

Q2 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 14 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
- 5 572 employees (end of Q2 2022)
- 3.0 million loyalty program members
- 39 631 shareholders and FDR-holders of which 30 277 on Tallinn Stock Exchange and 9 354 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

Q2 2022 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

Q2 Selected Key Figures (financials in million euros)	2022	2021	Change
Number of passengers	1 552 174	427 767	262.9%
Number of cargo units	109 380	91 990	18.9%
Number of passenger cars	225 563	125 713	79.4%
Revenue	206.0	86.1	139.4%
Gross profit / loss	25.6	-8.7	393.1%
EBITDA	28.7	4.4	556.8%
EBIT	4.9	-19.4	125.3%
Net result for the period	-0.7	-24.3	97.2%
Capital expenditures	9.2	3.1	194.1%
As at:	30.06.22	31.03.22	Change
Total assets	1 550.1	1 560.2	-0.6%
Total equity	652.3	652.5	0.0%
Interest-bearing liabilities	746.5	789.5	-5.4%
Net debt	655.9	688.5	-4.7%

2022 unaudited

- **Revenue EUR 206.0m (EUR +120.0m or 139.4% vs LY)**
 - COVID-19 related travel restrictions lifted across our home markets
 - 17% more departures compared to Q2 2021
 - Strong recovery in passenger volumes, limited somewhat by impacts of war in Ukraine
- **Costs & support**
 - Cost of sales increased by 90% or EUR 85.7m
 - Fuel cost increased by more than 200% or by nearly EUR 30m
 - Limited government support of EUR 0.6m (EUR 6.1m in Q2 2021)
- **EBITDA of EUR 28.7m (EUR +24.3m vs LY)**
- **Net loss of EUR -0.7m (EUR +23.7m vs LY)**

Q2 2022 SALES & RESULTS BY GEOGRAPHICAL SEGMENTS

Route	Key Figures (financials in EUR million)	2022	2021	Change	No COVID-19 restrictions in 2022; high restrictions & limited operations in 2021
Estonia- Finland	Passengers (thousands)	878	336	161.4%	The segment reflects operations of two shuttle vessels, a cruise ferry, and a cargo vessel
	Cargo units (thousands)	78	64	21.2%	
	Revenue	78.0	41.1	89.7%	
	Segment result	12.4	0.2	-	
Finland- Sweden	Passengers (thousands)	538	82	555.1%	The results reflect the operations of Turku-Stockholm and Helsinki-Stockholm routes (only Turku-Stockholm in Q2 2021)
	Cargo units (thousands)	19	17	13.4%	
	Revenue	76.5	18.8	307.6%	
	Segment result	-1.3	-11.5	88.3%	
Estonia- Sweden	Passengers (thousands)	136	10	1 284.3%	The results reflect operations of one cargo vessel (Paldiski-Kapellskär) and one cruise ferry on Tallinn-Stockholm route, as well as expenses of a suspended cruise ferry Victoria I (EUR 2.6m)
	Cargo units (thousands)	13	11	14.1%	
	Revenue	19.7	6.1	223.3%	
	Segment result	-4.3	-4.3	-0.8%	
Other	Revenue	32.9	20.1	63.5%	Increase mainly driven by chartering of vessels and accommodation sales, to a lesser extent by various retail activities; includes expenses previously reported under Latvia-Sweden segment
	Segment result	8.1	-0.1	-	
	Intersegment revenue	-1.1	0.0	-	

