

25 FEBRUARY 2021

Q4 2020

**TALLINK GRUPP AS
RESULTS WEBINAR**



PRESENTERS



PAAVO NÕGENE
CHAIRMAN OF THE MANAGEMENT BOARD



JOONAS JOOST
FINANCIAL DIRECTOR

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 (3 suspended)
- Operating four hotels (2 closed until 2021 high season)

KEY FACTS

- Revenue of EUR 443 million in 2020
- Served 3.7 million passengers in 2020
- Transported 360 thousand cargo units
- Operating EUR 1.5 billion asset base
- 4 200 employees (end of 2020)
- 2.8 million loyalty program members

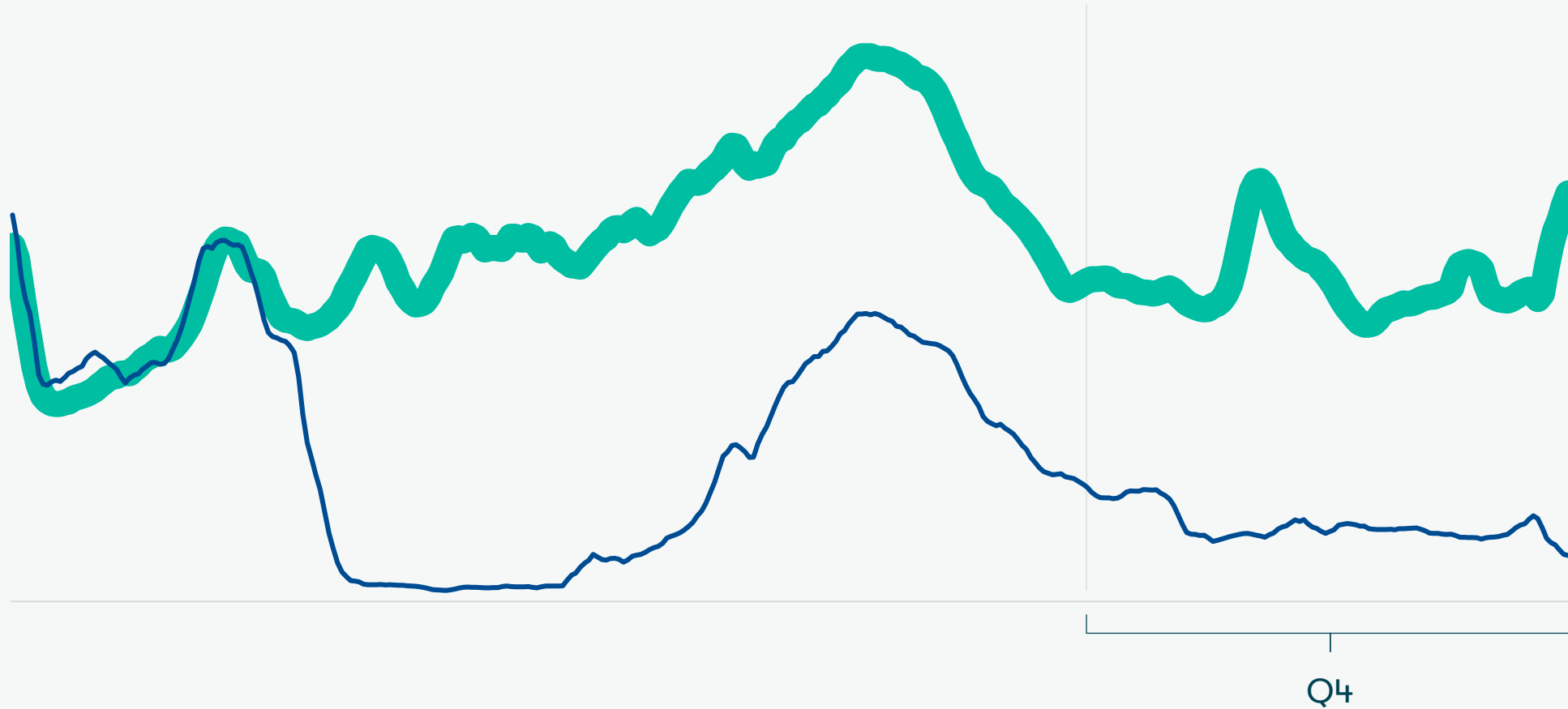


STRONG BRANDS



COVID-19 IMPACT ON TRANSPORTED PASSENGERS

2020 VS 2016-2019 AVERAGE 7-DAY MOVING AVERAGE



OPERATING ENVIRONMENT AND ADJUSTMENTS IN 2020 Q4

- Extensive impact of Covid-19 and suspension of cruise ferries operations
- Effectively operating:
 - Shuttle service on Tallinn-Helsinki route
 - Turku-Stockholm route
 - Muuga-Vuosaari & Paldiski-Kapellskär cargo routes
 - Victoria I weekly Tallinn-Stockholm-Riga roundtrip
 - Silja Europa floating weekend mall in Tallinn
 - Stockholm-Härnösand in October
- Tallink Hotel Riga operations suspended from 18 October 2020 until spring 2021
- Cost cutting and extensive reorganisation in order to bring the costs in line with the income we are currently able to earn



