

Port of Tallinn

An Essential Baltic Marine Infrastructure Hub

May 2018



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Port of Tallinn: Landlord Port Supporting a Strong Dividend Profile

I. Introduction to Port of Tallinn

2

II. Key Investment Highlights

8

Further Detail: Deep Dive on Select Themes

19

Further Detail: Historical Operational and Financial Results

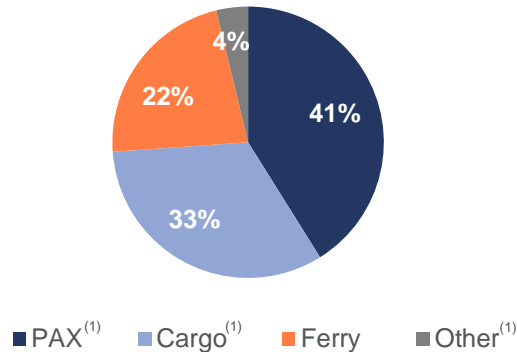
23

An Attractive Investment Proposition – Delivering Shareholder Value

Resilient landlord infrastructure business model

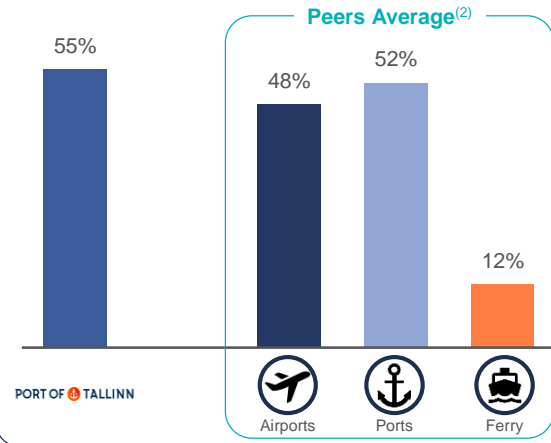
DIVERSIFICATION

2017 Revenue Breakdown:
€121m



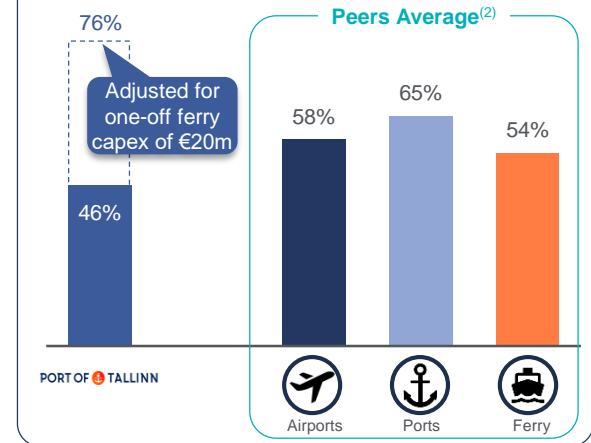
PROFITABILITY

2017 Adjusted EBITDA Margin



CASH FLOW GENERATION

2017 Cash Conversion⁽³⁾



STRONG DIVIDEND PROFILE



€28m

Last 10 years' average annual dividend⁽⁴⁾



€30m

2019-20 minimum annual dividend⁽⁵⁾

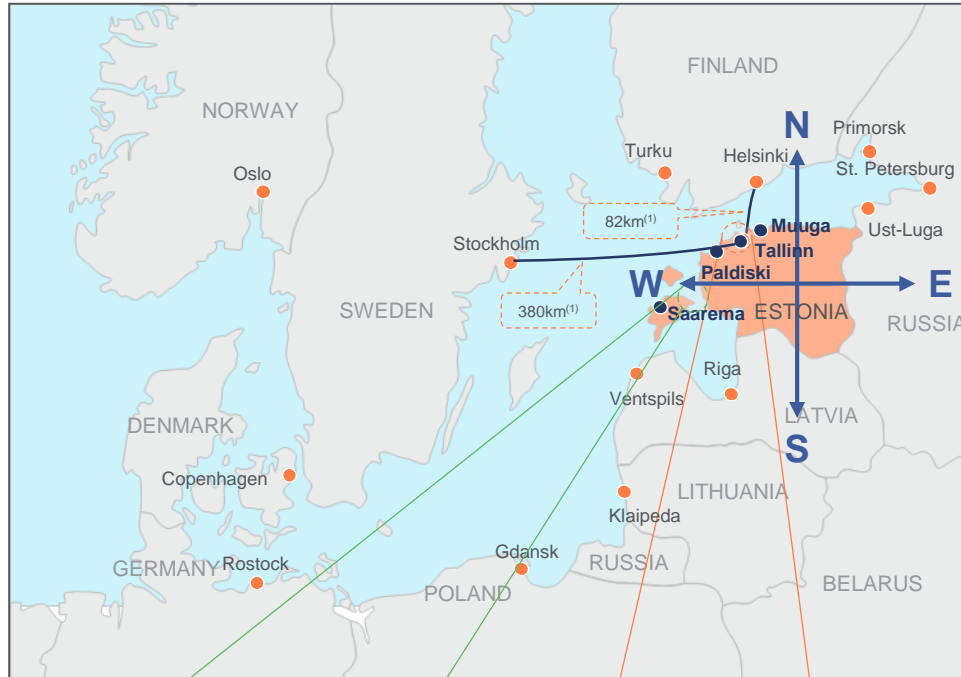


70%

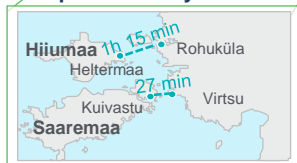
Minimum payout policy⁽⁵⁾ from 2021

An Essential Baltic Marine Infrastructure Hub

Strategic Geographical Location



Operated Ferry Routes



City Centre Proximity



Key Highlights



Multimodal marine infrastructure connecting with sea, road, rail and air



10.6m⁽²⁾ passengers serviced in 2017, including **0.6m** cruise tourists



6,039 passenger / cruise ship calls and **1,677** cargo ship calls in 2017



19.2m tonnes of cargo handled in 2017



Operator of 2 largest domestic ferry routes:
▪ **2.2m** ferry passengers and **1.0m** vehicles carried in 2017



Port digitalisation leadership (e.g. SmartPort⁽³⁾ for passengers, Single Window⁽⁴⁾ for vessels)



Excellent HSSE⁽⁵⁾ track record; ISO Quality and Environmental Management System compliance since 2003

Vision to become the most innovative port in the Baltic Sea region

Source: Company.

Note: (1) Air travel distance. (2) Excluding domestic ferry service passengers. (3) SmartPort system is a comprehensive IT platform, aiming at connecting all port devices, by interlinking the information and communication systems. (4) Single Window is a system through which the users (ship operators or authorized agents) are able to provide all necessary information ("FAL forms") only once, while the system is able to interpret, combine and distribute this information for processing to the European network (SafeSeaNet) and the National Agencies involved. (5) HSSE: Health, Safety, Security and Environment.

A Well Balanced Business Profile



Scope of Services

Key Harbours

Passenger Harbours

- Provision of infrastructure for vessels and servicing of passengers and vehicles
- Lines serviced include: Tallinn – Helsinki, Tallinn – Stockholm, Tallinn – St. Petersburg
- Serving PAX vessels' Ro-Ro cargo

Old City

1



- One of the busiest PAX ports in Europe
- Handles almost all of PoT PAX

Saaremaa

2



- Potential to host regional and cruise ships

Cargo Harbours⁽¹⁾

- Provision of infrastructure for vessels and cargo operators
- Liquid bulk, Ro-Ro, dry bulk, containers, general cargo

Muuga

3



- Biggest cargo harbour in Estonia

Paldiski South

4



- Primarily handles Estonian export and import cargo and transit cargo
- Outsized goods handling capacity

Ferry

5

- Infrastructure provider between Estonian mainland and two of the largest islands
- Services provided on 2 routes with 5 ferries, 4 of which are newbuilds⁽³⁾
- Operating under a 10-year service agreement with the Estonian Road Administration⁽²⁾ until Q3 2026

Other

Icebreaking (MPSV Botnica)