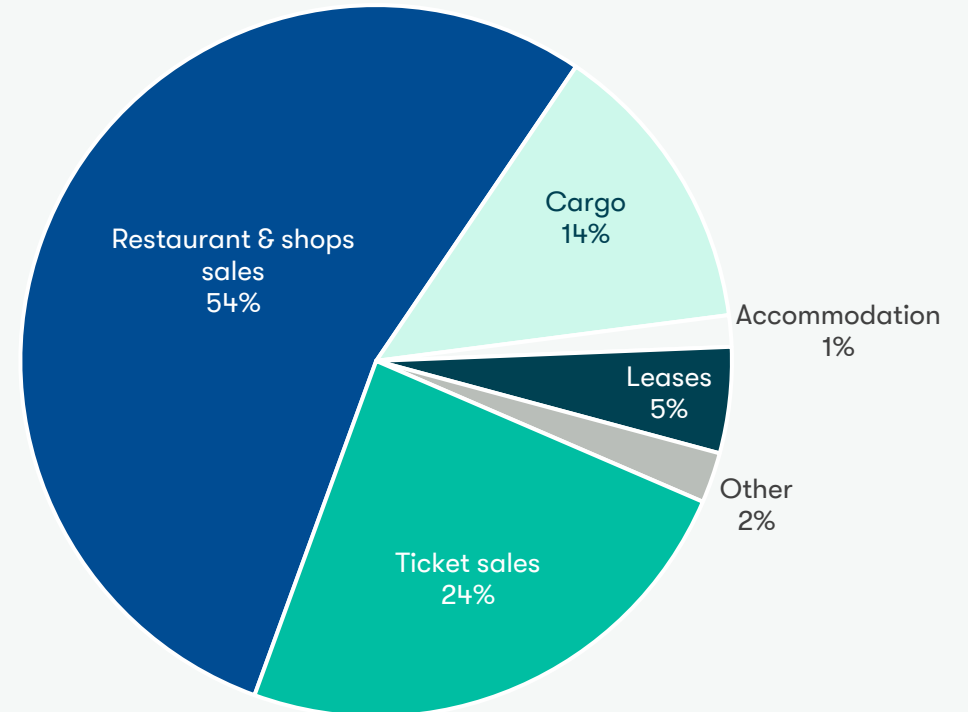
Q2 2022 SALES & RESULTS BY OPERATIONAL SEGMENTS

Revenue (EUR million)	2022	2021	Change
Restaurant and shop sales on-board and onshore	111.1	40.0	177.9%
Ticket sales	49.6	13.4	270.6%
Sales of cargo transportation	27.7	23.7	16.7%
Accommodation sales	2.9	0.1	1 887.1%
Income from charter of vessels	9.9	5.7	75.3%
Other sales	4.7	3.2	50.2%
Total revenue	206.0	86.1	139.4%

- 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 services
- High competition in cargo transportation market
- Operation of three hotels in Q2 2022 (only one hotel open in Q2 2021)
- Three vessels chartered out in Q2 2022 (one vessel in Q2 2021)

