



**Unaudited interim condensed
consolidated report for the
3 months ended 31 March 2023**

AS Tallinna Sadam

AS TALLINNA SADAM**UNAUDITED INTERIM CONDENSED CONSOLIDATED REPORT
FOR THE 3 MONTHS ENDED 31 MARCH 2023**

Commercial Registry no.	10137319
VAT registration no.	EE100068489
Registered office	Sadama 25 15051 Tallinn Estonia
Country of incorporation	Republic of Estonia
Phone	+372 631 8555
E-mail	<u>ts@ts.ee</u>
Corporate website	<u>www.ts.ee</u>
Beginning of financial year	1 January
End of financial year	31 December
Beginning of interim reporting period	1 January
End of interim reporting period	31 March
Legal form	Limited company (AS)
Auditor	AS PricewaterhouseCoopers

Contents

MANAGEMENT REPORT	4
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	14
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT	15
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	16
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	17
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	18
1. REPORTING ENTITY	18
2. ACCOUNTING POLICIES	18
3. OPERATING SEGMENTS	19
4. TRADE AND OTHER RECEIVABLES	21
5. INVESTMENTS IN AN ASSOCIATE	21
6. PROPERTY, PLANT AND EQUIPMENT	22
7. TRADE AND OTHER PAYABLES	22
8. LOANS AND BORROWINGS	23
9. EQUITY	24
10. REVENUE	25
11. OPERATING EXPENSES	26
12. COMMITMENTS	26
13. CONTINGENT LIABILITIES	27
14. INVESTIGATIONS CONCERNING THE GROUP	27
15. RELATED PARTY TRANSACTIONS	28
16. EVENTS AFTER THE REPORTING PERIOD	29
MANAGEMENT'S CONFIRMATION AND SIGNATURES	30

MANAGEMENT REPORT

In the first quarter of 2023, the number of passengers¹ served at the Group's harbours increased, while the volume of cargo handled decreased due to the sanctions imposed in connection with the war in Ukraine. The Group's revenue and adjusted EBITDA² grew, but profit decreased. Revenue was EUR 28.4 million and profit EUR 5.7 million. Revenue increased by EUR 1.6 million, but profit declined due to higher expenses by EUR 1.5 million year on year. Revenue growth was driven by vigorous growth in passenger numbers and supported by higher revenue from the Ferry segment and the icebreaker Botnica. As regards the volumes of the main cargo types, only ro-ro cargo grew, while liquid bulk cargo plummeted by more than 70%, becoming the third largest cargo type. The largest cargo types in volume terms were ro-ro and dry bulk, although the volume of the latter decreased compared with the first quarter of 2022. Passenger numbers continued to grow rapidly, but there is still growth potential as the current figure is still nearly a quarter below the pre-COVID-19 levels.

KEY PERFORMANCE INDICATORS OF THE GROUP³

Indicator	Unit	Q1 2023	Q1 2022	Difference	Change %
Revenue	EUR '000	28,405	26,771	1,634	6.1%
Operating profit	EUR '000	6,797	7,217	-420	-5.8%
Adjusted EBITDA	EUR '000	13,564	13,482	82	0.6%
Depreciation, amortisation and impairment	EUR '000	-7,038	-6,287	-751	11.9%
Income tax	EUR '000	0	0	0	-
Profit for the period	EUR '000	5,701	7,191	-1,489	-20.7%
Investment	EUR '000	1,542	4,697	-3,155	-67.2%
Number of employees (average)		457	458	-1	-0.2%
Cargo volume	t '000	3,364	4,843	-1,480	-30.6%
Number of passengers	'000	1,396	902 ⁴	494	54.7%
Number of vessel calls		1,717	1,645	72	4.4%
Total assets at period-end	EUR '000	627,230	635,239	-8,009	-1.3%
Net debt ⁵ at period-end	EUR '000	132,441	159,300	-26,859	-16.9%
Equity at period-end	EUR '000	386,677	388,086	-1,409	-0.4%
Number of shares at period-end	'000	263,000	263,000	0	0.0%
Operating profit/revenue		23.9%	27.0%		
Adjusted EBITDA/revenue		47.8%	50.4%		
Profit for the period/revenue		20.1%	26.9%		
EPS: Profit for the period/ weighted average number of shares	EUR	0.02	0.03	-0.01	-20.7%
Equity/number of shares at period-end	EUR	1.47	1.48	-0.01	-0.4%

¹ The number does not include passengers of the Ferry segment that travelled between Estonia's mainland and two largest islands.

² Adjusted EBITDA = profit before depreciation, amortisation and impairment losses, finance income and costs (net) and income tax expense, adjusted for amortisation of government grants

³ The ratios and changes presented in the table may contain rounding differences.

⁴ At the date of release of the interim report for Q1 2022, the number of passengers did not include the Ukrainian war refugees who could travel at reduced fee rates (approx. 6 thousand passengers)

⁵ Loans and borrowings less cash and cash equivalents

OPERATING VOLUMES⁶

	Q1 2023	Q1 2022	Change %
Cargo volume by type of cargo (t '000)	3,364	4,843	-30.6%
Ro-ro	1,729	1,662	4.1%
Liquid bulk	515	1,730	-70.2%
Container cargo	467	550	-15.0%
<i>Containers in TEUs</i>	<i>52,649</i>	<i>67,828</i>	<i>-22.4%</i>
Dry bulk	527	737	-28.5%
General cargo	104	160	34.9%
Non-marine	22	5	354.0%
Number of passengers by route ('000)	1,396	902	54.7%
Tallinn-Helsinki	1,256	807	55.6%
Tallinn-Stockholm	102	53	90.0%
Muuga-Vuosaari	27	32	-14.0%
Cruise (traditional)	0	0	-
Other	11	10	15.3%
Number of vessel calls by vessel type	1,717	1,645	4.4%
Cargo vessels	320	349	-8.3%
Passenger vessels (incl. ro-pax)	1,397	1,296	7.8%
Cruise vessels (traditional)	0	0	-
Ferries (Saaremaa and Hiiumaa routes)			
Number of passengers ('000)	350	323	8.4%
Number of vehicles ('000)	181	178	1.5%
Icebreaker Botnica			
Charter days	90	90	0.0%
Utility rate (%)	100%	100%	0

In the first quarter of 2023, the Group's harbours handled 3.4 million tonnes of cargo, 1.5 million tonnes (-30.6%) less than in the same period last year. The decrease in cargo throughput was mainly attributable to liquid bulk cargo, where volumes dropped by 1.2 million tonnes (-70%) due to the sanctions imposed on Russian and Belarusian oil products in connection with the war in Ukraine. Dry bulk and general cargo also fell sharply, decreasing by 210 thousand tonnes (-28.5%) and 56 thousand tonnes (-34.9%), respectively. The decline in these cargo types was also mostly due to the sanctions, with the decrease in the volume of fertilizers having the strongest impact. Liquid bulk has dropped to the third largest cargo type by volume, its share in the total cargo throughput having fallen from 36% a year ago to 15% (in 2018–2021, its average share in the first quarter was nearly 42%). The volume of ro-ro cargo continued to grow, rising by 4.1% to 1.7 million tonnes. The growth in ro-ro cargo, mainly on the routes between Estonia and Finland, has been driven by growing demand for road transport. First-quarter ro-ro volume grew for the fourth year in a row. Compared with the first quarter of 2019, the volume of ro-ro cargo has increased by 36%, while the Group's total cargo throughput has dropped by 29%. The volume of container cargo fell by 83 thousand tonnes (-15.0%); the decrease in TEUs was over 22%.

