

Q2 2023

AS Tallink Grupp

Tallink Grupp Overview

as at 30 June 2023

The leading European provider of leisure and business travel and sea transportation services in the Baltic Sea region.

Operations

- ✓ Fleet of 15 vessels (7 chartered out)
- ✓ Six ferry routes (1 suspended)
- ✓ Operated 4 hotels

Strong Brands



Key Facts YTD 2023

- ✓ Revenue of EUR 400.9 million
- ✓ 2.6 million passengers
- ✓ 172 thousand cargo units
- ✓ EUR 1.7 billion asset base
- ✓ 5,115 employees
- ✓ 3.1 million loyalty program members
- ✓ 39,149 shareholders and FDR-holders of which 30,214 on Tallinn Stock Exchange and 8,935 on Helsinki Stock Exchange

Strategic Plan

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
- ✓ Improve profitability 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
- ✓ Based on the demand on the core routes, manage optimal capacity by operating or chartering out vessels
- ✓ 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

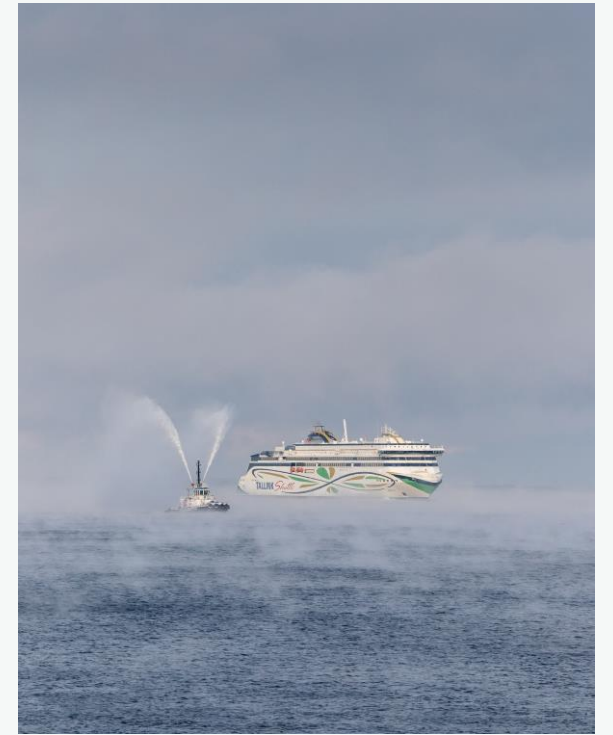
WIDE ROUTE
NETWORK

HIGH SAFETY LEVEL &
ENVIRONMENTAL
STANDARDS



Q2 2023 Key Takeaways

- ✓ The volume of cargo and passenger transportation was impacted by chartering of vessels and number of trips made during the quarter
- ✓ Seven vessels on charter including 3 on long-term and 4 on short-term
- ✓ All four hotels in Estonia and Latvia were up and running
- ✓ EBITDA of EUR 68.5 million
- ✓ Repayment of loans in the amount of EUR 105 million
- ✓ Impact of low fuel market prices set off partly by high logistics cost component in fuel price, interest rates and inflation
- ✓ The sixth Burger King restaurant opened in Riga, total of 19 in the Baltics
- ✓ Tallink Spa & Conference Hotel and Tallink City Hotel were certified with the international eco-label Green Key



Fleet by Routes and Chartered Vessels


as at 30 June 2023




CHARTERED

Long-term


Romantika



Atlantic Vision



Star



Short-term

Galaxy



Silja Europa



Victoria I



Isabelle ⁽¹⁾



(1) Isabelle on long-term charter from 1 July 2023



Q2 2023 Overview

Selected Key Figures (financials in million euros)	Q2 2022	Q2 2023 ⁽¹⁾	Change
Number of passengers	1,552,174	1,541,081	-0.7%
Number of cargo units	109,380	85,359	-22.0%
Number of passenger cars	225,563	236,756	5.0%
Revenue	206.0	229.7	11.5%
Gross profit/loss	25.6	66.5	160.5%
EBITDA	28.7	68.5	138.7%
EBIT	4.9	43.3	782.7%
Net result for the period	-0.7	33.4	5087.8%
Capital expenditures	9.2	4.7	-49.6%
As at:	31.03.23	30.06.23 ⁽¹⁾	Change
Total assets	1,672.1	1,613.6	-3.5%
Total equity	701.6	735.2	4.8%
Interest-bearing liabilities	831.8	722.5	-13.1%
Net debt	735.4	664.9	-9.6%

