



**Unaudited interim condensed  
consolidated report for the  
9 months ended 30 September 2023**

AS Tallinna Sadam

**AS TALLINNA SADAM****UNAUDITED INTERIM CONDENSED CONSOLIDATED REPORT  
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023**

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<b>Beginning of financial year</b>	<b>1 January</b>
<b>End of financial year</b>	<b>31 December</b>
<b>Beginning of interim reporting period</b>	<b>1 January</b>
<b>End of interim reporting period</b>	<b>30 September</b>
<b>Legal form</b>	<b>Limited company (AS)</b>
<b>Auditor</b>	<b>AS PricewaterhouseCoopers</b>

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**MANAGEMENT REPORT**

The Group's results for the first nine months of 2023 were strongly influenced by growth in passenger traffic and a decrease in cargo throughput. The number of passengers continued to recover steadily, although year-on-year growth in the third quarter was lower, primarily due to a decrease in the number of both traditional and mini-cruise passengers. However, there is potential to reach the pre-pandemic level. Cargo throughput continued to decline due to the sanctions as well as the overall downturn in the volumes of all cargo types, with the exception of non-marine cargo.

**KEY PERFORMANCE INDICATORS OF THE GROUP<sup>1</sup>**

Indicator	Unit	9 months 2023	9 months 2022	Difference	Change %	Q3 2023	Q3 2022	Difference	Change %
Revenue	EUR '000	88,615	93,460	-4,845	-5.2%	31,426	36,325	-4,899	-13.5%
Operating profit	EUR '000	20,004	28,171	-8,167	-29.0%	7,449	11,843	-4,394	-37.1%
Adjusted EBITDA	EUR '000	38,797	46,877	-8,080	-17.2%	13,517	18,006	-4,489	-24.9%
Depreciation, amortisation and impairment	EUR '000	-19,356	-18,703	-653	3.5%	-6,129	-6191	62	-1.0%
Income tax	EUR '000	-2,985	-4,111	1,126	-27.4%	0	0	0	
Profit for the period	EUR '000	13,028	23,960	-10,932	-45.6%	5,964	11,708	-5,744	-49.1%
Investment	EUR '000	10,899	12,424	-1,525	-12.3%	4,752	3,458	1,294	37.4%
Number of employees (average)		467	470	-3	-0.6%	475	482	-7	-1.5%
Cargo volume	t '000	9,534	13,887	-4,353	-31.3%	2,920	4,361	-1,441	-33.0%
Number of passengers	'000	6,147	5,337	810	15.2%	2,600	2,533	67	2.7%
Number of vessel calls		5,333	5,530	-197	-3.6%	1,815	1,937	-122	-6.3%
Total assets at period-end	EUR '000	612,749	622,384	-9,635	-1.5%	612,749	622,384	-9635	-1.5%
Net debt <sup>2</sup> at period-end	EUR '000	142,103	159,515	-17,412	-10.9%	142,103	159,515	-17412	-10.9%
Equity at period-end	EUR '000	374,805	379,344	-4,539	-1.2%	374,805	379,344	-4,539	-1.2%
Number of shares at period-end	'000	263,000	263,000	0	0.0%	263,000	263,000	0	0.0%
Operating profit/revenue		22.6%	30.1%			23.7%	32.6%		
Adjusted EBITDA/revenue		43.8%	50.2%			43.0%	49.6%		
Profit for the period/revenue		14.7%	25.6%			19.0%	32.2%		
EPS: Profit for the period/average number of shares	EUR	0.05	0.09	-0.04	-45.6%	0.02	0.04	-0.02	-49.1%
Equity/number of shares at period-end	EUR	1.43	1.44	-0.01	-1.2%	1.43	1.44	-0.01	-1.2%

The nine-month number of passengers<sup>3</sup> grew by 15.2%, mainly due to the Stockholm and Helsinki routes. The number of cruise passengers decreased, but less than cruise ship calls. Revenue for the first nine months of 2023 dropped by EUR 4.8 million (-5.2%) year on year to EUR 88.6 million. Revenue declined mainly in the Cargo harbours segment due to lower cargo volumes, but also in the Passenger harbours segment, where the increase in passenger fee revenue could not offset the drop in vessel dues revenue. Revenue growth in the Ferry segment and from the summer charter of the icebreaker Botnica softened the Group's overall revenue decline.

<sup>1</sup> The ratios and changes presented in the table may contain rounding differences.

<sup>2</sup> Loans and borrowings less cash and cash equivalents

<sup>3</sup> The number does not include passengers of the Ferry segment that travelled between Estonia's mainland and two largest islands.

Both personnel expenses (+EUR 2.0 million) and operating expenses (+EUR 0.7 million) for nine months grew. Personnel expenses increased due to pay rises in 2022 and a change in the motivation system at the beginning of 2023. Operating expenses grew mainly through higher expenses on the icebreaker Botnica, while depreciation expense grew (+EUR 0.6 million) due to one-off derecognition of non-current assets in the first quarter.

Operating profit for the nine months of 2023 decreased by EUR 8.2 million (–29.0%) to EUR 20.0 million and profit for the period fell by EUR 10.9 million (–45.6%) to EUR 13.0 million, although income tax expense on dividends was around EUR 1.1 million lower than a year earlier. Adjusted EBITDA<sup>4</sup> decreased by EUR 8.1 million to EUR 38.8 million (–17.2%).

In the third quarter of 2023, the number of passengers grew by 2.7% but the volume of cargo handled decreased by 33.0% year on year. Contracting cargo throughput, fewer vessel calls, a drop in the electricity price and lower revenue from the summer charter of the icebreaker Botnica reduced third-quarter revenue compared with the same period last year. Revenue dropped by EUR 4.9 million (–13.5%) to EUR 31.4 million. Revenue declined in all segments except the Ferry segment. The Group's operating profit decreased by 37.1% to EUR 7.4 million and profit fell by EUR 5.7 million (–49.1%) to EUR 6.0 million.

## OPERATING VOLUMES

The Group's harbours handled 9.5 million tonnes of cargo in the first nine months of 2023, 4.4 million tonnes less than in the same period last year (–31.3%). In terms of cargo types, the sharpest decrease was in liquid bulk (–3.0 million tonnes, –70.0%) and dry bulk (–0.6 million tonnes, –28.2%). The drop in liquid bulk cargo was driven by the sanctions imposed on Russian and Belarusian oil products last year, which have lowered the volumes of petrol and crude oil in particular. The decline in dry bulk is mainly attributable to a decrease in the handling of crushed stone. The volumes of other cargo types contracted as well. Ro-ro cargo dropped by 323 thousand tonnes (–6.2%), container cargo by 244 thousand tonnes (–14.8%; –45 thousand units, –21.5% in TEUs) and general cargo by 150 thousand tonnes (–31.3%). Despite the decline, ro-ro has been the largest cargo type this year, as it was in 2022. Previously, liquid bulk was the largest cargo type, accounting for 39–47% of the Group's total annual cargo throughput in 2016–2021. In the nine months of 2023, however, its share was only 14%.

In the third quarter, the Group's cargo throughput was 2.9 million tonnes, 1.4 million tonnes (–33.0%) less than a year earlier. The volume of liquid bulk cargo fell due to the sanctions by 0.8 million tonnes (–72.3%). The volumes of dry bulk (–349 thousand tonnes, –39.9%) and general cargo (–9 thousand tonnes, –8.4%) also decreased. A decline was also recorded for ro-ro (–200 thousand tonnes, –11.7%) and container cargo (–39 thousand tonnes, –7.7%; –6 thousand units, –10.6% in TEUs).

