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**Unaudited interim condensed consolidated  
report for the  
9 months ended 30 September 2022**

AS Tallinna Sadam

**AS TALLINNA SADAM****UNAUDITED INTERIM CONDENSED CONSOLIDATED REPORT  
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2022**

<b>Commercial Registry no.</b>	<b>10137319</b>
<b>VAT registration no.</b>	<b>EE100068489</b>
<b>Registered office</b>	<b>Sadama 25 15051 Tallinn Estonia</b>
<b>Country of incorporation</b>	<b>Republic of Estonia</b>
<b>Phone</b>	<b>+372 631 8555</b>
<b>E-mail</b>	<b><u><a href="mailto:ts@ts.ee">ts@ts.ee</a></u></b>
<b>Corporate website</b>	<b><u><a href="http://www.ts.ee">www.ts.ee</a></u></b>
<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>KPMG Baltics OÜ</b>

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**MANAGEMENT REPORT**

The Group's results for nine months of 2022 were strongly affected by the lifting of the COVID-19 restrictions and a continuing downtrend in cargo throughput. The removal of restrictions improved the performance of the Passenger harbours segment considerably (revenue up by 46%) even though the fee rate was cut by 10% starting from March. Cargo throughput decreased year on year for the fourth quarter in a row. The decline was mainly attributable to dry bulk and liquid bulk cargo (down more than 40% year on year).

**KEY PERFORMANCE INDICATORS OF THE GROUP**

Indicator	Unit	9 months 2022	9 months 2021	Difference	Change %	Q3 2022	Q3 2021	Difference	Change %
Revenue	EUR '000	93,460	81,511	11,949	14.7%	36,325	32,263	4,062	12.6%
Operating profit	EUR '000	28,171	23,109	5,062	21.9%	11,843	10,670	1,173	11.0%
Adjusted EBITDA	EUR '000	46,877	41,233	5,644	13.7%	18,006	17,080	926	5.4%
Depreciation, amortisation and impairment	EUR '000	-18,703	-18,502	-201	1.1%	-6,191	-6,405	214	-3.3%
Income tax	EUR '000	-4,111	-3,275	-836	25.5%	0	0	0	0.0%
Profit for the period	EUR '000	23,960	19,077	4,883	25.6%	11,708	10,576	1,132	10.7%
Investment	EUR '000	12,424	10,216	2,208	21.6%	3,458	2,286	1,172	51.3%
Number of employees (average)		470	472	-2	-0.4%	482	480	2	0.4%
Cargo volume	t '000	13,887	17,709	-3,822	-21.6%	4,361	6,541	-2,180	-33.3%
Number of passengers	'000	5,337	2,327	3,010	129.4%	2,533	1,358	1,175	86.5%
Number of vessel calls		5,530	5,524	6	0.1%	1,937	2,010	-73	-3.6%
Total assets at period-end	EUR '000	622,384	622,934	-550	-0.1%	622,384	622,934	-550	-0.1%
Net debt <sup>1</sup> at period-end	EUR '000	159,515	178,473	-18,958	-10.6%	159,515	178,473	-18,958	-10.6%
Equity at period-end	EUR '000	379,344	374,360	4,984	1.3%	379,344	374,360	4,984	1.3%
Number of shares at period-end	'000	263,000	263,000	0	0.0%	263,000	263,000	0	0.0%
Operating profit/revenue		30.1%	28.4%			32.6%	33.1%		
Adjusted EBITDA/revenue		50.2%	50.6%			49.6%	52.9%		
Profit for the period/revenue		25.6%	23.4%			32.2%	32.8%		
EPS: Profit for the period/ weighted average number of shares	EUR	0.09	0.07	0.02	25.6%	0.04	0.04	0.00	10.7%
Equity/number of shares at period-end	EUR	1.44	1.42	0.02	1.3%	1.44	1.42	0.02	1.3%

Due to the lifting of restrictions, the nine-month number of passengers<sup>2</sup> grew by around 129%, with the biggest growth shown by the Helsinki route and the number of cruise passengers more than tripling. Passenger numbers have strongly recovered but the figures for the Helsinki route and the total number of passengers are still about 38% and 40% below their pre-pandemic (2019) levels, respectively. Growth in passenger numbers was driven by a significantly improved ship load factor. The number of vessel calls on the Helsinki route remained at the same level as in the first nine months of 2021 (+3%).