✓ Revenue EUR 229.7m (EUR +23.6m or 11.5% vs LY)

- ✓ Demand for travelling driving ticket revenue
- ✓ EUR 19.6m increase in chartering revenues vs LY
- ✓ Strong recovery in hotel segment

✓ Costs

- ✓ Cost of sales decreased by 9.6% or EUR 17.3m vs LY
 - ✓ of which fuel cost decreased by 47.9% or EUR 20.6m vs LY

✓ EBITDA of EUR 68.5m (EUR +39.8m or 138.7% vs LY)

✓ Net profit of EUR 33.4m (EUR +34.1m or 5,087.8% vs LY)

✓ CAPEX of EUR 4.7m (EUR -4.6m or -49.6% vs LY)

- ✓ Main investments to re-opening of hotel in Riga and opening of a Burger King restaurant in Riga



(1) 2023 unaudited

Q2 2023 Sales & Results by Geographical Segments

Route	Key Figures (financials in million euros)	Q2 2022	Q2 2023 ⁽²⁾	Change	
Estonia- Finland	Passengers (thousands)	878	921	5.0%	The segment reflects operations of three shuttle vessels – Star, MyStar and Megastar. However, the shuttle vessel Star has been chartered out since 5 May 2023 and the cruise ferry Silja Europa since August 2022.
	Cargo units (thousands)	78	61	-21.4%	
	Revenue	78.0	79.8	2.4%	
	Segment result	12.4	24.9	99.8%	
Finland- Sweden	Passengers (thousands)	538	450	-16.4%	The results reflect the operations of one cruise ferry on the Turku-Stockholm/Kapellskär, and two on the Helsinki-Stockholm route. The cruise ferry Galaxy I has been chartered out since September 2022.
	Cargo units (thousands)	19	11	-43.2%	
	Revenue	76.5	70.3	-8.2%	
	Segment result	-1.3	10.0	844.4%	
Estonia- Sweden	Passengers (thousands)	136	170	24.9%	The results reflect operations of two cargo vessel (Paldiski-Kapellskär) and one cruise ferry on the Tallinn-Stockholm route.
	Cargo units (thousands)	13	13	6.1%	
	Revenue	19.7	24.8	26.1%	
	Segment result	-4.3	3.3	176.9%	
Other	Revenue ⁽¹⁾	32.9	56.5	71.8%	Increase was mainly driven by chartering of vessels and accommodation sales, to a lesser extent by various retail activities.
	Segment result ⁽¹⁾	8.1	17.0	108.9%	
	Intersegment revenue	-1.1	-1.8	-65.8%	

(1) Segment result is the result before administrative expenses, finance costs and taxes