2022 unaudited

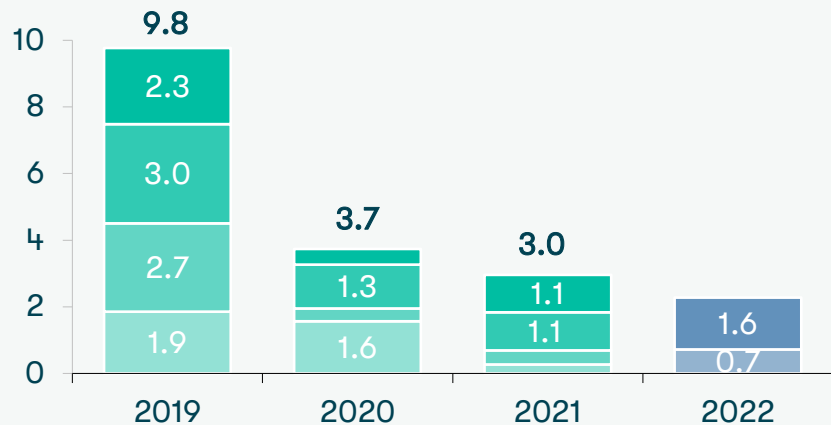
REVENUE STRUCTURE IN Q2 2022



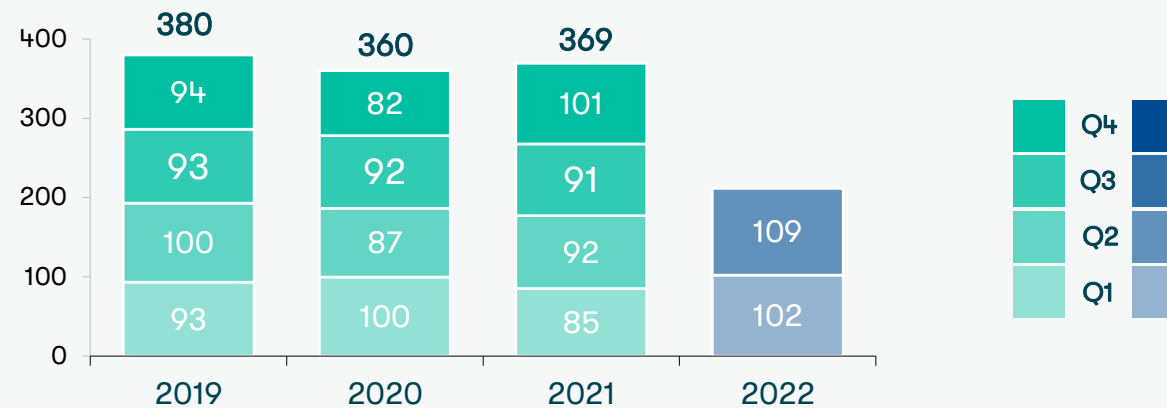
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

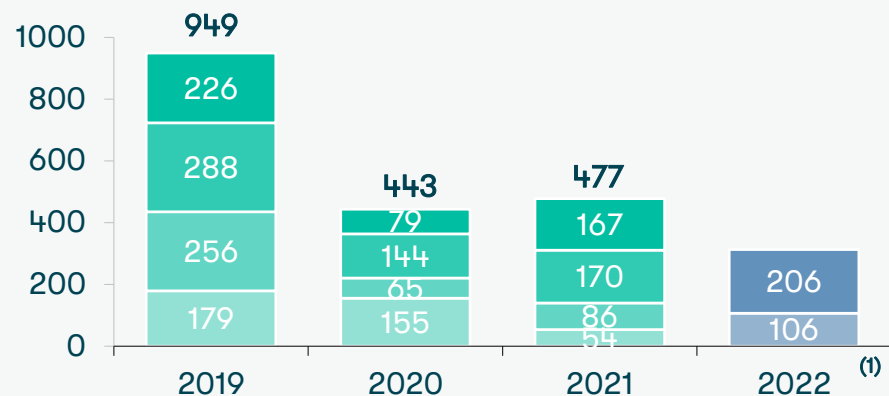
PASSENGERS (MILLIONS)



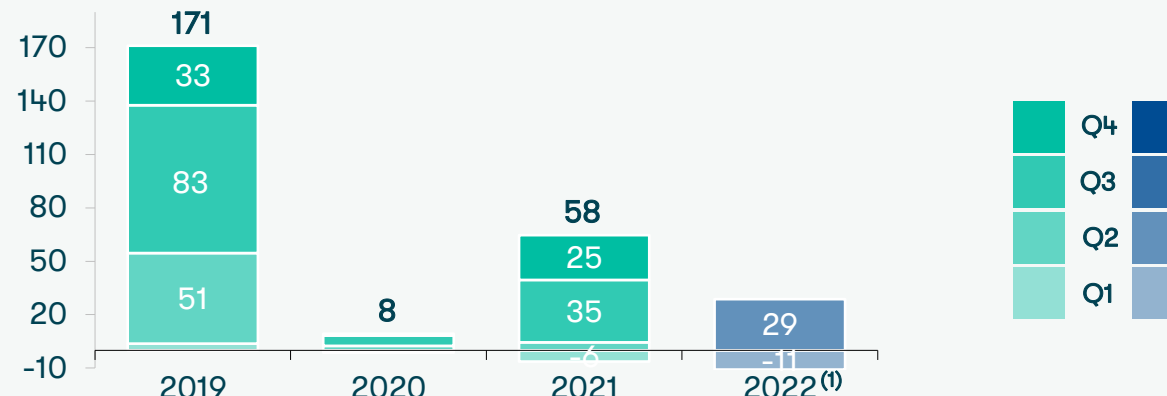
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