<sup>1</sup> Net debt = loans and borrowings less cash and cash equivalents

<sup>2</sup> The number does not include passengers of the Ferry segment that travelled between Estonia's mainland and two largest islands.

Rapid growth in passenger numbers supported nine-month revenue, which grew by EUR 11.9 million (+14.7%) to EUR 93.5 million. Operating profit for nine months grew by EUR 5.1 million (+21.9%) to EUR 28.2 million and profit for the period increased by EUR 4.9 million (+25.6%) to EUR 24.0 million, although income tax on dividends was EUR 0.8 million larger than a year earlier. The dividend was EUR 25.51 million this year, compared with EUR 20.25 million a year earlier. Adjusted EBITDA<sup>3</sup> grew by EUR 5.6 million to EUR 46.9 million (+13.7%).

In the third quarter of 2022, the number of passengers grew by 86.5% but cargo volume decreased by 33.3% year on year. Revenue increased by EUR 4.1 million (+12.6%) to EUR 36.3 million due to passenger-related business lines.

### OPERATING VOLUMES

	Q3 2022	Q3 2021	Change %	9M 2022	9M 2021	Change %
<b>Cargo volume by type of cargo (t '000)</b>	<b>4,361</b>	<b>6,541</b>	<b>-33.3%</b>	<b>13,887</b>	<b>17,709</b>	<b>-21.6%</b>
Ro-ro	1,703	1,599	6.5%	5,237	4,818	8.7%
Liquid bulk	1,156	2,976	-61.2%	4,325	7,396	-41.5%
Dry bulk	874	1,371	-36.3%	2,182	3,737	-41.6%
Containers	508	465	9.1%	1,649	1,391	18.5%
<i>in TEUs</i>	<i>60,232</i>	<i>56,221</i>	<i>7.1%</i>	<i>207,053</i>	<i>166,153</i>	<i>24.6%</i>
General cargo	112	129	-13.8%	478	367	30.2%
Non-marine	8	0	3271.5%	18	1	2287.5%
<b>Number of passengers by routes ('000)</b>	<b>2,533</b>	<b>1,358</b>	<b>86.6%</b>	<b>5,337</b>	<b>2,327</b>	<b>129.4%</b>
Tallinn-Helsinki	2,169	1,075	101.8%	4,633	1,953	137.2%
Tallinn-Stockholm	146	105	39.0%	329	105	212.9%
Muuga-Vuosaari	50	37	34.6%	129	99	30.3%
Cruise (traditional)	116	54	115.4%	170	54	216.2%
Other	52	86	-40.1%	76	116	-34.6%
<b>Number of vessel calls by vessel type</b>	<b>1,937</b>	<b>2,010</b>	<b>-3.6%</b>	<b>5,530</b>	<b>5,524</b>	<b>0.1%</b>
Cargo vessels	371	492	-24.6%	1,131	1,287	-12.1%
Passenger vessels (incl. ro-pax)	1,456	1,479	-1.6%	4,221	4,198	0.5%
Cruise vessels (traditional)	110	39	182.1%	178	39	356.4%
<b>Ferries (Saaremaa and Hiiumaa routes)</b>						
Number of passengers ('000)	897	906	-1.0%	1,852	1,759	5.3%
Number of vehicles ('000)	394	407	-3.3%	872	862	1.1%
<b>Icebreaker Botnica</b>						
Charter days	92	92	0.0%	206	206	0.0%
Utility rate (%)	100%	100%	0	75%	75%	0