Passenger traffic on the main routes (Helsinki and Stockholm) continued to recover during the first nine months of 2023. The number of passengers grew by 0.8 million year on year, rising to 5.3 million (+15.2%). Both the Tallinn–Helsinki and Tallinn–Stockholm routes showed growth.

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<sup>4</sup> Adjusted EBITDA = profit before depreciation, amortisation and impairment losses, finance income and costs (net) and income tax expense, adjusted for amortisation of government grants related to assets.

In the first nine months of 2023, Tallinn Old City Harbour received around 162 thousand and Saaremaa Harbour around 3 thousand cruise passengers (90 and 8 cruise ships, respectively). A year earlier, Old City Harbour had around 168 thousand and Saaremaa Harbour around 2 thousand cruise passengers (170 and 9 cruise ships, respectively). In the third quarter of 2023, the number of passengers grew by 68 thousand to 2.6 million (+2.7%).

The ferries operated by OÜ TS Laevad (the Ferry segment) made 17,887 trips between Estonia's mainland and two largest islands in the first nine months of 2023, 92 trips more than a year earlier (+0.5%). The number of trips made in the third quarter was 7,048, which is 35 more than a year earlier (+0.5%).

	Q3 2023	Q3 2022	Change %	9 months 2023	9 months 2022	Change %
<b>Cargo volume by cargo type (t '000)</b>	<b>2,920</b>	<b>4,361</b>	<b>-33.0%</b>	<b>9,534</b>	<b>13,887</b>	<b>-31.3%</b>
Ro-ro	1,503	1,703	-11.7%	4,913	5,237	-6.2%
Liquid bulk	320	1,156	-72.3%	1,298	4,325	-70.0%
Dry bulk	525	874	-39.9%	1,566	2,182	-28.2%
Container cargo	469	508	-7.7%	1,405	1,649	-14.8%
<i>Containers in TEUs</i>	53,844	60,232	-10.6%	162,555	207,088	-21.5%
General cargo	102	112	-8.4%	328	478	-31.3%
Non-marine	1	8	-87.4%	24	18	35.2%
<b>Number of passengers by route ('000)</b>	<b>2,600</b>	<b>2,533</b>	<b>2.7%</b>	<b>6,147</b>	<b>5,337</b>	<b>15.2%</b>
Tallinn–Helsinki	2,283	2,169	5.3%	5,404	4,633	16.6%
Tallinn–Stockholm	152	146	3.9%	412	329	25.1%
Muuga–Vuosaari	58	50	15.1%	133	129	3.1%
Cruise (traditional)	96	116	-17.5%	165	170	-2.9%
Other	12	52	-76.6%	33	76	-56.4%
<b>Number of vessel calls by vessel type</b>	<b>1,815</b>	<b>1,937</b>	<b>-6.3%</b>	<b>5,333</b>	<b>5,530</b>	<b>-3.6%</b>
Cargo vessels	367	371	-1.1%	1,066	1,131	-5.7%
Passenger vessels (incl. ro-pax)	1,394	1,456	-4.3%	4,169	4,221	-1.2%
Cruise vessels (traditional)	54	110	-50.9%	98	178	-44.9%
<b>Ferries (Saaremaa and Hiiumaa routes)</b>						
Number of trips	7048	7013	0.5%	17,887	17,795	0.5%
Number of passengers ('000)	934	897	4.1%	1,955	1,852	5.6%
Number of vehicles ('000)	409	394	3.9%	902	872	3.5%
<b>Icebreaker Botnica</b>						
Charter days	59	92	-35.9%	178	206	-13.6%
Utility rate (%)	64%	100%	-35.9%	65%	75%	-13.6%

The icebreaker Botnica (the segment Other), which is operated by OÜ TS Shipping, had 178 charter days (contractual working days) in the nine months, 28 days less than a year earlier because its summer charter was shorter than expected. The utilisation rate of the vessel was 65% (73% a year earlier). In the third quarter, the number of charter days was 59 (92 in the third quarter of 2022) and the utilisation rate was 64% (100% a year earlier). The decrease in the utilisation rate is due to a shorter charter period in the Arctic waters of northern Canada, where icebreaking and support vessel services are provided to the Panamax-type cargo vessels operated by Baffinland Iron Mines Corporation to export iron ore during their passage from the Milne Inlet port to the ocean. Thus, Botnica had three summer charter projects. In June, it served Equinor UK Ltd in offshore wind farms in the North Sea. In August, it provided support vessel services to BP Exploration Operating Company in the North Sea. In early September, Botnica headed to northern Canada similar to previous years in order to provide services to Baffinland (the minimum charter period is 60 days).

### REVENUE, EXPENSES AND PROFIT

**Revenue** for nine months decreased by EUR 4.8 million (–5.2%) year on year to EUR 88.6 million. The decline is attributable to lower revenue from vessel dues, electricity sales, cargo charges and other services, which was not offset by higher revenue from ferry service between Estonia’s mainland and two largest islands, passenger fees, the charter fees of the icebreaker Botnica in the segment Other and operating leases.

In terms of revenue streams, the biggest change in nine months was in **vessel dues** revenue, which declined by EUR 5.5 million (–18.6%) to EUR 24.1 million. This was mainly attributable to fewer calls by cargo ships and ro-pax vessels due to the decrease in cargo volumes as well as a drop in the number of cruise ship calls (–44.9%). **Electricity sales** revenue fell by EUR 2.0 million (–38.6%) to EUR 3.2 million. Electricity prices were lower than a year earlier and electricity consumption in the cargo harbours decreased due to smaller cargo volumes. **Charter fees** revenue grew by EUR 0.4 million (+5.3%), because the number of charter days of the icebreaker Botnica was higher in the first half-year and the charter fee rate for the icebreaking season rose in the first quarter due to a new contract. In the third quarter, charter fees revenue decreased year on year due to the vessel’s lower utilisation rate. **Ferry service**<sup>5</sup> revenue grew by EUR 1.6 million (+6.3%) to EUR 27.2 million, supported by the indexation of the fee rates to the Estonian fuel cost, employment cost and consumer price indices, which increased. The number of trips did not change significantly compared with the previous year (+0.5%). **Passenger fees** revenue grew by EUR 1.1 million (+14.4%) to EUR 8.9 million, supported by a rise in the number of passengers (+15.2%). However, as the fee rate for passengers arriving at or departing from Old City Harbour on regularly operated ferry routes was reduced by 10% starting from March last year, passenger fees revenue grew at a lower rate than the number of passengers. **Cargo charges** revenue decreased by EUR 0.6 million (–11.4%) to EUR 4.6 million due to lower cargo volumes. Cargo charges revenue decreased less than cargo throughput (–33.0%), because the decline was stronger for cargo with lower charge rates. **Operating lease** income grew by EUR 0.2 million (+2.4%) to EUR 10.3 million, supported by the Passenger harbours and the Ferry segments, which offset the decline in the Cargo harbours segment. Revenue from other services decreased by EUR 0.2 million.

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<sup>5</sup> Ferry service between Estonia’s mainland and two largest islands.

This was mainly due to fewer cruise ship calls, which lowered the sales of water supply and sewerage services. In terms of segments, the decrease in nine-month revenue posted by the Cargo harbours and the Passenger harbours segments exceeded the revenue growth delivered by the Ferry segment and the segment Other (the icebreaker Botnica).