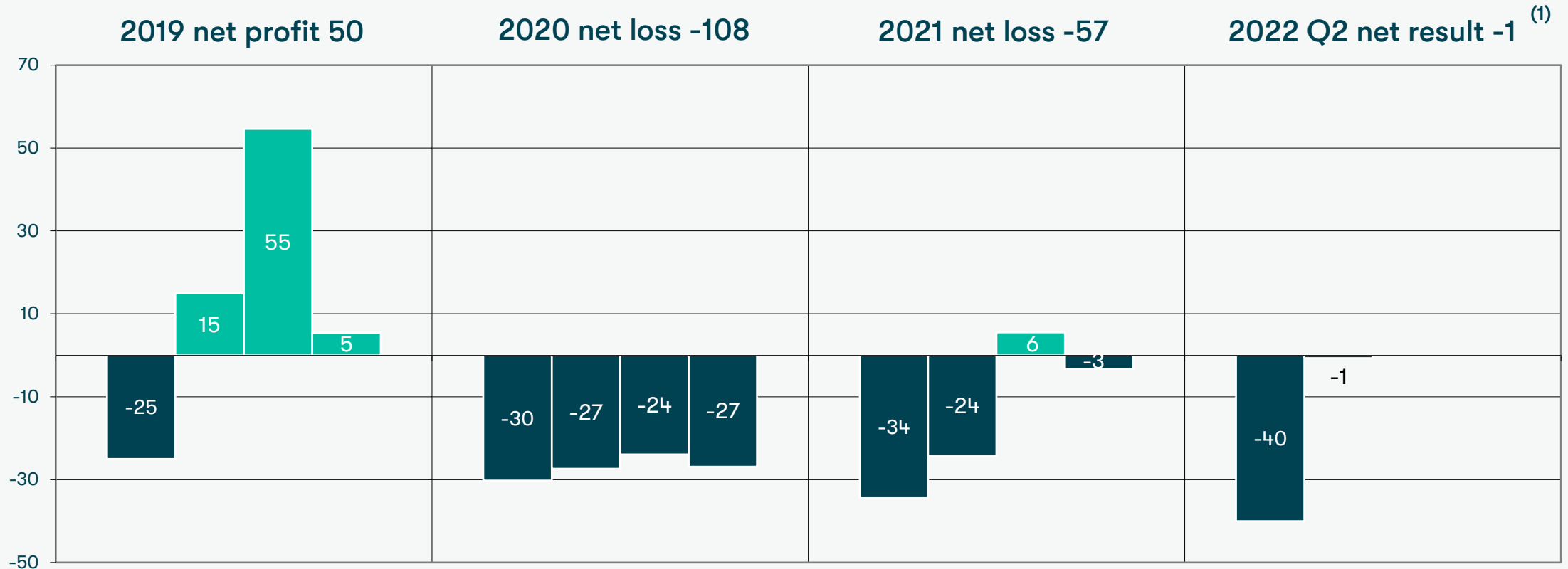


EBITDA (EUR MILLION)