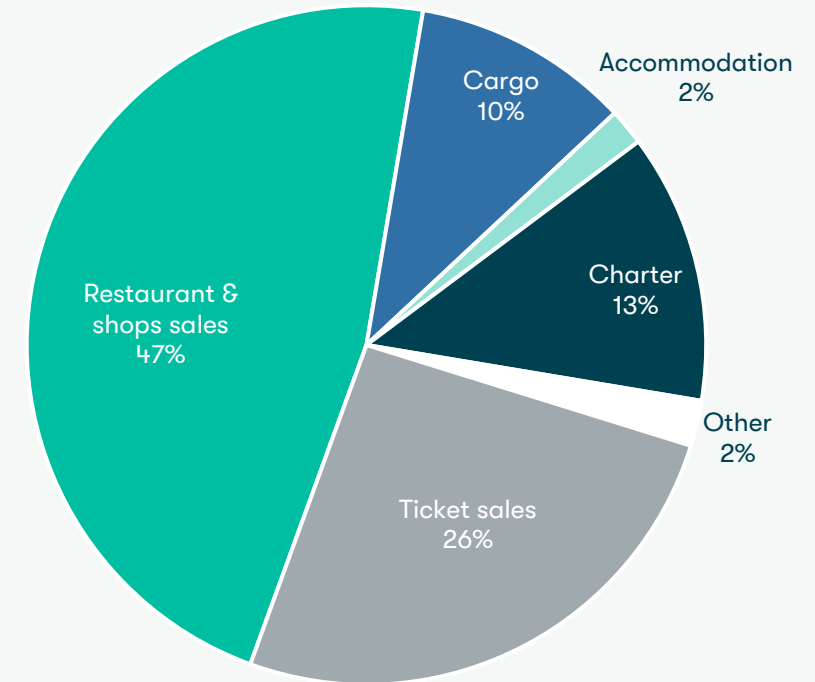
(2) 2023 unaudited



Q2 2023 Sales & Results by Operational Segments

Revenue (in million euros)	Q2 2022	Q2 2023 ⁽¹⁾	Change
Restaurant and shop sales on-board & onshore	111.1	108.2	-2.6%
Ticket sales	49.6	59.2	19.3%
Sales of cargo transportation	27.7	23.8	-14.1%
Accommodation sales	2.9	4.0	36.1%
Income from charter of vessels	9.9	29.5	197.5%
Other sales	4.7	5.0	5.0%
Total revenue	206.0	229.7	11.5%

Revenue Structure in Q2 2023 ⁽¹⁾



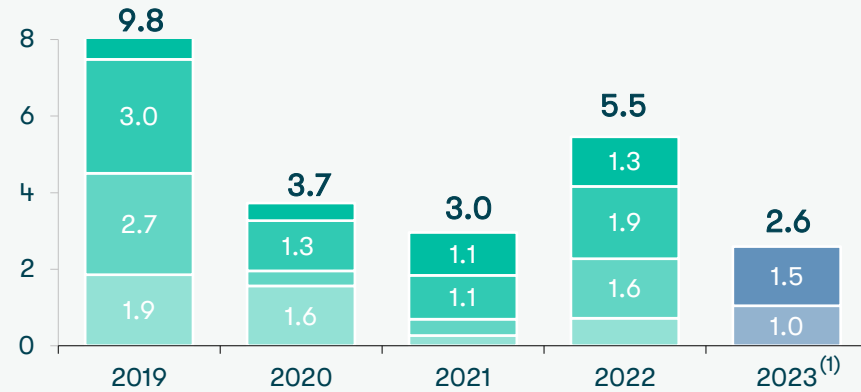
- ✓ Increase in ticket sales is attributable to demand for travelling
- ✓ Demand and re-opening of hotel in Riga is driving the increase in accommodation sales
- ✓ High competition in cargo transportation market
- ✓ In Q2 2023, total of 7 vessels were on charter