**Other income** grew by EUR 92 thousand to EUR 1.2 million. Other income includes gain on the sale of non-current assets and income from government grants, fines and late payment interest.

**Operating expenses** for nine months increased by EUR 0.7 million (+2.3%) year on year. In terms of items, changes varied. Fuel and energy costs decreased (–EUR 3.4 million), because the electricity price dropped and electricity consumption declined due to lower cargo volumes in the Cargo harbours segment. Non-current asset repair costs showed the strongest growth (+EUR 1.3 million). Repair costs grew in the Ferry segment and the segment Other (Botnica). Although the Ferry segment conducted planned maintenance and repairs, the costs increased primarily due to a lower comparative cost base (in the second quarter of 2022 repair costs were reduced by an insurance indemnity of EUR 0.3 million). Repair costs in the segment Other resulted mostly from the regular dry dock maintenance and repairs of Botnica and the preparations made for the icebreaker’s summer charter. The volume of repairs in the Passenger harbours and the Cargo harbours segments decreased. Expenses on services purchased for harbour infrastructure increased (+EUR 0.5 million) due to a rise in the prices of cleaning and upkeep services. Expected credit losses grew (+EUR 0.7 million) due to some customers’ payment difficulties. Expenses on services purchased grew (+EUR 0.5 million), driven by higher expenses on harbour services in the Ferry segment. Lease expenses increased (+EUR 0.9 million) in connection with the need to ensure additional technical capabilities for Botnica’s summer charter. In the third quarter, operating expenses dropped by EUR 0.8 million (–6.7%), primarily through lower energy costs.

**Personnel expenses** for nine months grew by EUR 2.0 million (+12.5%) year on year due to higher remuneration (salaries were raised last year and the motivation system was changed at the beginning of this year). The Group’s average number of employees in the nine-month period decreased from 470 to 467 year on year (–0.6%). Personnel expenses for the third quarter grew by EUR 0.4 million (+6.3%) while the average number of employees decreased (–1.5%).

**Depreciation, amortisation and impairment** for nine months grew by EUR 0.7 million (+3.5%) year on year. Growth was attributable to a one-off write-off of non-current assets in the first quarter due to the raising of the threshold for recognising assets as non-current as from 1 January 2023 consistent with the amendments to the public sector financial accounting and reporting regulation applicable to the Group. Depreciation, amortisation and impairment for the third quarter decreased by 1.0% year on year.

**Operating profit** for nine months decreased by EUR 8.2 million (–29.0%) year on year. The decline was due to a higher cost base (growth in operating expenses, personnel expenses, depreciation, amortisation and impairment, and other expenses of EUR 3.4 million in total), while revenue dropped (–EUR 4.8 million) and other income grew (+EUR 92 thousand). Operating profit margin for nine months declined from 30.1% to 22.6%.



Third-quarter operating profit was EUR 7.4 million (–37.1%) and operating profit margin decreased from 32.6% to 23.7%. Third-quarter margin dropped due to revenue decline (–13.5%). In the third quarter, the combined growth in personnel expenses (+6.3%) and other expenses (+2.7%) was smaller than the decrease in operating expenses (–6.7%) and depreciation, amortisation and impairment (–1.0%).

**Adjusted EBITDA** for nine months dropped by EUR 8.1 million (–17.2%) year on year to EUR 38.8 million. Adjusted EBITDA decreased the most in the Cargo harbours segment (–EUR 4.7 million), where revenue decreased and expenses increased. In the segment Other, the decline in adjusted EBITDA (–EUR 3.4 million) resulted from higher expenses and lower profit on the investment in the equity-accounted associate. The adjusted EBITDA of the Passenger harbours segment decreased (–EUR 0.9 million) due to lower revenue, which was slightly offset by lower expenses. Adjusted EBITDA grew only in the Ferry segment (+EUR 0.9 million), driven by revenue growth. The Group’s adjusted EBITDA decreased slightly less than operating profit because the growth in depreciation, amortisation and impairment exceeded the growth in income from the amortisation of government grants related to assets and the decrease in profit from the associate.

Adjusted EBITDA for the third quarter decreased by EUR 4.5 million (–24.9%) year on year. Adjusted EBITDA decreased in all segments except the Ferry segment. The decrease in the Passenger harbours and the Cargo harbours segments resulted mainly from revenue decline. In the segment Other, revenue decreased and expenses grew (in connection with the summer charter of the icebreaker Botnica).

Adjusted EBITDA margin for nine months dropped from 50.2% to 43.8% and adjusted EBITDA margin for the third quarter decreased from 49.6% to 43.0%.

**Finance costs (net)** for nine months increased by EUR 3.5 million (+380%) because interest expense on loans and borrowings grew due to an overall rise in interest rates (Euribor), although loans and borrowings decreased by EUR 15.9 million (–8.1%) year on year. Finance costs (net) for the third quarter grew by EUR 1.4 million (+368%).

**Profit** before tax for nine months fell by EUR 12.1 million (–43.0%) year on year to EUR 16.0 million. Profit decreased more than operating profit because the profit from the equity-accounted associate AS Green Marine decreased by EUR 0.4 million and finance costs (net) grew (+EUR 3.5 million).

The dividend declared in the second quarter of 2023 in an amount of EUR 19.2 million gave rise to income tax expense of EUR 3.1 million, which was EUR 1.0 million smaller than the income tax expense on the dividend distributed in the previous year. Income tax expense was reduced by the reversal of deferred tax of EUR 0.1 million. Profit for the first nine months decreased by EUR 10.9 million (–45.6%) year on year. Third-quarter profit was EUR 6.0 million (–EUR 5.7 million, –49.1%).

**INVESTMENTS**

In the first nine months of 2023, the Group invested EUR 10.9 million, EUR 1.5 million less than a year earlier. The largest investments were made in the regular dry docking works and ice class upgrade of the icebreaker Botnica, building a new quay in Paldiski South Harbour, reconstructing a quay and a quay ramp and completing the reconstruction of the outdoor area around terminal D in Old City Harbour, increasing the capacity of Muuga Harbour to serve ro-ro cargo (second floor ramp), and software.

Investments of the third quarter totalled EUR 4.8 million (EUR 3.5 million in the third quarter of 2022).

**SEGMENT REPORTING**

In segment terms, nine-month revenue decreased for Cargo harbours and Passenger harbours and increased for Ferry and the segment Other. The Group's overall revenue for nine months dropped by 5.2%. In the third quarter, the Group's revenue declined by 13.5% and only the Ferry segment delivered year-on-year revenue growth.