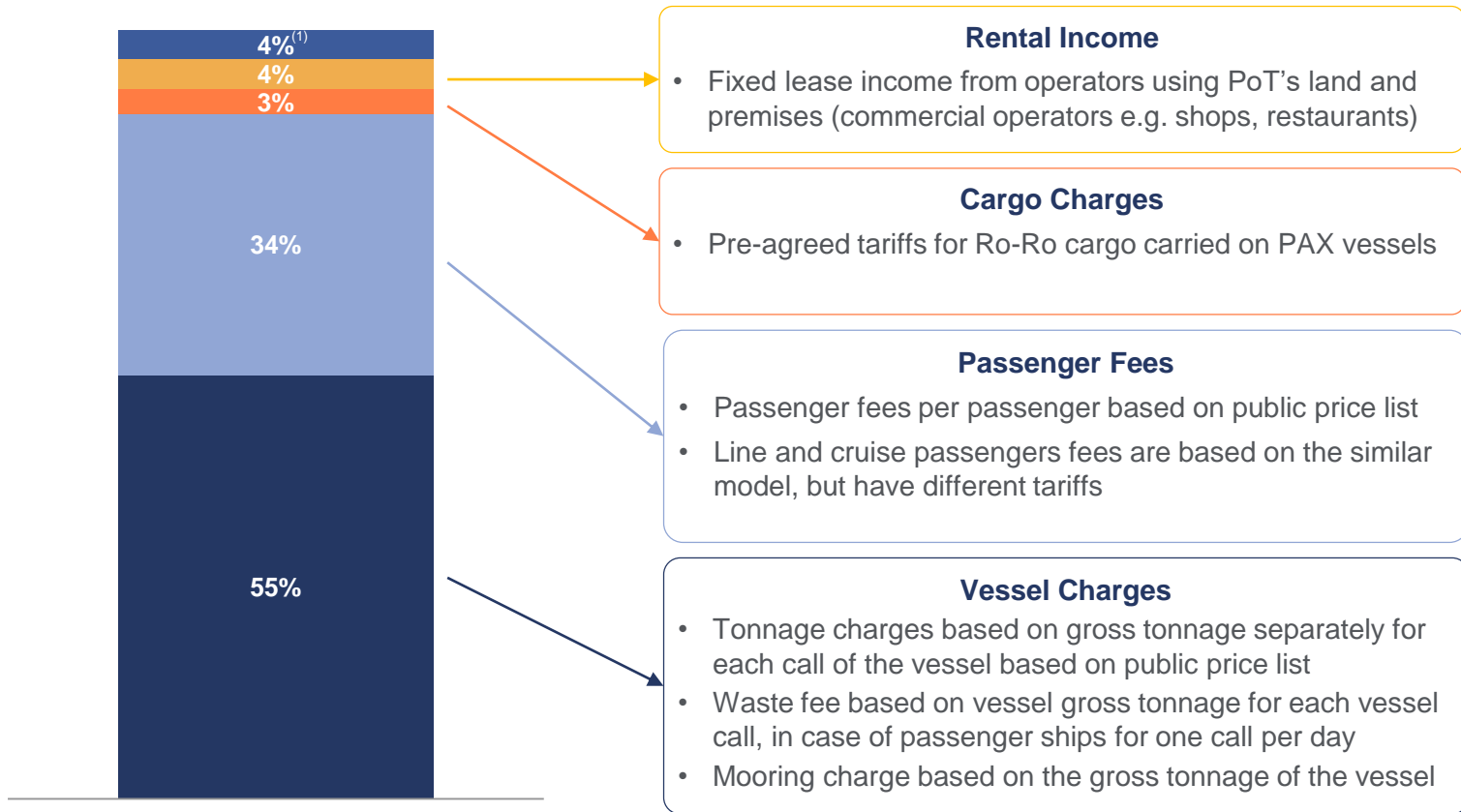
- 10-year agreement for icebreaking services with the Estonian Maritime Administration⁽²⁾ until Q2 2022 covering northern Estonian ports
- Looking to provide various maritime support operations from May to Nov

Waste Management

- Waste management through a 51% stake in Green Marine joint venture

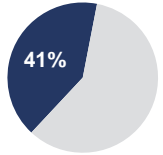
Passenger Harbours Business Model – Maritime Gateway into Estonia

2017 Revenue Breakdown

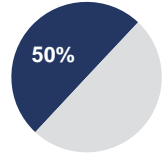


2017 Contribution

Revenue



Adjusted EBITDA



Key Customers

Regular Lines



Cruise



Natural monopoly⁽²⁾



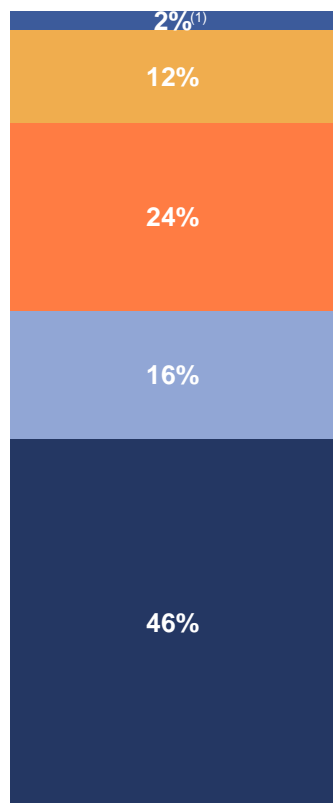
Resilient PAX flow



Blue-chip customers

Cargo Harbours Business Model – Landlord Infrastructure Provider

2017 Revenue Breakdown



Sales of Electricity

- Calculated based on the readings of customers electricity meters⁽³⁾

Rental Income

- Fixed lease income from operators using PoT's land and facilities

Cargo Charges

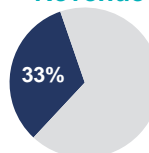
- Pre-agreed tariff based charges (volume x tariff = charge)
- Cargo charges agreed separately from operator to operator
- Contractual penalties if terminal operators fail to handle pre-agreed minimum amounts of cargo

Vessel Charges

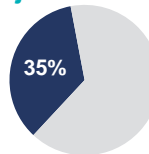
- Tonnage charges based on vessel gross tonnage
- Waste fee
- Mooring

2017 Contribution

Revenue



Adjusted EBITDA



Key Customers

Terminal Operators



Shipping Lines



Diversified cargo mix



Long term rental agreements

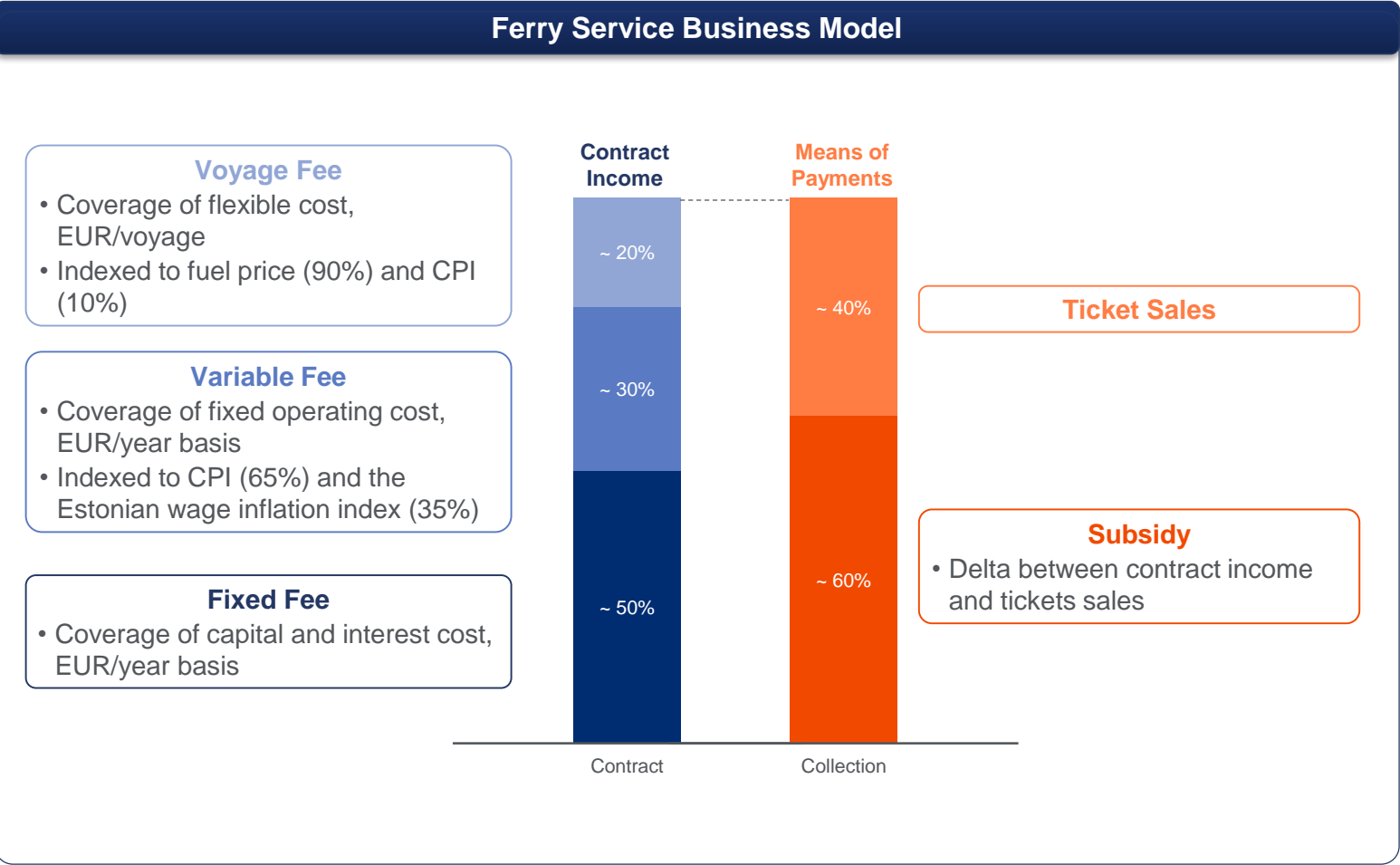


Defined minimum volumes



Blue-chip customers

Ferry Business Model – Fully Subsidised Revenue Stream



- 

Long term, fully subsidised income stream
- 

Fees indexed to fuel price, CPI, wage index
- 

Number of passengers or vehicles are not drivers of income

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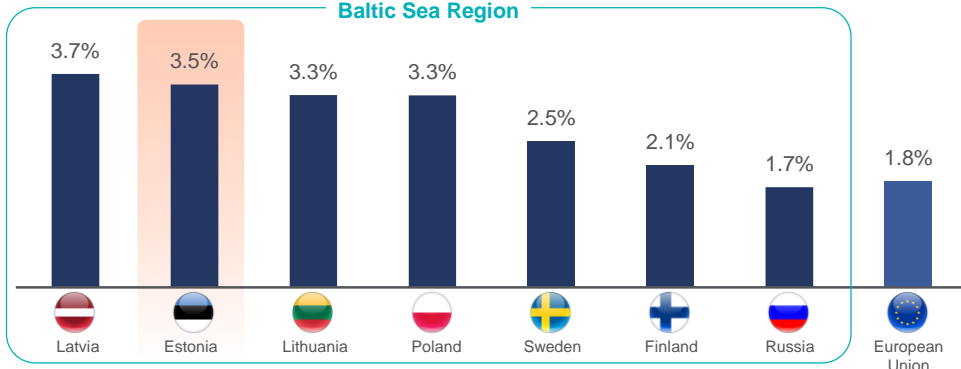