(1) 2023 unaudited

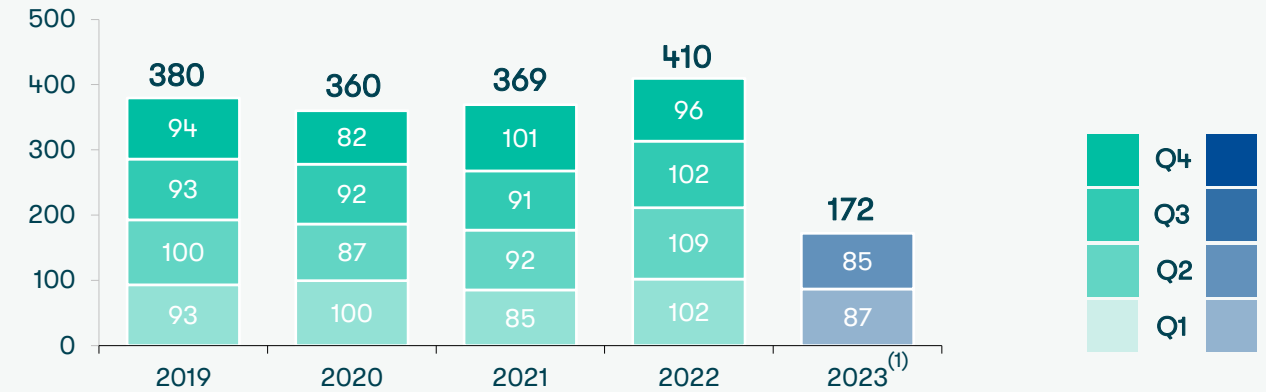


Dynamics of Seasonality

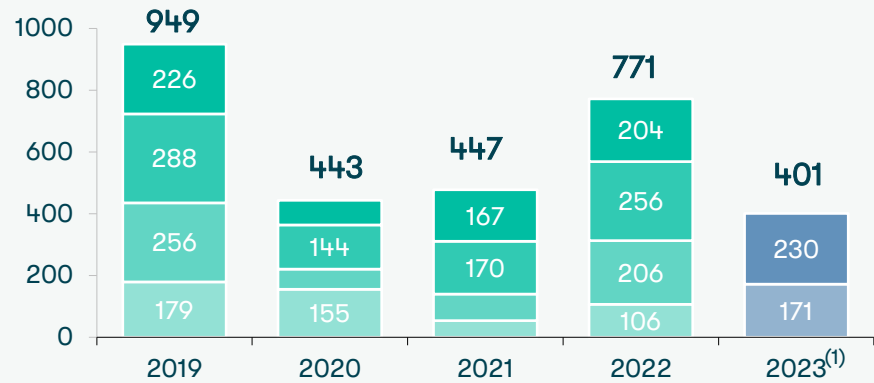
PASSENGERS (millions)



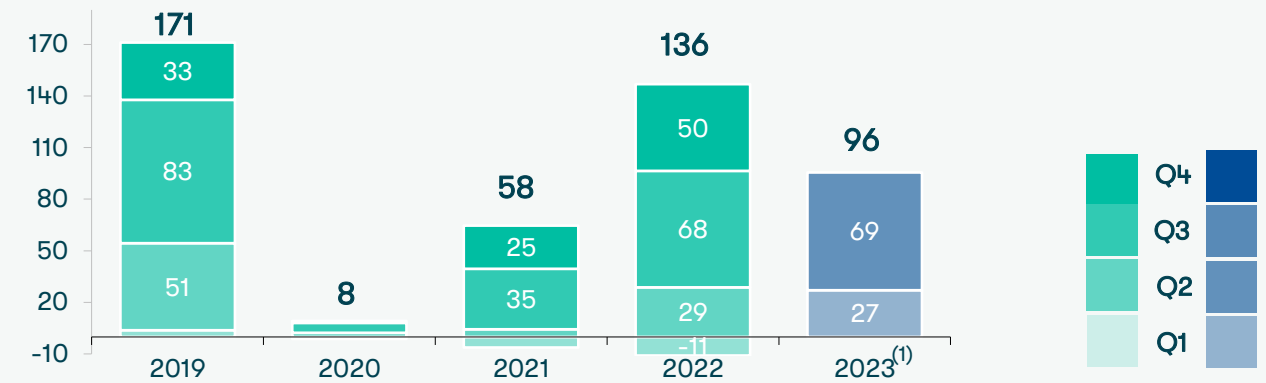
CARGO (th. units)



REVENUE (in million euros)



EBITDA (in million euros)

