sales	13.4	12.9	66.2
Sales of cargo transportation	23.7	22.4	31.7
Accommodation sales	0.1	0.2	4.8
Income from charter of vessels	5.7	2.5	2.0
Other sales	3.2	0.7	9.0
<b>Total revenue</b>	<b>86.1</b>	<b>65.0</b>	<b>256.1</b>



■ Restaurant and shops sales on-board and onshore

■ Accommodation sales

■ Ticket sales

■ Income from charter of vessels

■ Sales of cargo transportation

■ Other sales

## Restaurant and shops sales on-board and onshore

- On-board shops and restaurant sales affected by very limited business operations

## Ticket sales

- Ticket sales affected by very limited business operations

## Sales of cargo transportation

- Cargo transportation has been operating throughout the period
- Decrease in results caused by the overall decline of volumes

## Accommodation sales

- Hotel operations were suspended or operated in limited capacity for most of the period
- Tallink City Hotel under renovation from mid-March 2020

## Other

- 10 Burger King restaurants opened in Estonia, Latvia and Lithuania during the period of Q2 2020 – Q2 2021
- Tallink webshop revenue increased significantly by amounting to EUR 6.5m in 2020 (vs EUR 1.0m in 2019)
- Additional revenue from short-term charter of Silja Europa

# DEBT STRUCTURE

## 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
- EUR 90 million of NIB loan undrawn at 30.06.2021
- EUR 198 million loan for MyStar has been signed, but not yet drawn

## OVERDRAFTS AS AT 30.06.2021

- EUR 56 million used
- EUR 79 million unused

## GRACE PERIOD

- From the second quarter of 2021 until the end of first quarter of 2022 repayments in the total amount of EUR 82 million are deferred and added to the last payment of each respective loan facility
- The deferrals for the 2021 financial year amount to EUR 67 million

Total of EUR 629 million long-term bank loans and used overdrafts as at 30.06.2021



Loan repayments 2017 – H1 2021



# LIQUIDITY DEVELOPMENT

31 December 2019 – 30 June 2021

- Total liquidity buffer (cash and equivalents + unused overdraft) amounted to EUR 117 million as at 30.06.2021
- In 2020, Company increased its right to use bank overdrafts by EUR 60 million, amounting to total of EUR 135 million
- In 2020, EUR 100 million working capital loan signed with Nordic Investment Bank (NIB)
- In addition, EUR 100 million working capital loan received from KredEx
- Undrawn part from the NIB loan amounted to EUR 90 million as at 30.06.2021
- Expected capital raise contributing additionally ~EUR 31 million (upon oversubscription possibility up to ~EUR 35 million)



# COST EFFICIENCY

EUR million	2019	2020	Q2 2019	Q2 2020	Q2 2021 <sup>(1)</sup>
Cost of sales	-752	-486	-195	-87	-95
Sales and marketing expenses	-68	-38	-19	-7	-7
Administrative expenses	-57	-48	-14	-10	-10
<b>Total costs</b>	<b>-877</b>	<b>-572</b>	<b>-229</b>	<b>-104</b>	<b>-112</b>
D&A	96	101	23	25	24
<b>Total costs w/o D&amp;A</b>	<b>-780</b>	<b>-472</b>	<b>-206</b>	<b>-79</b>	<b>-88</b>

- Decreases in cost base mostly related to long period of very limited business operations and cost controlling measures
- Required cost reduction gave Company the opportunity to cut unnecessary cost items
- Due to the closure of most of the business lines, Company had to conduct collective redundancies, which has reduced the number of personnel in Q2 2021 by 45% compared to Q2 2019
- Enables Company to use more flexible personnel structure going forward which is also favourable due to seasonable nature of the business

## NUMBER OF PERSONNEL, AVERAGE

	Q2 2019	Q2 2020	Q2 2021 <sup>(1)</sup>
Onshore	1 691	1 594	1 272
Onboard	5 142	4 588	2 647
Hotel	530	396	145
<b>Total</b>	<b>7 363</b>	<b>6 578</b>	<b>4 064</b>

# SUPPORT MEASURES

## COVID-19 SUPPORT MEASURES

- In 2020, Company used temporary salary compensation measures offered by the countries where it operates
- Also, Estonian parliament approved a change in legislation granting exemption from ships' fairway dues for twelve months starting from April 2020
- In 2020, Company received a net total of EUR 36.6m in direct government financial aid measures
- During H1 2021, Company has received respectively EUR 11.0m in government financial aid measures
- Group entities were allowed to postpone tax payments in 2020 and 2021 by home markets tax boards
- The postponed tax liabilities amounted to EUR 8.0 million at the end of the Q2 2021 and have different settlement dates over the coming years