Q4 2020 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

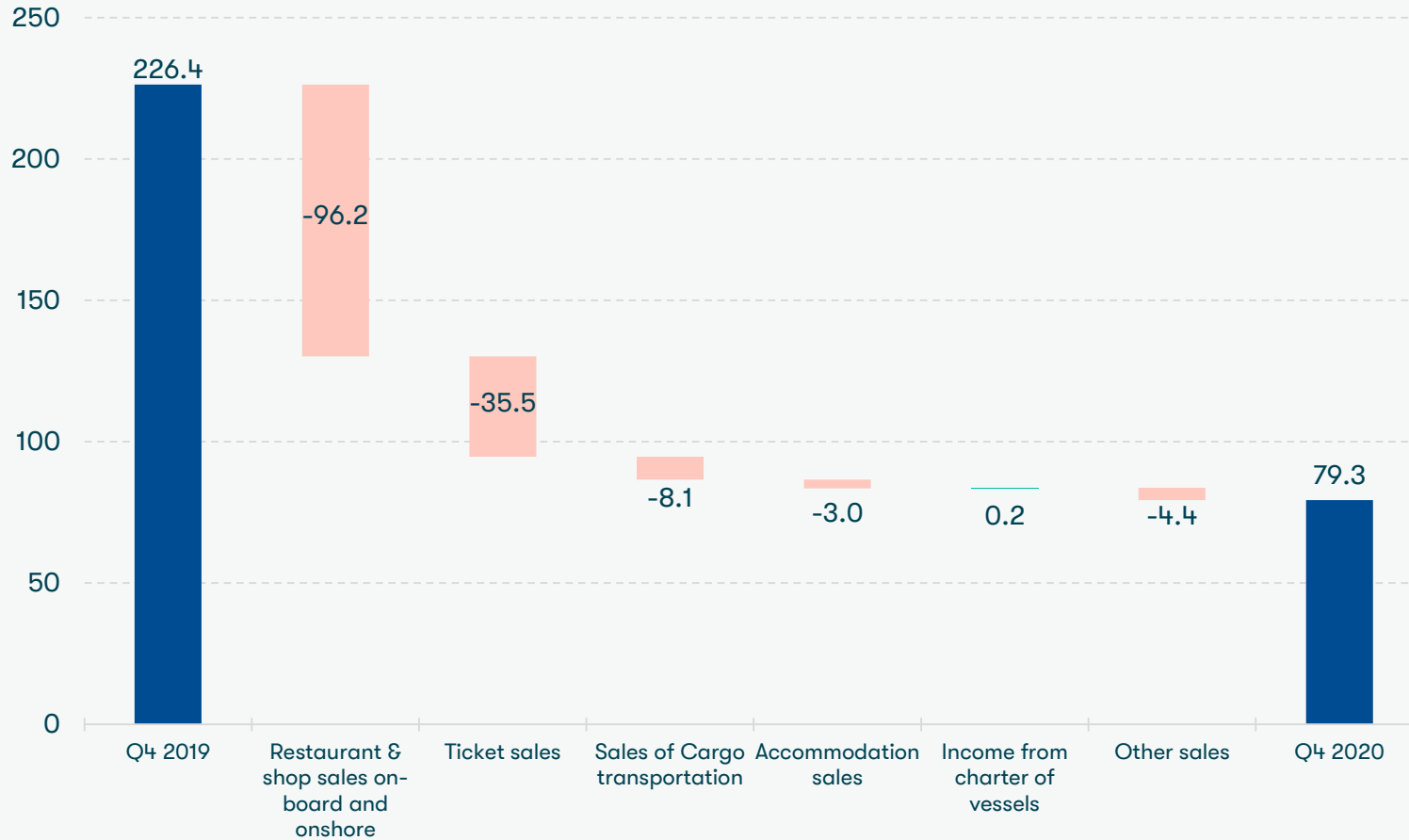
| Q4 Selected Key Figures (financials in million euros) | 2020 | 2019 | Change |
|--|----------|-----------|---------|
| Number of passengers | 462 859 | 2 280 805 | -79.7% |
| Number of cargo units | 81 861 | 93 645 | -12.6% |
| Number of passenger cars | 134 196 | 243 025 | -44.8% |
| Revenue | 79.3 | 226.4 | -65.0% |
| Gross profit / loss | -18.4 | 39.1 | -147.0% |
| EBITDA | 1.2 | 33.4 | -96.5% |
| EBIT | -24.2 | 9.0 | -369.6% |
| Net result for the period | -26.9 | 5.5 | -590.5% |
| Capital expenditures | 4.8 | 10.0 | -52.0% |
| As at: | 31.12.20 | 30.09.20 | Change |
| Total assets | 1 516.2 | 1 542.9 | -1.7% |
| Total equity | 714.3 | 741.5 | -3.7% |
| Interest-bearing liabilities | 705.1 | 671.2 | 5.1% |
| Net debt | 677.3 | 640.5 | 5.7% |

