

Q4 2021

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
- 4 785 employees (end of Q4 2021)
- 2.9 million loyalty program members
- 37 334 shareholders and FDR-holders of which 27 763 on Tallinn Stock Exchange and 9 571 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

Q4 2021 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

Q4 Selected Key Figures (financials in million euros)	2021	2020	Change
Number of passengers	1 122 892	462 859	142.6%
Number of cargo units	101 486	81 861	24.0%
Number of passenger cars	171 037	134 196	27.5%
Revenue	166.6	79.3	110.1%
Gross profit / loss	20.0	-18.4	209.1%
EBITDA	25.1	1.2	2 019.3%
EBIT	0.9	-24.2	103.6%
Net result for the period	-3.3	-26.9	87.6%
Capital expenditures	9.2	4.8	91.0%

As at:	31.12.21	30.09.21	Change
Total assets	1 585.9	1 616.7	-1.9%
Total equity	692.5	695.9	-0.5%
Interest-bearing liabilities	779.9	802.8	-2.8%
Net debt	652.4	659.7	-1.1%

2021 unaudited

- **Revenue EUR 166.6m (EUR +87.3m or 110.1% vs LY)**
 - Extensive impact from COVID-19 related travel restrictions imposed by the end of the quarter in Finland and Sweden
 - Rise in infection rates caused by new COVID-19 variant Omicron resulted in lower demand for travelling
 - 12% more departures compared to Q4 2020
- **Costs & support**
 - Cost of sales increased by 50% or EUR 48.9m
 - Administrative & marketing cost increased by 9% or EUR 1.9m
 - Very limited government support in Q4 2021 – EUR 1.4m (EUR 14.7m in Q4 2020)
- **EBITDA of EUR 25.1m (EUR +23.9m vs LY)**
- **Net loss of EUR 3.3m (EUR +23.5m vs LY)**

2021 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

Selected Key Figures (financials in million euros)	2021	2020	Change
Number of passengers	2 961 975	3 732 102	-20.6%
Number of cargo units	369 170	359 811	2.6%
Number of passenger cars	602 033	702 702	-14.3%

Revenue	476.9	442.9	7.7%
Gross profit / loss	21.7	-43.5	149.8%
EBITDA	58.3	8.0	624.9%
EBIT	-37.0	-92.6	60.0%
Net result for the period	-56.6	-108.3	47.8%

Capital expenditures	20.2	100.1	-79.8%
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As at:	31.12.21	31.12.20	Change
Total assets	1 585.9	1 516.2	4.6%
Total equity	692.5	714.3	-3.1%
Interest-bearing liabilities	779.9	705.1	10.6%
Net debt	652.4	677.3	-3.7%

2021 unaudited

- **Revenue EUR 476.9m (EUR +34.0m or +7.7% vs LY)**
 - Extensive impact from COVID-19 related travel restrictions
 - Increased demand for travelling in second half of the year
 - 2% less departures compared to 2020
- **Cost reduction & support**
 - Cost of sales reduced by 6% or EUR 31m
 - Marketing & administrative cost reduced by 13% or EUR 11m
 - Net direct financial support of EUR 12.8m (EUR 36.6m in 2020)
- **Positive EBITDA of EUR 58.3m (EUR +50.2m vs LY)**
- **Net loss of EUR 56.6m (EUR +51.7m vs LY)**