In thousands of euros	9 months 2023					9 months 2022				
	Passenger harbours	Cargo harbours	Ferry	Other	Total	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	28,774	22,764	28,168	8,909	88,615	29,731	28,871	26,454	8,404	93,460
Adjusted EBITDA	15,455	8,972	12,489	1,881	38,797	16,320	13,685	11,594	5,277	46,876
Operating profit	9,834	2,837	8,224	-477	20,004	10,612	7,576	7,292	2,691	28,171
Adjusted EBITDA margin	53.7%	39.4%	44.3%	21.1%	43.8%	54.9%	47.4%	43.8%	62.8%	50.2%

In thousands of euros	Change for 9 months				
	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	-957	-6,107	1,714	,505	-4,845
Adjusted EBITDA	-865	-4,713	895	-3,396	-8,079
Operating profit	-1,228	-4,703	932	-3,168	-8,167

In thousands of euros	Q3 2023					Q3 2022				
	Passenger harbours	Cargo harbours	Ferry	Other	Total	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	10,747	7,180	10,371	3,128	31,426	12,981	9,369	10,207	3,768	36,325
Adjusted EBITDA	6,111	2,414	4,515	477	13,517	7,478	3,497	4,436	2,595	18,006
Operating profit	4,329	481	3,113	-474	7,449	5,553	1,503	3,020	1,767	11,843
Adjusted EBITDA margin	56.9%	33.6%	43.5%	15.2%	43.0%	57.6%	37.3%	43.5%	68.9%	49.6%

In thousands of euros	Change for Q3				
	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	-2,234	-2,189	164	-640	-4,899
Adjusted EBITDA	-1,367	-1,083	79	-2,118	-4,489
Operating profit	-1,224	-1,022	93	-2,241	-4,394

The nine-month revenue of the **Passenger harbours segment** decreased by EUR 1.0 million (-3.2%) year on year, mainly due to fewer cruise ship calls, which lowered the segment's vessel dues revenue (-EUR 2.1 million).

Rapidly growing passenger numbers supported growth in passenger fee revenue (+EUR 1.1 million). The increase in lease income (+EUR 0.2 million) was driven by the addition of lease premises, growth in parking charges and higher income from the cruise terminal.

In the third quarter, revenue decreased by 17.2% year on year to EUR 10.7 million (–EUR 2.2 million), mainly due to fewer cruise ship calls, which lowered vessel dues revenue.

The nine-month revenue of the **Cargo harbours segment** decreased year on year (–EUR 6.1 million, –21.2%). Vessel dues revenue dropped significantly (–EUR 3.5 million) because the number of vessel calls decreased due to the decline in cargo volumes. Cargo charge revenue decreased (–EUR 0.6 million) because volumes contracted for all cargo types with the exception of non-marine. Revenue from the sale of electricity decreased (–EUR 1.9 million) because consumption declined due to lower cargo volumes and electricity prices were lower than a year earlier. Lease income and revenue from the sale of other services also declined.

The third-quarter revenue of the Cargo harbours segment decreased by EUR 2.2 million (–23.4%) year on year, mainly due to lower vessel dues and electricity sales revenue.

The nine-month revenue of the **Ferry segment** grew by EUR 1.7 million (+6.5%), driven by growth in ferry service revenue. Ferry service revenue grew through a rise in contractual fees due to an increase in the Estonian fuel cost, employment cost and consumer price indices.

In the third quarter, the revenue of the Ferry segment grew by EUR 0.2 million (+1.6%) year on year.

The nine-month revenue of the **segment Other** grew by EUR 0.5 million (+6.0%). Revenue grew due to the additional summer charter of the icebreaker Botnica and higher charter fee revenue for the icebreaking season, both in the first half of the year.

Revenue for the third quarter fell because the utilisation rate of Botnica was lower. Last year, the charter to Baffinland started earlier and the vessel had no idle days in the third quarter. In the third quarter of this year, the vessel was chartered to BP Exploration Operating Company and the charter to Baffinland in Canada started in early September, i.e. later than last year. Revenue for the third quarter dropped by EUR 0.6 million (–17.0%).

**Adjusted EBITDA** for the first nine months decreased the most in the Cargo harbours segment (–EUR 4.7 million) and the segment Other (–EUR 3.4 million), mainly due to lower cargo volumes in the Cargo harbours segment and higher costs in the segment Other. In the segment Other, non-current asset maintenance and repair costs as well as expenses related to the summer charter of the icebreaker Botnica grew, while the profit from the equity-accounted associate AS Green Marine decreased. The adjusted EBITDA of the Passenger harbours segment decreased by EUR 0.9 million while the adjusted EBITDA of the Ferry segment grew by EUR 0.9 million.

Adjusted EBITDA for the third quarter decreased by EUR 4.5 million year on year. Adjusted EBITDA grew only in the Ferry segment.

The Group's **adjusted EBITDA margin** for the first nine months decreased from 50.2% to 43.8%. The margin of the segment Other dropped the most, falling from 62.8% to 21.1%. The margin of the Cargo harbours segment decreased from 47.4% to 39.4% whereas the margin of the Ferry segment improved slightly, rising from 43.8% to 44.3%. The margin of the Passenger harbours segment slipped from 54.9% to 53.7%.

In the third quarter, the adjusted EBITDA margin of the Ferry segment remained stable but the margins of the other segments decreased, with the steepest fall in the segment Other (from 68.9% to 15.2%). The sharp margin decline in the segment Other was attributable to a concurrent decrease in revenue and growth in costs.

## **RISKS**

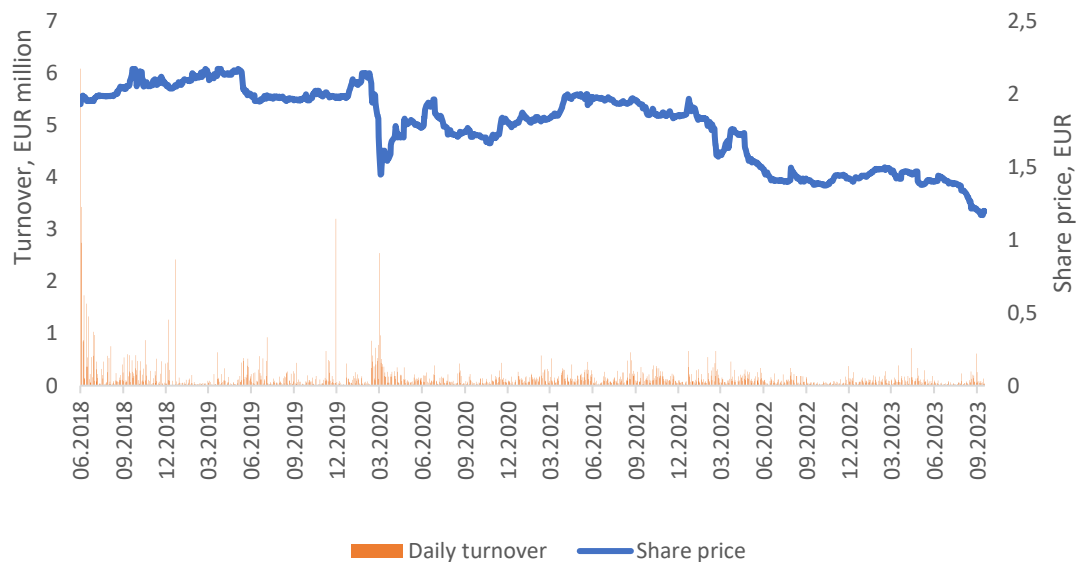
The Russia-Ukraine war which started on 24 February 2022 and the consequent sanctions imposed against Russia by the West affect the Group's performance mainly through its cargo business. Cargo of Russian origin (liquid bulk and fertilizers) for which Russia was the country of departure or destination 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 going 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. The changes in the volumes of other categories of cargo (i.e. excluding liquid and dry bulk) correlate more closely with the overall economic situation in Estonia and the countries which are its main trading partners and in an environment of slowing economic activity the throughput of other categories of cargo may decrease as well.

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 30 September 2023 are presented in the following graph:



The opening price of the share at the beginning of the third quarter was EUR 1.424. The closing price of the share at 30 September 2023 was EUR 1.196, having decreased in the third quarter by 16%. The company's market capitalisation at 30 September 2023 was EUR 314.5 million (30 June 2023: 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 third quarter of 2023, there were 19,375 transactions with the AS Tallinna Sadam share (Q2 2023: 17,211 transactions) in which 3.7 million shares (Q2 2023: 4.3 million shares) changed hands. The total turnover of the transactions was EUR 4.7 million (Q2 2023: EUR 6.1 million).