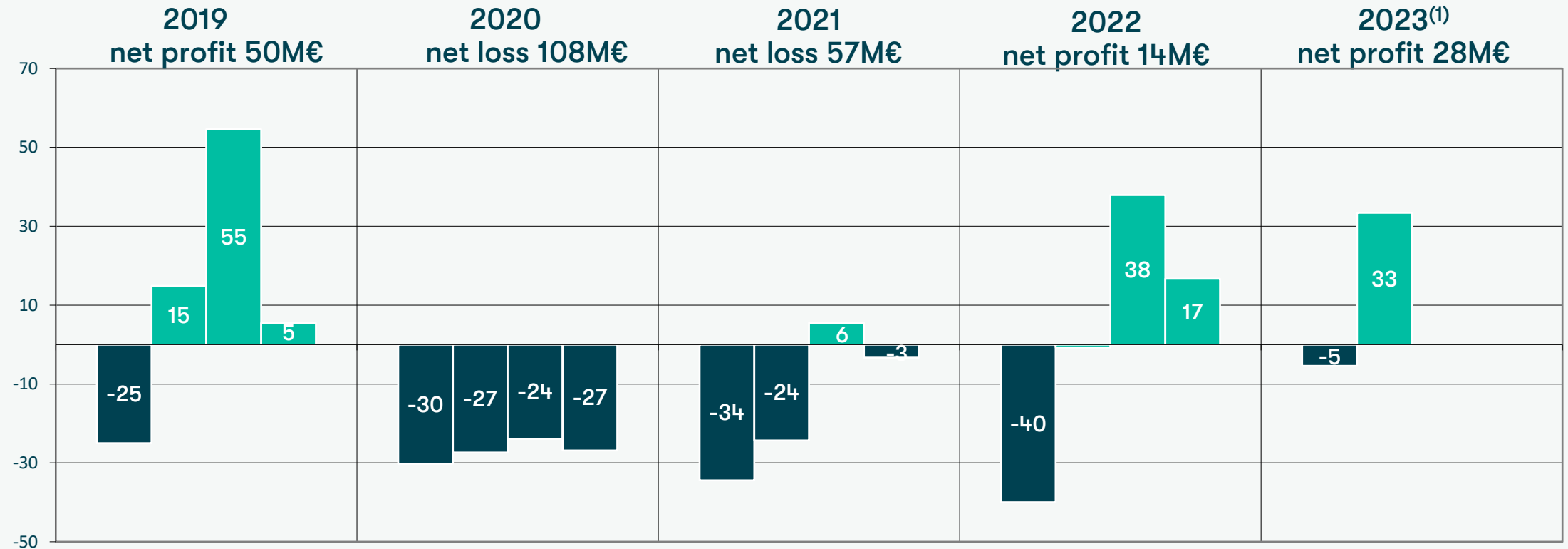


Notes:
(1) 2023 unaudited



Dynamics of Seasonality

Quarterly net result (in million euros)



Notes:
Totals may not sum due to rounding
(1) 2023 unaudited

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



Consolidated Income Statement

(in million euros)	2021	2022	Q2 2022	Q2 2023 ⁽²⁾
Sales	477	771	206	230
Cost of sales ⁽¹⁾	-455	-658	-181	-163
Marketing & administrative cost ⁽¹⁾	-75	-87	-22	-24
Other operating items, net	16	11	2	0
EBITDA	58	136	29	69
Margin (%)	12.2%	17.6%	13.9%	29.8%
Net Result	-57	14	-1	33
EPS	-0.081	0.019	-0.001	0.045

Totals may not sum due to rounding

(1) Includes depreciation and amortization

(2) 2023 unaudited



Consolidated Cash Flow Statement

(in million euros)	2021	2022 ⁽¹⁾	Q2 2022	Q2 2023 ⁽¹⁾
Operating cash flow	59	144	45	84
Capital expenditure	-20	-203	-9	-5
Asset disposal	1	3	3	0
Free cash flow	40	-56	38	80
Debt financing (net effect)	45	69	-44	-110
Interests & other financial items	-20	-25	-5	-9
Increase of share capital	35	0	0	0
Change in cash	100	-13	-10	-39