⁶ The passenger numbers and cargo volumes for Q1 2022 were adjusted in Q2 2022 in connection with changes in accounting policies and therefore, they do not coincide with the figures disclosed in the stock exchange announcement of 8 April 2022.

The decrease in TEUs was higher because the transport of both empty and loaded 40-foot containers declined compared with a year earlier.

The first-quarter number of passengers grew by 0.5 million (+54.7%) year on year. Growth was driven by the Tallinn–Helsinki and the Tallinn–Stockholm routes. On the Tallinn–Helsinki route, the number of passengers rose by 449 thousand, i.e. by 55.6% (the route accounting for nearly 91% of total growth in passenger numbers). Moreover, the number of vessel calls on the Tallinn–Helsinki route increased to a record-high 1,124 (926 vessel calls a year earlier). On the Tallinn–Stockholm route, the number of vessel calls grew from 27 to 45 year on year. As the cruise season usually begins in April, there were no cruise passengers in the first quarters of this or the previous year.

The ferries operated by OÜ TS Laevad (the Ferry segment) made 4,659 trips between Estonia's mainland and two largest islands in the first quarter, 34 trips more than a year earlier (+0.7%).

In the first quarter of 2023, the number of charter days (contractual working days) of the icebreaker Botnica (the segment Other), which is operated by OÜ TS Shipping, was equal to a year earlier because the first quarter falls in the period covered by the icebreaking contract (20 December to 20 April). As in the first quarter of last year, the vessel's utilisation rate was 100%.

REVENUE, EXPENSES AND PROFIT

Revenue for the first quarter grew by EUR 1.6 million (+6.1%) year on year. **Passenger fee** revenue grew the most, increasing by EUR 0.66 million (+47.3%) in connection with a higher number of passengers, the effect of which was lowered by a 10% reduction in the fee rate for passengers arriving at or departing from Old City Harbour on regularly operated ferry routes as from March 2022. **Ferry service**⁷ revenue grew by EUR 0.97 million (+13.3%) through a rise in the contractual fee rates (due to an increase in the Estonian fuel cost, employment cost and consumer price indices) and a larger number of trips. **Operating lease** income grew by EUR 0.2 million (+5.5%), mainly in the Passenger harbours segment (the cruise terminal, parking facilities). Higher lease income from the Ferry segment (+32 thousand euros) covered the lower lease income from the Cargo harbours segment (–EUR 29 thousand, –1.2%). In the Cargo harbours segment, lease income decreased due to the amendment and termination of some leases. **Cargo charge** revenue decreased by EUR 0.16 million (–9.0%), but the decline was significantly lower than the decrease in cargo volumes (–30.6%) as volumes decreased mostly for cargo with lower charge rates. Revenue from the **sale of electricity** and **other services** dropped by EUR 0.38 million (–18.0%), mostly due to lower revenue from the sale of electricity (–EUR 0.44 million, –25.9%), which was caused by a year-on-year decrease in the market prices for electricity and in electricity consumption (in the Cargo harbours segment, consumption decreased because of the decline in cargo volumes). Revenue from other services grew by EUR 58 thousand (+13.8%), mainly due to higher revenue on the sale of advertising space at Old City Harbour. **Vessel dues** revenue grew by EUR 11 thousand (+0.1%), remaining at the same level as a year earlier.

⁷ Ferry service between Estonia's mainland and two largest islands.

The growth in vessel dues was supported by the results of Old City Harbour, where a higher number of vessel calls offset both the lower tonnage charge applied to ferries from March 2022 as well as the decline in vessel dues revenue in the Cargo harbours segment due to lower cargo volumes.

Revenue grew in the Passenger harbours segment (+EUR 2.0 million), the Ferry segment (+EUR 1.0 million) and in the segment Other (+EUR 0.4 million), but decreased in the Cargo harbours segment by EUR 1.7 million due to lower cargo volumes.

Operating expenses grew by EUR 0.5 million (+5.6%) in the first quarter. Growth was the strongest in expenses on services purchased, infrastructure management service costs and other operating expenses. Among operating expenses, fuel, oil and energy costs decreased the most year on year through lower market prices for electricity and lower electricity consumption because of lower operating volumes in the Cargo harbours segment. Expenses on services purchased grew due to higher mooring charges and growth in expenses on the reception of ship-generated waste. The cost of infrastructure management services increased, mainly due to higher maintenance charges. Other operating expenses grew mostly through growth in expected credit losses and IT costs.

Personnel expenses grew by EUR 0.85 million (+17.8%) year on year due to salary increases over the past year and a change in the motivation system at the beginning of this year. The number of employees has not changed significantly compared with a year earlier.

Depreciation, amortisation and impairment expenses grew by nearly EUR 0.8 million (+11.9%). Growth was mainly attributable to a one-off write-off of non-current assets in connection with the raising of the threshold for recognising assets as non-current as from 1 January 2023 in line with amendments to the public sector financial accounting and reporting regulation applicable to the Group.

Operating profit decreased by EUR 0.4 million (−5.8%) to EUR 6.8 million as expenses grew more than revenue.

Adjusted EBITDA grew by EUR 0.082 million because revenue growth exceeded growth in expenses excluding depreciation, amortisation and impairment, although profit on the investment in the equity-accounted associate AS Green Marine decreased. In terms of segments, adjusted EBITDA grew in the Passenger harbours segment, the Ferry segment and the segment Other and decreased in the Cargo harbours segment. Adjusted EBITDA margin declined from 50.4% to 47.8%.

Finance costs (net) increased by EUR 0.88 million (+350%), mainly due to higher interest rates. Loans and borrowings decreased year on year.

Profit before tax decreased by EUR 1.49 million (−20.7%) to EUR 5.7 million. **Net profit for the period** was also EUR 5.7 million, EUR 1.49 million smaller than a year earlier.

INVESTMENTS

The Group invested EUR 1.5 million in the first three months of 2023, EUR 3.2 million less than a year earlier. The largest investments were made in completing the reconstruction of the outdoor area around terminal D and increasing the capacity of Muuga Harbour to serve ro-ro cargo.