<sup>3</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

The Group's harbours handled 13.9 million tonnes of cargo in the first nine months of 2022, 3.8 million tonnes less than in the same period last year (–21.6%). In terms of cargo types, the sharpest decrease was in liquid bulk (–3.1 million tonnes, –41.5%) and dry bulk cargo (–1.6 million tonnes, –41.6%). The decline in liquid bulk cargo is primarily attributable to the sanctions imposed on Belarusian oil products in March. The drop in dry bulk cargo is mainly due to a decrease in the volume of fertilizers (the impact of sanctions). Within dry bulk, the volume of wood pellets decreased as well while the volume of crushed stone grew.

The volumes of other cargo types increased, but not sufficiently to offset the fall in liquid and dry bulk cargo. The volume of ro-ro cargo grew by 419 thousand tonnes (+8.7%), the volume of container cargo by 258 thousand tonnes (+18.5%; +41 thousand units, +24.6% in TEUs) and the volume of general cargo by 111 thousand tonnes (+30.2%). As a result of the decrease in liquid bulk cargo and the increase in ro-ro cargo, ro-ro cargo has become the largest cargo type this year. Previously, liquid bulk cargo was the largest cargo type, accounting for 39%–47% of the Group's total annual cargo throughput in the period 2016–2021. In the first nine months of 2022, however, it accounted for only 31% of total cargo volume.

In the third quarter, the Group's harbours handled 6.5 million tonnes of cargo, 2.2 million tonnes (–33.3%) less than a year earlier. The sharp decline was mainly due to the sanctions imposed on liquid and dry bulk cargo (fertilizers). The volume of liquid bulk cargo dropped by 1.8 million tonnes (–61.2%) and that of dry bulk cargo by 0.5 million tonnes (–36.3%). The volume of general cargo also decreased (–18 thousand tonnes, –13.8%). Volume growth was recorded for ro-ro cargo (+104 thousand tonnes, +6.5%) and container cargo (+43 thousand tonnes, +9.1%; +4 thousand units, +7.1% in TEUs).

Passenger numbers have been growing rapidly since the lifting of COVID-19 related travel restrictions. The nine-month number of passengers grew by 3.7 million year on year, rising to 5.3 million (+129.4%). Both the Tallinn–Helsinki route and the number of cruise passengers showed rapid growth. In the first nine months of 2022, Tallinn Old City Harbour had around 168 thousand and Saaremaa Harbour around 2 thousand cruise passengers (169 and 9 cruise ships, respectively). A year earlier, Old City Harbour had 54 thousand cruise passengers (39 cruise ships) while Saaremaa Harbour had no cruise ship calls. In the third quarter of 2022, the number of passengers grew by 1.2 million to 2.5 million (+86.5%).

The ferries operated by OÜ TS Laevad (the Ferry segment) made 17,795 trips between Estonia's mainland and two largest islands in the first nine months of 2022, 1,143 trips more than a year earlier (+6.9%). The number of trips made in the third quarter was 7,013, which is 452 (+6.9%) more than a year earlier. The number of trips increased because at the request of the customer (the state) additional trips were added to the schedule both on the Virtsu–Kuivastu (+8%) and the Rohuküla–Heltermaa (+4%) route.

In the first nine months, the number of charter days (contractual working days) of the icebreaker Botnica (the segment Other), which is operated by OÜ TS Shipping, was 206 (the same as a year earlier). The utilisation rate of the vessel was 75%. In the third quarter, the number of charter days was 92 (the same as in the third quarter of 2021) and the utilisation rate was 100%.