At 30 September 2023, the company had 24,208 shareholders (30 June 2023: 24,035 shareholders) but only the Republic of Estonia (through the Ministry of Climate<sup>6</sup>) had an ownership interest exceeding 5%. The five largest shareholders at 30 September 2023 were:

Name of shareholder	Number of shares	Interest, %
Ministry of Climate	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	4,696,392	1.8%
INTERACTIVE BROKERS LLC Client Omnibus (US)	1,654,191	0.6%

In the third quarter, the shareholder structure did not change significantly compared with the end the second quarter. The share of Estonian investment and pension funds decreased by 0.3 percentage points (–0.8 million shares), while the share of Estonian retail investors increased accordingly.

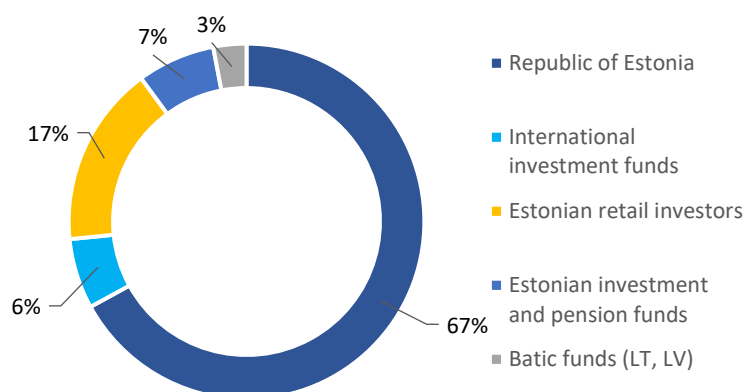


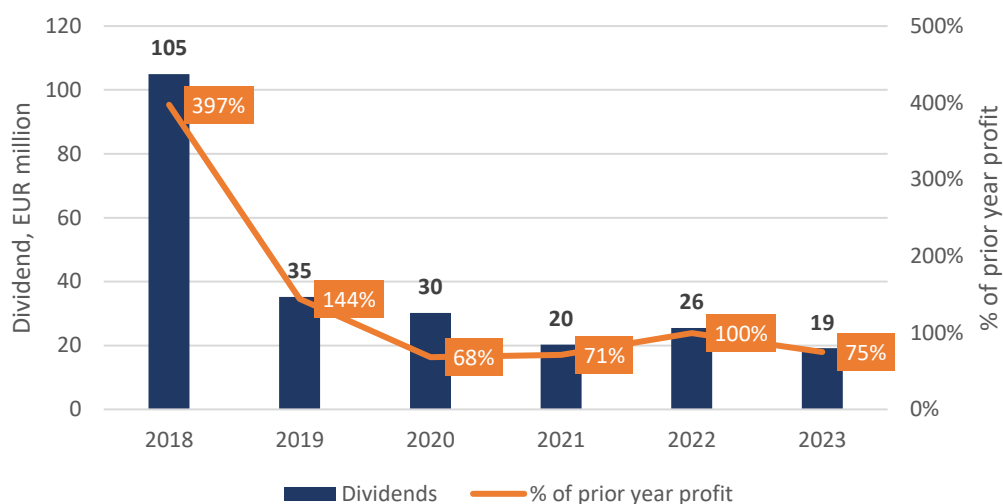
Chart: Shareholder structure at 30 September 2023

## DIVIDENDS

In 2023, AS Tallinna Sadam paid a dividend 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 was determined on 10 May 2023 (the ex-dividend date: 9 May 2023) and the dividend was 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.

<sup>6</sup> Consistent with the order of the government of Estonia, effective from 1 July 2023 the administrator of the ownership interest of the Republic of Estonia (the state) in AS Tallinna Sadam is the Ministry of Climate. Previously, the administrator of the state's ownership interest was the Ministry of Economic Affairs and Communications.

## Dividend payments



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 30 September 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 30 September 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 30 September 2023, the management board had three members: Valdo Kalm (chairman and CEO), Andrus Ait (CFO) and Margus Vihman (CCO). There were no changes on 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 THIRD QUARTER OF 2023**

- 1. Additional trips by the ferry Regula in September 2023.** The subsidiary of AS Tallinna Sadam, OÜ TS Laevad, signed an additional agreement with the Estonian Transport Administration based on the public passenger transport service. Transport Administration will extend the period of additional trips of the ferry Regula on the Virtsu-Kuivastu line from September 1 to September 17, 2023, without changing the maximum number of additional trips in 2023 of 536 agreed in April. For additional trips in September, TS Laevad will earn an additional fixed fee of 168,300 euros. Additional trips were to be made if scheduled trips failed to meet demand at peak times.
- 2. Changes on the management board of AS Tallinna Sadam's subsidiary OÜ TS Shipping.** The supervisory board of OÜ TS Shipping decided to remove the company's long-term manager Ülo Eero from the management board, effective from 5 July 2023, and to appoint Damir Utorov as a new member of the management board for a term of one year, effective from 6 July, and Vahur Ausmees as the new chairman of the management board for a term of five years, effective from 4 September.
- 3. Change of the administrator of the state's shares in AS Tallinna Sadam.** Due to the reorganisation of the work of the ministries, on 6 July 2023 the government of Estonia approved the order *Appointment of Administrators of State Assets and Transfer of State Assets*, by which the Ministry of Climate was appointed as the person exercising the shareholder rights and the administrator of the shares held by the state in AS Tallinna Sadam instead of the Ministry of Economic Affairs and Communications.
- 4. Summer charters of the icebreaker Botnica.** Botnica provided support vessel services to Equinor UK Ltd. from 13 June to 3 July, but due to technical changes to the project, the charter period that was originally planned for 40 days was cut short. From 7 August to 3 September, Botnica was chartered as a service operation vessel to support work scopes at BP Exploration Operating Company Ltd's normally unattended installation Mungo, located in the North Sea UK Sector. Botnica's charter to Baffinland Iron Mines in Canada began in September and will last for a minimum of 60 days this year.
- 5. The cruise terminal of Tallinn Old City Harbour obtains the international Green Key certificate.** The cruise terminal of AS Tallinna Sadam in Tallinn Old City Harbour was awarded the Green Key certificate, which assures both cruise passengers and the guests and partners visiting events at the cruise terminal that the site is operated in an environmentally sustainable manner.
- 6. 30th anniversary of Paldiski South Harbour and laying the cornerstone for a new quay.** We celebrated the 30th anniversary of Paldiski South Harbour with the investment conference Different Paldiski held on 29 August in Paldiski South Harbour. At the same time, the cornerstone was laid for a new quay designed to serve the construction and maintenance of offshore wind farms and increase Estonia's military capabilities.
- 7. Crisis evacuation exercise Crevex2023 at Muuga.** Estonia's largest ever crisis field exercise, Crevex2023, was held in late September. According to the scenario of the main exercise, there was a train collision at Muuga Harbour, which escalated into a major fire in the fuel terminal and then into an explosion in the fertiliser terminal. In the course of the exercise, the harbour and public authorities, the private sector, local



authorities and 1,100 volunteer role-players practiced large-scale evacuation management, resolution of a large-scale rescue incident, cooperation and communication. The exercise lasted for 31 hours.