SEGMENT REPORTING

In thousands of euros	Q1 2023					Q1 2022				
	Passenger harbours	Cargo harbours	Ferry	Other	Total	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	8,014	7,927	8,431	4,033	28,405	6,013	9,652	7,438	3,668	26,771
Adjusted EBITDA	3,633	3,470	3,851	2,610	13,564	2,530	5,128	3,235	2,589	13,482
Operating profit	1,204	1,243	2,384	1,966	6,797	595	3,062	1,788	1,772	7,217
Adjusted EBITDA margin	45.3%	43.8%	45.7%	64.7%	47.8%	42.1%	53.1%	43.5%	70.6%	50.4%

In thousands of euros	Change for Q1				
	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	2,001	-1,725	993	365	1,634
Adjusted EBITDA	1,103	-1,658	616	21	82
Operating profit	609	-1,819	596	194	-420

First-quarter revenue grew year on year by EUR 2.0 million in the Passenger harbours segment, by EUR 1.0 million in the Ferry segment and by EUR 0.4 million in the segment Other. The revenue of the Cargo harbours segment decreased by EUR 1.7 million.

The revenue of the **Passenger harbours segment** grew mainly through higher revenue from vessel dues and passenger fees (+EUR 1.0 million and +EUR 0.7 million, respectively), which increased due to growth in vessel calls and passenger numbers. Lease income grew (+EUR 0.2 million) due to the addition of new premises as well as higher income from the cruise terminal. Revenue from other services was mainly supported by revenue on the sale of advertising space.

In the **Cargo harbours segment**, revenue decreased by 18% due to a decline in cargo volumes and the number of vessel calls. Revenue from vessel dues (-EUR 1.0 million), electricity sales (-EUR 0.4 million) and cargo charges (-EUR 0.2 million) decreased the most. The decline in electricity sales revenue was attributable to both lower electricity prices and smaller consumption due to lower operating volumes.

The revenue of the **Ferry segment** grew, driven by a rise in the contractual fee rates (due to an increase in the Estonian fuel cost, employment cost and consumer price indices) and supported by a higher number of trips.

The revenue of the **segment Other** grew in connection with a higher charter fee rate for the icebreaking season, which took effect in December 2022 under a new agreement signed with the Estonian Transport Administration. The charter fee for delivering the icebreaking service will remain unchanged until the season of 2025/26, when indexation may be applied.

Adjusted EBITDA for the period grew in the Passenger harbours segment, the Ferry segment and the segment Other and decreased in the Cargo harbours segment. As the decline in the adjusted EBITDA of the Cargo harbours segment was slightly lower than the growth in the adjusted EBITDA of other segments, total adjusted EBITDA grew by less than EUR 0.1 million.

RISKS

The Russia-Ukraine war which started on 24 February 2022 and the consequent sanctions imposed against Russia by the West affect the Group's performance mainly through its cargo business. Cargo of Russian origin (liquid bulk and fertilizers) for which Russia was the country of departure or destination used to account for around a third of the Group's total cargo throughput on average and consisted predominantly of Russian exports. The sanctions have been imposed and extended progressively since the start of the war. In addition, the government of Estonia decided on 27 October 2022 to ban the import and transit of Russian oil products, effective from 5 December 2022, and Estonia imposed full sanctions on Belarusian cargo from 1 March 2022. Cargo of Belarusian origin (liquid bulk) accounted for 9% of the Group's total cargo throughput in 2021. The estimated negative impact of the sanctions against Russia and Belarus (both the ban on the import and transit of oil products and the suspension of the economic activities of undertakings related to sanctioned persons) on the Group's financial results compared with 2021 is around EUR 7 million per year. In 2022, the impact was EUR 3.5 million, which was lower than expected, because the sanctions were imposed progressively over the year. As a result, the share of Russian and Belarusian cargo declined but still accounted for 21% (3.7 million tonnes) of the Group's total cargo throughput. The sanctions are expected to have a full impact in 2023. At the same time, the operators of liquid bulk cargo are working to replace sanctioned cargoes with alternative ones. The presented monetary impact has been estimated based on the results for 2021 and 2022 and the situation at the date the financial statements were authorised for issue and is not to be regarded as a forecast for future periods.

All of the Group's customers that are cargo operators are companies registered in the European Union and accounts with them are settled in euros. AS Tallinna Sadam cooperates fully with its partners, the Financial Intelligence Unit and other government agencies to comply with the sanctions imposed by the European Union and to apply the sanctions to both cargo and customers responsibly.

SHARE AND SHAREHOLDERS

AS Tallinna Sadam was listed in the Baltic Main List of the Nasdaq Tallinn Stock Exchange on 13 June 2018. The ticker symbol of the share is TSM1T and the ISIN code is EE3100021635. The company has 263,000,000 ordinary shares of which 176,295,032 (67.03%) are held by the Republic of Estonia. The par value of a share is EUR 1. Each share carries one vote at the general meeting of the shareholders.

The dynamics of the closing price of the AS Tallinna Sadam share and the volume of shares traded from listing on the Nasdaq Tallinn Stock Exchange on 13 June 2018 to 31 March 2023 are presented in the following graph:



The opening price of the share at the beginning of the first quarter was EUR 1.424. The closing price of the share at 31 March 2023 was EUR 1.42, having decreased in the first quarter by 0.4%. The company’s market capitalisation at 31 March 2023 was EUR 372.9 million (31 December 2022: EUR 374.5 million). The dynamics of the price of the AS Tallinna Sadam share compared with the OMX Baltic Benchmark GI index is presented in the following graph:



Source: nasdaqbaltic.com

In the first quarter of 2023, there were 14,660 transactions with the AS Tallinna Sadam share (Q4 2022: 11,000 transactions) in which 4.1 million shares (Q4 2022: 2.8 million shares) changed hands. The total turnover of the transactions was EUR 5.9 million (Q4 2022: EUR 4.0 million).

At 31 March 2023, the company had 23,577 shareholders (31 December 2022: 22,866 shareholders) but only the Republic of Estonia (through the Ministry of Economic Affairs and Communications) had an ownership interest exceeding 5%. The five largest shareholders at 31 March 2023 were:

Name of shareholder	Number of shares	Interest, %
Ministry of Economic Affairs and Communications	176,295,032	67.0%
European Bank for Reconstruction and Development (EBRD)	9,350,000	3.6%
SEB Progressiivne Pensionifond	6,484,365	2.5%
LHV Pensionifond L	5,536,570	2.1%
AB SEB Bankas	1,819,232	0.7%

In the first quarter, the shareholder structure did not change significantly compared with the end of 2022. The share of international investors decreased by 0.7 percentage points (–1.7 million shares), while the share of Estonian retail investors and somewhat also Estonian and Baltic funds increased accordingly.