2020 unaudited

- **Revenue EUR 79.3m (EUR -147.1m or -65.0% vs LY)**
 - Extensive impact from Covid-19 related travel restrictions
 - More limited impact on cargo operations
 - 26% less departures compared to Q4 2019
- **Cost reduction & support**
 - Cost of sales reduced by 48% or EUR 90m
 - Marketing & administrative cost reduced by 33% or EUR 10m
 - Net direct financial support of EUR 14.7m in Q4 2020
- **Positive EBITDA of EUR 1.2m (EUR -32.2m vs LY)**
- **Net loss of EUR 26.9m (EUR -32.3m vs LY)**

Q4 REVENUE DEVELOPMENT BY OPERATING SEGMENTS

(EUR MILLION)

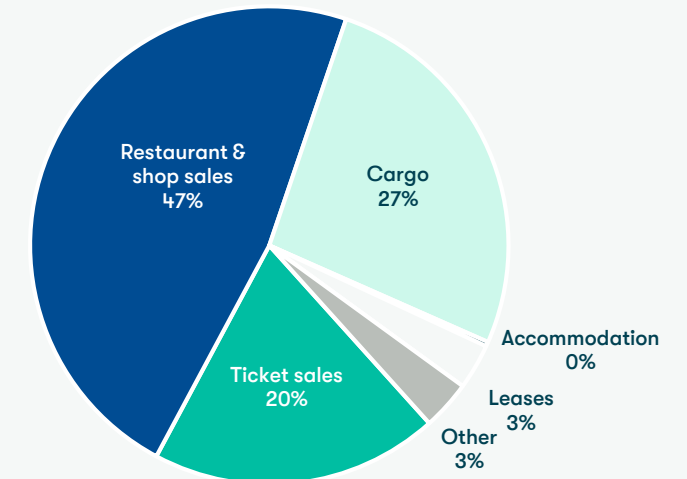


Restaurant and shop sales on-board and onshore and ticket sales decline driven by decline in passengers

Lower cargo sales due to weak market and tight price competition

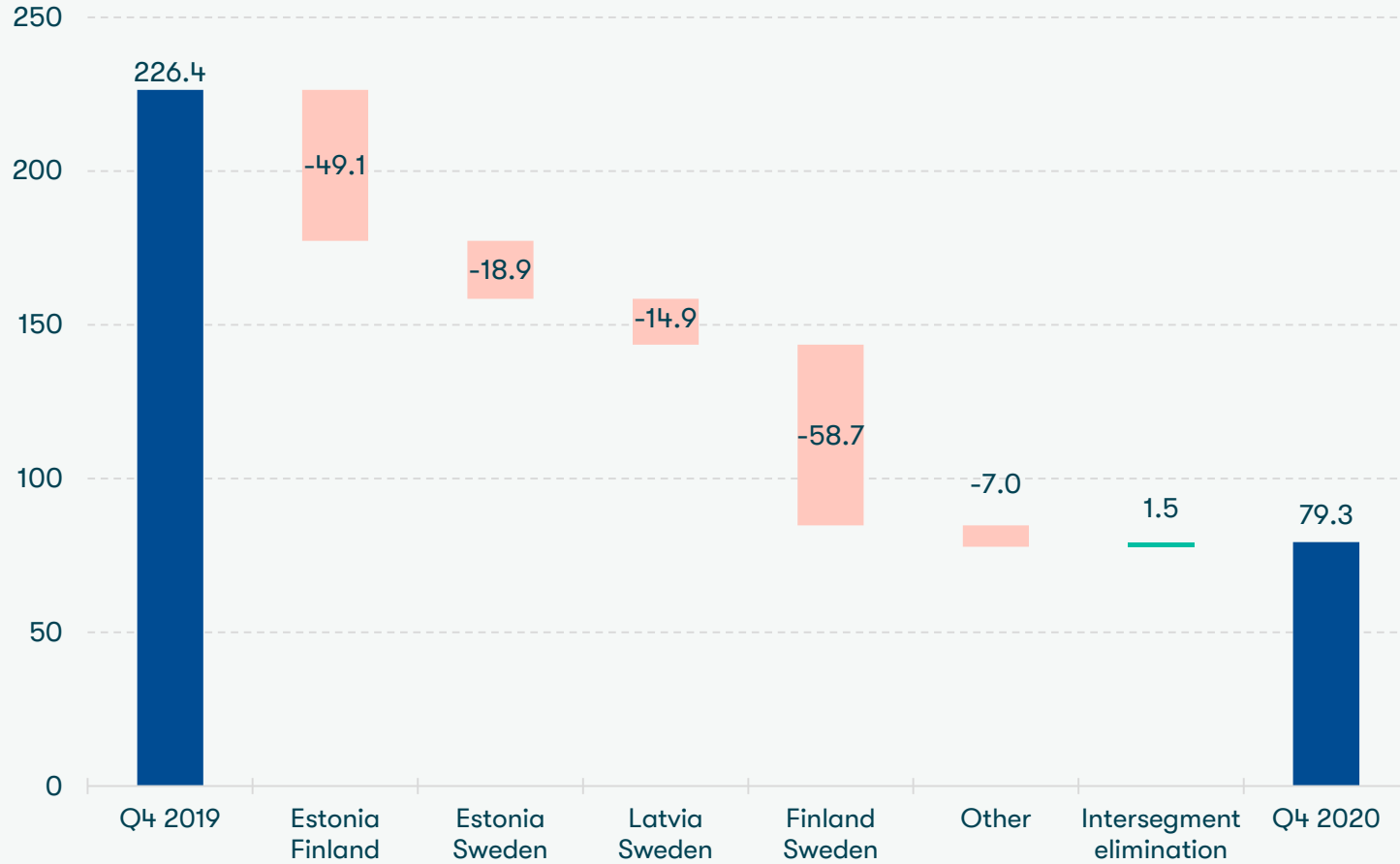
Effectively only one hotel operated in Q4 2020