Attractive Macro and Industry Dynamics Driving Continued Regional Demand for Port Infrastructure

Attractive Regional Macro Outlook

2016-2020E GDP CAGR⁽¹⁾

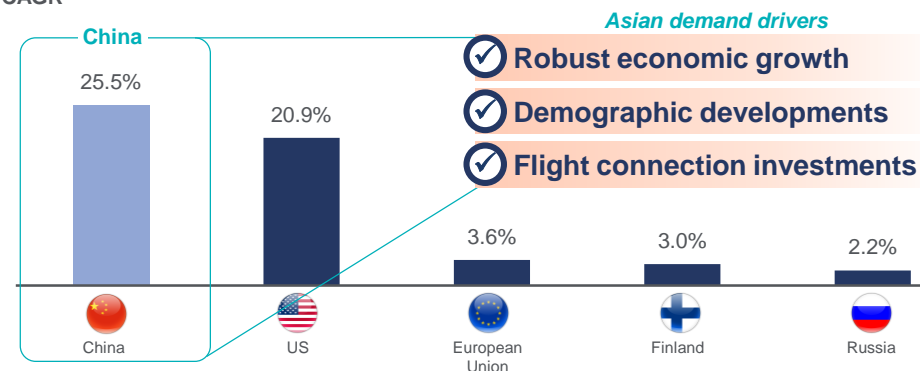
Baltic Sea Region



Increasing Influx of Travellers

2012-2016 CAGR

Number of Non-Residents Visiting Estonia⁽²⁾



Large Scale Investment Driving Demand for Port Infrastructure

North – South Initiatives



- 1 Rail Baltica**
Leading Institution / Country: European Union
- 2 Cooperation with Port of Helsinki and others (e.g. via EU-funded projects)**
Leading Institution / Country: European Union
- 3 National railway cargo operator initiatives**
Leading Institution / Country: Estonia

Nordic cargo and passenger flows supported by the development of North – South transportation route

East – West Initiatives



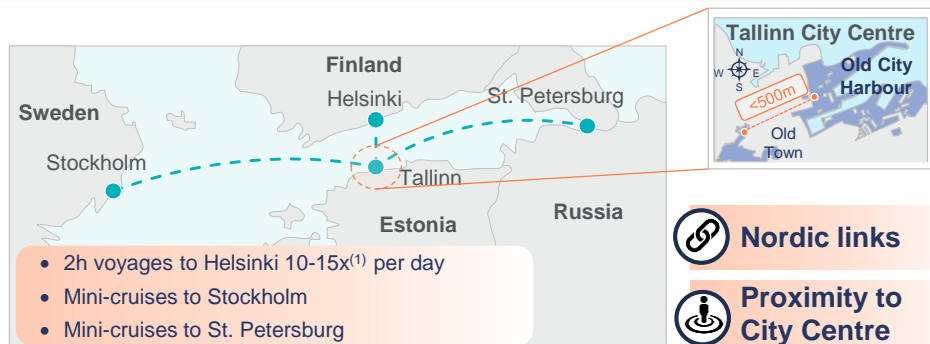
- 1 One Belt and One Road initiative**
Leading Country: China
- 2 High-Speed Railway (HSR) Eurasia**
Leading Country: Russia, Kazakhstan, Belarus

Continued investment into East – West transportation route set to grow regional cargo transshipments

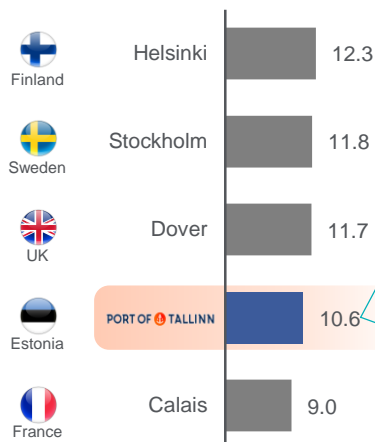
Port of Tallinn is strategically positioned to service cargo and passenger flows into and through the Baltic Sea region

Multimodal Marine Infrastructure with a **Strong Competitive Position** Supported by Nordic Links

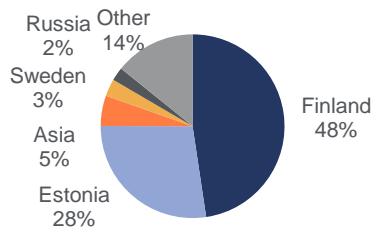
One of the Largest Passenger Ports in Europe



Top 5 PAX Ports in Northern Europe in 2017⁽²⁾ (millions)



2017 PAX Breakdown

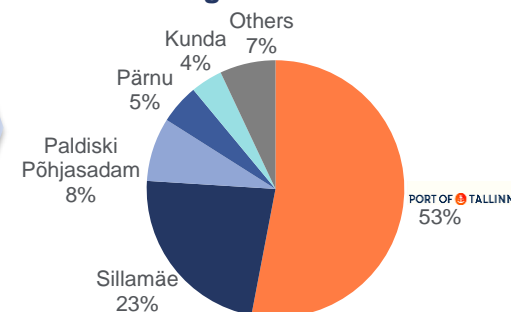


Excellent connectivity and well-developed port facilities enabling significant passenger traffic growth

Largest Cargo Infrastructure Provider in Estonia

- Up to 18m natural depth
- Year-round navigable
- Connectivity by sea, road, rail and air
- Digitalisation leadership
- Muuga port free zone

Estonian Ports' 2017 Cargo Volumes⁽²⁾

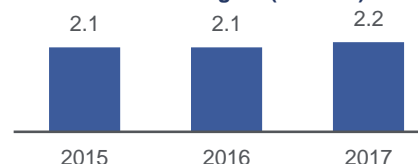


Well positioned for multimodal cargo transport through the region

Essential Ferry Service Operator Between Estonian Mainland and Islands



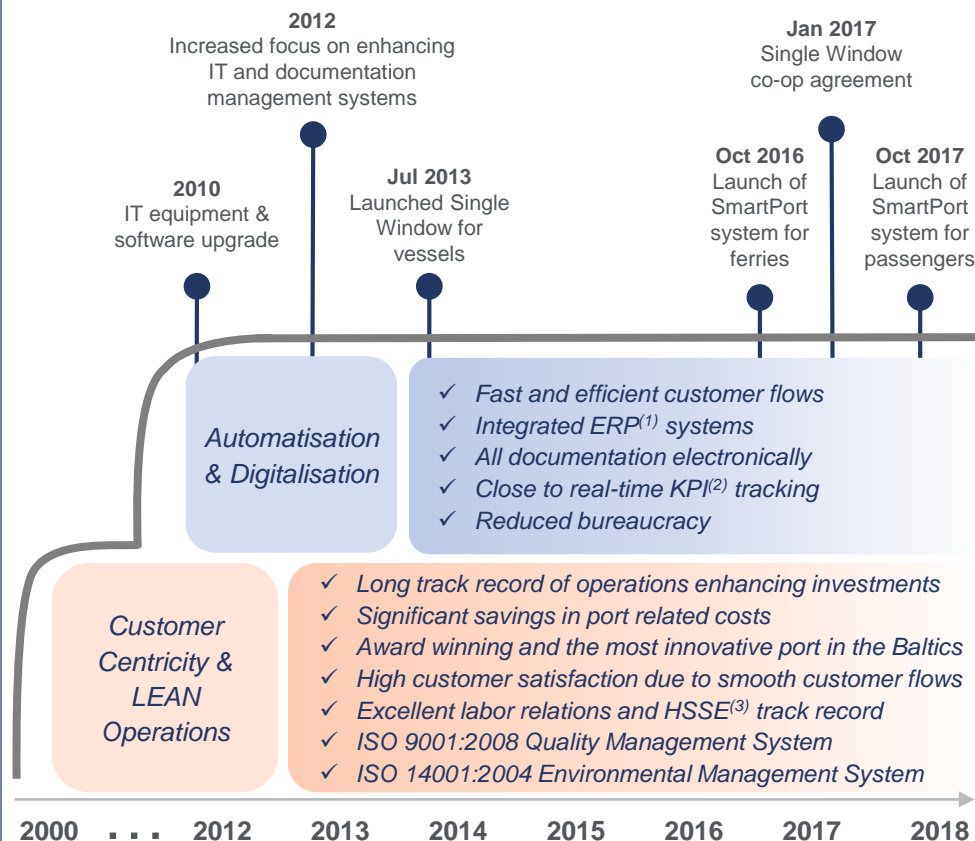
Passengers (millions)