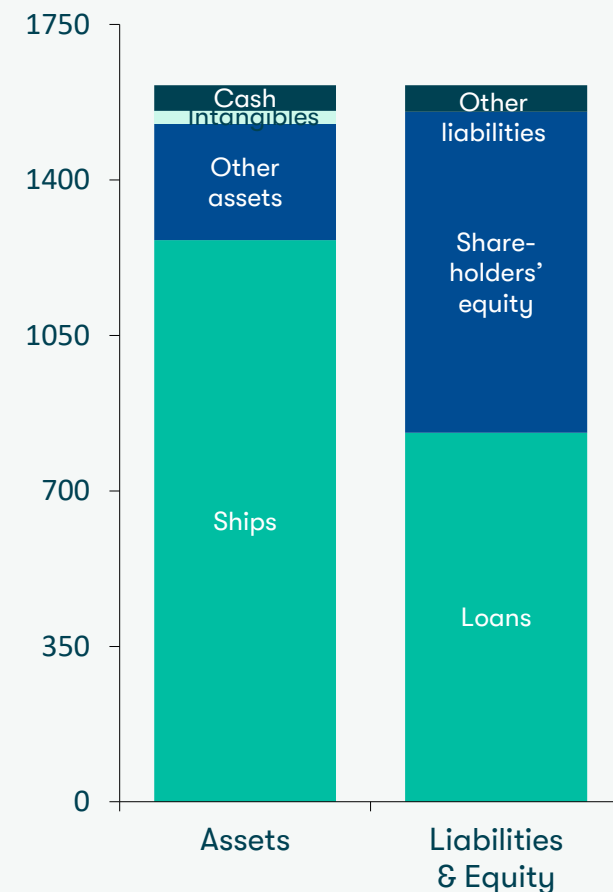
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 (1) 2023 unaudited

CASH FLOW GENERATION SUPPORTED BY MARKET RECOVERY



Consolidated Statement of Financial Position

(in million euros)	31.12.2021	30.06.2022	31.12.2022	30.06.2023 ⁽²⁾
Total assets	1,586	1,550	1,692	1,614
Non-current assets	1,383	1,356	1,496	1,465
Current assets	203	195	196	148
- of which cash	128	91	115	58
Total liabilities	893	898	985	878
Interest bearing liabilities	780	747	854	723
Other liabilities	113	151	131	156
Shareholders' equity	693	652	707	735
Net debt/EBITDA	11.2x	8.4x	5.4x	3.1x
Net debt	652	656	739	665
Equity/assets ratio	44%	42%	42%	46%
BVPS ⁽¹⁾ (in EUR)	0.93	0.88	0.95	0.99



Totals may not sum due to rounding
 (1) Shareholders' equity / number of shares outstanding
 (2) 2023 unaudited