Q4 2021 SALES & RESULTS BY GEOGRAPHICAL SEGMENTS

Route	Key Figures (financials in EUR million)	2021	2020	Change	All routes affected by COVID-19, travel restrictions
Estonia- Finland	Passengers (thousands)	578	338	70.9%	The results reflect operations of two shuttle vessels, one cruise ferry and one cargo vessel
	Cargo units (thousands)	67	56	19.6%	
	Revenue	55.5	37.4	48.3%	
	Segment result	6.6	-0.8	946.5%	
Finland- Sweden	Passengers (thousands)	431	112	283.1%	The results reflect the operations of Turku-Stockholm and Helsinki-Stockholm routes
	Cargo units (thousands)	20	15	34.4%	
	Revenue	64.2	21.7	195.1%	
	Segment result	2.9	-17.3	116.7%	
Estonia- Sweden	Passengers (thousands)	114	10	1009.1%	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)	15	11	40.8%	
	Revenue	19.4	7.5	159.6%	
	Segment result	-1.1	-4.8	76.3%	
Latvia- Sweden	Passengers (thousands)	0	2	-100.0%	The Latvia-Sweden route result reflects expenses of suspended cruise ferries Isabelle and Romantika after conclusion of charter period
	Cargo units (thousands)	0	1	-100.0%	
	Revenue	0.1	1.2	-88.6%	
	Segment result	-3.6	-4.5	19.4%	
Other	Revenue	27.9	11.5	142.7%	Increase from charter revenue and from various retail activities; three hotels operated in Tallinn
	Segment result	6.3	1.8	255.6%	
	Intersegment revenue	-0.5	-0.1	-734.1%	

Segment result is the result before administrative expenses, finance costs and taxes
2021 unaudited

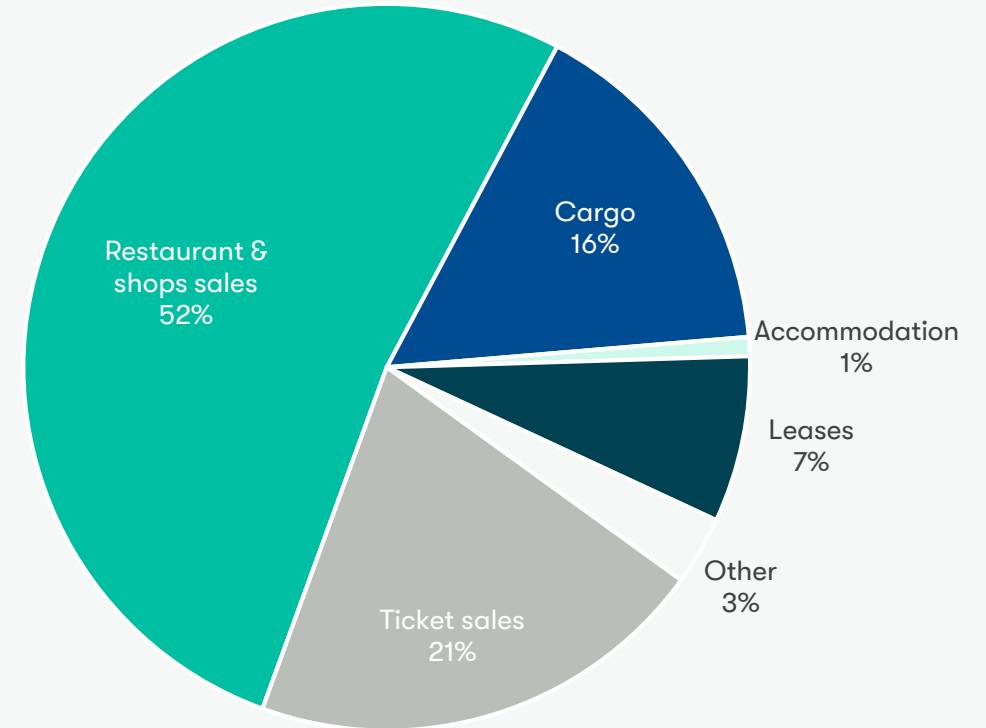
Q4 2021 SALES & RESULTS BY OPERATIONAL SEGMENTS

Revenue (EUR million)	2021	2020	Change
Restaurant and shop sales on-board and onshore	87.0	37.6	131.6%
Ticket sales	34.3	15.5	121.9%
Sales of cargo transportation	26.5	20.9	26.5%
Accommodation sales	1.4	0.2	477.1%
Income from charter of vessels	12.3	2.4	405.6%
Other sales	5.1	2.6	92.5%
Total revenue	166.6	79.3	110.1%

- 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 of three hotels in Q4 2021 (two hotels were open in Q4 2020)
- Short-term charter of Silja Europa and Romantika in Q4 2021