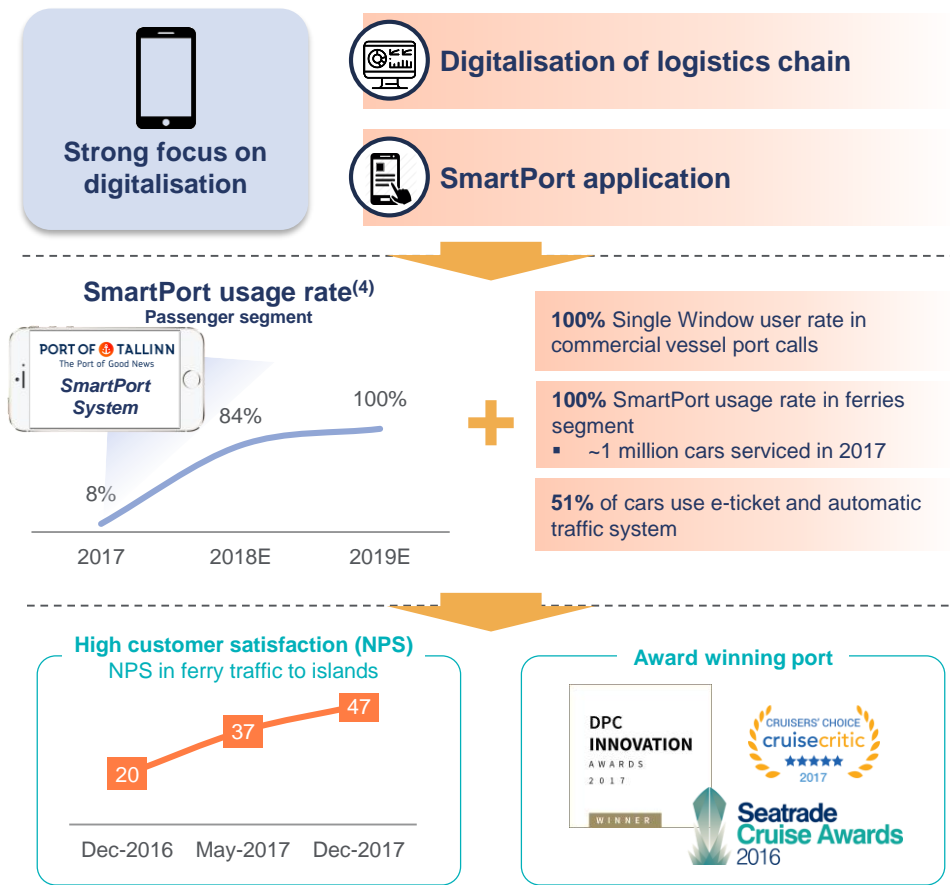
Fleet



Long Track Record of Operational Excellence and Innovation...



... Leads to Significant Benefits to Both Customers and PoT



Vision to become the most innovative port in the Baltic Sea region to further strengthen its competitive position

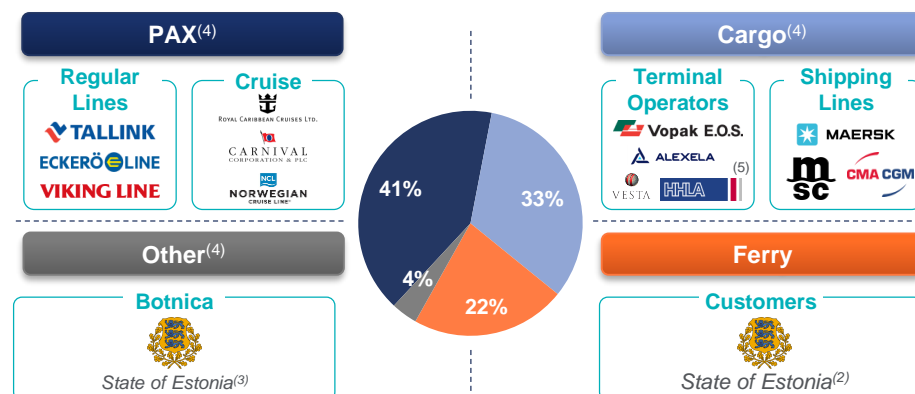
High Visibility Income

Landlord owner of port facilities with no concession renewal limitations for its harbours

- PAX** Attractive competitive position as the main passenger port in Tallinn⁽¹⁾
- Cargo** Long term rental agreements (average remaining term 26 years) with cargo operators with defined minimum volumes
- Ferry** 10-year service agreement with the state⁽²⁾ expiring in Q3 2026
- Botnica** 10-year charter agreement with the state⁽³⁾ until Q2 2022 with a contracted formula for calculating Dec-Apr daily rate

Diversified Revenue Streams from Blue-Chip Customers

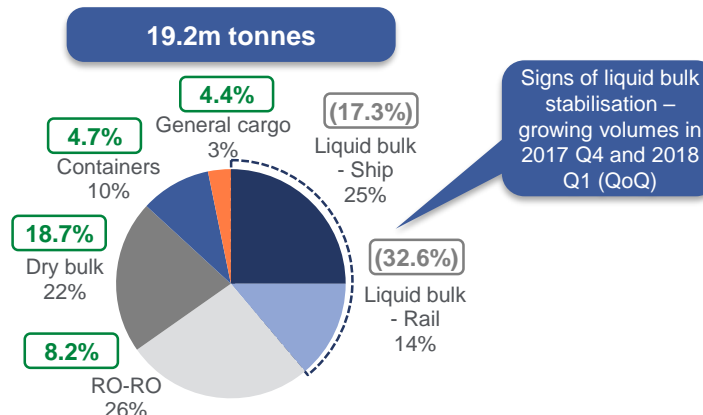
2017 Revenue Breakdown



Diversified Cargo Mix

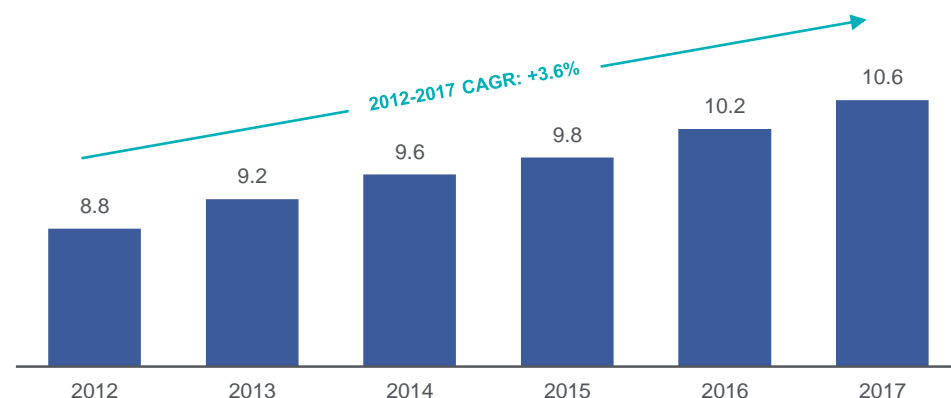
2017 Cargo Volume Breakdown

2015 – 2017 CAGR



Resilient Passenger Volumes Growth

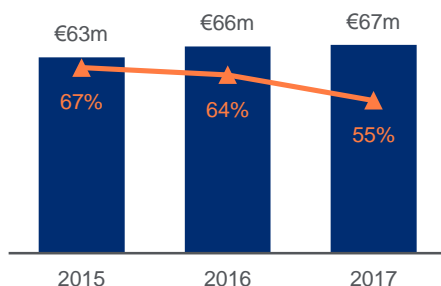
Total Passengers (millions)



5 Substantial Cash Flow Generation

Strong Margins...

Adjusted EBITDA⁽¹⁾
& Margin

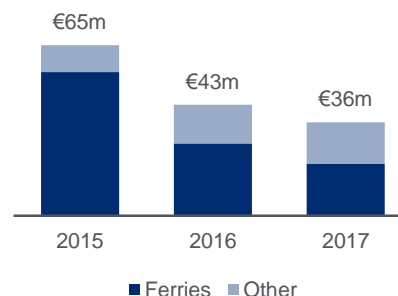


✓ Moderate EBITDA growth driven by Passenger Harbours and introduction of the Ferry business

✓ Margin evolution driven by changing business mix

...with Major Investments Completed in Recent Years...

Capex

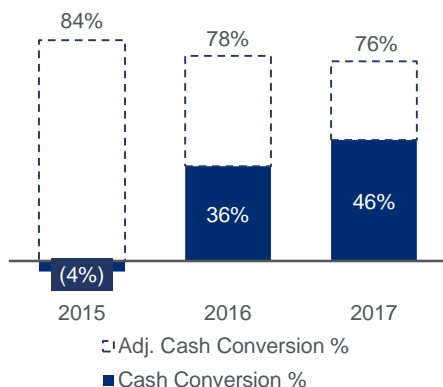


- ✓ 4 newbuild ferries
- ✓ 5th ferry acquisition (used)
- ✓ Upgrade of passenger quays
- ✓ Old City Harbour traffic solution

Substantial historical investment program limits capital expenditure requirements going forward

...Support Significant Cash Flow Generation...

Cash Conversion⁽⁵⁾



Supporting CIT Regime

✓ Earnings subject to CIT only when distributed (not when earned)

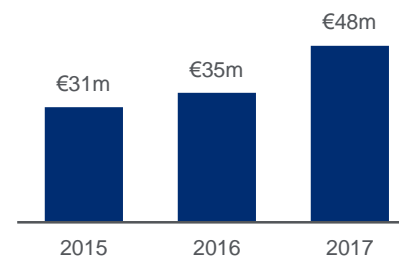
✓ PoT likely to have an effective tax rate of 14% on regular dividend distributions from 2019 onwards^(3,4)

CIT regime supportive of regular dividend distributions

...and Attractive Shareholder Distributions

Post-tax Dividend Distributions

2008-17 average annual dividend of ~€28m



- ✓ Stable dividend expectation communicated by majority shareholder
- ✓ €30m annual post-tax dividend distribution in 2019-2020⁽²⁾
- ✓ Policy of distributing at least 70% of net profit from 2021⁽²⁾

Strong dividend track record

Source: Company.