**REVENUE, EXPENSES AND PROFIT**

**Revenue** for nine months grew by EUR 11.9 million (+14.7%) year on year to EUR 93.5 million. Growth was driven by 25% revenue growth in the second quarter. In the third quarter, revenue grew by 12.6%. In terms of revenue streams for nine months, the biggest change was growth in **passenger fee** revenue by 111% to EUR 7.8 million. The increase in passenger fee revenue was supported by a rise in the number of passengers (+129.4%). Passenger fee revenue grew less than the number of passengers because the fee rate for regular route passengers at Old City Harbour was lowered by 10%, effective from March. **Ferry service**<sup>4</sup> revenue grew by EUR 3.0 million (+13.2%) to EUR 25.5 million. Growth was supported by a larger number of trips (+6.9%) and the indexation of the fee rates to the Estonian fuel cost, employment cost and consumer price indices, which increased. **Vessel dues** revenue grew by EUR 1.6 million (+5.8%) to EUR 29.6 million. Vessels dues revenue was improved by a larger number of vessel calls in the Passenger harbours segment, while a smaller cargo throughput and a lower tonnage charge rate for ferries visiting Old City Harbour had a negative impact. **Operating lease** income grew by EUR 1.2 million (+13.1%) to EUR 10.1 million, supported by the opening of the new cruise terminal, new leases at Old City Harbour (car parks) and cuts in COVID-19-related rent concessions. **Cargo charge** revenue remained more or less stable year on year, decreasing by EUR 0.04 million (–0.7%) to EUR 5.2 million. Compared with the one-fifth drop in cargo throughput, the decrease was marginal, because cargo with lower charge rates was replaced by cargo with higher charge rates. **Electricity sales** revenue grew by EUR 0.9 million (+22.7%) to EUR 5.1 million. The price of electricity was higher than a year earlier but further revenue growth was held back by a decline in cargo handling and the discontinuation of electricity distribution service at Paljassaare Harbour from December 2021. Revenue from **other services** grew by EUR 0.4 million (+30.2%).

**Other income** for nine months grew by EUR 0.1 million to EUR 1.1 million.

**Operating expenses** for the first nine months increased by EUR 5.8 million (+22.8%) year on year, mostly due to higher fuel, oil and energy costs in harbour operations and the Ferry segment. Both fuel and electricity prices have risen. The cost of infrastructure management services increased, mainly due to higher security service charges at Old City Harbour. Expenses on the acquisition and maintenance of assets of insignificant value decreased, mostly due to lower expenses on hardware and furnishings. Operating expenses for the third quarter grew by EUR 2.7 million (+27%) primarily through growth in electricity and fuel prices.

**Personnel expenses** for nine months grew by EUR 1.1 million (+7.3%) due to a pay rise. The Group's average number of employees in the nine-month period decreased from 472 to 470 year on year (–0.4%).

**Depreciation, amortisation and impairment** for nine months grew by EUR 0.2 million (1.1%) year on year, mainly due to growth in the amount of depreciable and amortisable assets and a write-off non-current assets of EUR 0.1 million in the first quarter of 2022 (a one-off transaction).

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<sup>4</sup> Ferry service between Estonia's mainland and two largest islands

**Operating profit** for nine months grew by EUR 5.1 million (+21.9%), supported by revenue growth (+14.7%). Although growth in operating expenses was faster (+22.8%), growth in other categories of expenses (personnel expenses and depreciation, amortisation and impairment) was slower than revenue growth. The Group's operating profit margin rose from 28.4% to 30.1%. Third-quarter operating profit was EUR 11.8 million (+11.0%) and operating profit margin decreased from 33.1% to 32.6%. The margin declined in the third quarter because growth in operating expenses (+26.6%) outpaced revenue growth (+12.6%).

**Adjusted EBITDA** for the first nine months grew by EUR 5.6 million (+13.7%) year on year to EUR 46.9 million. The strongest contributors were the Passenger harbours segment (EUR +6.7 million) and the Ferry segment (EUR +1.4 million). In the Cargo harbours segment, adjusted EBITDA decreased by EUR 3.2 million due to smaller cargo throughput. In the third quarter, EBITDA grew by EUR 0.9 million (+5.4%) year on year. The strongest contributor was the Passenger harbours segment (EUR +2.1 million). The Ferry segment and the segment Other also improved their EBITDA (EUR +0.7 million and EUR +0.5 million, respectively) but the EBITDA of the Cargo harbours segment decreased (EUR –2.4 million) in the third quarter. The adjusted EBITDA margin for nine months decreased from 50.6% to 50.2% and the adjusted EBITDA margin for the third quarter decreased from 52.9% to 49.6% compared with the same period last year.