REVENUE STRUCTURE IN Q4 2020



Q4 REVENUE DEVELOPMENT BY GEOGRAPHICAL SEGMENTS

(EUR MILLION)



Revenues of all routes negatively affected by Covid-19, travel restrictions, suspensions in operations and weak cargo market

Estonia-Finland

The results reflect the operations of the Estonia-Finland Shuttle and cargo service and includes also the operations of Victoria I on the Tallinn-Helsinki route

Estonia-Sweden

Operations of the Paldiski-Kapellskär route and the limited operations of the Tallinn-Stockholm route in September

Latvia-Sweden

No daily operations; The results include limited operations of Victoria I on the Riga-Stockholm route

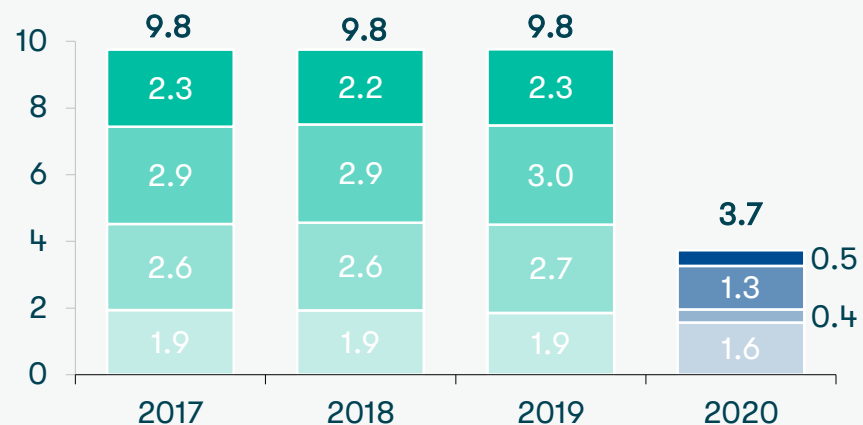
Finland-Sweden

The results reflect the operations of Turku-Stockholm route and include also limited number of special cruises from Stockholm to Härnösand

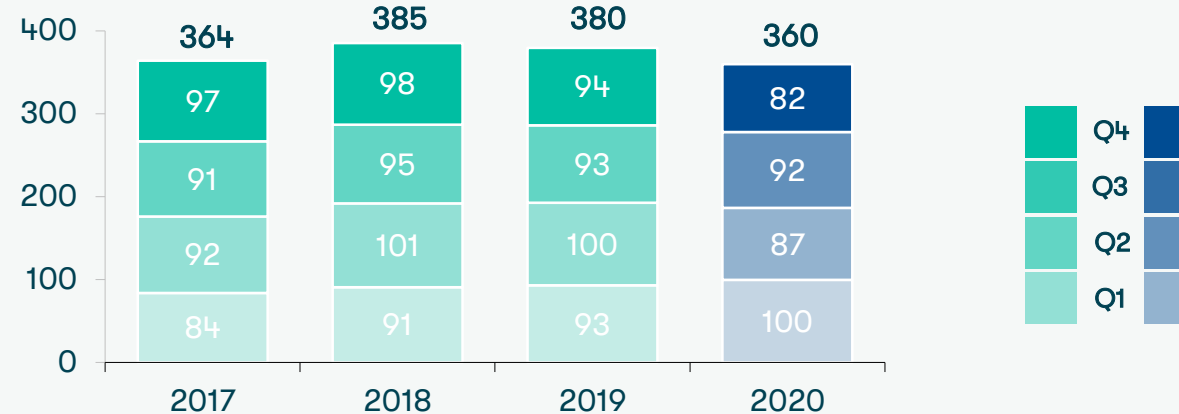
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