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

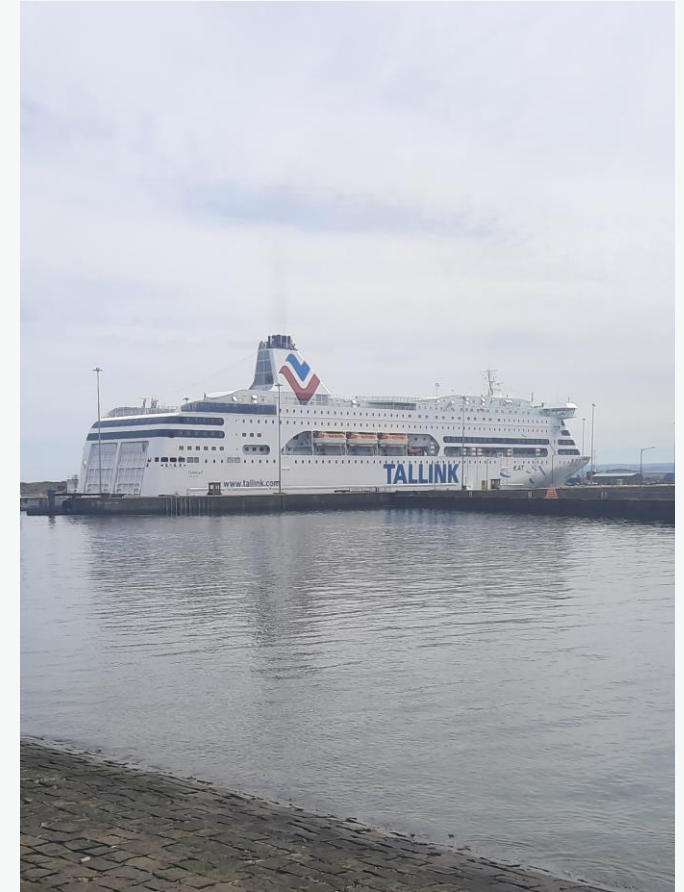
2022 Q2 DEVELOPMENTS AND KEY FACTS

OPERATING ENVIRONMENT

- COVID-19 related restrictions lifted on home markets
- Geopolitical situation and war in Ukraine since February
- High inflation of global fuel prices and prices of food products and materials

ACTIVITIES AND EVENTS

- Romantika in long-term charter the entire quarter (from late March)
- Short-term chartering of cruise ferry Isabelle
Riga-Stockholm route not operated in 2022
- Maintenance and repair works of 3 vessels in dock
- Disposal of the cargo vessel Sea Wind
- One new Burger King Restaurant opened in Tartu, Estonia, in June
- Amendment of terms of EUR 100 million loan agreement



Victoria arriving in Leith locks

EVENTS AFTER THE REPORTING PERIOD & OUTLOOK

Pit?



Victoria in Scotland, July 2022

- Short-term chartering of cruise ferry Victoria I
- 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 September 2022

The war in Ukraine is expected to have a negative impact - demand of certain customer groups (mainly customers from the countries directly participating in the conflict and from Asian countries), risk of an increase in some input prices (mainly fuel and raw materials).

Despite the uncertainties related to the economic environment the management expects continuously quick recovery in the passenger traffic during the summer and looks for ways to manage risks for the low season.

CONSOLIDATED INCOME STATEMENT

(EUR million)	2020	2021	Q2 2021	Q2 2022 ⁽³⁾
Sales	443	477	86	206
Cost of sales ⁽¹⁾	(486)	(455)	(95)	(181)
Marketing & administrative cost ⁽¹⁾	(86)	(75)	(17)	(22)
Other operating items, net ⁽²⁾	37	16	7	2
EBITDA	8	58	4	29
<i>Margin (%)</i>	1.8%	12.2%	5.1%	13.9%
Net Result	(108)	(57)	(24)	(1)
EPS	(0.162)	(0.081)	(0.036)	(0.001)

CONSOLIDATED CASH FLOW STATEMENT

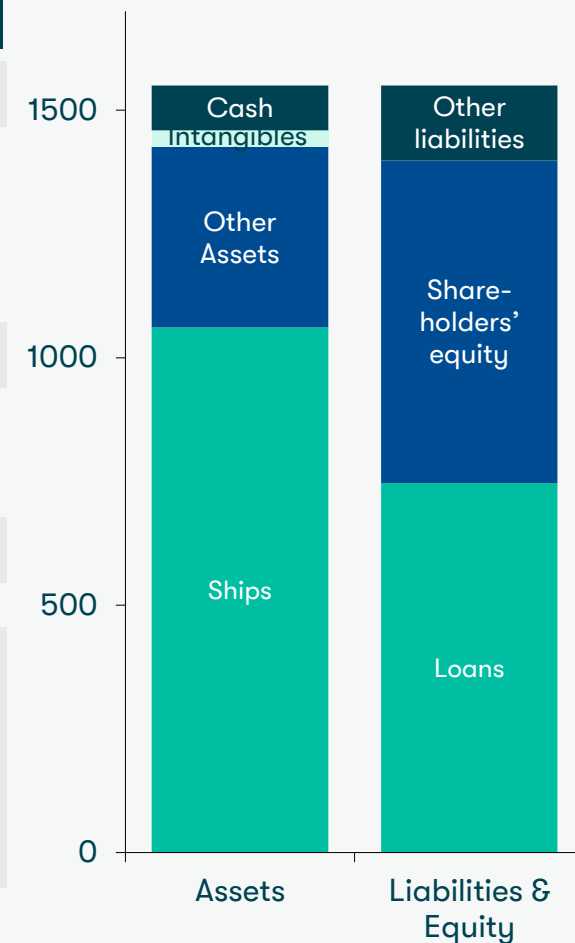
(EUR million)	2020	2021	Q2 2021	Q2 2022 ⁽¹⁾
Operating cash flow	(7)	59	30	45
Capital expenditure	(100)	(20)	(3)	(9)
Asset disposal	0	1	0	3
Free cash flow	(107)	40	27	38
Debt financing (net effect)	112	44	0	(44)
Interests & other financial items	(16)	(19)	(4)	(5)
Increase of share capital	0	35	0	0
Change in cash	(11)	100	23	(10)