**Finance costs (net)** for nine months decreased by EUR 108 thousand (–10.6%) year on year through a decline in loans and borrowings. Finance costs (net) for the third quarter increased by EUR 54 thousand (+17.2%) due to an overall increase in market interest rates.

**Profit** before tax for the first nine months grew by EUR 5.7 million (+25.6%) compared with the same period last year, rising to EUR 28.1 million. Profit grew more than operating profit because the Group's profit from the equity-accounted associate AS Green Marine grew by EUR 0.5 million and finance costs (net) decreased. The dividend declared in the second quarter in an amount of EUR 25.51 million gave rise to income tax expense of EUR 4.11 million, EUR 0.84 million more than in the previous year when the Group declared a dividend of EUR 20.25 million. Profit for the first nine months amounted to EUR 24.0 million, exceeding the profit for the comparative period by EUR 4.9 million (+25.6%). Third-quarter profit was EUR 11.7 million (EUR +1.1 million).

## INVESTMENTS

In the first nine months of 2022, the Group invested EUR 12.4 million, EUR 2.2 million more than a year earlier. Investments were mainly made in reconstructing the outdoor area around Terminal D, upgrading the quay equipment and reconstructing the shoreline reinforcements in Old City Harbour and increasing the capacity of Muuga Harbour to serve ro-ro cargo. Investments of the third quarter totalled EUR 3.5 million (Q3 2021: EUR 2.3 million).



**SEGMENT REPORTING**

In thousands of euros	9 months 2022					9 months 2021				
	Passenger harbours	Cargo harbours	Ferry	Other	Total	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	29,731	28,871	26,454	8,404	93,460	20,358	30,262	23,264	7,627	81,511
Adjusted EBITDA	16,320	13,685	11,594	5,277	46,877	9,648	16,929	10,154	4,501	41,233
Operating profit	10,612	7,576	7,292	2,691	28,171	4,567	10,299	5,666	2,577	23,109
Adjusted EBITDA margin	54.9%	47.4%	43.8%	62.8%	50.2%	47.4%	55.9%	43.6%	59.0%	50.6%

Change for 9 months					
In thousands of euros	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	9,373	-1,391	3,190	777	11,949
Adjusted EBITDA	6,672	-3,244	1,440	776	5,644
Operating profit	6,045	-2,723	1,626	114	5,062

In thousands of euros	Q3 2022					Q3 2021				
	Passenger harbours	Cargo harbours	Ferry	Other	Total	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	12,981	9,639	10,207	3,768	36,325	9,693	10,870	8,617	3,083	32,263
Adjusted EBITDA	7,478	3,497	4,436	2,959	18,006	5,358	5,944	3,713	2,066	17,081
Operating profit	5,553	1,503	3,020	1,767	11,843	3,596	3,609	2,213	1,252	10,670
Adjusted EBITDA margin	57.6%	37.3%	43.5%	68.9%	49.6%	55.3%	54.7%	43.1%	67.0%	52.9%

Change for Q3					
In thousands of euros	Passenger harbours	Cargo harbours	Ferry	Other	Total
Revenue	3,288	-1,501	1,590	685	4,062
Adjusted EBITDA	2,120	-2,447	723	529	925
Operating profit	1,957	-2,106	807	515	1,173

In segment terms, the strongest growth in nine-month revenue was delivered by the Passenger harbours segment (EUR +9.4 million, +46.0%), followed by the Ferry segment (EUR +3.2 million, +13.7%). The revenue of the segment Other also grew (EUR +0.8 million, +10.2%) while the revenue of the Cargo harbours segment decreased by EUR 1.4 million (-4.6%) due to smaller cargo throughput. In the third quarter, total revenue grew by EUR 4.1 million year on year through revenue growth in the Passenger harbours segment, the Ferry segment and the segment Other. The revenue of the Cargo harbours segment decreased by EUR 1.5 million (-13.8%).