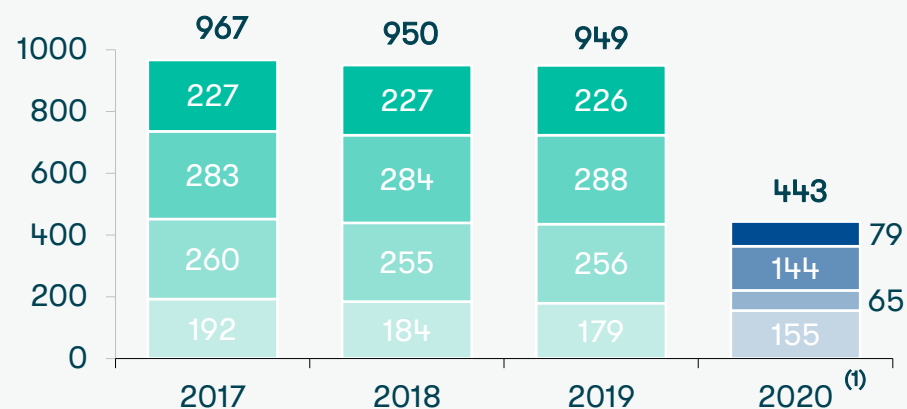
PASSENGERS (MILLIONS)



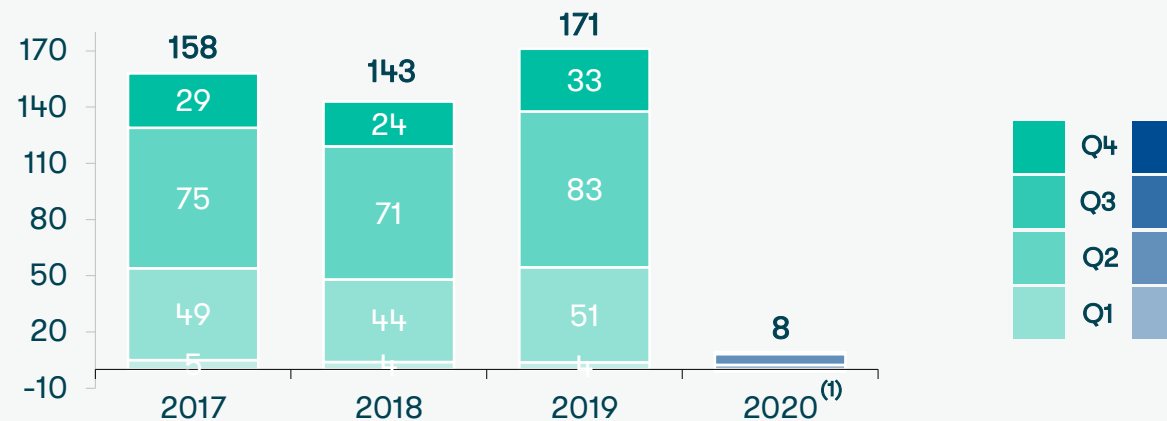
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