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros

<b>At</b>	<b>Note</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		37,912	44,387
Trade and other receivables	4	14,074	7,477
Contract assets		582	0
Inventories		387	749
<i>Total other current assets</i>		<i>52,955</i>	<i>52,613</i>
Non-current assets held for sale		0	100
<b>Total current assets</b>		<b>52,955</b>	<b>52,713</b>
<b>Non-current assets</b>			
Investments in an associate	5	2,137	2,099
Other long-term receivables	4	29	303
Property, plant and equipment	6	555,660	564,379
Intangible assets		1,968	1,735
<b>Total non-current assets</b>		<b>559,794</b>	<b>568,516</b>
<b>Total assets</b>		<b>612,749</b>	<b>621,229</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	8	13,916	15,916
Provisions		978	2,013
Government grants		8,131	8,578
Taxes payable		1,726	1,060
Trade and other payables	7	9,598	9,770
Contract liabilities		1,650	62
<b>Total current liabilities</b>		<b>35,999</b>	<b>37,399</b>
<b>Non-current liabilities</b>			
Loans and borrowings	8	166,099	171,482
Government grants		32,552	30,156
Other payables	7	529	449
Contract liabilities		2,765	767
<b>Total non-current liabilities</b>		<b>201,945</b>	<b>202,854</b>
<b>Total liabilities</b>		<b>237,944</b>	<b>240,253</b>
<b>EQUITY</b>			
Share capital	9	263,000	263,000
Share premium		44,478	44,478
Statutory capital reserve		22,858	22,115
Retained earnings (prior periods)		31,441	25,791
Profit for the period		13,028	25,592

<b>Total equity</b>		<b>374,805</b>	<b>380,976</b>
<b>Total liabilities and equity</b>		<b>612,749</b>	<b>621,229</b>

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

for the 9 months ended 30 September

In thousands of euros	Note	Q3 2023	Q3 2022	2023	2022
Revenue	<b>3, 10</b>	31,426	36,325	88,615	93,460
Other income		371	412	1,231	1,140
Operating expenses	<b>11</b>	-11,910	-12,763	-31,977	-31,267
Personnel expenses		-6,254	-5,885	-18,229	-16,210
Depreciation, amortisation and impairment	<b>3</b>	-6,129	-6,191	-19,356	-18,703
Other expenses		-55	-55	-280	-249
<b>Operating profit</b>		<b>7,449</b>	<b>11,843</b>	<b>20,004</b>	<b>28,171</b>
<b>Finance income and costs</b>					
Finance income		330	32	916	97
Finance costs		-2,073	-404	-5,303	-1,011
<b>Finance costs – net</b>		<b>-1,743</b>	<b>-372</b>	<b>-4,387</b>	<b>-914</b>
Share of profit of an associate accounted for under the equity method		258	237	396	814
<b>Profit before income tax</b>		<b>5,964</b>	<b>11,708</b>	<b>16,013</b>	<b>28,071</b>
Income tax expense		0	0	-2,985	-4,111
<b>Profit for the period</b>		<b>5,964</b>	<b>11,708</b>	<b>13,028</b>	<b>23,960</b>
Attributable to:					
Owners of the Parent		5,964	11,708	13,028	23,960
Basic earnings and diluted earnings per share (in euros)		0.02	0.04	0.05	0.09
Basic earnings and diluted earnings per share – continuing operations (in euros)		0.02	0.04	0.05	0.09

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the 9 months ended 30 September

In thousands of euros	Note	2023	2022
Cash receipts from sale of goods and services		94,692	101,077
Cash receipts related to other income		247	135
Payments to suppliers		-38,900	-38,682
Payments to and on behalf of employees		-18,511	-14,673
Payments for other expenses		-253	-296
Income tax paid on dividends		-3,264	-4,335
<b>Cash from operating activities</b>		<b>34,011</b>	<b>43,226</b>
Purchases of property, plant and equipment		-10,063	-12,932
Purchases of intangible assets		-627	-346
Proceeds from sale of property, plant and equipment		28	91
Proceeds from government grants related to assets		0	4,924
Dividends received		357	255
Interest received		875	3
<b>Cash used in investing activities</b>		<b>-9,430</b>	<b>-8,005</b>
Repayments of loans received	8	-7,383	-7,383
Dividends paid		-19,012	-25,287
Interest paid		-4,654	-968
Other payments related to financing activities		-7	-7
<b>Cash used in financing activities</b>		<b>-31,056</b>	<b>-33,645</b>
<b>NET CASH FLOW</b>		<b>-6,475</b>	<b>1,576</b>
Cash and cash equivalents at beginning of period		44,387	34,840
Change in cash and cash equivalents		-6,475	1,576
Cash and cash equivalents at end of period		37,912	36,416

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the 9 months ended 30 September

In thousands of euros	Share capital	Share premium	Statutory capital reserve	Retained earnings	Total equity attributable to owners of the Parent
<b>Equity at 31 December 2021</b>	<b>263,000</b>	<b>44,478</b>	<b>21,271</b>	<b>52,146</b>	<b>380,895</b>
Profit for the period	0	0	0	23,960	<b>23,960</b>
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>23,960</i>	<b>23,960</b>
Dividend declared	0	0	0	-25,511	<b>-25,511</b>
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-25,511</i>	<b>-25,511</b>
Increase of capital reserve	0	0	844	-844	<b>0</b>
<b>Equity at 30 September 2022</b>	<b>263,000</b>	<b>44,478</b>	<b>22,115</b>	<b>49,751</b>	<b>379,344</b>
<b>Equity at 31 December 2022</b>	<b>263,000</b>	<b>44,478</b>	<b>22,115</b>	<b>51,383</b>	<b>380,976</b>
Profit for the period	0	0	0	13,028	<b>13,028</b>
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>13,028</i>	<b>13,028</b>
Dividend declared	0	0	0	-19,199	<b>-19,199</b>
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-19,199</i>	<b>-19,199</b>
Increase of capital reserve	0	0	743	-743	<b>0</b>
<b>Equity at 30 September 2023</b>	<b>263,000</b>	<b>44,478</b>	<b>22,858</b>	<b>44,469</b>	<b>374,805</b>

## 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 9 months ended 30 September 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 30 September 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 Climate).

### 2. ACCOUNTING POLICIES

These interim condensed consolidated financial statements for the 9 months ended 30 September 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 items of property, plant and equipment and intangible assets 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 9 months ended 30 September 2023				
	Passenger harbours	Cargo harbours	Ferry	Other	Total
Vessel dues	14,806	9,313	0	0	<b>24,119</b>
Cargo charges	1,175	3,452	0	0	<b>4,627</b>
Passenger fees	8,733	157	0	0	<b>8,890</b>
Sale of electricity	936	2,217	0	0	<b>3,153</b>
Sale of ferry services – ticket sale revenue	0	0	11,924	0	<b>11,924</b>
Sale of other services	976	369	72	147	<b>1,564</b>
Lease income	2,148	7,256	933	0	<b>10,337</b>
Charter fees	0	0	0	8,762	<b>8,762</b>
Sale of ferry services – government support	0	0	15,239	0	<b>15,239</b>
<b>Total segment revenue* (note 10)</b>	<b>28,774</b>	<b>22,764</b>	<b>28,168</b>	<b>8,909</b>	<b>88,615</b>
<b>Adjusted segment EBITDA</b>	<b>15,455</b>	<b>8,972</b>	<b>12,489</b>	<b>1,881</b>	<b>38,797</b>
Depreciation and amortisation	–5,950	–6,628	–4,265	–1,962	<b>–18,805</b>
Impairment losses	–551	0	0	0	<b>–551</b>
Amortisation of government grants received	430	529	0	0	<b>959</b>
Share of profit of an associate accounted for under the equity method	0	0	0	–396	<b>–396</b>
<b>Segment operating profit</b>	<b>9,384</b>	<b>2,873</b>	<b>8,224</b>	<b>–477</b>	<b>20,004</b>
Finance income and costs, net					<b>–4,387</b>
Share of profit of an associate accounted for under the equity method					396
Income tax expense					<b>–2,985</b>
<b>Profit for the period</b>					<b>13,028</b>

\* Total segment revenue represents revenue from external customers and excludes inter-segment revenue of EUR 202 thousand and EUR 7 thousand for the Passenger harbours and the Cargo harbours segments, respectively, which was eliminated during consolidation.