The nine-month revenue of the **Passenger harbours segment** grew by 46% year on year, mainly due to growth in passenger fee revenue through a surge in passenger numbers and growth in vessel dues. The segment also increased its lease income by leasing out new premises and electricity sales revenue which was supported by a rise in electricity prices. In the third quarter, revenue grew by 34% year on year to EUR 13.0 million.

The nine-month revenue of the **Cargo harbours segment** decreased by EUR 1.4 million year on year (–4.6%). The segment's vessel dues revenue dropped by EUR 2.0 million (–13%) due to a decline in dry bulk and liquid bulk cargo. Cargo charges decreased (EUR –143 thousand) as well but the decline in cargo charges was significantly smaller than the decrease in cargo throughput due to changes in the cargo structure. Lease income grew by EUR 281 thousand due to changes in lease rates and electricity sales revenue increased by EUR 659 thousand. In the third quarter, the revenue of the Cargo harbours segment decreased by EUR 1.5 million year on year.

The nine-month revenue of the **Ferry segment** grew by EUR 3.2 million (+13.7%) due to growth in both ferry service revenue and lease income. 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 and growth in the number of trips. In the third quarter, the revenue of the Ferry segment grew by EUR 1.6 million year on year (+18.5%).

The revenue of the **segment Other** grew by 10.2% in the first nine months and by 22.2% in the third quarter. Revenue growth was supported by the revision of the contractual fee due to the indexation of the fee rates.

As expected, **adjusted EBITDA** for nine months showed the strongest growth in the Passenger harbours segment, where it increased by EUR 6.7 million. In the Cargo harbours segment, adjusted EBITDA decreased by EUR 3.2 million. In the Ferry segment and the segment Other, adjusted EBITDA grew by EUR 1.4 million and EUR 0.8 million, respectively. In the third quarter, adjusted EBITDA grew by EUR 0.9 million, increasing in all segments, except for Cargo harbours.

At the level of the Group, the **adjusted EBITDA margin** for the first nine months decreased from 50.6% to 50.2%. The margin of the Passenger harbours segment showed the fastest recovery, rising from 47.4% to 54.9%. The margin of the Cargo harbours segment decreased from 55.9% to 47.4% whereas the margin of the Ferry segment remained at the same level as a year earlier, rising by 0.2 percentage point to 43.8%. In the segment Other, the margin increased from 59.0% to 62.8%.

## RISKS

The protective measures imposed by countries due to the COVID-19 pandemic began to affect the Group from the second half of March 2020. The restrictions had a strong impact on the tourism sector and passenger traffic, which in turn affected the performance of the Group's Passenger harbours segment. The results of the Passenger harbours segment have been recovering since autumn 2021, but have not yet reached their pre-pandemic levels. The impacts of the pandemic on the Group's other operating segments were not significant. The extent and effects of possible new waves of the pandemic and associated restrictions cannot be reliably estimated.

The Russia-Ukraine conflict 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 in 2022. In addition to the European Union eighth package of sanctions adopted on 6 October 2022, which includes an import ban on oil products supplied on the basis of earlier agreements, effective from December 2022 or February 2023 depending on the product group, the government of Estonia decided on 27 October to ban the import and transit of Russian oil products, effective from 5 December 2022. The additional impact of the decision on the Group's results for 2022 is likely to be low because the cargo volumes of the majority of liquid bulk cargo operators have already decreased since the beginning of the year due to earlier sanctions. Liquid bulk cargo operators are working to replace the sanctioned cargo with alternative cargoes. The estimated negative annual impact of the sanctions against Russia (the ban on the import and transit of oil products) on the Group's financial results (compared with 2021) is around EUR 5 million. In 2022, the impact will be around EUR 2.5 million because the sanctions have been imposed progressively over the year. The presented monetary impact has been estimated based on the results for 2021, the situation at the date the financial statements were authorised for issue and the estimates of cargo operators, and it is not to be regarded as a forecast of the impacts on subsequent periods.