EUR million	2020	2021 H1 <sup>(1)</sup>
Estonia	15.1	1.0
Finland	9.8	3.9
Sweden	11.7	5.7
Germany	0.1	0.05
Latvia	0	0.4
<b>Total government assistance</b>	<b>36.6</b>	<b>11.0</b>
COVID-19 aid paid directly to employees	10.5	6.0

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# OVERVIEW OF THE PUBLIC OFFERING

Issuer	<ul style="list-style-type: none"> <li>AS Tallink Grupp</li> </ul>
Type of transaction	<ul style="list-style-type: none"> <li>Public share offering with pre-emptive right to existing shareholders</li> </ul>
Amount of securities	<ul style="list-style-type: none"> <li>Total number of 66 988 204 Offer shares (upon oversubscription possibility up to 73 687 024 Offer shares)</li> </ul>
Price	<ul style="list-style-type: none"> <li>EUR 0.47</li> </ul>
Transaction amount	<ul style="list-style-type: none"> <li>EUR 31 484 456 (upon oversubscription possibility up to EUR 34 632 901)</li> </ul>
Timing	<ul style="list-style-type: none"> <li>Subscription period 18 August – 1 September 2021</li> </ul>

## REASONS FOR THE OFFERING

1.

Engage additional capital to comply with the commitments agreed to in its financing agreements

2.

Strengthen the capital position and capital structure of the Group

3.

Overcome the current and potential financial difficulties caused by COVID-19 pandemic through improving the liquidity buffer

## TIMELINE



## COMMITMENT FROM MAJOR SHAREHOLDER

- AS Infortar has issued a subscription guarantee to the Issuer under which it undertook to subscribe for the Offer Shares
- In the total amount of EUR 15m
- The subscription undertaking is unconditional and irrevocable

# QUESTIONS & ANSWERS



# QUESTIONS & ANSWERS



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**PAAVO NÕGENE**  
CHAIRMAN OF THE  
MANAGEMENT BOARD

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**HARRI HANSCHMIDT**  
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**JOONAS JOOST**  
FINANCIAL DIRECTOR

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# THANK YOU



AS Tallink Grupp  
Sadama 5, 10111, Tallinn, Estonia  
[investor@tallink.ee](mailto:investor@tallink.ee)



# APPENDIX

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# COVID-19 IMPACT TO BUSINESS OPERATIONS



# CONSOLIDATED INCOME STATEMENT

EUR million	2019	2020	Q2 2019	Q2 2020	Q2 2021 <sup>(1)</sup>
Sales	949	443	256	65	86
Cost of sales	-752	-486	-195	-87	-95
Marketing & administrative cost	-125	-86	-34	-17	-17
Other operating items, net	2	37	0	16	7
<b>EBITDA</b>	<b>171</b>	<b>8</b>	<b>51</b>	<b>2</b>	<b>4</b>
<i>EBITDA margin (%)</i>	18.0%	1.8%	19.8%	3.7%	5.1%
<b>Net result</b>	<b>50</b>	<b>-108</b>	<b>15</b>	<b>-27</b>	<b>-24</b>
EPS	0.074	-0.162	0.022	-0.041	-0.036
Number of passengers	9 763 210	3 732 102	2 651 843	388 212	427 767
Number of cargo units	379 634	359 811	99 546	86 755	91 990
Average number of employees	7 270	6 104	7 363	6 578	4 064

# CONSOLIDATED CASH FLOW STATEMENT

EUR million	2019	2020	Q2 2019	Q2 2020	Q2 2021 <sup>(1)</sup>
Operating cash flow	175	-7	50	4	30
Capital expenditure	-61	-100	-18	-14	-3
Asset disposal	0	0	0	0	0
Free cash flow	114	-107	32	-10	27
Debt financing (net effect)	-52	112	-10	19	0
Interests & other financial items	-17	-16	-3	-3	-4
Dividends & reduction of share capital	-80	0	0	0	0
Income tax & dividends paid	-8	0	0	0	0
Change in cash	-43	-11	20	5	23

# CONSOLIDATED FINANCIAL POSITION

EUR million	31.12.2019	30.06.2020	31.12.2020	30.06.2021 <sup>(2)</sup>
<b>Total assets</b>	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
<b>Total liabilities</b>	710	741	802	869
Interest bearing liabilities	578	616	705	745
Other liabilities	132	125	97	125
<b>Shareholders' equity</b>	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 <sup>(1)</sup> (in EUR)	1.23	1.14	1.07	0.98