Note: (1) 2016 financial information has been restated to reflect the impact of new International Financial Reporting Standards applicable to the Company from FY 2017 onwards. (2) Dividend policy was approved by the Government Shareholder on 25 April 2018. The dividend policy excludes any one-off effects and is subject to market conditions, growth and development plans and the need to maintain a reasonable level of liquidity. (3) Profit distributions are considered regular if the amount of the distribution does not exceed the company's last three years' average profit distributions subject to taxation in Estonia. The income tax rate for all amounts exceeding the last three years' average profit distributions subject to taxation in Estonia will be 20%. The 14% tax rate can be applied prior to 2021 as follows: (i) in 2019 to one-third of the 2018 taxable profit distributions; and (ii) in 2020 to one-third of the 2018 and 2019 taxable profit distributions combined. In 2018, the reduced CIT rate is not yet applicable to dividend payments. However, in case of the lower tax rate, a withholding tax may apply if the recipient of the dividend is an individual (resident or non-resident). (4) In line with the proposed dividend policy and the proposed €105m 2018 dividend. (5) Cash conversion calculated as (Adjusted EBITDA – Capex – One-offs related to ferry acquisition or construction) / Adjusted EBITDA.

Broad Range of Attractive Strategic Initiatives to Maximise Existing Portfolio Value

Growth Opportunities

PORT OF TALLINN
The Port of Good News

Additional Revenue Potential in the Passenger / Cruise Segment



Initiatives driving continued growth in number of passengers & expansion of service offering

Planned

Renovation of passenger terminals *Completion: 2020*

Construction of cruise terminal *Completion: 2019/2020*

Construction of parking house facilities *Completion: 2020*

Development of automated mooring *Completion: 2019*

Reintroduction of the cruise turnaround product *2020*

Ongoing

Development of SmartPort to facilitate movement of passenger cars and trucks on harbour territory
Completion: 2018

Co-marketing to Asian travellers *Ongoing*

Long-term execution of Old City Masterplan *Start: 2018*

Limited capex exposure:

Associated capex budgeted for

Attractive Strategic Initiatives to Facilitate Higher Cargo Volumes



Operational headroom (industrial parks, quays, infra) to facilitate considerably higher cargo volumes with limited investments

Muuga Harbour



Paldiski South Harbour



Strong pipeline of strategic projects to further diversify cargo mix and drive port volumes

Screening

Wind-parks

Baltic connector gas pipe service fleet

Ongoing

LNG bunkering terminal
Start: coming years⁽³⁾

Soybean processing
Start: coming years⁽³⁾

Woodchip centre
Start: 2019⁽³⁾

Muuga-Vuosaari Ro-Ro line
Completed in 2017

Rail Baltica
Completion: 2026

Track record of successful co-operation with operators and infrastructure providers (e.g. Tallinn airport, national rail operator) to utilise existing operational headroom by delivering strategic initiatives

Capex mainly covered by terminal operators

Potential Value Upside from Non-Operated Real Estate Portfolio



16.2 ha land area in Tallinn city centre available for development

2017: Masterplan⁽¹⁾

Q1 2018: Start planning process

Q3 2020: Architectural contest

Q1 2021: First stage design

2023-35: Staged development⁽²⁾

Targeting limited capex development model

Source: Company.
Note: (1) Masterplan does not grant the Company legal ground to perform the development and is a development plan initiated by the Company. (2) Depending on market condition. (3) Source: Company. The start dates refer to start of construction, are indicative and are subject to change.

Highly Experienced Management and a Supportive Governance Framework

Experienced Management Overseen by a Supervisory Board

Management Board



Valdo Kalm
CEO

Joined: 2016



Previously CEO of
Eesti Telekom



Marko Raid
CFO

Joined: 1997



Various managerial
positions within PoT



Margus Vihman
CCO

Joined: 2016



Several executive
positions at various
organisations



Management team with the right mix of executive experience, fully supported by a network of highly effective senior managers

Supervisory Board / Board of Directors



Aare Tark
Chairman of the
Board

INDEPENDENT



Üllar Jaaksoo
Member of the
Board

INDEPENDENT



Ahti Kuningas
Member of the
Board

MINISTRY OF ECONOMIC AFFAIRS
AND COMMUNICATION



Urmas Kaarlep
Member of the
Board

INDEPENDENT



Raigo Uukkivi
Member of the
Board

MINISTRY OF FINANCE



Maarika Liivamägi
Member of the
Board

INDEPENDENT



Supervisory Board selected through a comprehensive and transparent selection process to ensure independent majority



Listed company experience

Supportive Majority Shareholder

Established and stable sovereign majority shareholder



Consistently lowest government debt levels⁽¹⁾ in the EU



Stable credit rating outlook A1 (Moody's) and AA- (S&P)



Part of EU, eurozone, OECD, WTO and NATO

Clearly communicated commercial, strategic and transparency policy⁽²⁾ for Port of Tallinn

Strategic

To function as the maritime vehicle and the driver of strategic initiatives in the Estonian logistics sector

Financial

To operate efficiently and profitably in order to support stable and growing dividends

Transparency

To set the standard for best-practice business culture



Politically
Independent Board



Senior Executives with
Extensive Know-How



Experience in Public
Shareholder Communication



Stock Exchange Compliant
Corporate Governance

Q1 2018 Operational Update – Continued Liquid Bulk Stabilisation

Traffic Statistics

# of passengers (th)	Q1 2017	Q1 2018	YoY ⁽¹⁾ Change
Total	1,921	1,924	0.2%
Tallinn – Helsinki	1,682	1,686	0.3%
Tallinn – Stockholm	211	216	2.7%
Tallinn – St. Petersburg	7	2	(66.7%)
Cruise passengers	-	-	-
Other ⁽³⁾	21	20	(4.8%)

Docking of vessel

Cargo Volumes (th. tonnes)	Q1 2017	Q1 2018	YoY Change	QoQ ⁽²⁾ Change
Total	5,000	5,019	0.4%	1.8%
Liquid bulk	2,365	2,218	(6.2%)	28.0%
Ro-Ro cargo	1,187	1,319	11.1%	2.7%
Dry bulk	786	851	8.3%	(34.0%)
Containerised	464	449	(3.3%)	(13.6%)
General cargo	197	182	(7.8%)	77.1%

Strong Q1 volumes in both PAX and Cargo business

Outsized March shipments

2 consecutive quarters of growth

Recent Developments

Port of Tallinn first quarter freight volumes increase to 5 million tons

BUSINESS
06.04.2018 15:43



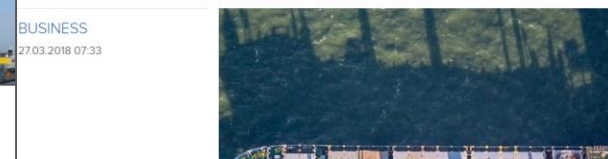
AHL Logistics buys plant, warehouse at Muuga Port
BC, Tallinn, 03.04.2018.



AHL Logistics, a logistics company owned by Finnish capital, has galvanized plant and warehouse at Muuga Port from the internal ArcelorMittal for 5 million euros, reports LETA/BNS.

German logistics company HHLA buying Estonian Transiidikeskuse AS

BUSINESS
27.03.2018 07:33



As the new Smart Port traffic management system is implemented in Terminal D, the check-in zone will be relocated

07.05.2018

On Wednesday, 9 May, the Smart Port system featuring automatic license plate identification and management will be launched for cars and buses in Terminal D of the Port of Tallinn. The check-in zone for passengers with cars with its newly built access gates will from then on be situated in a new location closer to Kadrioru.

Q1 2018 Financial Update – Significant Cash Flow Generation

Revenue

€m	Q1 2017	Q1 2018	Q1 Change
Group Revenue	29.8	29.4	(1.5%)
Passenger Harbours	9.3	8.8	(5.0%)
Cargo Harbours	10.8	10.5	(3.2%)
Ferry	6.3	6.7	4.9%
Other	3.4	3.4	2.0%

Change in fleet mix on the PAX lines

Shift in cargo mix

Adjusted EBITDA

€m	Q1 2017	Margin	Q1 2018	Margin	Q1 Change
Group Adjusted EBITDA	19.2	64.3%	17.6	59.8%	(8.3%)
Passenger Harbours	6.3	67.2%	5.5	62.0%	(12.4%)
Cargo Harbours	7.3	67.4%	6.7	64.1%	(7.9%)
Ferry	3.3	52.2%	2.7	41.1%	(17.3%)
Other	2.3	69.4%	2.7	77.6%	14.1%

Smart Port start-up cost

One-off penalty income in Q1 2017

Other Key Items

€m	Q1 2017	Q1 2018
Capex ⁽¹⁾	(13.2)	(3.1)
(Adjusted EBITDA – Capex) / Adjusted EBITDA	31.2%	82.3%
Net Debt⁽²⁾	228.6	209.8

Completion of major investment program beginning to materialise in significant cash flow generation

Source: Based on unaudited Company financials.

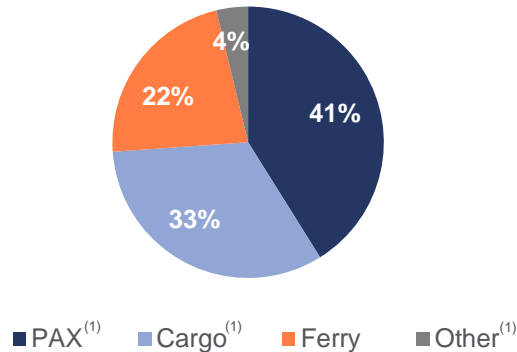
Note: (1) Calculated as "Purchases of property, plant and equipment" plus "Purchases of intangible assets". (2) Calculated as "Total loans and borrowings" minus "Cash and cash equivalents".