2021 unaudited

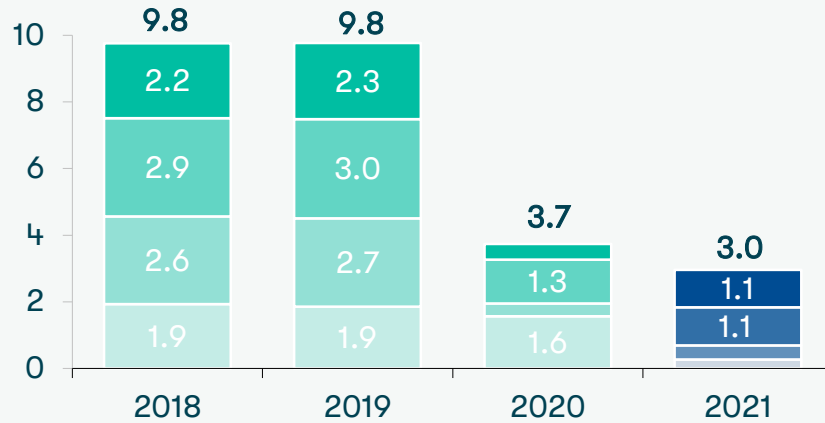
REVENUE STRUCTURE IN Q4 2021



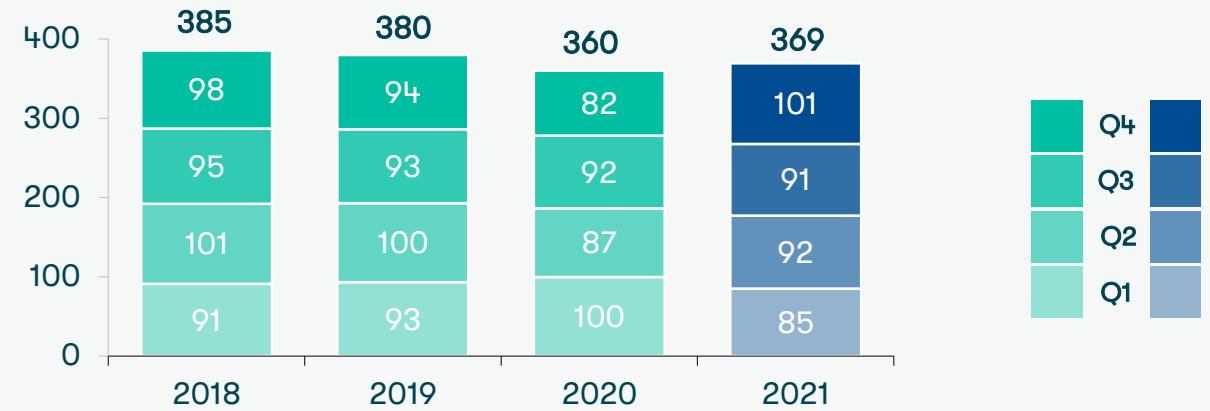
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

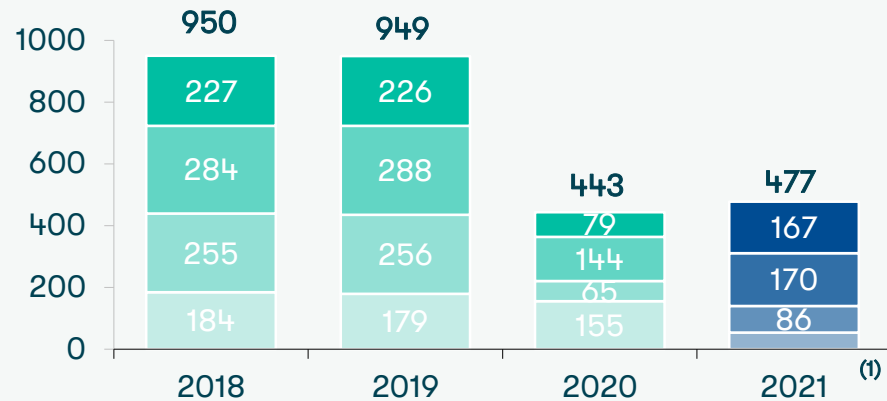
PASSENGERS (MILLIONS)