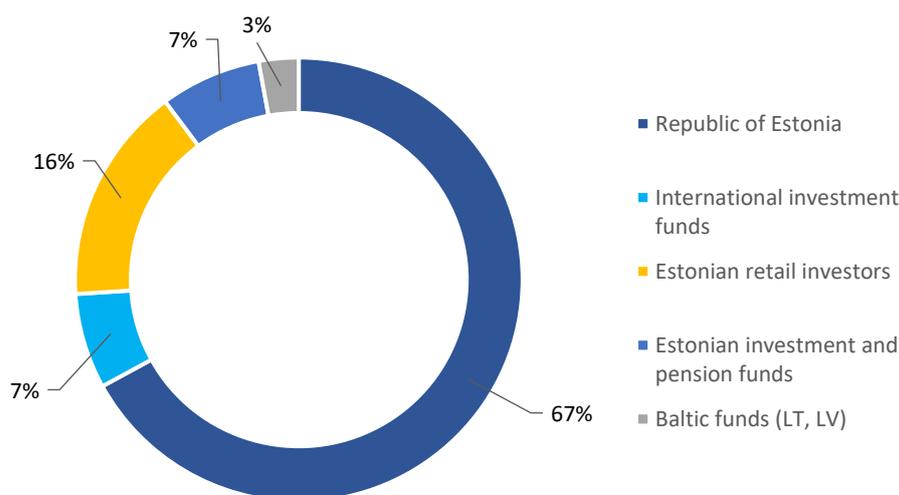
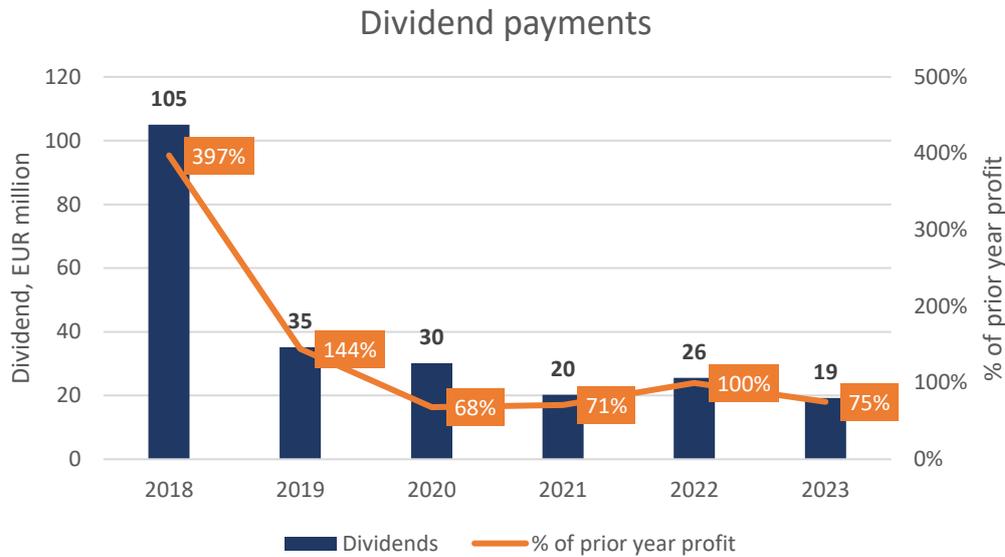


Chart: Shareholder structure at 31 March 2023

DIVIDENDS

On 25 April 2023, the annual general meeting approved the dividend distribution proposal of the management board of EUR 0.073 per share and EUR 19.2 million in total, i.e. 75% of profit for the previous year. The list of shareholders entitled to receive the dividend will be determined on 10 May 2023 (the ex-dividend date: 9 May 2023) and the dividend will be paid out to the shareholders on 12 May 2023 (through Nasdaq CSD). In 2022, we paid shareholders a dividend of EUR 0.097 per share and EUR 25.5 million in total.



The dividend policy of AS Tallinna Sadam sets the target to pay regular dividends, which from 2021 should amount to at least 70% of profit for the previous year, subject to market conditions, the company's growth and development plans, while taking into account the need to maintain a reasonable level of liquidity and excluding the impact of non-recurring transactions.

CORPORATE GOVERNANCE

At 31 March 2023, AS Tallinna Sadam had two wholly-held subsidiaries, OÜ TS Shipping and OÜ TS Laevad, and a 51% interest in an associate, AS Green Marine.

The supervisory board is responsible for the strategic planning of the company's activities and supervising the activities of the management board. According to the articles of association of AS Tallinna Sadam, the supervisory board has six to eight members. At 31 March 2023, the supervisory board had seven members: Riho Unt (chairman), Maarika Honkonen, Kaur Kajak, Veiko Sepp, Marek Helm, Risto Mäeots and Ain Tatter. Under the supervisory board, there are a four-member audit committee, which consists of members of the supervisory board and provides advice in supervisory matters, and a four-member remuneration committee.

The management board is responsible for the day-to-day management of the company in accordance with the law and the articles of association. According to the articles of association, the management board has two to five members. At 31 March 2023, the management board had three members: Valdo Kalm (chairman and CEO), Andrus Ait (CFO) and Margus Vihman (CCO). There were no changes in the management board in the reporting period.

Further information about the company's corporate governance and the members of the management and supervisory boards is presented on the Group's website and in its annual report for 2022.

The Group follows the principles of the Corporate Governance Recommendations promulgated by the Nasdaq Tallinn Stock Exchange.

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2023

- 1. Change in the management board of OÜ TS Laevad, a subsidiary of AS Tallinna Sadam.** The supervisory board of OÜ TS Laevad appointed Katrin Aron as a new member of the management board and chief commercial and customer service officer for a term of three years, effective from 20 March 2023.
- 2. Record number of vessel calls on Tallinn–Helsinki route.** Due to strong recovery of passenger traffic, the number of first-quarter vessel calls on the Tallinn–Helsinki route rose to a record-high 1,124.
- 3. Icebreaker Botnica’s charter for summer 2023.** Baffinland Iron Mines announced that it will use the contractual option to charter the multifunctional icebreaker Botnica in 2023 for a shorter period of at least 60 days during the period from September to November. The exact number of charter days will depend on the weather and other conditions. The daily charter rate will be higher than in the previous summers when the period was longer (June to November). To maintain a high utilisation rate of the vessel, OÜ TS Shipping is actively negotiating to secure work for the vessel in other offshore projects during summer months.
- 4. Positive ruling by the court on the lawsuit brought by SLK and Väinamere Liinid.** Harju County Court decided to deny the statement of claim filed in 2019 by the trustee of the estate of AS Saaremaa Laevakompanii (bankrupt) (SLK) and OÜ Väinamere Liinid against OÜ TS Laevad and OÜ TS Shipping, subsidiaries of AS Tallinna Sadam. SLK and Väinamere Liinid were ordered to bear the costs of the proceedings jointly and severally. In the statement of claim, SLK and Väinamere Liinid claimed damages of EUR 23.8 million in total for the alleged use of confidential information in a public procurement tender to provide public passenger transport service on the Saaremaa and Hiiumaa routes.
- 5. Memorandum of Understanding for development of offshore wind farms.** AS Tallinna Sadam and OÜ Utilitas Wind signed a Memorandum of Understanding with the aim of accelerating the development of offshore wind energy in Estonia and the Baltic states. The opportunities for cooperation between AS Tallinna Sadam and OÜ Utilitas Wind include activities related to the development of the Saare-Liivi offshore wind farm. The Saare-Liivi offshore wind farm developed by OÜ Utilitas Wind is located in the Gulf of Riga and is scheduled to be completed in 2028.
- 6. Launch of architectural design competition for passenger Terminal A.** On 15 March, AS Tallinna Sadam announced an architectural design competition for the Terminal A quarter. The competition seeks the best architectural idea for a new Terminal A in Tallinn Old City Harbour, a new office building with a multi-storey car park for AS Tallinna Sadam and the surrounding public urban space.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