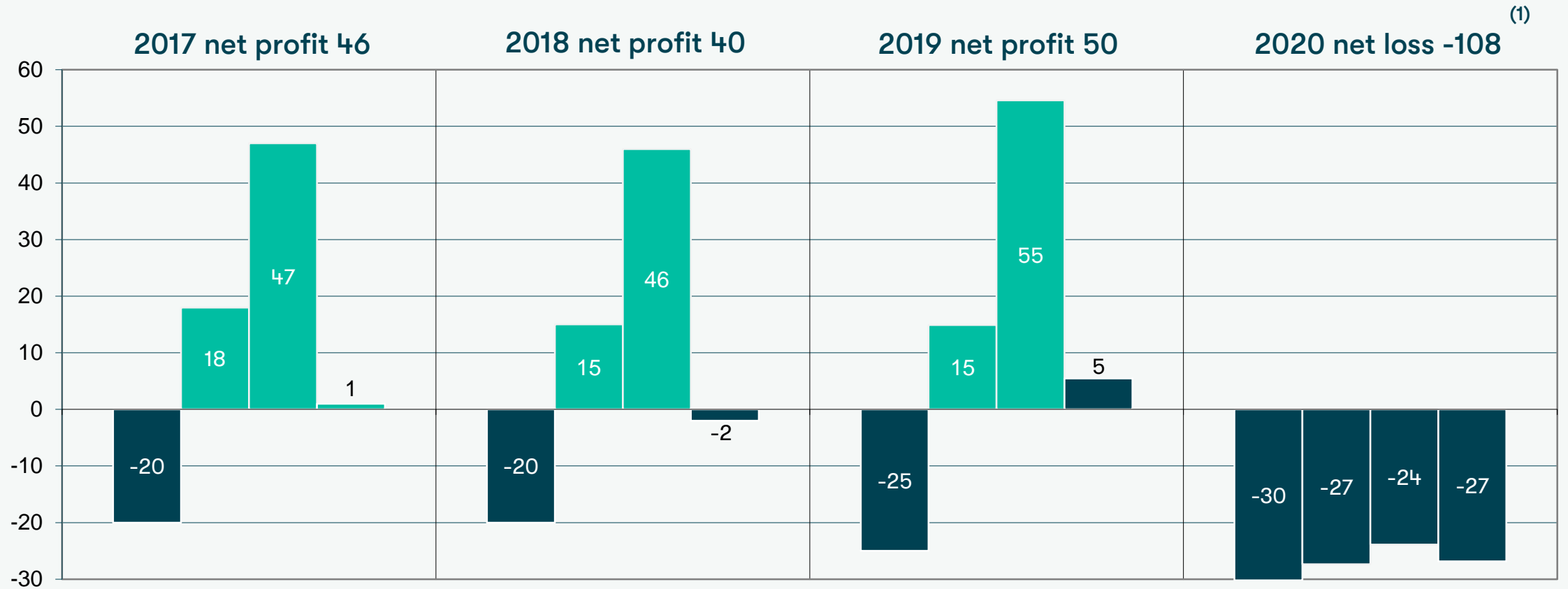


EBITDA (EUR MILLION)



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

2020 OVERVIEW – COVID-19 & TRAVEL RESTRICTIONS

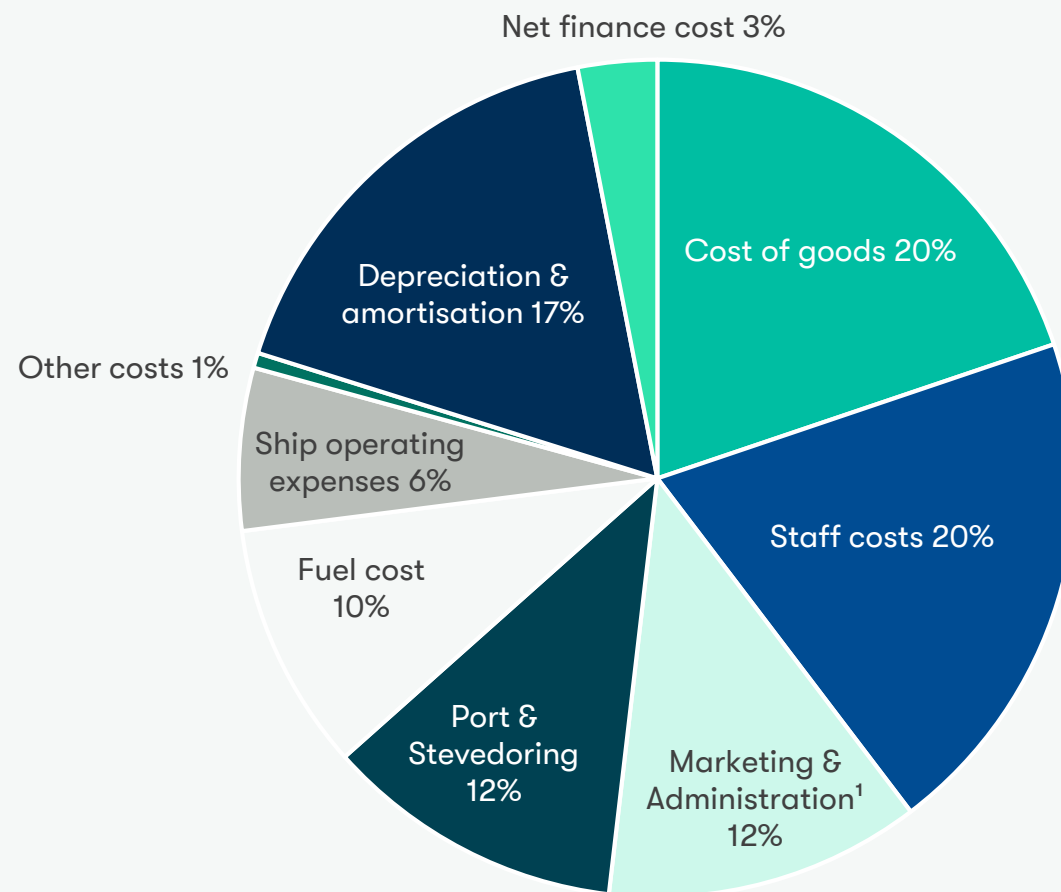
| Selected Key Figures (financials in million euros) | 2020 | 2019 | Change |
|---|-----------|-----------|---------|
| Number of passengers | 3 732 102 | 9 763 210 | -61.8% |
| Number of cargo units | 359 811 | 379 634 | -5.2% |
| Number of passenger cars | 702 702 | 1 110 314 | -36.7% |
| Revenue | 442.9 | 949.1 | -53.3% |
| Gross profit / loss | -43.5 | 196.9 | -122.1% |
| EBITDA | 8.0 | 171.1 | -95.3% |
| EBIT | -92.6 | 74.9 | -223.7% |
| Net result for the period | -108.3 | 49.7 | -317.8% |
| Capital expenditures | 100.1 | 60.9 | 64.4% |
| As at: | 31.12.20 | 31.12.19 | Change |
| Total assets | 1 516.2 | 1 533.0 | -1.1% |
| Total equity | 714.3 | 822.8 | -13.2% |
| Interest-bearing liabilities | 705.1 | 577.9 | 22.0% |
| Net debt | 677.3 | 539.0 | 25.7% |