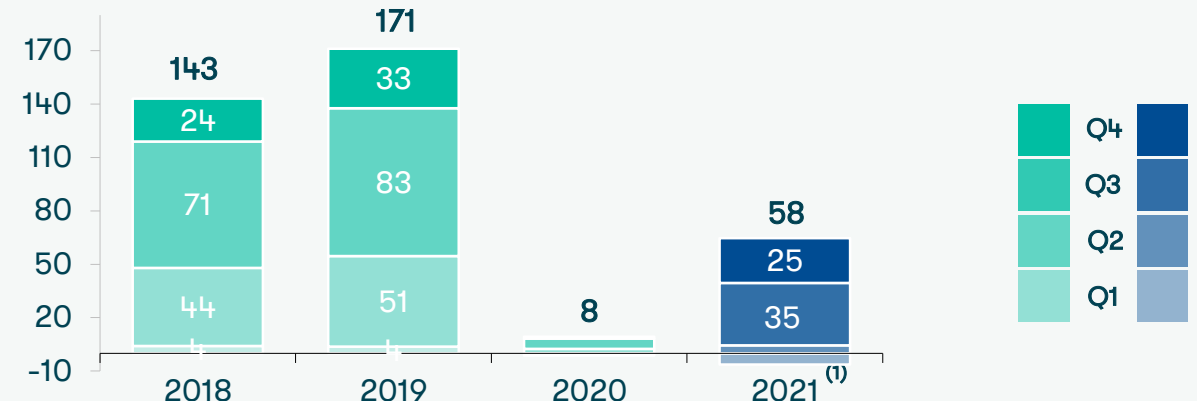
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

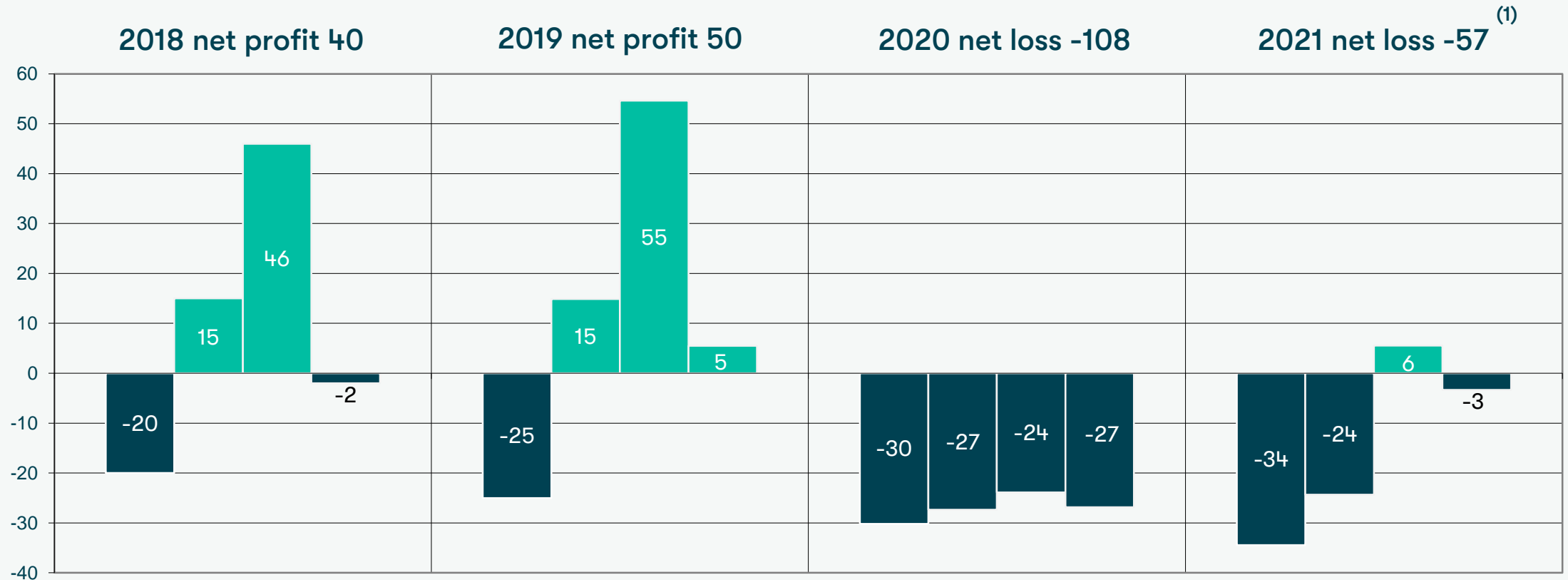


EBITDA (EUR MILLION)



