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## Announcement of the Initial Public Offering of Shares of aktsiaselts TALLINNA SADAM

25 May 2018

**Aktsiaselts TALLINNA SADAM** (registry code: 10137319, address: Republic of Estonia, Tallinn, Sadama tn 25, 15051; hereinafter "**Tallinna Sadam**") hereby announces the public offering of its shares (the "**Offering**"). The Offering will be carried out on the basis of the prospectus prepared by Tallinna Sadam and approved by the Estonian Financial Supervision Authority (the "**EFSA**") on 7 May 2018 (the "**Prospectus**") and its supplement, approved by the EFSA on 24 May 2018 (the "**Prospectus Supplement**"), published on the date of this announcement on the websites of the Tallinna Sadam and the EFSA, as may be supplemented. Full details of the Offering are set out in the Prospectus and its supplement(s).

### Key highlights of the Offering

The Offering consists of an offering of up to 75,404,968 new ordinary shares to be issued by Tallinna Sadam (the "**New Shares**") and an offering of up to 11,300,000 existing ordinary shares of Tallinna Sadam, (the "**Existing Shares**" and, together with the New Shares, the "**Offer Shares**") to be sold by the current sole shareholder of Tallinna Sadam, the Republic of Estonia, acting through the Ministry of Economic Affairs and Communications. Tallinna Sadam has one class of shares and all Offer Shares will be of the same class.

The Offering consists of (i) a public offering to retail investors in Estonia, including to employees and members of the management and supervisory bodies of Tallinna Sadam and its group companies<sup>1</sup> (the "**Retail Offering**") and (ii) an offering to Estonian and international institutional investors in reliance on Rule 144A/Regulation S under the U.S. Securities Act 1933 (the "**Institutional Offering**"). The Retail Offering comprises an offer of Offer Shares to all natural and legal persons in Estonia, except for any persons categorised as qualified investors pursuant to Section 6(2) of the Estonian Securities Market Act who are invited to submit their offers in the Institutional Offering.

The price range of the Offer Shares has been set at between EUR 1,40 to 1,80 (the "**Offer Price Range**"). The final price of the Offer Shares (the "**Offer Price**") is expected to be announced on or about 7 June 2018. Tallinna Sadam plans to use the net proceeds received from the Offering to fund part of the EUR 105 million dividend to the Republic of Estonia in 2018, together with a corresponding corporate income tax amounting to approximately EUR 26.3 million. By way of update, Tallinna Sadam expects to make the dividend payment to the Republic of Estonia in up to two tranches, with the first tranche expected to be paid in June 2018 and the balance in the second half of 2019.<sup>2</sup> In addition, Tallinna Sadam plans to use part of the proceeds for general corporate purposes, including ongoing investments into passenger harbour facilities, and to reduce Tallinna Sadam group's leverage.

Retail investors wishing to subscribe for Offer Shares in the Retail Offering should contact a custodian operating such investor's securities account at the Estonian Register of Securities. In order to apply for Offer Shares in the Institutional Offering, an investor should contact Citigroup, Carnegie (each as a Joint Global Coordinator and Joint Bookrunner), Erste Group, Swedbank (each as a Joint Bookrunner) or LHV Pank (Joint Lead Manager), who are collectively referred to as the "**Underwriters**".

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<sup>1</sup> OÜ TS Shipping and OÜ TS Laevad, and joint venture AS Green Marine.

<sup>2</sup> It was previously disclosed (including in the announcement titled "Port of Tallinn announces its intention to list on Tallinn Stock Exchange", published on 8 May 2018) that the payment of the dividends is expected to be made to the Republic of Estonia in June 2018.

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Subscriptions in the Retail Offering must be submitted for the price equal to the upper end of the Offer Price Range, i.e. EUR 1,80 per Offer Share.

The expected time schedule of the Offering is as follows:

<b>25 May 2018 10:00 (Estonian time)</b>	Offering period commences
<b>6 June 2018 14:00 (Estonian time)</b>	Offering period ends
<b>On or about 6 June 2018</b>	Decision on the Offer Price and allocation of the Offer Shares
<b>On or about 7 June 2018</b>	Publication of the results of the Offering
<b>On or about 12 June 2018</b>	Settlement of the Offering
<b>On or about 13 June 2018</b>	Listing and commencement of trading on Tallinn Stock Exchange

### **Listing and Admission to Trading of the Shares**

Tallinna Sadam has filed or will file an application with Nasdaq Tallinn Aktsiaselts for the listing and admission to trading of all of its shares, including the New Shares (the “**Shares**”) on the Baltic Main List of the Tallinn Stock Exchange on or about the date of this announcement. The trading of the Shares is expected to commence on the Baltic Main List of the Tallinn Stock Exchange on or about 13 June 2018.