Cargo of Belarusian origin (liquid bulk) used to account for 9% of the Group's total cargo throughput. Full sanctions on Belarusian cargo were imposed in Estonia from 1 March 2022. Based on the cargo volumes of the previous financial year, the estimated negative annual impact of the sanctions on the Group's financial results is around EUR 2 million. The presented monetary impact has been estimated based on the results for 2021 and the situation at the date the financial statements were authorised for issue, and it is not to be regarded as a forecast of the impacts on subsequent periods.

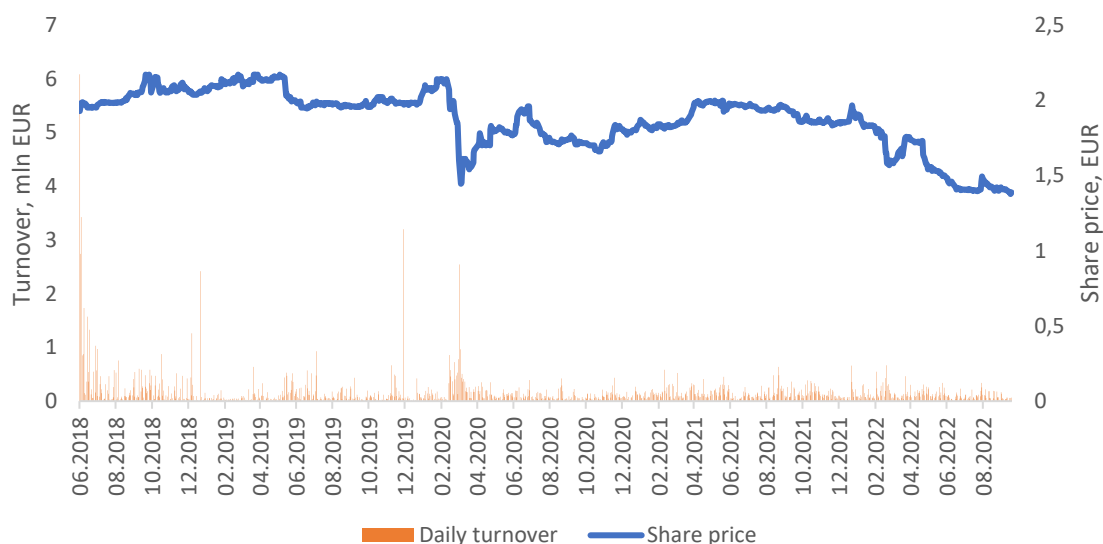
All of the Group's customers that are cargo operators are companies registered in the European Union and accounts with them are settled in euros. AS Tallinna Sadam cooperates fully with its partners, the Financial Intelligence Unit and other government agencies to comply with the sanctions imposed by the European Union and to apply the sanctions to both cargo and customers responsibly. To enable Ukrainian war refugees to reach their destination as conveniently as possible, our passenger terminals at Old City Harbour offered them service in the Ukrainian language and provided them separate resting areas. We have also been working with ferry operators to offer war refugees discounts on passenger fees.

## **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 opening price of the share at the beginning of the third quarter was EUR 1.416. The closing price of the share at 30 September 2022 was EUR 1.386, having decreased in the third quarter by 14.2%. The company's market capitalisation at 30 September 2022 was EUR 364.5 million (30 June 2022: EUR 372.4 million).

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 2022 are presented in the following graph.