An Attractive Investment Proposition – Delivering Shareholder Value

Resilient landlord infrastructure business model

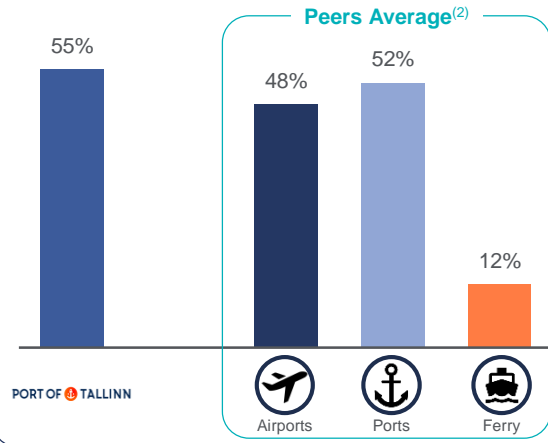
DIVERSIFICATION

2017 Revenue Breakdown:
€121m



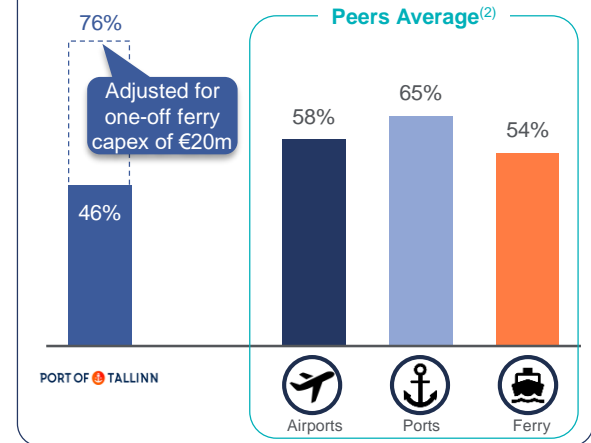
PROFITABILITY

2017 Adjusted EBITDA Margin



CASH FLOW GENERATION

2017 Cash Conversion⁽³⁾



STRONG DIVIDEND PROFILE



€28m

Last 10 years' average annual dividend⁽⁴⁾



€30m

2019-20 minimum annual dividend⁽⁵⁾



70%

Minimum payout policy⁽⁵⁾ from 2021

Port of Tallinn: Landlord Port Supporting a Strong Dividend Profile

I. Introduction to Port of Tallinn

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Further Detail: Deep Dive on Select Themes

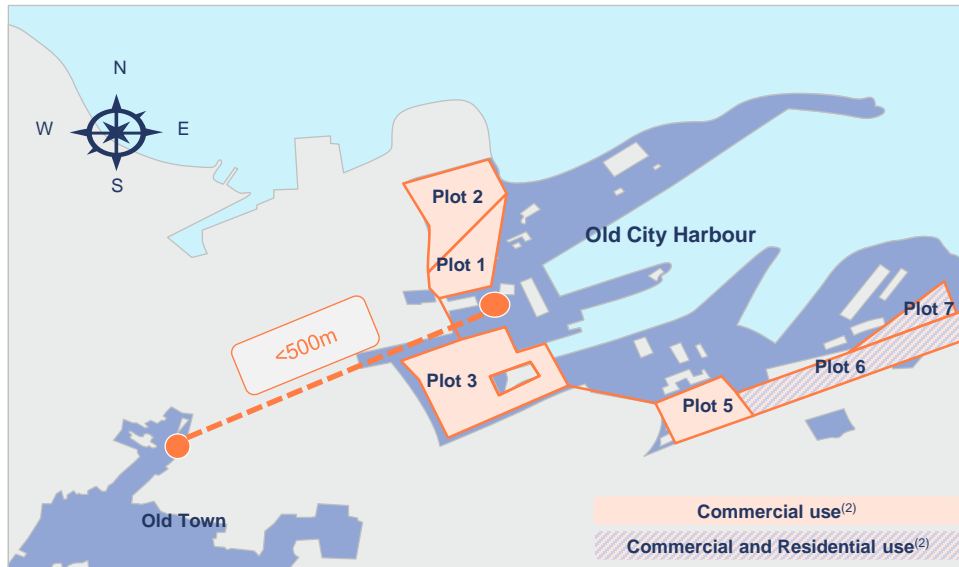
19

Further Detail: Historical Operational and Financial Results

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Potential Value Upside from Non-Operated Real Estate Portfolio

Prime Real Estate in the City Centre



Total land area of 16.2 ha

Plot 1

Plot 2

Plot 3

Plot 5

Plot 6

Plot 7

Opportunity Overview

- Strategic opportunity to develop prime real estate covering a total land area of 16.2 ha near Old City Harbour in Tallinn city centre
- Total build-up area of c.460,000 gross m² above ground (including 160,000m² extension possibility by land reclamation)
- Recent significant increase in land development activity in Tallinn:
 - High demand for residential developments driven by growing population and tourist arrivals in Tallinn (c. 2,027 dwellings completed in Q1-Q3 2017 and 2,264 in 2016 vs 1,850 in 2015)
 - Growing demand for contemporary and cost effective commercial space driven by IT sector

Development Concept

- Key development concept selection criteria for the real estate not directly related to port activities is to limit real estate development phase capex exposure to Port of Tallinn (e.g. landlord model)

Envisioned Development Timeline for Non-Operated Real Estate

Masterplan⁽¹⁾ 2030+ completed
2017

Start detail planning process
Q1 2018

Architectural contest for the first stage of development
Q3 2020

Start design of first stage development
Q1 2021

Construction of infrastructure and first project
Q2 2023

Stage by stage development (depending on the market situation)
2023-2035

Large Scale Investment Driving Demand for Regional Port Infrastructure

North – South⁽¹⁾

In addition to Rail Baltica, there are ongoing discussions to introduce a complete cargo model – combining all Baltic exports to One Belt



Total Investment	~€5.8bn (o.w. 80% EU funded)
Length	~870km
Speed	240km/h (PAX) 120km/h (cargo)
Cargo via Tallinn⁽³⁾	5.1 in 2026 (million tons p.a.)
# PAX via Tallinn⁽³⁾	7.0 in 2055 (million trips p.a.)
# PAX via Tallinn⁽³⁾	1.0 in 2026 (million trips p.a.)
# PAX via Tallinn⁽³⁾	1.3 in 2055 (million trips p.a.)

- ✓ **High-speed railway connection with rest of Europe 8x per day⁽³⁾**
- ✓ **Intermodal logistics terminal at Muuga Harbour**
- ✓ **Tallinn PAX terminal to be connected with Old City Harbour with new tram line**
- ✓ **100% EU and state funded: no direct capex exposure to PoT**



East – West⁽²⁾

Multiple large scale initiatives (e.g. One Belt One Road, HSR Eurasia) to improve the logistics corridor between Europe, China and rest of Asia



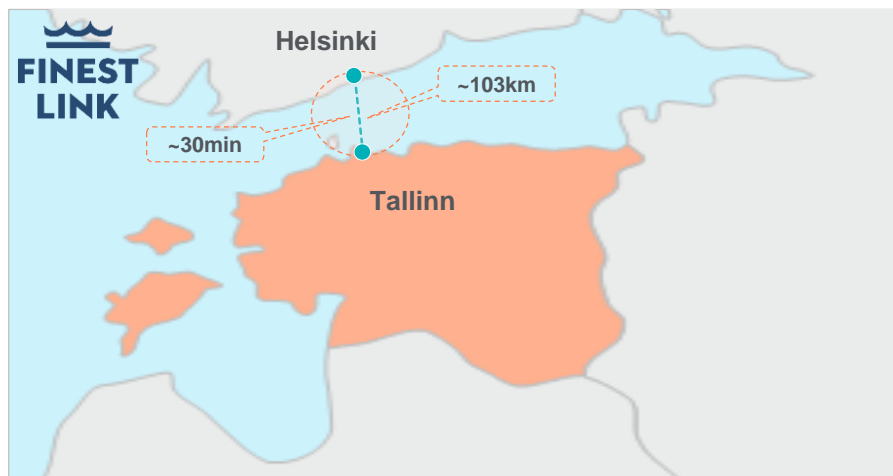
Total Investment	~€115bn
Length	~10,000km
Timeline	Completed by 2035
Cargo Transported (million tons p.a.)	20 in 2050
# PAX (million trips p.a.)	37 in 2050

- ✓ **Railway corridor connecting Berlin and Beijing through Poland, Belarus, Russia and Kazakhstan**
- ✓ **New proposed route to cut transport time from 17 days to 10**
- ✓ **5,000 China-Europe high-speed cargo trains by 2020**

Port of Tallinn is well positioned to benefit from increase in regional passenger and cargo volumes driven by strategic infrastructure investments into the development of north – south as well as east – west transportation corridors

Theoretical Tunnel Project with Unclear Economic and Technical Viability

Finest's Helsinki – Tallinn Tunnel Initiative...



The tunnel alignment between Helsinki (airport) and Tallinn (airport) would be approximately **103 kilometers long**⁽¹⁾



The project is estimated to **cost between €13 and 20 billion**
Project assumes 40% EU-funding is achieved⁽¹⁾



Construction of the tunnel could **commence in 2025** and be **completed in 2040** at the earliest⁽¹⁾



The projects estimates **12.5 million tunnel passengers** and 4 million tonnes of cargo in 2050⁽¹⁾

... Faces Challenges And Might Be Unviable On Many Levels...