In thousands of euros

At	Note	31 March 2023	31 December 2022
ASSETS			
Current assets			
Cash and cash equivalents		51,957	44,387
Trade and other receivables	4	11,264	7,477
Contract assets	10	215	0
Inventories		735	749
<i>Total other current assets</i>		<i>64,171</i>	<i>52,613</i>
Non-current assets held for sale		0	100
Total current assets		64,171	52,713
Non-current assets			
Investments in an associate	5	2,138	2,099
Other long-term receivables	4	303	303
Property, plant and equipment	6	558,806	564,379
Intangible assets		1,812	1,735
Total non-current assets		563,059	568,516
Total assets		627,230	621,229
LIABILITIES			
Current liabilities			
Loans and borrowings	8	15,916	15,916
Provisions		543	2,013
Government grants		8,240	8,578
Taxes payable		1,044	1,060
Trade and other payables	7	8,984	9,770
Contract liabilities	10	3,072	62
Total current liabilities		37,799	37,399
Non-current liabilities			
Loans and borrowings	8	168,482	171,482
Government grants		32,905	30,156
Other payables	7	622	449
Contract liabilities	10	745	767
Total non-current liabilities		202,754	202,854
Total liabilities		240,553	240,253
EQUITY			
Share capital	9	263,000	263,000
Share premium		44,478	44,478
Statutory capital reserve		22,115	22,115
Retained earnings (prior periods)		51,383	25,791
Profit for the period		5,701	25,592
Total equity		386,677	380,976
Total liabilities and equity		627,230	621,229

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

for the 3 months ended 31 March

In thousands of euros	Note	2023	2022
Revenue	3, 10	28,405	26,771
Other income		341	295
Operating expenses	11	-9,145	-8,663
Personnel expenses		-5,621	-4,771
Depreciation, amortisation and impairment		-7,038	-6,287
Other expenses		-145	-128
Operating profit		6,797	7,217
Finance income and costs			
Finance income		258	31
Finance costs		-1,393	-284
Finance costs – net		-1,135	-253
Share of profit of an associate accounted for under the equity method		39	227
Profit before income tax		5,701	7,191
Profit for the period		5,701	7,191
Attributable to:			
Owners of the Parent		5,701	7,191
Basic earnings and diluted earnings per share (in euros)		0.02	0.03
Basic earnings and diluted earnings per share – continuing operations (in euros)		0.02	0.03

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3 months ended 31 March

In thousands of euros	Note	2023	2022
Cash receipts from sale of goods and services		32,199	31,849
Cash receipts related to other income		28	20
Payments to suppliers		-13,307	-12,493
Payments to and on behalf of employees		-5,373	-4,359
Payments for other expenses		-148	-146
Cash from operating activities		13,399	14,871
Purchases of property, plant and equipment		-1,630	-5,318
Purchases of intangible assets		-176	-50
Proceeds from sale of property, plant and equipment		0	28
Interest received		242	1
Cash used in investing activities		-1,564	-5,339
Repayments of loans received	8	-3,000	-3,000
Interest paid		-1,263	-356
Other payments related to financing activities		-2	-2
Cash used in financing activities		-4,265	-3,358
NET CASH FLOW		7,570	6,174
Cash and cash equivalents at beginning of period		44,387	34,840
Change in cash and cash equivalents		7,570	6,174
Cash and cash equivalents at end of period		51,957	41,014

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 3 months ended 31 March

In thousands of euros	Share capital	Share premium	Statutory capital reserve	Retained earnings	Total equity attributable to owners of the Parent
Equity at 31 December 2022	263,000	44,478	22,115	51,383	380,976
Profit for the period	0	0	0	5,701	5,701
Equity at 31 March 2023	263,000	44,478	22,115	57,084	386,677

In thousands of euros	Share capital	Share premium	Statutory capital reserve	Retained earnings	Total equity attributable to owners of the Parent
Equity at 31 December 2021	263,000	44,478	21,271	52,146	380,895
Profit for the period	0	0	0	7,191	7,191
Equity at 31 March 2022	263,000	44,478	21,271	59,337	388,086

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

AS Tallinna Sadam (also referred to as the 'Parent' or the 'company') is a company incorporated and registered in the Republic of Estonia on 5 November 1996. The interim condensed consolidated financial statements of AS Tallinna Sadam as at and for the 3 months ended 31 March 2023 comprise the Parent and its subsidiaries (collectively referred to as the 'Group'). The Group's core business lines are rendering of port services in the capacity of a landlord port, organising ferry service between Estonia's mainland and biggest islands and operating the multifunctional icebreaker Botnica.

The Group owns four harbours: Old City, Saaremaa, Muuga and Paldiski South. Old City Harbour in the centre of Tallinn and Saaremaa Harbour that is designed for receiving cruise ships provide mainly passenger harbour services. Muuga Harbour, which is Estonia's largest cargo harbour, and Paldiski South Harbour provide mainly cargo harbour services.

The Group's subsidiaries at 31 March 2023 and 31 December 2022:

Subsidiary	Domicile	Ownership interest (%)	Core business line
OÜ TS Shipping	Republic of Estonia	100	Rendering icebreaking and other offshore support services with the multifunctional icebreaker Botnica
OÜ TS Laevad	Republic of Estonia	100	Rendering domestic ferry service between Estonia's mainland and biggest islands

In addition, the Group has a 51% interest in the associate AS Green Marine but it does not have control of the entity's decision-making. In the Group's financial statements, the interest in the associate is accounted for using the equity method.

The address of the Parent's registered office is Sadama 25, Tallinn 15051, the Republic of Estonia.