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

2021 Q4 DEVELOPMENTS AND KEY FACTS

OPERATING ENVIRONMENT

- Extensive impact of COVID-19 and suspension of cruise ferries operations continued
- Strong beginning of the quarter, demand for travelling was high in October and November
- New COVID-19 variant, tighter border restrictions set in Finland and Sweden by the end of the quarter resulting in lower demand

ACTIVITIES AND EVENTS

- Short-term charter agreement for Silja Europa and Romantika as accommodation vessels in Scotland in October and November
- Opening of three new Burger King restaurants in Lithuania



Silja Europa in Glasgow

EVENTS AFTER THE REPORTING PERIOD & OUTLOOK



MyStar at Rauma Shipyard, November 2021

- One new Burger King Restaurant opened in Riga in January 2022.
- In February 2022 travel restrictions were lifted in Finland and Sweden contributing to the increase in number of bookings.
- Compromise for termination of dispute with Port of Tallinn in February 2022
- The new LNG-based shuttle vessel MyStar is expected to be delivered during spring 2022, in operations from June 2022.
- 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.

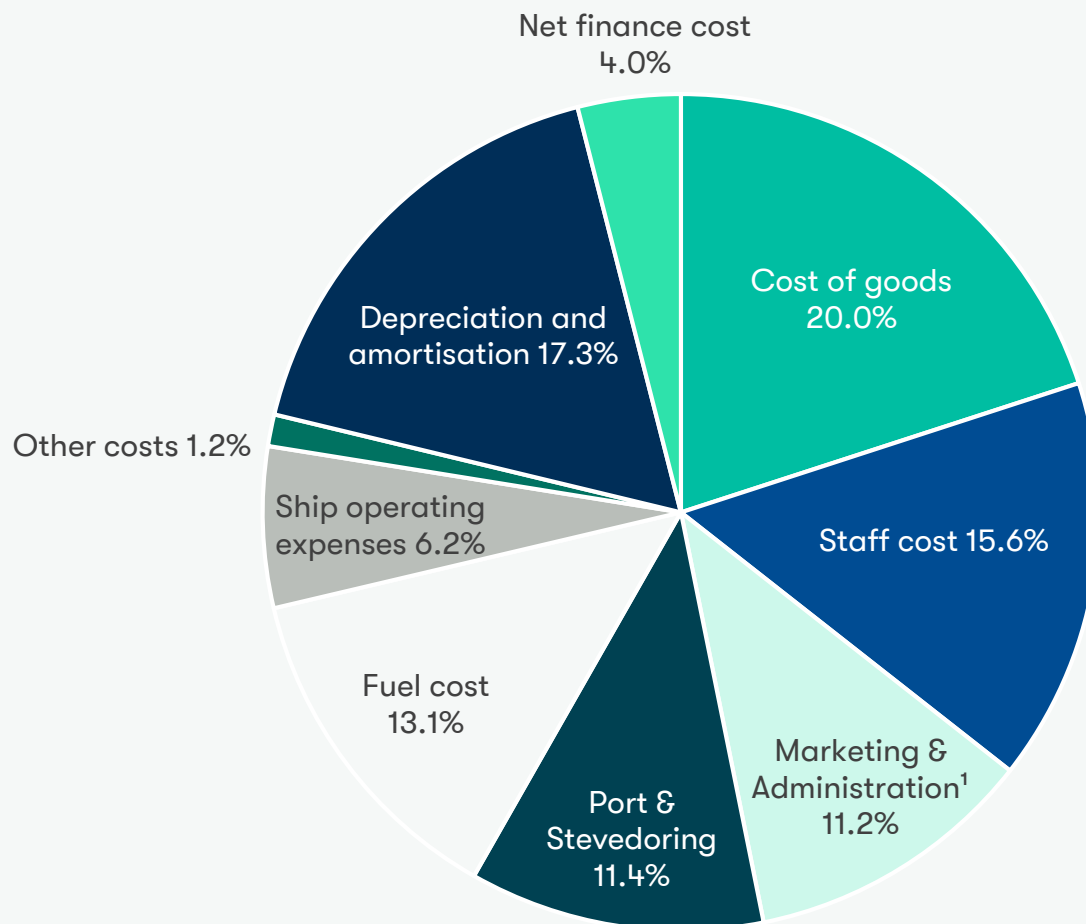
Management expects the passenger traffic between Estonia and Finland to recover more rapidly from the second quarter of 2022, when greater immunity is expected to be reached for most of the population on Group's home markets and hospitalisation rates are decreasing.