### **Availability of Prospectus**

The Prospectus and its supplement(s) in the English language and the translations of the summary of the Prospectus into Estonian and Russian can be obtained in electronic format on the website of the Estonian Financial Supervision Authority ([www.fi.ee](http://www.fi.ee)) and on the website of Tallinna Sadam ([investor.ts.ee](http://investor.ts.ee)) throughout the Offering period. An electronic or hard copy of the Prospectus and the translations of the summary of the Prospectus into Estonian and Russian may be requested free of charge from Tallinna Sadam and the Underwriters.

**Before making an investment decision, investors should read the Prospectus, the summary of the Prospectus and the Prospectus Supplement and, if necessary, consult with a person specialising in advising on such investments.**

**The Prospectus and the Prospectus Supplement should be read as a whole.**

For further information, please contact:

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### **IMPORTANT NOTICE**

This announcement is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC, as amended (together with any applicable implementing measures in any Member State of the European Economic Area which has implemented the directive, the “**Prospectus Directive**”) and/or the Estonian Securities Market Act (the “**SMA**”). Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the prospectus

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approved by the Estonian Financial Supervision Authority (the "EFSA") on 7 May 2018 (the "Prospectus") and its supplement, approved by the EFSA on 24 May 2018 (the "Prospectus Supplement"), published on the date of this announcement on the websites of the aktsiaselts TALLINNA SADAM (the "Company") and the EFSA, as may be supplemented. The Prospectus and the Prospectus Supplement are available on the websites of the EFSA and the Company and an electronic or hard copy of the Prospectus may be requested from the Company.

These materials shall not constitute or form part of any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities of the Company ("Shares") in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Any offer to acquire the Shares will be made, and any investor should make his investment, solely on the basis of information that is contained in the Prospectus. In the European Economic Area, with respect to any Member State, other than Estonia, that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for the Shares in the United States. The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The issuer of the Shares has not registered, and does not intend to register, any portion of the offering in the United States, and does not intend to conduct a public offering of securities in the United States. Any Shares sold in the United States will be sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A, or another available exemption from the registration requirements of the Securities Act.

This communication is for distribution only to, and is directed solely at persons who: (i) are outside the United Kingdom; (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order; (all such persons together being referred to as "relevant persons"). This communication is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

In any member state of the European Economic Area, other than the Republic of Estonia, the Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MIFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or (iii) not a qualified investor as defined in the Prospectus Directive.

In relation to the Offering, Citigroup and Carnegie Investment Bank AB are acting as joint global coordinators and joint bookrunners (the "Joint Global Coordinators"). Erste Group Bank AG and Swedbank AS are acting as joint bookrunners (the "Joint Bookrunners"). AS LHV Pank is acting as Joint Lead Manager (together with the Joint Global Coordinators and the Joint Bookrunners, the "Underwriters").

The Underwriters are acting exclusively for the Company and no one else in connection with the Offering. None of the Underwriters will regard any other person (whether or not a recipient of this announcement) as a client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for the giving of advice in relation to the Offering or any transaction, matter, or arrangement referred to in this announcement.

In connection with the Offering, the Underwriters and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in this announcement to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, dealing or placing by, the Underwriters and any of their affiliates acting as investors for their own accounts. In addition, the Underwriters (or any of their respective affiliates) may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or any of their respective affiliates) may from time to time acquire, hold or dispose of Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Underwriters and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company and its current sole shareholder, the Republic of Estonia (the "Government Shareholder"), for which they would have received customary fees. The Underwriters and any of their respective affiliates may provide such services to the Company, the Government Shareholder and any of their respective affiliates in the future.

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In connection with the offer or sale of the Shares, Swedbank AS (the "**Stabilising Agent**") acting on behalf of Citigroup (the "**Stabilising Manager**"), may effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail for a period of 30 days following the commencement of trading. Any stabilisation action (which may or may not occur) will be conducted by the Stabilising Agent in accordance with all applicable laws and rules and may cease at any time.

None of the Underwriters or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever, or makes any representation or warranty, express or implied, for the contents of this announcement, including its truth, accuracy, completeness, verification or fairness of the information or opinions in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, the Government Shareholder and their affiliates, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. All information presented or contained in this announcement is subject to verification, correction, completion and change without notice. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies.

This announcement does not constitute a recommendation concerning the Offering. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Offering cannot be relied upon as a guide to future performance. Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks, which are set out in the Prospectus.

#### **Forward-looking statements**

Certain statements contained in this announcement, including any information as to the Company's strategy, plans or future financial or operating performance constitute "forward-looking statements". These forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the directors of the Company concerning, amongst other things, the Company's results of operations, financial condition and performance, prospects, growth and strategies and the industry in which the Company operates.

By their nature, forward-looking statements address matters that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Company's actual results of operations and financial condition, and the development of the business sector in which the Company operates, may differ materially from those suggested by the forward-looking statements contained in this announcement.

In addition, even if the Company's results of operations and financial condition, and the development of the industry in which the Company operates, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

The forward-looking statements contained in this announcement speak only as of the date of this announcement. The Company disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.