The ultimate controlling party of AS Tallinna Sadam is the Republic of Estonia (ownership interest of 67.03% through the Ministry of Economic Affairs and Communications).

2. ACCOUNTING POLICIES

These interim condensed consolidated financial statements for the 3 months ended 31 March 2023 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes and explanations included in the Group's annual report for the year ended 31 December 2022. See note 2 to the consolidated financial statements in the annual report for 2022 for additional information about material accounting policies.

The interim condensed consolidated financial statements have been prepared using the same accounting policies as those applied in the preparation of the Group's consolidated financial statements for 2022, except that the threshold for recognising assets as non-current has been increased from EUR 5,000 to EUR 10,000 effective from 1 January 2023 consistent with an amendment to the public sector financial accounting and reporting regulation, which applies to the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial statements are presented in thousands of euros.

3. OPERATING SEGMENTS

In thousands of euros	For the 3 months ended at 31 March 2023				
	Passenger harbours	Cargo harbours	Ferry	Other	Total
Vessel dues	4,295	3,189	0	0	7,484
Cargo charges	397	1,188	0	0	1,585
Passenger fees	2,013	38	0	0	2,051
Sale of electricity	302	957	0	0	1,259
Sale of ferry services – ticket sale revenue	0	0	2,121	0	2,121
Sale of other services	318	153	6	1	478
Lease income	689	2,402	181	0	3,272
Charter fees	0	0	0	4,032	4,032
Sale of ferry services – government support	0	0	6,123	0	6,123
Total segment revenue* (note 10)	8,014	7,927	8,431	4,033	28,405
Adjusted segment EBITDA	3,633	3,470	3,851	2,610	13,546
Depreciation and amortisation	-2,070	-2,392	-1,467	-605	-6,534
Impairment losses	-504	0	0	0	-504
Amortisation of government grants received	145	165	0	0	310
Share of profit of an associate accounted for under the equity method	0	0	0	-39	-39
Segment operating profit	1,204	1,243	2,384	1,966	6,797
Finance income and costs, net					-1,135
Share of profit of an associate accounted for under the equity method					39
Profit for the period					5,701

* Total segment revenue represents revenue from external customers and excludes inter-segment revenue of EUR 136 thousand and EUR 3 thousand for the Passenger harbours and the Cargo harbours segments, respectively, which was eliminated during consolidation.

Note 3 continued

	For the 3 months ended at 31 March 2022				
In thousands of euros	Passenger harbours	Cargo harbours	Ferry	Other	Total
Vessel dues	3,253	4,220	0	0	7,473
Cargo charges	364	1,377	0	0	1,741
Passenger fees	1,348	44	0	0	1,392
Sale of electricity	297	1,401	0	0	1,698
Sale of ferry services – ticket sale revenue	0	0	1,926	0	1,926
Sale of other services	230	179	10	1	420
Lease income	521	2,431	149	0	3,101
Charter fees	0	0	0	3,667	3,667
Sale of ferry services – government support	0	0	5,353	0	5,353
Total segment revenue* (note 10)	6,013	9,652	7,438	3,668	26,771
Adjusted segment EBITDA	2,530	5,128	3,235	2,589	13,482
Depreciation and amortisation	-1,958	-2,218	-1,447	-590	-6,213
Impairment losses	-74	0	0	0	-74
Amortisation of government grants received	97	152	0	0	249
Share of profit of an associate accounted for under the equity method	0	0	0	-227	-227
Segment operating profit	595	3,062	1,788	1,772	7,217
Finance income and costs, net					-253
Share of profit of an associate accounted for under the equity method					227
Profit for the period					7,191

* Total segment revenue represents revenue from external customers and excludes inter-segment revenue of EUR 113 thousand and EUR 3 thousand for the Passenger harbours and the Cargo harbours segments, respectively, which was eliminated during consolidation.

4. TRADE AND OTHER RECEIVABLES

In thousands of euros	31 March 2023	31 December 2022
Trade receivables	8,535	7,373
Allowance for expected credit losses	-1,607	-1,323
Prepaid taxes	892	481
Government grants receivable	2,792	38
Other prepayments	471	744
Receivables from an associate (note 15)	7	17
Other receivables	477	450
Total trade and other receivables	11,567	7,780
Of which current receivables	11,264	7,477
non-current receivables	303	303

Trade receivables – expected credit loss matrix

In thousands of euros		Days past due					Total
		Not past due	0–30	31–60	61–90	>90	
At 31 March 2023							
Expected credit loss rate	7.34%	1.5%	3.0%	80.0%	100.0%		
Total trade receivables	6,884	415	72	348	815	8,535	
Lifetime expected credit loss (ECL)	-505	-6	-2	-279	-815	-1,607	6,928
At 31 December 2022							
Expected credit loss rate	10.0%	1.5%	3.0%	80.0%	100.0%		
Total trade receivables	6,553	135	19	18	648	7,373	
Lifetime expected credit loss (ECL)	-657	-2	-1	-15	-648	-1,323	6,050

5. INVESTMENTS IN AN ASSOCIATE

In thousands of euros	2023	2022
For the 3 months ended 31 March		
Income	1,540	1,669
Expenses	1,443	1,239
Net profit	77	422

In thousands of euros	At 31 March 2023	At 31 December 2022
Net assets of the associate	4,192	4,115
The Group's ownership interest in the associate, %	51%	51%
Carrying amount of the Group's investment in the associate in the Group's statement of financial position	2,138	2,099

6. PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Land and buildings	Plant and equipment	Other items of property, plant and equipment	Assets under construction	Pre-payments	Total
At 31 December 2022						
Cost	649,131	254,747	8,834	10,748	1,039	924,499
Accumulated depreciation and impairment losses	-248,048	-105,479	-6,593	0	0	-360,120
Carrying amount at 31 December 2022	401,083	149,268	2,241	10,748	1,039	564,379
<i>Movements in the 3 months ended 31 March 2023</i>						
Acquisition and reconstruction	48	205	16	905	146	1,320
Depreciation charge	-3,031	-2,811	-172	0	0	-6,014
Impairment	-19	-522	-338	0	0	-879
Reclassification at carrying amount	5,681	5,182	278	-11,141	0	0
At 31 March 2023						
Cost	654,676	259,026	8,170	512	1,185	923,569
Accumulated depreciation and impairment losses	-250,914	-107,704	-6,145	0	0	-364,763
Carrying amount at 31 March 2023	403,762	151,322	2,025	512	1,185	558,806

7. TRADE AND OTHER PAYABLES

In thousands of euros

At	31 March 2023	31 December 2022
Trade payables	2,689	5,344
Payables to employees	2,460	1,421
Interest payable	1,138	1,012
Accrued taxes payable on employee remuneration	1,341	719
Advances for goods and services	1,016	857
Payables to an associate (note 15)	160	182
Other payables	802	684
Total trade and other payables	9,606	10,219
Of which current liabilities	8,984	9,770
non-current liabilities	622	449

8. LOANS AND BORROWINGS

In thousands of euros

At	31 March 2023	31 December 2022
Current portion		
Loans	8,266	8,266
Debt securities	7,650	7,650
Total current portion	15,916	15,916
Non-current portion		
Loans	34,532	37,532
Debt securities	133,950	133,950
Total non-current portion	168,482	171,482
Total loans and borrowings	184,398	187,398

Debt securities

All debt securities have been issued in euros and have floating interest rates (a base rate of 3-month or 6-month Euribor plus a fixed risk margin). At 31 March 2023, AS Tallinna Sadam had two debt security issues with final maturities in 2026 and 2027. Consistent with the redemption schedules, in the 3-month period ended 31 March 2023 no debt securities were redeemed. At 31 March 2023, the weighted average interest rate of the debt securities was 3.045% (31 December 2022: 2.68%). The interest rate risk of debt securities issued has not been hedged with interest rate swaps.