CONSOLIDATED INCOME STATEMENT

(EUR million)	2020	2021	Q4 2020	Q4 2021 ⁽³⁾
Sales	443	477	79	167
Cost of sales ⁽¹⁾	(486)	(455)	(98)	(147)
Marketing & administrative cost ⁽¹⁾	(86)	(75)	(21)	(22)
Other operating items, net ⁽²⁾	37	16	15	3
EBITDA	8	58	1	25
<i>Margin (%)</i>	1.8%	12.2%	1.5%	15.1%
Net Result	(108)	(57)	(27)	(3)
EPS	(0.162)	(0.081)	(0.040)	(0.004)

FULL YEAR COSTS BREAKDOWN

(EUR thousands)	2021 ⁽⁴⁾	2020	Change
Cost of goods	110 451	116 624	-5.3%
Staff costs	86 101	116 818	-26.3%
Marketing & Administration ⁽¹⁾	62 075	71 797	-13.5%
Port & Stevedoring	62 998	68 100	-7.5%
Fuel cost	72 234	56 341	28.2%
Ship operating expenses	34 363	36 923	-6.9%
Other costs ⁽²⁾	6 768	5 631	20.2%
Total costs from operations	434 991	472 234	-7.9%
Depreciation & amortisation	95 313	100 661	-5.3%
Net finance cost ⁽³⁾	21 967	18 000	22.0%
Total costs	552 271	590 894	-6.5%



Notes:

- (1) Depreciation and amortisation excluded
- (2) Includes package costs
- (3) Includes share of profit/loss of equity-accounted investees
- (4) Unaudited

CONSOLIDATED CASH FLOW STATEMENT

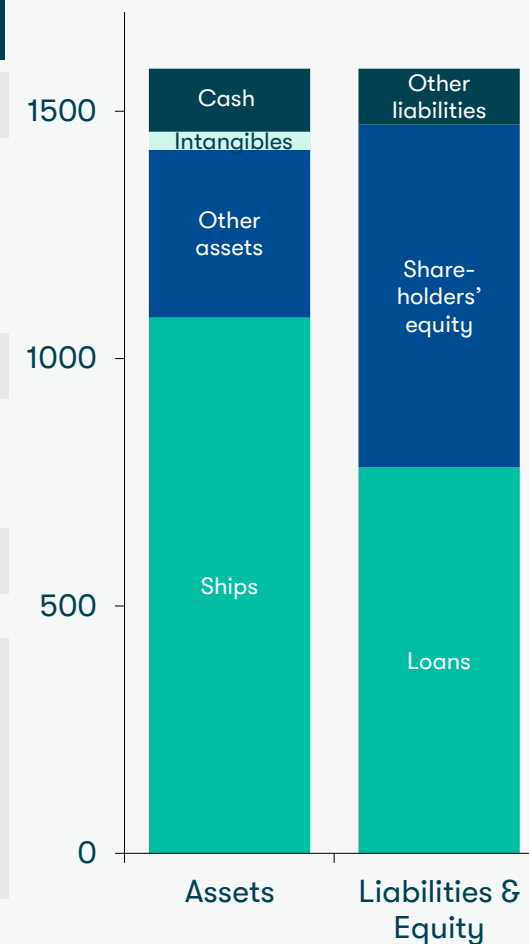
(EUR million)	2020	2021	Q4 2020	Q4 2021 ⁽¹⁾
Operating cash flow	(7)	59	(12)	28
Capital expenditure	(100)	(20)	(17)	(9)
Asset disposal	0	1	0	0
Free cash flow	(107)	40	(29)	18
Debt financing (net effect)	112	44	31	(30)
Interests & other financial items	(16)	(19)	(4)	(4)
Increase of share capital	0	35	0	0
Dividends & reduction of share capital	0	0	0	0
Income tax on dividends paid	0	0	0	0
Change in cash	(11)	100	(3)	(16)

