

Expectations of the shareholders of AS Tallinna Sadam

Introduction

Shareholders of AS Tallinna Sadam establish the main expectations, to determine company's strategic and financial objectives.

Shareholders exercise their shareholder rights in accordance with the Commercial Code, Articles of Association of AS Tallinna Sadam and legislation and regulations applicable to the company.

Strategic objectives

AS Tallinna Sadam pursues following main objectives:

- earning stable income through the company's profitable and efficient business activity in each of the selected business areas and finding growth opportunities;
- adoption of sustainable development objectives by the company for the purpose of achievement of the company's strategic objectives (including reducing the negative impact of its activities on the environment and to strive for climate neutrality by 2050 in order to ensure the sustainable development of the company), considering the company's field of activity and business interests, and the laws and regulations applicable to the company;
- implementing and promoting good corporate governance, social responsibility and excellent business culture.

Additional targets of AS Tallinna Sadam:

- while continuing to provide currently functioning landlord-type service, develop areas in the cargo ports and their surrounding areas belonging to AS Tallinna Sadam greater added value generating creative logistics- and industrial parks, considering also new business opportunities arising from renewable energy and ship conversion and conversion to green technologies, also by contributing to the development of Rail Baltic in Muuga Harbour;
- maintain maximum flows of the volume-based goods by diversifying commodity groups and linking these cargo volumes to value added services provided in the harbours of AS Tallinna Sadam;
- act as a development generator for the transit sector, including increasing the potential of the north-south corridor through Rail Baltic developments, consolidate knowledge across the sector and initiate new contacts, networks and business ideas;
- to follow the imposed sanctions and restrictions;
- to support the continuous growth of the number of passengers passing through the harbours by ensuring an attractive port environment and providing services and infrastructure for shipping lines in the port;
- to ensure in shipping field stability and continuous high quality of the ferry and ice breaking service, also ensuring ships' high rate of use and finding growth opportunities in the Offshore business;

- in the field of real estate, we will continue creating of an attractive urban space and implementation of the Vanasadam development plan, i.e Masterplan 2030+. During the strategy period, the target is to start real estate development in the northern region and design a high-quality and open urban space.

AS Tallinna Sadam is the largest complex of cargo and passenger ports in Estonia, which plays an important role in the Estonian transport system and economy. Port services are strategically important services to the state, also in a sense of National defence and include among other things, the servicing of the country's strategic reserves. To strengthen the performance of this function, AS Tallinna Sadam will become a vital service provider.

Financial objectives

Profitability

The objective is profitable work of AS Tallinna Sadam.

Sustainability

The objective is to ensure the sustainability of the operations of AS Tallinna Sadam through continuous innovation and development and the necessary investments, which would be covered by the cash flows of the company's core business (including loan capital, if necessary).

In addition, planned investments of AS Tallinna Sadam must always be thoroughly analyzed and the associated risks identified and considered.

Effectiveness

AS Tallinna Sadam ensures effective and resource-efficient economic performance. Assigning efficiency metrics to fields of activity, as well as striving for their achievement, both contribute to gradual efficiency gains.

Dividends

The dividend policy of AS Tallinna Sadam is confirmed by the resolution of the general meeting and it is reflected in the company's strategy.

The expectation of the shareholders of AS Tallinna Sadam is that in the coming years AS Tallinna Sadam would pay to the shareholders according to the current dividend policy each year 70% of the net profit of the previous year¹.

The objectives of the shareholders in this document are reviewed and updated once every three years, if necessary.

¹ Excluding the impact of one-off transactions and depending on market conditions, growth and development plans and considering the need to maintain reasonable liquidity.