Loans

All loan agreements are denominated in euros and have floating interest rates (the base rate is 6-month Euribor). The final maturities of outstanding loan liabilities fall in the period 2024–2030. Principal repayments made in the 3 months of 2023 amounted to EUR 3,000 thousand (3 months of 2022: EUR 3,000 thousand).

At 31 March 2023, the weighted average interest rate of drawn loans was 3.64% (31 December 2022: 1.94%). The interest rate risk of loans taken has not been hedged with interest rate swaps. The Group did not have any undrawn loans or credit limits at 31 March 2023.

Contractual maturities of loans and borrowings

In thousands of euros

At	31 March 2023
< 6 months	4,383
6 – 12 months	11,533
1 – 5 years	162,482
> 5 years	6,000
Total loans and borrowings	184,398

Note 8 continued**Fair value**

In the reporting period, the assessment of the Group's risk level did not change and there were no significant changes in the interest rates of international financial markets. Thus, according to the Group's assessment, at 31 March 2023 and 31 December 2022 the fair values of loans and debt securities that are measured at amortised cost did not differ significantly from their carrying amounts.

All loan and debt security agreements currently in force are unsecured, i.e. no assets have been pledged to secure the liabilities, and the debt securities are not listed. The Group has fulfilled all its obligations under the loan and debt securities agreements, including those resulting from special terms. At 31 March 2023, the Group was in compliance with all covenants that set requirements for its financial indicators.

9. EQUITY**Share capital and share premium**

At 31 March 2023, AS Tallinna Sadam had 263,000,000 registered ordinary shares (31 December 2022: 263,000,000 shares), of which 67.03% were held by the Republic of Estonia (through the Ministry of Economic Affairs and Communications) and 32.97% were held by Estonian and international investment funds, banks, pension funds and retail investors. The par value of a share is EUR 1.

According to the articles of association of AS Tallinna Sadam, the maximum number of authorised ordinary shares is 664,000,000 (in the comparative period in 2022: 664,000,000). At 31 March 2023 and 31 December 2022, all shares issued had been fully paid for.

Earnings per share

For the 3 months ended 31 March	2023	2022
Weighted average number of shares outstanding	263,000,000	263,000,000
Consolidated net profit for the period (in thousands of euros)	5,701	7,191
Basic and diluted earnings per share (in euros)*	0.02	0.03

* In the periods ended 31 March 2023 and 31 March 2022 there were no dilutive instruments outstanding.

10. REVENUE

In thousands of euros

For the 3 months ended 31 March	2023	2022
Revenue from contracts with customers		
Vessel dues	7,484	7,473
Cargo charges	1,585	1,741
Passenger fees	2,051	1,392
Sale of electricity	1,259	1,698
Sale of ferry services – ticket sale revenue	2,121	1,926
Sale of other services	478	420
Total revenue from contracts with customers	14,978	14,650
Revenue from other sources		
Operating lease income	3,272	3,101
Charter fees	4,032	3,667
Sale of ferry services – government support	6,123	5,353
Total revenue from other sources	13,427	12,121
Total revenue (note 3)	28,405	26,771

Vessel dues include the tonnage charge, which is calculated on the basis of the gross tonnage of a vessel for each port call. For vessels visiting the port based on a pre-agreed schedule that have a prospective volume discount during the year, the transaction price is allocated between the tonnage services and the option for discounted tonnage services based on the estimated total number of port calls by that vessel during the calendar year. Revenue from tonnage charges is recognised based on the average annual tariffs and estimated volume. At 31 March 2023, the difference between revenue recognised and amounts billed to customers was recognised as a contract liability of EUR 2,928 thousand (amounts billed exceeded revenue recognised).

Some agreements signed with cargo operators set out a minimum annual cargo volume. If the cargo operator handles less than the minimum, the Group has the right to charge the customer at the end of the calendar year based on the minimum annual cargo volume. Management estimated the Group's remaining right to consideration by reference to the minimum cargo volume and the amount of consideration received from customers as at 31 March 2023. Based on the estimation, the Group recognised contract assets of EUR 215 thousand. At 31 March 2023, revenue received from some customers exceeded management's estimates. As a result, the Group recognised contract liabilities of EUR 30 thousand so that estimated revenue would be evenly recognised over all interim periods of 2023.

Note 10 continued

When connecting to the electricity network, customers pay a connection fee based on the expenses incurred in enabling connection to the network. The connection service does not represent a separate performance obligation as the customer does not benefit from this service separately from the consumption of electricity. Therefore, connection fees form part of the consideration for electricity and are recognised as revenue over the period during which customers consume electricity. The amounts of connection fees received but not yet included in revenue are recognised in the statement of financial position as contract liabilities. At 31 March 2023, such liabilities amounted to EUR 745 thousand (31 December 2022: EUR 767 thousand).

Revenue from ticket sales is recognised over the time during which the ferry transports the passengers and/or vehicles from the port of departure to the port of destination, which happens in a single day, or at the point in time when the ticket expires. Consideration received for tickets sold for trips not yet performed is deferred and recognised in the statement of financial position as a contract liability. At 31 March 2023, such liabilities amounted to EUR 114 thousand (31 December 2022: EUR 62 thousand).

11. OPERATING EXPENSES

In thousands of euros

For the 3 months ended 31 March	2023	2022
Fuel, oil and energy costs	3,240	3,676
Technical maintenance and repair of non-current assets	1,168	1,122
Services purchased for infrastructure	1,008	768
Tax expenses	661	663
Consultation and development expenses	76	128
Services purchased	1,225	977
Acquisition and maintenance of assets of insignificant value	277	208
Advertising expenses	69	22
Lease expenses	159	149
Insurance expenses	209	206
Other operating expenses	1,053	744
Total operating expenses	9,145	8,663

12. COMMITMENTS

At 31 March 2023, the Group's contractual commitments related to the acquisition of property, plant and equipment, repair and maintenance, and research and development expenditures totalled EUR 8,446 thousand (31 December 2022: EUR 5,945 thousand).