TOTAL LIQUIDITY (CASH + UNUSED OVERDRAFT) OF EUR 193 MILLION



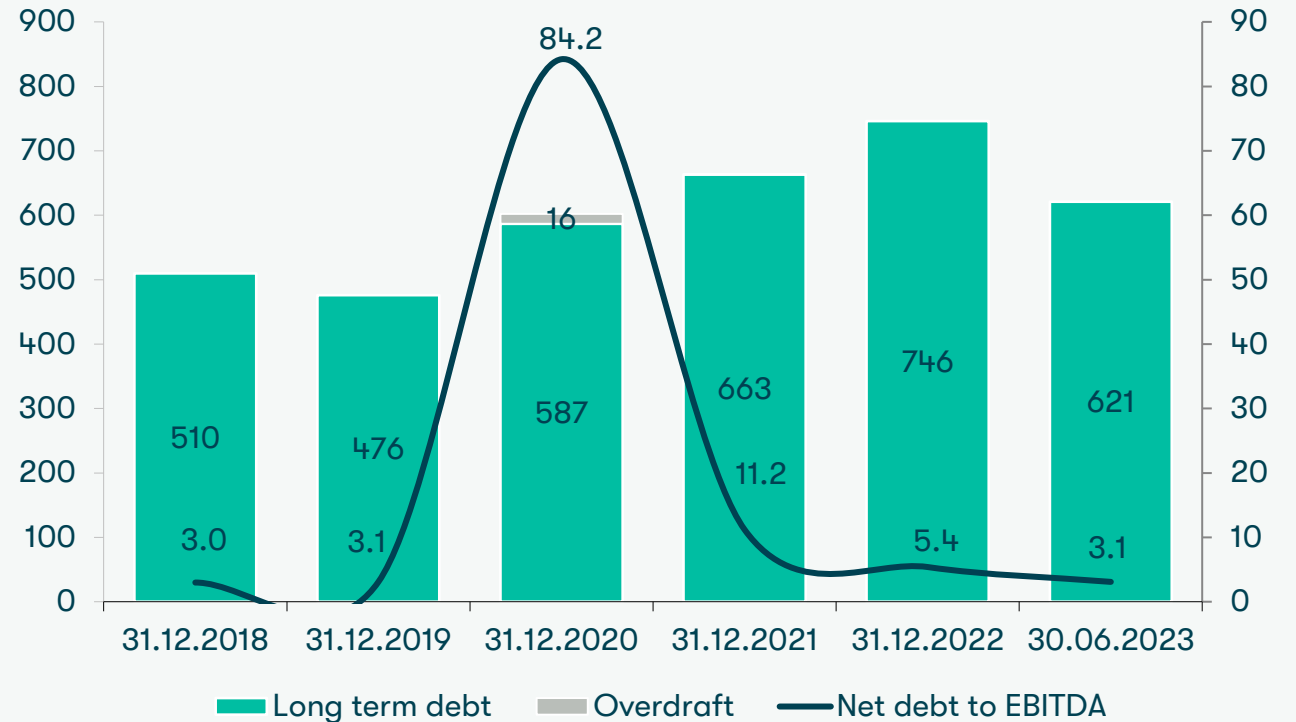
Loan Portfolio Structure

Long-term bank loans

- ✓ EUR 621 million as at 30 June 2023
- ✓ 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- ✓ Maturities 5 months – 11 years
- ✓ EUR denominated, fixed and EURIBOR floating

Overdraft

- ✓ As at 30 June 2023 unused overdraft of 135 million euros



TOTAL INTEREST-BEARING LIABILITIES EUR 722.5 MILLION AS AT 30 JUNE 2023










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	Harri Hanschmidt
	
Born in 1964, with the company since 2005 Member of Management Board since February 2019	Born in 1982, with the company since 2009 Member of Management Board since February 2019
Piret Mürk-Dubout	Margus Schults
	
Born in 1970, with the company and Member of Management Board since April 2019	Born in 1966, with the company since 2008 Member of Management Board since April 2021