**Note 3 continued**

	<b>For the 9 months ended 30 September 2022</b>				
In thousands of euros	<b>Passenger harbours</b>	<b>Cargo harbours</b>	<b>Ferry</b>	<b>Other</b>	<b>Total</b>
Vessel dues	16,856	12,765	0	0	<b>29,621</b>
Cargo charges	1,172	4,050	0	0	<b>5,222</b>
Passenger fees	7,622	149	0	0	<b>7,771</b>
Sale of electricity	1,055	4,083	0	0	<b>5,138</b>
Sale of ferry services – ticket sale revenue	0	0	11,423	0	<b>11,423</b>
Sale of other services	1,091	512	63	84	<b>1,750</b>
Lease income	1,935	7,312	849	0	<b>10,096</b>
Charter fees	0	0	0	8,320	<b>8,320</b>
Sale of ferry services – government support	0	0	14,119	0	<b>14,119</b>
<b>Total segment revenue* (note 10)</b>	<b>29,731</b>	<b>28,871</b>	<b>26,454</b>	<b>8,404</b>	<b>93,460</b>
<b>Adjusted segment EBITDA</b>	<b>16,320</b>	<b>13,685</b>	<b>11,594</b>	<b>5,277</b>	<b>46,877</b>
Depreciation and amortisation	-5,990	-6,565	-4,302	-1,772	<b>-18,629</b>
Impairment losses	-74	0	0	0	<b>-74</b>
Amortisation of government grants received	356	456	0	0	<b>812</b>
Share of profit of an associate accounted for under the equity method	0	0	0	-814	<b>-814</b>
<b>Segment operating profit</b>	<b>10,612</b>	<b>7,576</b>	<b>7,292</b>	<b>2,691</b>	<b>28,171</b>
Finance income and costs, net					-914
Share of profit of an associate accounted for under the equity method					814
Income tax expense					-4,111
<b>Profit for the period</b>					<b>23,960</b>

\* Total segment revenue represents revenue from external customers and excludes inter-segment revenue of EUR 246 thousand and EUR 9 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	At 30 September 2023	At 31 December 2022
Trade receivables	12,382	7,373
Allowance for expected credit losses	-2,475	-1,323
Prepaid taxes	659	481
Government grants receivable	2,721	38
Other prepayments	666	744
Receivables from an associate (note 15)	7	17
Other receivables	143	450
<b>Total trade and other receivables</b>	<b>14,103</b>	<b>7,780</b>
Of which current receivables	14,074	7,477
non-current receivables	29	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	
<b>At 30 September 2023</b>						
Expected credit loss rate	5.26%	1.5%	3.0%	80.0%	100.0%	
Total trade receivables	10,165	216	50	82	1,869	12,382
Lifetime expected credit loss (ECL)	-535	-3	-2	-66	-1,869	-2,475
						<b>9,907</b>
<b>At 31 December 2022</b>						
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
						<b>6,050</b>

**5. INVESTMENTS IN AN ASSOCIATE**

In thousands of euros	2023	2022
<b>For the 9 months ended 30 September</b>		
Income	5,614	6,117
Expenses	4,606	4,403
Net profit	776	1,574
<b>At 30 September 2023</b>		
Net assets of the associate	4,191	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	2,137	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
<b>At 31 December 2022</b>						
Cost	649,131	254,747	8,834	10,748	1,039	<b>924,499</b>
Accumulated depreciation and impairment losses	-248,048	-105,479	-6,593	0	0	<b>-360,120</b>
<b>Carrying amount at 31 December 2022</b>	<b>401,083</b>	<b>149,268</b>	<b>2,241</b>	<b>10,748</b>	<b>1,039</b>	<b>564,379</b>
<i>Movements in the 9 months ended 30 September 2023</i>						
Acquisition and reconstruction	70	696	289	6,836	2,321	<b>10,212</b>
Depreciation charge	-9,062	-8,464	-498	0	0	<b>-18,024</b>
Impairment	-19	-521	-339	0	0	<b>-879</b>
Transfer to non-current assets held for sale at carrying amount	0	-28	0	0	0	<b>-28</b>
Reclassification at carrying amount	6,152	7,963	308	-13,520	-903	<b>0</b>
<b>At 30 September 2023</b>						
Cost	655,169	261,302	8,473	4,064	2,457	<b>931,465</b>
Accumulated depreciation and impairment losses	-256,945	-112,388	-6,472	0	0	<b>-375,805</b>
<b>Carrying amount at 30 September 2023</b>	<b>398,224</b>	<b>148,914</b>	<b>2,001</b>	<b>4,064</b>	<b>2,457</b>	<b>555,660</b>

**7. TRADE AND OTHER PAYABLES**

In thousands of euros	At 30 September 2023	At 31 December 2022
Trade payables	4,465	5,344
Payables to employees	1,425	1,421
Interest payable	1,640	1,012
Accrued taxes payable on employee remuneration	778	719
Advances for goods and services	971	857
Payables to an associate (note 15)	189	182
Other payables	659	684
<b>Total trade and other payables</b>	<b>10,127</b>	<b>10,219</b>
Of which current liabilities	9,598	9,770
non-current liabilities	529	449

**8. LOANS AND BORROWINGS**

In thousands of euros	At 30 September 2023	At 31 December 2022
<b>Current portion</b>		
Loans	6,266	8,266
Debt securities	7,650	7,650
<b>Total current portion</b>	<b>13,916</b>	<b>15,916</b>
<b>Non-current portion</b>		
Loans	32,149	37,532
Debt securities	133,950	133,950
<b>Total non-current portion</b>	<b>166,099</b>	<b>171,482</b>
<b>Total loans and borrowings (note 6)</b>	<b>180,015</b>	<b>187,398</b>

**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 30 September 2023, AS Tallinna Sadam had two debt security issues with final maturities in 2026 and 2027. Consistent with the redemption schedules, in the 9-month period ended 30 September 2023, no debt securities were redeemed. At 30 September 2023, the weighted average interest rate of the debt securities was 4.45% (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 9 months of 2023 amounted to EUR 7,383 thousand (9 months of 2022: EUR 7,383 thousand).

At 30 September 2023, the weighted average interest rate of drawn loans was 4.77% (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 30 September 2023.

**Contractual maturities of loans and borrowings**

In thousands of euros	At 30 September 2023	At 31 December 2022
< 6 months	11,533	3,383
6 – 12 months	2,383	12,533
1 – 5 years	160,099	164,482
> 5 years	6,000	7,000
<b>Total loans and borrowings (note 4)</b>	<b>180,015</b>	<b>187,398</b>

**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 30 September 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 30 September 2023, the Group was in compliance with all covenants that set requirements for its financial indicators.