2020 unaudited

- **Revenue EUR 442.9m (EUR -506.2m or -53.3% vs LY)**
 - Extensive impact from Covid-19 related travel restrictions
 - More limited impact on cargo operations
 - 20% less departures compared to 2019
- **Cost reduction & support**
 - Cost of sales reduced by 35% or EUR 266m
 - Marketing & administrative cost reduced by 31% or EUR 38m
 - Net direct financial support of EUR 36.6m in 2020
- **Positive EBITDA of EUR 8.0m (EUR -163.1m vs LY)**
- **Net loss of EUR 108.3m (EUR -158.0m vs LY)**
- **Capital expenditure related mainly to MyStar**

FULL YEAR COSTS BREAKDOWN

| (EUR million) | 2020 ⁽³⁾ | 2019 | Change |
|---|---------------------|----------------|---------------|
| Cost of goods | 116 624 | 221 139 | -47.3% |
| Staff costs | 116 818 | 163 148 | -28.4% |
| Marketing & Administration ⁽¹⁾ | 71 797 | 110 974 | -35.3% |
| Port & Stevedoring | 68 100 | 103 446 | -34.2% |
| Fuel cost | 56 341 | 89 614 | -37.1% |
| Ship operating expenses | 36 923 | 72 594 | -49.1% |
| Other costs | 3 430 | 9 005 | -61.9% |
| Total costs from operations | 470 033 | 769 920 | -39.0% |
| Depreciation & amortisation | 100 661 | 96 246 | 4.6% |
| Net finance cost ⁽²⁾ | 18 000 | 17 683 | 1.8% |
| Total costs | 588 694 | 883 849 | -33.4% |



Notes:

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

INVESTMENT AND FINANCING HIGHLIGHTS IN Q4 2020

ACTIVITIES TOWARD LONG-TERM SUSTAINABILITY

- MyStar prepayments concluded
- EUR 60m working capital loan drawn
- Loan agreement with Nordic Investment Bank, EUR 10m drawn
- Opening of the first Burger King restaurants in Latvia and Lithuania, one more restaurant in Tallinn



Image courtesy of RMC

CONSOLIDATED CASH FLOW STATEMENT

| (EUR million) | 2019 | 2020 | Q4 2019 | Q4 2020 ⁽¹⁾ |
|--|-------------|-------------|----------|------------------------|
| Operating cash flow | 175 | (7) | 49 | (12) |
| Capital expenditure | (61) | (100) | (10) | (17) |
| Asset disposal | 0 | 0 | 0 | 0 |
| Free cash flow | 114 | (107) | 39 | (29) |
| Debt financing (net effect) | (52) | 112 | 12 | 31 |
| Interests & other financial items | (17) | (16) | (3) | (4) |
| Dividends & reduction of share capital | (80) | 0 | (47) | 0 |
| Income tax on dividends paid | (8) | 0 | 0 | 0 |
| Change in cash | (43) | (11) | 1 | (3) |

Totals may not sum due to rounding

(1) Unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (EUR million) | 31.12.2018 | 31.12.2019 | 30.09.2020 | 31.12.2020 ⁽²⁾ |
|-------------------------------------|--------------|--------------|--------------|---------------------------|
| Total assets | 1 501 | 1 533 | 1 543 | 1 516 |
| Non-current assets | 1 333 | 1 412 | 1 443 | 1 428 |
| Current assets | 168 | 121 | 100 | 88 |
| - of which cash | 82 | 39 | 31 | 28 |
| Total liabilities | 644 | 710 | 801 | 802 |
| Interest bearing liabilities | 510 | 578 | 671 | 705 |
| Other liabilities | 134 | 132 | 130 | 97 |
| Shareholders' equity | 857 | 823 | 742 | 714 |
| Net debt/EBITDA | 3.0x | 3.1x | 15.9x | 84.2x |
| Net debt | 428 | 539 | 640 | 677 |
| Equity/assets ratio | 57% | 54% | 48% | 47% |
| BVPS ⁽¹⁾ (in EUR) | 1.28 | 1.23 | 1.11 | 1.07 |