13. CONTINGENT LIABILITIES

In June 2019, the court accepted a statement of claim for damages of EUR 23.8 million in total filed against group companies OÜ TS Laevad and OÜ TS Shipping in relation to alleged use of confidential information in a public procurement tender to provide public passenger transport service on the Saaremaa and Hiiumaa routes. By the ruling Harju County Court of 31 March 2023, the statement of claim filed by the trustee of the estate of AS Saaremaa Laevakompanii (bankrupt) and Väinamere Liinid OÜ against OÜ TS Laevad and OÜ TS Shipping was denied. Although the judgement has not yet entered into force and it can be appealed within 30 days after the judgement has been served, the management board believes that the claim is not substantiated and legal advice indicates that it is not probable that a liability will arise. Thus, the management board has not considered it necessary to recognise a provision for the claim.

14. INVESTIGATIONS CONCERNING THE GROUP

On 26 August 2015, the Estonian Internal Security Service detained Ain Kaljurand and Allan Kiil, long-term members of the management board of the Group's Parent, AS Tallinna Sadam, as they were suspected of large-scale bribery during several prior years. After long-term investigation, on 31 July 2017 the Group filed a civil action lawsuit against Ain Kaljurand, Allan Kiil and other private and legal persons involved in the episodes under investigation. By the order of the Harju County Court dated 19 November 2018, the civil action was included in the criminal proceedings against the above persons.

On 28 October 2020, the Harju County Court issued an order terminating criminal proceedings concerning Allan Kiil in connection with his terminal illness. At the same time, the Tallinn Circuit Court issued an order requiring Allan Kiil to be involved in the criminal proceedings as a civil defendant. Allan Kiil passed away on 15 June 2021 and on 23 September 2021 Marika Kiil was involved in the proceedings as a civil defendant and a third party in place of Allan Kiil.

At the date this report is authorised for issue, court hearings in the criminal matter are under way and proceedings against other persons that have been charged continue, except for Keskkonnahoolduse OÜ and its member of the management board against whom only the civil action proceedings continue. Based on information available at the date this report is authorised for issue, the management board believes that the above events will not have a material adverse impact on the Group's financial performance or financial position. However, they may continue to cause significant damage to the Group's reputation.

15. RELATED PARTY TRANSACTIONS

The Republic of Estonia (through the Ministry of Economic Affairs and Communications) holds 67.03% of the shares in AS Tallinna Sadam.

In thousands of euros

For the 3 months ended 31 March	2023	2022
Transactions with the associate		
Revenue	22	19
Operating expenses	404	294
Transactions with companies in which the members of the supervisory and management boards of group companies have significant influence		
Operating expenses	8	2
Other expenses	7	15
Transactions with government agencies and companies of which the state has control		
Revenue	10,344	9,936
Other income	100	0
Operating expenses	1,506	2,868

In thousands of euros

	At 31 March 2023	At 31 December 2022
Trade receivables from and payables to the associate		
Receivables (note 4)	7	17
Payables (note 7)	160	182
Trade receivables from and payables to companies in which the members of the supervisory and management boards of group companies have significant influence		
Payables	1	1
Trade receivables from and payables to government agencies and companies of which the state has control		
Receivables	902	174
Payables	379	2,755

All purchases and sales of services were transactions conducted in the ordinary course of business on an arm's length basis.

Revenue and operating expenses from transactions with related parties comprise revenue and expenses from sales and purchases of services in the ordinary course of business.

Information presented about companies in which the members of the supervisory and management boards of group companies have significant influence is based on the information provided by the related parties.

16. EVENTS AFTER THE REPORTING PERIOD

OÜ TS Laevad, a subsidiary of AS Tallinna Sadam, and the Estonian Transport Administration signed an annex to the contract on public passenger transport service dated 11 December 2014, according to which the Transport Administration will order up to 536 additional trips to be made by the ferry Regula on the Virtsu–Kuivastu route in the period 1 June – 31 August 2023.

OÜ TS Laevad will earn a fixed fee of EUR 910,800 for the additional ferry service, plus a voyage fee of EUR 455 per trip. The maximum total consideration for the additional trips is EUR 1,154,680. Under the agreement for 2022, the Transport Administration could order up to 536 additional trips, and Regula made 436 additional trips based on demand in the period from June to August. In 2022, OÜ TS Laevad earned a fixed fee of EUR 772,800 for the additional ferry service, plus a voyage fee of EUR 455 for each trip. The total consideration received for the additional trips made by Regula during summer 2022 was EUR 971,180.

The Transport Administration has the option to extend the order for a further period until 1 October (inclusive) by giving at least 30 days' notice before the new period begins. When the order for additional trips is extended, additional consideration will be paid.

OÜ TS Shipping, a subsidiary of AS Tallinna Sadam, and Equinor UK Ltd signed an agreement on chartering the multifunctional icebreaker Botnica for 40 days starting from 5 June 2023 with an option to extend the charter for up to 10 days. According to the agreement, Botnica will be providing support services for offshore wind farms in the UK. The charter contract with Equinor helps secure the revenue base for the summer period at a level comparable with the previous years.

On 25 April 2023, the annual general meeting approved a dividend distribution of EUR 0.073 per share, i.e. EUR 19,199 thousand in total.

MANAGEMENT'S CONFIRMATION AND SIGNATURES

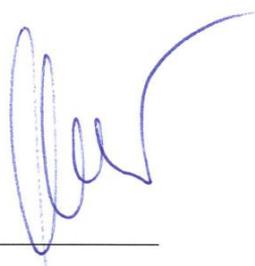
The management board has prepared the unaudited management report and interim condensed consolidated financial statements of AS Tallinna Sadam as at and for the period ended 31 March 2023.

The management board confirms that the Group's management report, set out on pages 4 to 13, provides a true and fair view of the Group's business operations, performance and significant events in the reporting period.

The management board confirms that the Group's unaudited interim condensed consolidated financial statements, set out on pages 14 to 29, are correct and complete and that:

1. the unaudited interim condensed consolidated financial statements have been prepared in accordance with the Estonian Accounting Act and International Financial Reporting Standards as adopted by the European Union (IFRS EU);
2. the unaudited interim condensed consolidated financial statements give a true and fair view of the financial position, cash flows and financial performance of the Group;
3. all significant events that occurred until the date on which the interim financial report was authorised for issue (9 May 2022) have been properly recognised and disclosed in the unaudited interim condensed consolidated financial statements;
4. AS Tallinna Sadam and its subsidiaries are going concerns.

9 May 2023



Valdo Kalm
Chairman of the
Management Board



Andrus Ait
Member of the
Management Board



Margus Vihman
Member of the
Management Board