Technical viability

Tunnel would be twice the length (103km) of the currently longest undersea tunnel (53km) in Japan



Economic viability

Unit construction cost relative to estimated PAX volumes disproportionately large compared to similar projects

Disproportionately large financial prospect compared to size of the Finnish and Estonian Economy



Questionable technical solution

Proposed Tallinn station for the tunnel not optimally positioned relative to the city center

... And Would Still Have Limited Negative Impact If Completed

According to FinEst there will be **more line passengers in 2050** than there are today even with a completed tunnel project

Tunnel Passengers⁽¹⁾

2017	2050
0	~12,500,000



Line Passengers⁽¹⁾

2017	2050
~8,800,000	~10,500,000



Landlord Port with 4 Harbours without Concession Renewal Limitations



Passenger Harbours



Old City Harbour



Saaremaa Harbour

Cargo Harbours⁽²⁾



Muuga Harbour



Paldiski South Harbour

Description	<ul style="list-style-type: none"> One of the busiest passenger ports in Europe Handles 99.7% of PoT passengers 	<ul style="list-style-type: none"> Potential to host regional and cruise ships 	<ul style="list-style-type: none"> Biggest cargo harbour in Estonia Handles c.53% of cargo volume of PoT 	<ul style="list-style-type: none"> Primarily handles Estonian export and import cargo and transit cargo Outsized goods handling capability
Terminals / Capabilities	Two passenger terminals (A&D) incl. Cruise, Ro-Ro Facilities	One passenger terminal building	Containers, Liquid Bulk, Dry Bulk, General Cargo, Ro-Ro	Ro-Ro, General Cargo, Dry Bulk, Liquid Bulk
Territory / Aquatory (ha)	56 / 94	14 / 41	567 / 682	119 / 147
Total Length of Quays (km)	5.0	0.4	6.4	1.9
Number of Quays	24 + floating	3 + floating	29	10
Max. Depth / Length of Vessels (m)	11 / 340	10 / 200	18 / 300	14.5 / 230
Warehouse / Open Storage (000' m ²)	22 / 95	-	230 / 695	15 / 540
Oil Tank Capacity (000' m ³)	-	-	~ 1,550	~ 397
Development Plans	<ul style="list-style-type: none"> Conversion to a fully fledged passenger harbour Utilizing the potential for real estate development on areas not needed for harbour activities 	<ul style="list-style-type: none"> Preparations underway to start cargo handling activities for Saaremaa local exports / imports 	<ul style="list-style-type: none"> Maximum utilization of the existing infrastructure Development of LNG bunkering terminal⁽¹⁾ Development and promotion of the industrial park 	<ul style="list-style-type: none"> Development and promotion of the industrial park Long term option to construct a new quay for handling outsized goods

Provider of strategic marine infrastructure on a landlord basis

Source: Company.

Note: (1) Final Investment Decision to be taken by operator. (2) Overview excludes Pajassaare harbour which has minimal ongoing operations and is in the process of being divested.

Port of Tallinn: Landlord Port Supporting a Strong Dividend Profile

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Further Detail: Deep Dive on Select Themes

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Further Detail: Historical Operational and Financial Results

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2017 Full Year Operational Results

Passenger Traffic Statistics

# of passengers (th)	2016	2017	Annual Change	2017 Share
Total	10,173	10,560	3.8%	
Tallinn – Helsinki	8,477	8,798	3.8%	83%
Tallinn – Stockholm	964	1,013	5.1%	10%
Tallinn – St. Petersburg	163	83	(49.0%)	1%
		Change of route operator		
Cruise passengers	474	566	19.4%	5%
Other	95	100	5.3%	1%
# of line PAX ship calls ⁽²⁾	5,109	5,400	5.7%	
# of cruise ship calls	272	316	16.2%	

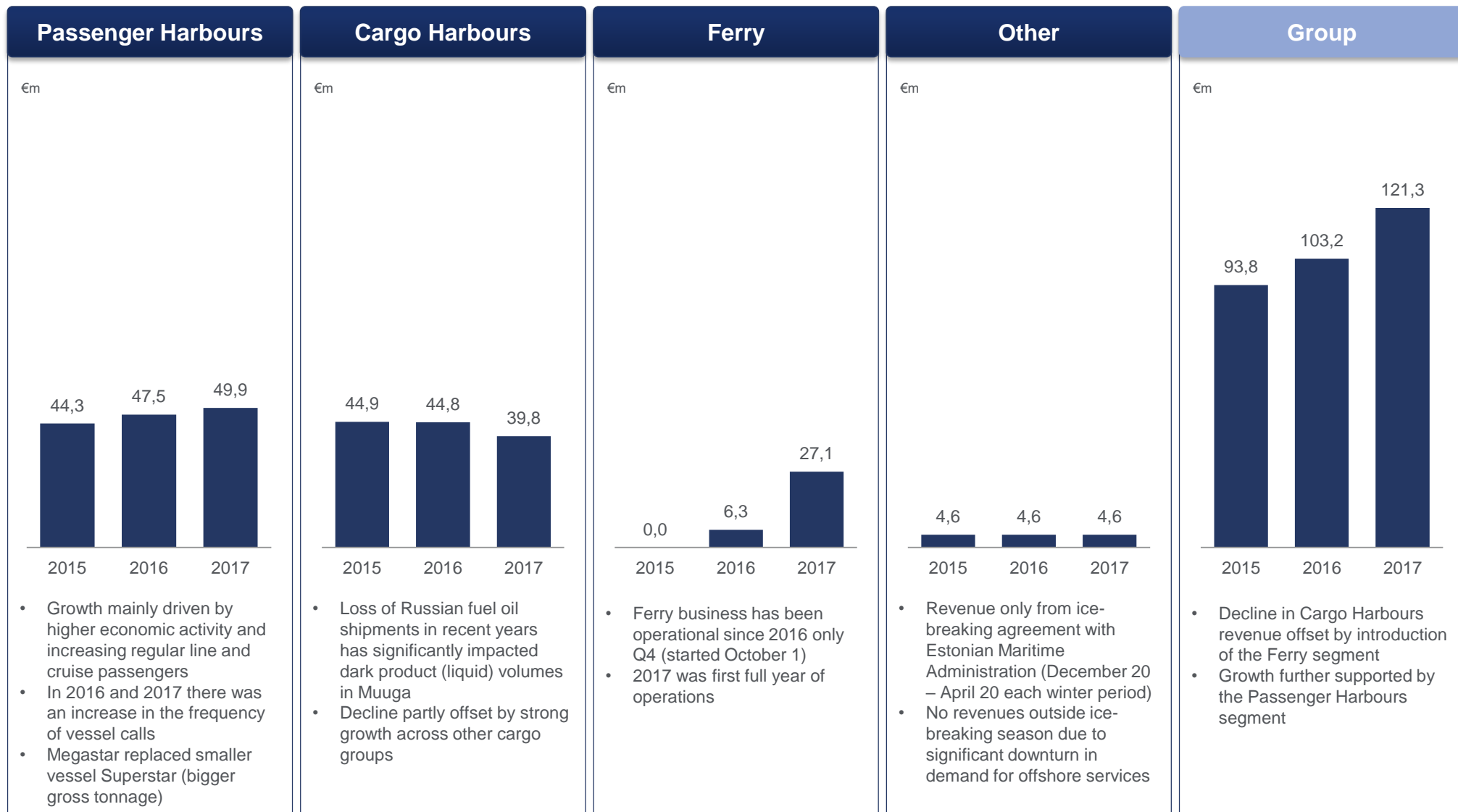
Strong growth across all major routes

Cargo Traffic Statistics

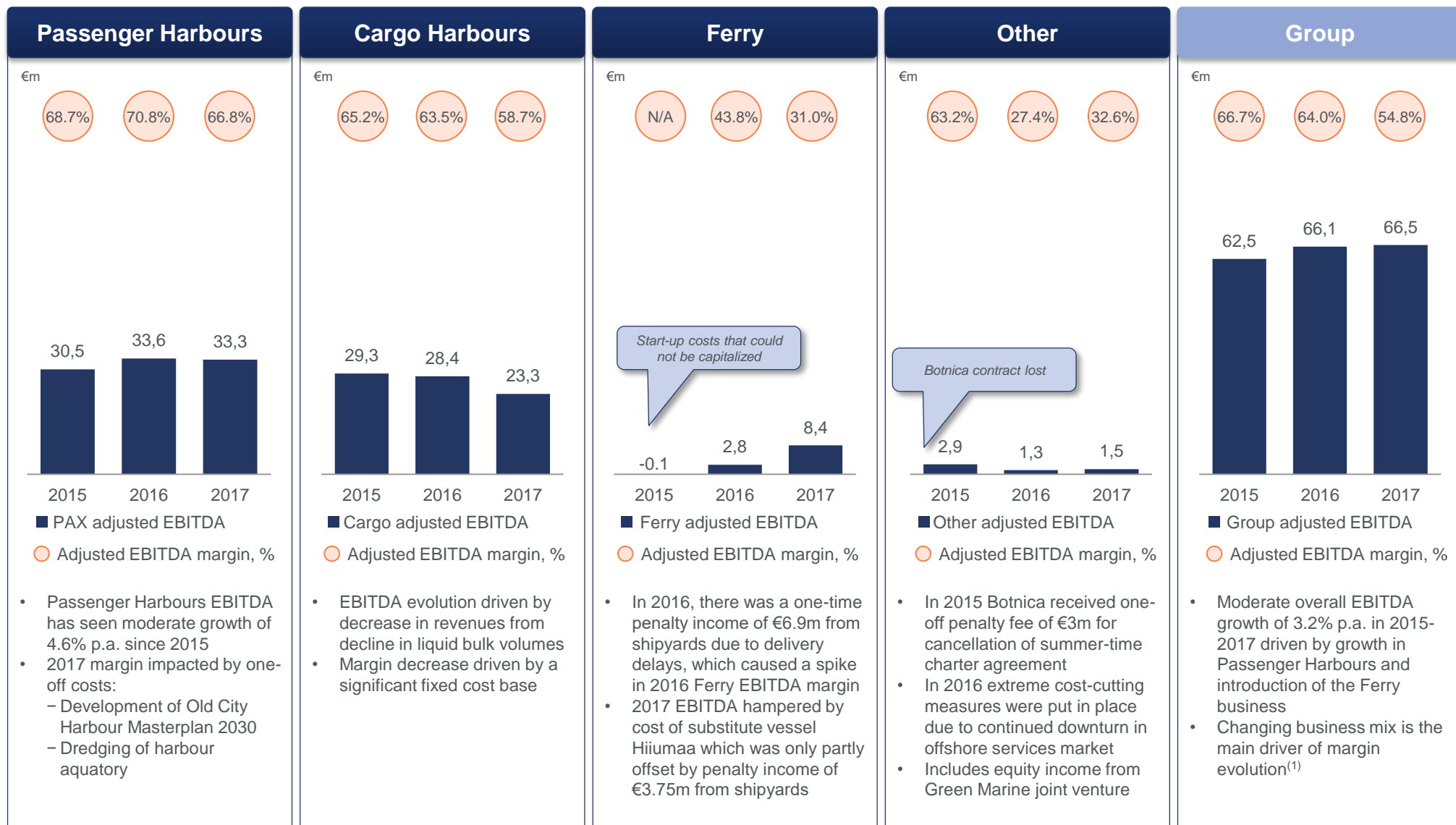
Total cargo traffic (th tonnes)	2016	2017	Annual Change	2017 Share
Total	20,118	19,182	(4.7%)	
Containerised (TEU) ⁽¹⁾	202,327	215,451	6.5%	
Containerised	1,778	1,907	7.3%	10%
Other General cargo	589	615	4.4%	3%
Dry bulk	3,745	4,146	10.7%	22%
Liquid bulk	9,443	7,447	(21.1%)	39%
		Signs of stabilisation in Q4 2017 and Q1 2018		
Ro-Ro cargo	4,563	5,066	11.0%	26%
# of cargo ship calls	1,791	1,677	(6.4%)	