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) Unaudited

DEBT STRUCTURE

LONG TERM BANK LOANS

- EUR 603 million as at 31.12.2020
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 1-9 years
- EUR denominated, fixed and EURIBOR floating

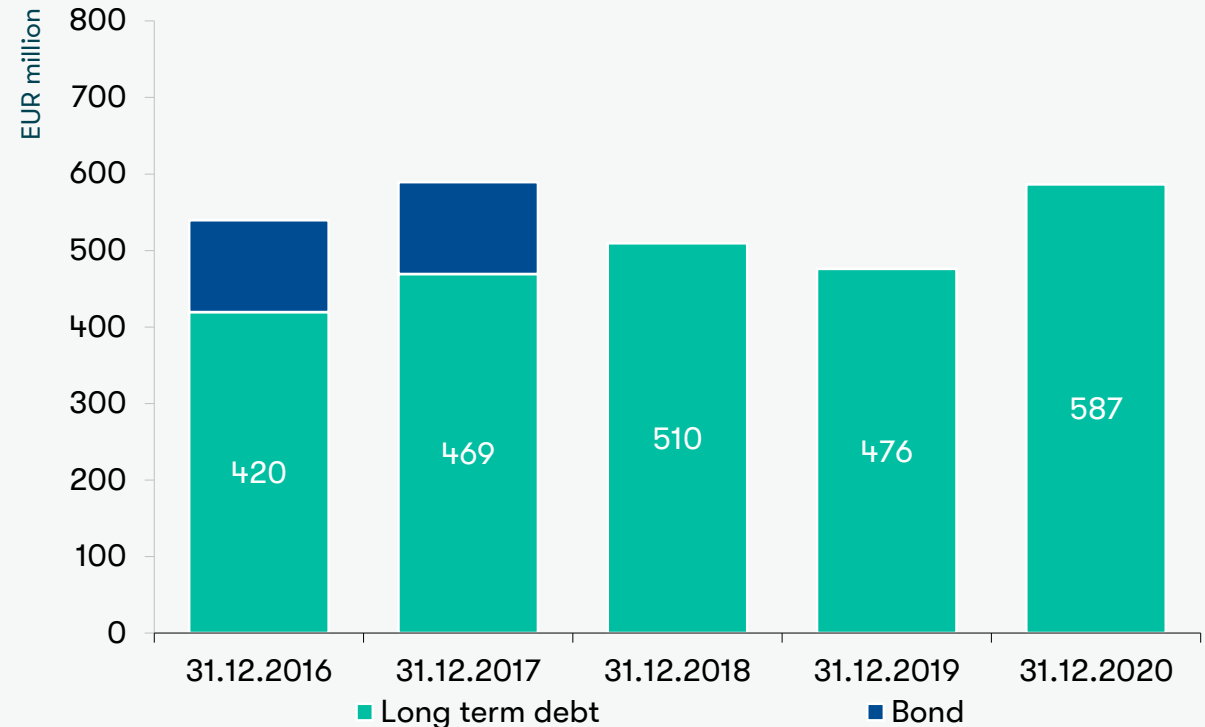
OVERDRAFTS (as at 31.12.2020)

- EUR 16 million used
- EUR 119 million unused

SIGNED, NOT YET DRAWN

- EUR 198 million from KfW IPEX-Bank GmbH (MyStar)
- EUR 90 million undrawn of EUR 100 million working capital loan from Nordic Investment Bank

Total EUR 705 million interest bearing liabilities as at 31.12.2020



2020 unaudited

2020 WEIGHTED AVERAGE INTEREST RATE 2.16%

EVENTS AFTER THE REPORTING PERIOD & OUTLOOK



Image courtesy of RMC

- Tighter restriction for entering Finland and Sweden effective from late January
- Second Burger King restaurant in Latvia opened in January. Ongoing preparations for opening 7 more Burger King restaurants in 2021.
- Due to a deteriorated operating environment and considering the Company's long-term interests, the Management will propose not to pay dividends for the financial year 2020.

Due to the ongoing Covid-19 situation the earnings outlook is uncertain and continues to be largely subject to external factors such as the progress of vaccinations, states' decisions regarding the timing of lifting of the travel restrictions, allowing passenger traffic as well as the duration of the recovery period.

QUESTIONS & ANSWERS



THANK YOU



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