Totals may not sum due to rounding

(1) 2022 unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2020	30.06.2021	31.12.2021	30.06.2022 ⁽²⁾
Total assets	1 516	1 525	1 586	1 550
Non-current assets	1 427	1 407	1 383	1 356
Current assets	89	118	203	195
- of which cash	28	38	128	91
Total liabilities	802	869	893	898
Interest bearing liabilities	705	745	780	747
Other liabilities	97	125	113	151
Shareholders' equity	714	656	693	652
Net debt/EBITDA	84.2x	143.2x	11.2x	8.4x
Net debt	677	707	652	656
Equity/assets ratio	47%	43%	44%	42%
BVPS⁽¹⁾ (in EUR)	1.07	0.98	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 618 million as at 30.06.2022
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 0.5-7 years
- EUR denominated, fixed and EURIBOR floating

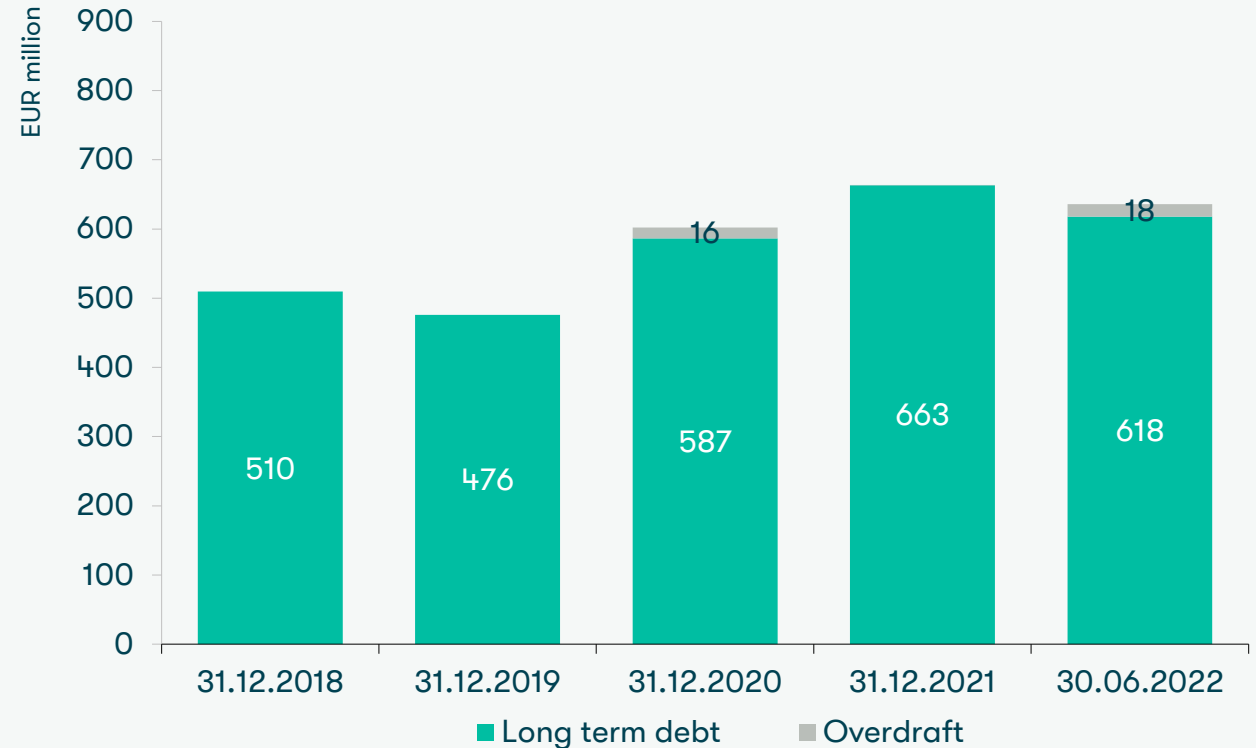
OVERDRAFTS (as at 30.06.2022)