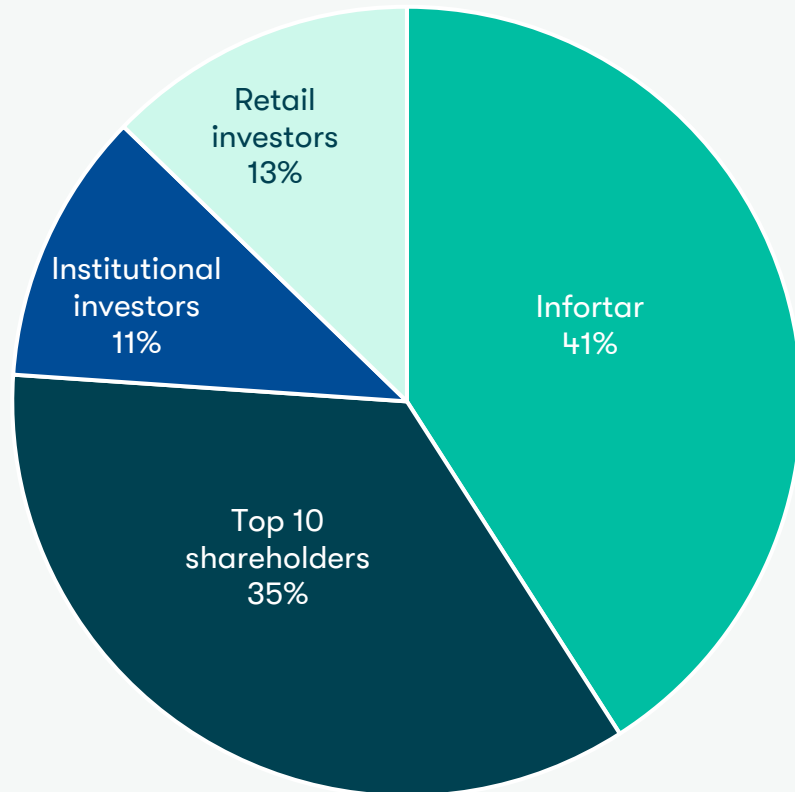
SUPERVISORY BOARD

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	Kalev Järvelill
	
Born in 1940, with the Supervisory Board since 1997	Born in 1965, with the Supervisory Board since 2007
Eve Pant	Ain Hanschmidt
	
Born in 1968, with the Supervisory Board since 1997	Born in 1961, with the Supervisory Board since 2005
Raino Paron	Colin Douglas Clark
	
Born in 1965, with the Supervisory Board since 2019	Born in 1974, with the Supervisory Board since 2013

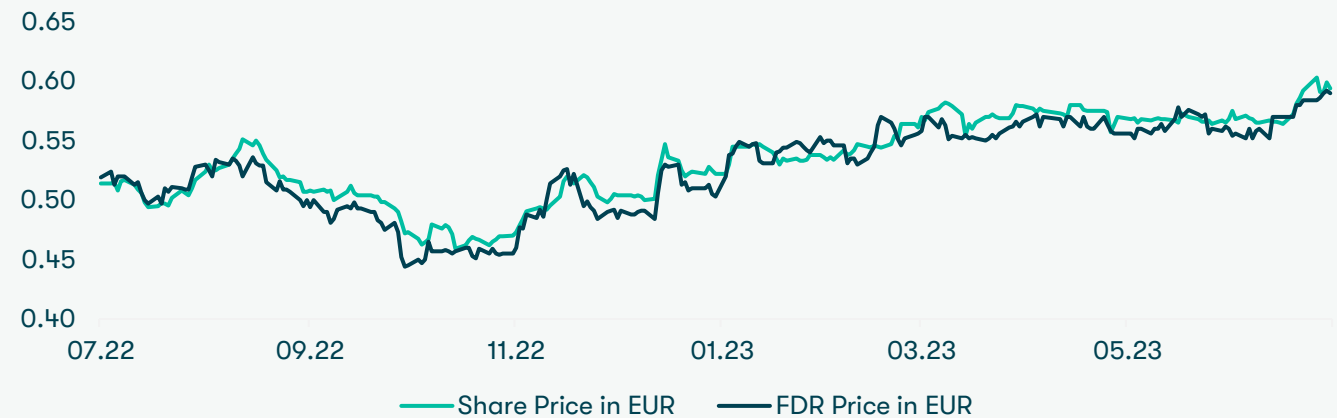


Shareholders and Share Performance

SHAREHOLDERS OF AS TALLINK GRUPP



Infortar AS	41%
Baltic Cruises Holding, L.P.	11%
Baltic Cruises Investment L.P.	6%
ING Luxembourg S.A. AIF Account	5%
Citigroup Venture Capital International G.P	4%
Nordea Bank Abp / Clients FDR	3%
Mersok OÜ	2%
Clearstream Banking AG	1%
Luksusjaht AS	1%
Enn Pant	1%
Unicredit Bank Austria AG	1%



39,149 SHAREHOLDERS AND FDR-HOLDERS AT THE END OF THE QUARTER



THANK YOU



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