Totals may not sum due to rounding

(1) 2021 unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2019	31.12.2020	30.09.2021	31.12.2021 ⁽²⁾
Total assets	1 533	1 516	1 617	1 586
Non-current assets	1 412	1 427	1 389	1 383
Current assets	121	89	227	203
- of which cash	39	28	143	128
Total liabilities	710	802	921	893
Interest bearing liabilities	578	705	803	780
Other liabilities	132	97	118	113
Shareholders' equity	823	714	696	693
Net debt/EBITDA	3.1x	84.2x	19.2x	11.2x
Net debt	539	677	660	652
Equity/assets ratio	54%	47%	43%	44%
BVPS ⁽¹⁾ (in EUR)	1.23	1.07	0.94	0.93



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) 2021 unaudited

DEBT STRUCTURE

LONG TERM BANK LOANS

- EUR 663 million as at 31.12.2021
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 1-8 years
- EUR denominated, fixed and EURIBOR floating

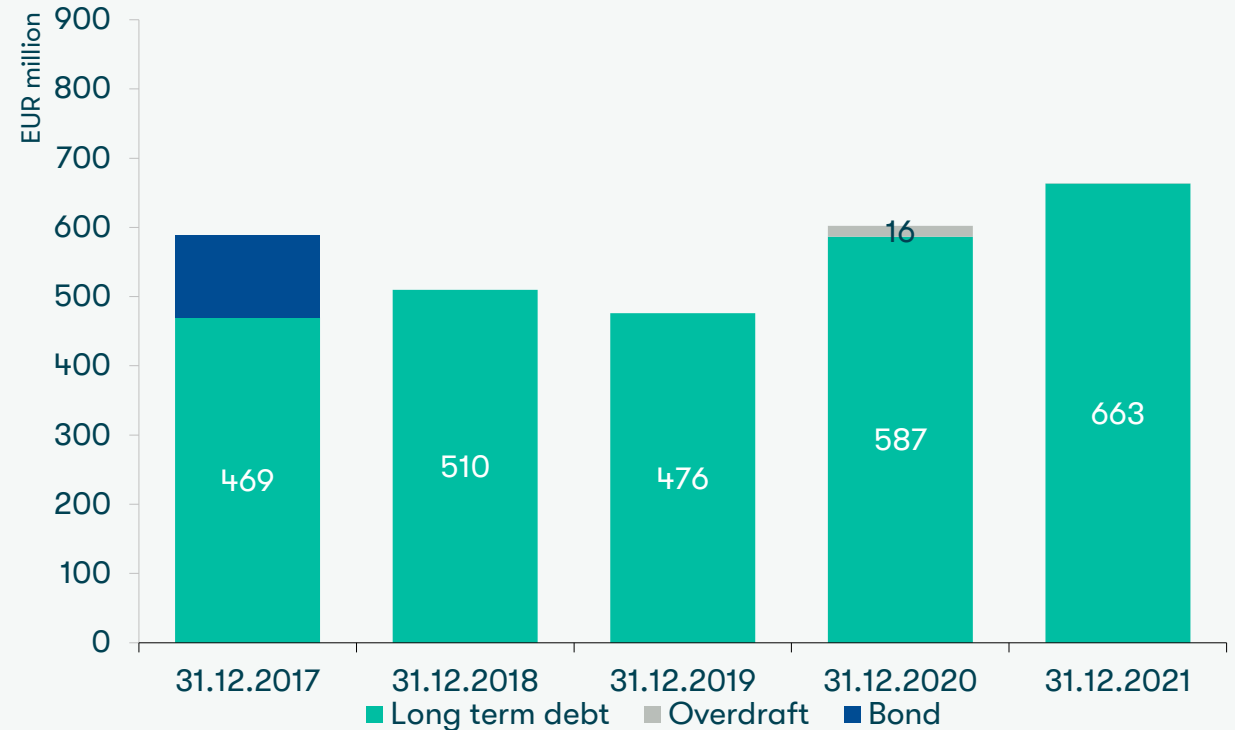
OVERDRAFTS (as at 31.12.2021)