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

At 30 September 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 Climate) 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 30 September 2023 and 31 December 2022, all shares issued had been fully paid for.

**Earnings per share**

	Q3 2023	Q3 2022	9 months ended 30 September 2023	9 months ended 30 September 2022
Weighted average number of shares outstanding	263,000,000	263,000,000	263,000,000	263,000,000
Consolidated net profit for the period (in thousands of euros)	5,964	11,708	13,028	23,960
Basic and diluted earnings per share (in euros)*	0.02	0.04	0.05	0.09

\* In the periods ended 30 September 2023 and 30 September 2022 there were no dilutive instruments outstanding.

Consistent with the decision of the general meeting of 25 April 2023, the Group paid a dividend of EUR 0.073 per share, i.e. EUR 19,199 thousand in total, for 2022. The list of shareholders entitled to receive the dividend was determined on 10 May 2023 (the ex-dividend date was 9 May 2023) and the dividend was paid out to the shareholders on 12 May 2023 (through Nasdaq CSD).

**10. REVENUE**

In thousands of euros

<b>For the 9 months ended 30 September</b>	<b>2023</b>	<b>2022</b>
<b>Revenue from contracts with customers</b>		
Vessel dues	24,119	29,621
Cargo charges	4,627	5,222
Passenger fees	8,890	7,771
Sale of electricity	3,153	5,138
Sale of ferry services – ticket sale revenue	11,924	11,423
Sale of other services	1,564	1,750
<b>Total revenue from contracts with customers</b>	<b>54,277</b>	<b>60,925</b>
<b>Revenue from other sources</b>		
Operating lease income	10,337	10,096
Charter fees	8,762	8,320
Sale of ferry services – government support	15,239	14,119
<b>Total revenue from other sources</b>	<b>34,338</b>	<b>32,535</b>
<b>Total revenue (note 3)</b>	<b>88,615</b>	<b>93,460</b>

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 30 September 2023, the difference between revenue recognised and amounts billed to customers was recognised as a contract liability of EUR 1,383 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 30 September 2023. Based on the estimation, the Group recognised contract assets of EUR 582 thousand. At 30 September 2023, revenue received from some customers exceeded management's estimates. As a result, the Group recognised contract liabilities of EUR 124 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 30 September 2023, such liabilities amounted to EUR 2,765 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 30 September 2023, such liabilities amounted to EUR 143 thousand (31 December 2022: EUR 62 thousand).

**11. OPERATING EXPENSES**

In thousands of euros

<b>For the 9 months ended 30 September</b>	<b>2023</b>	<b>2022</b>
Fuel, oil and energy costs	9,246	12,643
Technical maintenance and repair of non-current assets	6,464	5,169
Services purchased for infrastructure	3,001	2,463
Tax expenses	1,993	2,002
Consultation and development expenses	230	389
Services purchased	4,646	4,331
Acquisition and maintenance of assets of insignificant value	736	723
Advertising expenses	187	201
Lease expenses	1,385	457
Insurance expenses	580	596
Other operating expenses	3,509	2,293
<b>Total operating expenses</b>	<b>31,977</b>	<b>31,267</b>

**12. COMMITMENTS**

At 30 September 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 84,311 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 of the 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. On 8 May 2023, the court allowed the appeal filed by the trustee of the estate of AS Saaremaa Laevakompanii (bankrupt) and OÜ Väinamere Liinid for annulment of the ruling of the Harju County Court. 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 Keskkonnahoiduse 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 holds 67.03% of the shares in AS Tallinna Sadam (through the Ministry of Climate).

In thousands of euros

<b>For the 9 months ended 30 September</b>	<b>2023</b>	<b>2022</b>
<b>Transactions with the associate</b>		
Revenue	57	54
Operating expenses	1,536	1,695
<b>Transactions with companies in which the members of the supervisory and management boards of group companies have significant influence</b>		
Revenue	1	1
Operating expenses	27	0
Other expenses	20	5
<b>Transactions with government agencies and companies of which the state has control</b>		
Revenue	20,724	19,960
Other income	100	0
Operating expenses	4,479	9,211
Other expenses	0	28

In thousands of euros

**At 30 September 2023**    **At 31 December 2022**

<b>Trade receivables from and payables to the associate</b>		
Receivables (note 4)	7	17
Payables (note 7)	189	182
<b>Trade receivables from and payables to companies in which the members of the supervisory and management boards of group companies have significant influence</b>		
Payables	0	1
<b>Trade receivables from and payables to government agencies and companies of which the state has control</b>		
Receivables	2,162	174
Payables	5,582	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

AS Tallinna Sadam is a victim in a criminal case concerning the indictment of a former employee of the company's former subsidiary OÜ TS Energia (merged with AS Tallinna Sadam in 2017) for possible involvement in bribery in the arrangement of energy procurements in the period 2010–2019. Evidence gathered in the matter shows bribery arrangements dating back to at least 2010. The investigation conducted by the authorities reached the stage of public procedural steps in 2019. A civil claim of EUR 637,189.78, plus interest on arrears, resulting from the criminal case was brought before the Harju County Court. As the accused died in 2019, the civil claim was filed against the heirs of the accused.

The proceedings in the criminal case are pending at the Harju County Court with hearings scheduled for 2023 and 2024. The proceedings in the civil case were started by the judge's order on 12 October 2023; AS Tallinna Sadam participates in the proceedings as the injured party.

The amount of the claim is not currently reflected in the financial results of AS Tallinna Sadam. The claim will be recognised as a receivable when the possible judgement of conviction and satisfaction of civil claim has been delivered by the court.

AS Tallinna Sadam signed an additional agreement with the Estonian branch of Akciju Sabiedriba BMGS and Insenerihituse AS in respect of the design and construction of multifunctional quay no. 6A and hinterland in Paldiski South Harbour. The results of further geological investigations carried out during the initial phase of the construction works showed that, in order to continue the works safely and in the most economically viable manner, the originally planned construction technology would have to be replaced with a different one to eliminate the risk of a general landslide at the base of the embankments to be constructed. The change in construction technology increased the cost of the contract by EUR 8 million. The new total cost of the contract is EUR 61.2 million, which may increase to EUR 63.9 million due to the indexation option provided in the contract. In addition, the term for the completion of the quay and hinterland was extended by five months. The construction work will be completed by the end of 2025 and the date of final completion of the quay is 28 February 2026.

The postponement of the completion of the quay and hinterland and the increase in the cost of the investment will have no significant effect on the project's long-term profitability or competitiveness as a facility for the construction of offshore wind farms.



## MANAGEMENT'S CONFIRMATION AND SIGNATURES

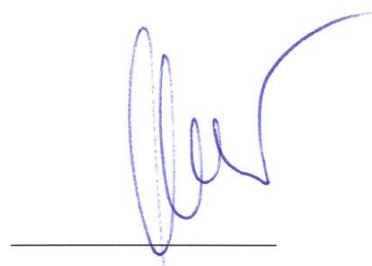
The management board has prepared the unaudited management report and interim condensed consolidated financial statements of AS Tallinna Sadam as at and for the period ended 30 September 2023.

The management board confirms that the Group's management report, set out on pages 4 to 16, 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 17 to 32, 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 November 2023) 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 November 2023



Valdo Kalm  
Chairman of the  
Management Board



Andrus Ait  
Member of the  
Management Board



Margus Vihman  
Member of the  
Management Board