Increasing volumes across all cargo groups except liquid bulk

2015 – 2017 Revenue Evolution



2015 – 2017 Adjusted EBITDA & Margin Evolution



Note: (1) Ferry business typically has lower margins compared to traditional port business .
Source: Company.

Key Financials Overview

Consolidated Income Statement⁽¹⁾

€m	2015 ⁽²⁾	2016 ⁽²⁾	IFRS Restatements	2016 <i>(restated)</i>	2017
Revenues	93.8	95.9	7.3	103.2	121.3
Other income	5.8	15.4	(7.3)	8.1	4.8
Operating expenses	(23.5)	(29.3)	(1.1)	(30.3)	(41.0)
Personnel expenses	(12.4)	(14.1)		(14.1)	(18.0)
Depreciation, amortization and impairment losses	(22.5)	(17.4)		(17.4)	(26.4)
Other expenses	(0.8)	(1.6)	1.1	(0.6)	(0.4)
Operating Profit	40.4	48.9		48.9	40.3
Net finance costs	(1.3)	(1.0)		(1.0)	(2.3)
Share of profit of equity-accounted investee	0.2	0.4		0.4	0.3
Tax benefit / (expense)	(8.4)	(8.8)		(8.8)	(12.0)
Profit for the year	30.9	39.5		39.5	26.4
Operating profit	40.4	48.9		48.9	40.3
Depreciation, amortization and impairment losses	(22.5)	(17.4)		(17.4)	(26.4)
Profit/loss from investments in joint venture under equity method of accounting	0.2	0.4		0.4	0.3
Amortisation of the government grants (included in other income)	(0.5)	(0.6)		(0.6)	(0.6)
Adjusted EBITDA	62.5	66.1		66.1	66.5
<i>Adjusted EBITDA Margin</i>	<i>66.7%</i>	<i>68.9%</i>		<i>64.0%</i>	<i>54.8%</i>
<i>Operating Profit Margin</i>	<i>43.0%</i>	<i>51.0%</i>		<i>47.4%</i>	<i>33.2%</i>
<i>Net Profit Margin</i>	<i>32.9%</i>	<i>41.2%</i>		<i>38.3%</i>	<i>21.8%</i>

Source: Company.
 Note: (1) 2016 financial information has been restated to reflect the impact of new International Financial Reporting Standards applicable to the Company from FY 2017 onwards. (2) 2015 and 2016 (not restated) are based on the 2016 audited annual report.

Key Financials Overview (Cont'd)

Consolidated Balance Sheet⁽¹⁾

€m	2015 ⁽³⁾	2016	2017
Current assets	35.2	67.6	16.5
Including cash and bank accounts	25.9	49.9	7.0
Non-current assets	545.9	571.1	580.6
Total assets	581.1	638.7	597.1
Total liabilities	238.4	291.7	271.3
Including loans, bonds etc.	196.8	246.1	235.6
Total equity	342.7	347.0	325.8
Including share capital ⁽²⁾	185.2	185.2	185.2
Including retained earnings	108.9	104.8	96.3
Including profit for the period	30.9	39.5	26.4
Total liabilities and equity	581.1	638.7	597.1

Source: Company.
 Note: (1) 2016 financial information has been restated to reflect the impact of new International Financial Reporting Standards applicable to the Company from FY 2017 onwards. (2) At nominal value. (3) 2015 is based on the 2016 audited annual report.

Key Financials Overview (Cont'd)

Consolidated Cash Flow Statement⁽¹⁾

€m	2015 ⁽²⁾	2016	2017
Cash flow from operating activities	59.3	50.5	43.4
Cash receipts for sale of goods or services	102.6	107.4	127.8
Cash receipts related to other income	1.6	0.3	0.5
Payments to suppliers	(33.0)	(37.3)	(48.7)
Payments to and on behalf of employees	(11.3)	(11.9)	(14.8)
Payments for other expenses	(0.6)	(0.2)	(0.7)
Income tax paid on dividends	-	(7.8)	(20.6)
Net cash (used in)/from investing activities	(63.3)	(38.8)	(25.4)
Purchases of property, plant and equipment (PPE)	(65.2)	(39.2)	(25.2)
Purchases of intangible assets	(0.2)	(0.7)	(1.3)
Proceeds from sale of PPE	1.9	0.7	0.5
Proceeds from connection fees	0.2	-	0.0
Proceeds from government grants for non-current assets	0.0	0.3	0.3
Dividends received	-	-	0.2
Interest received	0.0	0.0	0.0
Net cash used in financing activities	18.0	12.4	(60.9)
Issue of bonds	60.0	75.0	105.0
Redemption of bonds	(2.5)	(2.5)	(111.3)
Proceeds from loans	15.0	-	-
Repayment of loans	(21.4)	(23.2)	(6.8)
Change in overdraft	-	-	2.6
Finance lease principal repayments	-	(0.0)	(0.0)
Dividends paid	(31.2)	(35.0)	(48.0)
Interest paid	(1.9)	(1.9)	(2.5)
Other payments related to financing activities	(0.0)	(0.0)	(0.0)
Net cash flow	14.0	24.0	(43.0)

Source: Company.
Note: (1) 2016 financial information has been restated to reflect the impact of new International Financial Reporting Standards applicable to the Company from FY 2017 onwards. (2) 2015 is based on the 2016 audited annual report.

Key Financials Overview (Cont'd)

Revenue and Earnings by Segment⁽¹⁾

€m	Passenger Harbours		Cargo Harbours		Ferry		Other		Group	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Vessel dues	25.8	27.5	21.3	18.4	-	-	-	-	47.1	45.8
Cargo charges	1.5	1.6	7.8	6.4	-	-	-	-	9.3	8.0
Passenger fees	16.4	17.0	0.0	0.0	-	-	-	-	16.4	17.0
Sale of electricity	0.8	0.7	4.7	4.6	-	-	-	-	5.5	5.3
Sale of ferry services - revenue from ticket sales	-	-	-	-	1.9	10.8	-	-	1.9	10.8
Sale of other services	0.8	1.1	0.9	0.9	-	0.0	-	0.0	1.7	2.1
Rental income	2.2	2.0	10.0	9.4	0.0	0.5	-	-	12.2	11.9
Charter fees	-	-	-	-	-	-	4.6	4.6	4.6	4.6
Sale of ferry services - government support	-	-	-	-	4.4	15.8	-	-	4.4	15.8
Total segment revenue	47.5	49.9	44.8	39.8	6.3	27.1	4.6	4.6	103.2	121.3
Depreciation, amortization and impairment loss ⁽²⁾	(4.8)	(4.6)	(10.0)	(8.7)	(0.3)	(4.9)	(2.4)	(8.2)	(17.4)	(26.4)
Segment operating profit	28.9	28.8	18.9	15.1	2.5	3.5	(1.5)	(7.1)	48.9	40.3
Depreciation, amortization and impairment loss ⁽²⁾	4.8	4.6	10.0	8.7	0.3	4.9	2.4	8.2	17.4	26.4
Amortisation of the government grants	(0.1)	(0.1)	(0.5)	(0.5)	-	-	-	-	(0.6)	(0.6)
Profit/loss from investments in joint venture under equity method of accounting	-	-	-	-	-	-	0.4	0.3	0.4	0.3
Adjusted EBITDA	33.6	33.3	28.4	23.3	2.8	8.4	1.3	1.5	66.1	66.5
<i>Adjusted EBITDA margin</i>	<i>70.8%</i>	<i>66.8%</i>	<i>63.5%</i>	<i>58.7%</i>	<i>43.8%</i>	<i>31.0%</i>	<i>27.4%</i>	<i>32.6%</i>	<i>64.0%</i>	<i>54.8%</i>

Source: Company.
Note: (1) 2016 financial information has been restated to reflect the impact of new International Financial Reporting Standards applicable to the Company from FY 2017 onwards. (2) "Other" includes a total of €5.95m as cost of impairment loss in 2017.