- EUR 0.18 million used
- EUR 134.8 million unused

SIGNED, NOT YET DRAWN

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

Total EUR 663 million long-term bank loans and used overdrafts as at 31.12.2021



2021 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

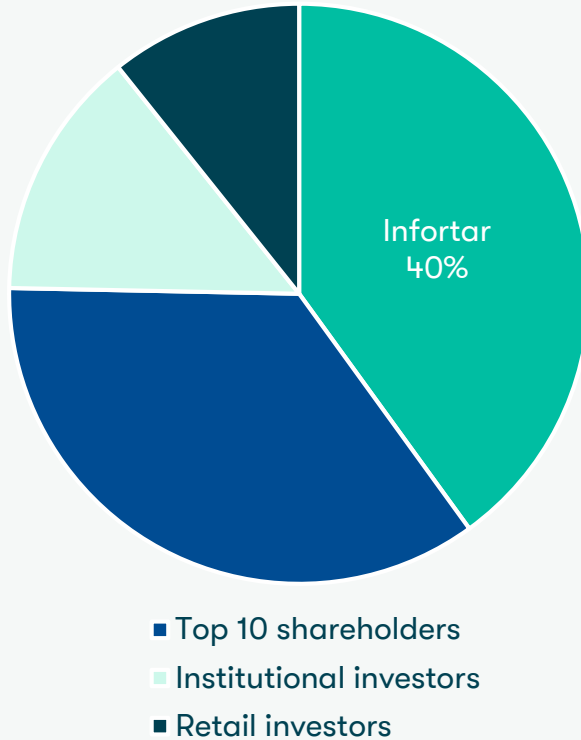


Born in 1974,
 with the Supervisory
 Board since 2013

SUPERVISORY BOARD

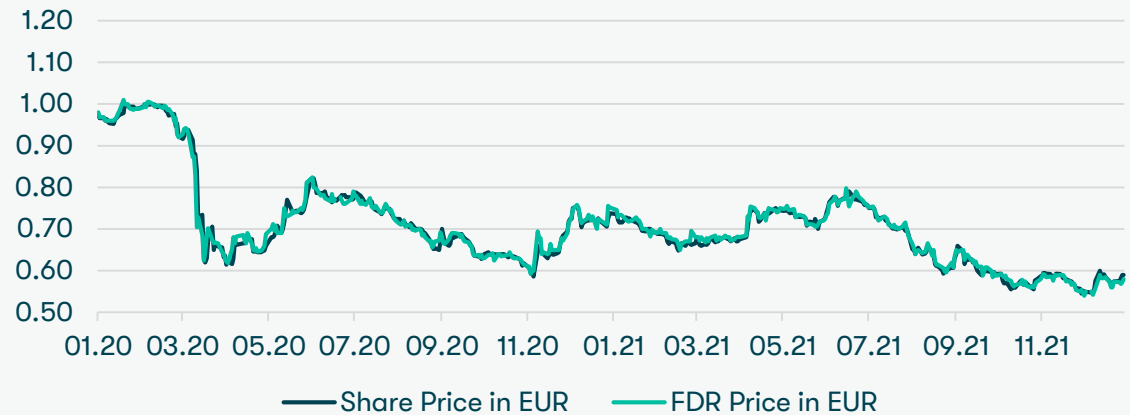
SHAREHOLDERS AND SHARE PERFORMANCE

SHAREHOLDERS OF AS TALLINK GRUPP



TEN LARGEST SHAREHOLDERS AS OF 31.12.2021

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	3%
Mersok OÜ	2%
Lüksusjaht AS	1%
Clearstream Banking AG	1%
LHV Pensionifond L	1%



THANK YOU



AS Tallink Grupp
Sadama 5, 10111, Tallinn, Estonia
investor@tallink.ee