- EUR 18.3 million used
- EUR 116.7 million unused

SIGNED, NOT YET DRAWN

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

Total EUR 636 million long-term bank loans and used overdrafts as at 30.06.2022



2022 unaudited

PAYMENT OF PREVIOUSLY POSTPONED PRINCIPAL PAYMENTS UNDER EXISTING LOAN AGREEMENTS RESTARTED IN Q2 2022

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

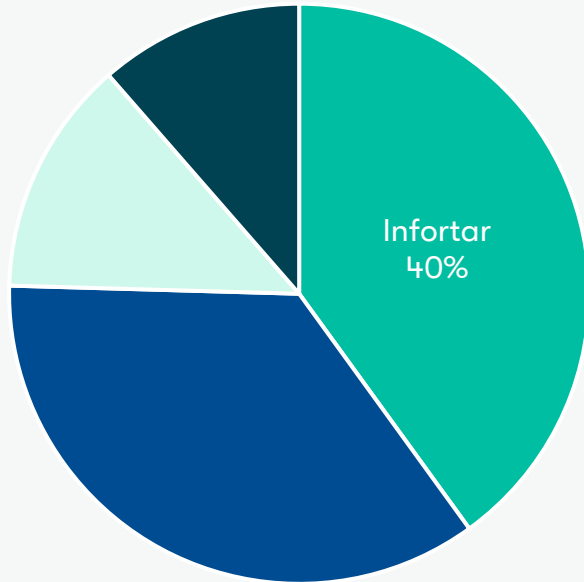


Born in 1974, with the Supervisory Board since 2013

SUPERVISORY BOARD

SHAREHOLDERS AND SHARE PERFORMANCE

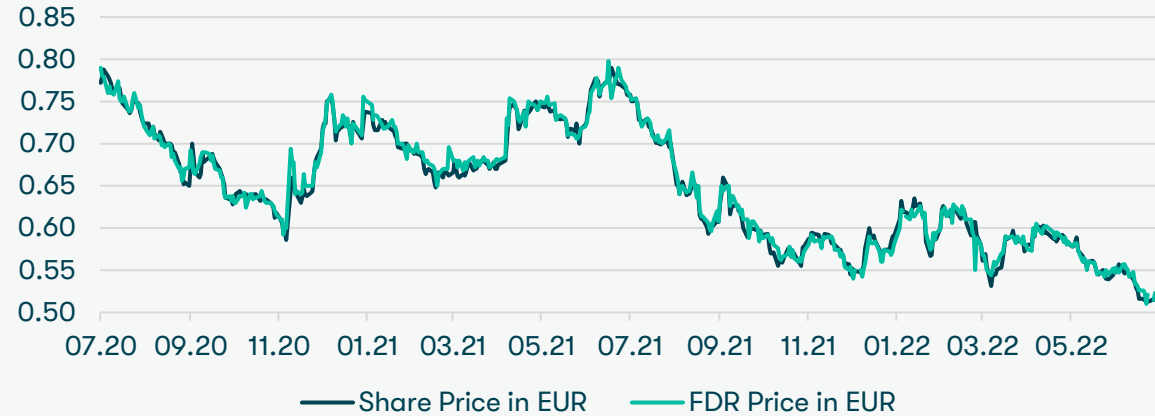
SHAREHOLDERS OF AS TALLINK GRUPP



- Top 10 shareholders
- Institutional investors
- Retail investors

TEN LARGEST SHAREHOLDERS AS OF 30.06.2022

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%
Lüksusjaht AS	1%
Clearstream Banking AG	1%
LHV Pensionifond L	1%



39,631 SHAREHOLDERS AND FDR-HOLDERS AT THE END OF THE QUARTER

THANK YOU



AS Tallink Grupp

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