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 2022, there were 15,485 transactions with the AS Tallinna Sadam share (Q2 2022: 23,359 transactions) in which 4.2 million shares (Q2 2022: 5.2 million shares) changed hands. The total turnover of the transactions was EUR 6.0 million (Q2 2022: EUR 8.3 million).

At 30 September 2022, the company had 22,674 shareholders (30 June 2022: 22,231 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 30 September 2022 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%
State Street Bank and Trust Omnibus (USA)	2,812,582	1.1%

In the third quarter, the shareholder structure did not change significantly compared with the end of the second quarter. The proportion of foreign investors decreased and the proportion of Estonian retail investors increased by 1%.

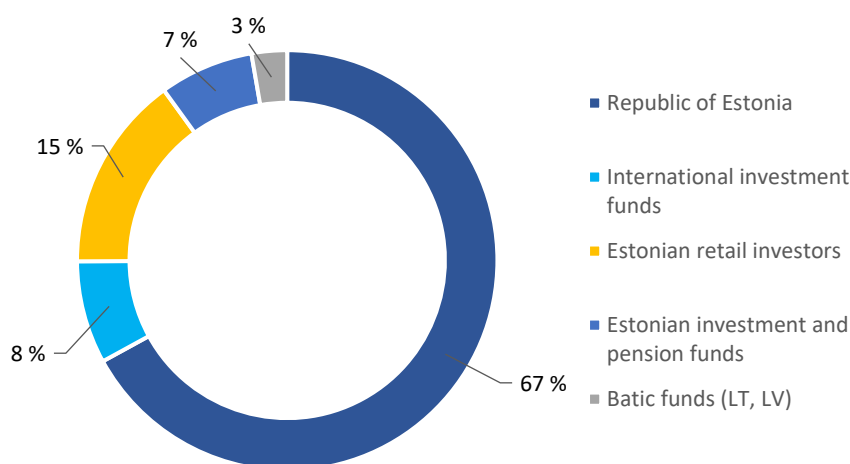
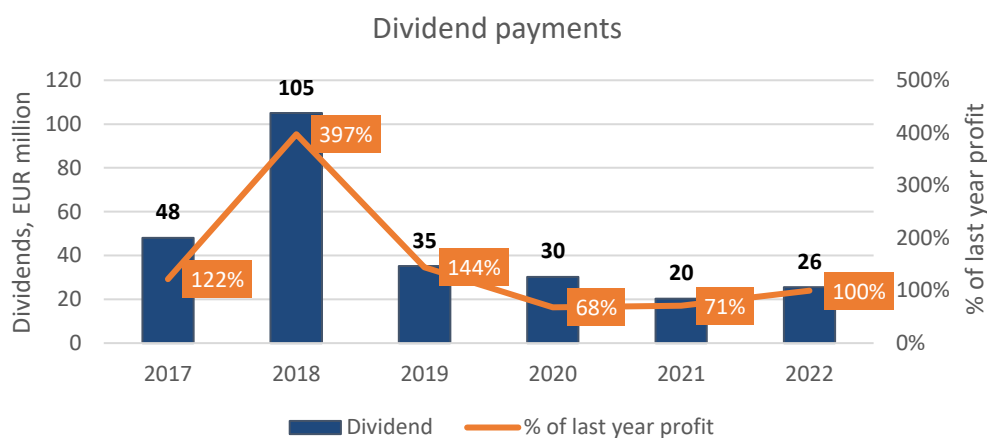


Chart: Shareholder structure at 30 September 2022.

## DIVIDENDS

In 2022, the Group paid the shareholders a dividend of EUR 0.097 per share and EUR 25.5 million in total, i.e. 100% of profit for the previous year. The list of shareholders entitled to receive the dividend was determined on 5 May 2022 (the ex-dividend date: 4 May 2022) and the dividend was paid out to the shareholders on 12 May

2022 (through Nasdaq CSD). In 2021, we distributed shareholders a dividend of EUR 0.077 per share and EUR 20.3 million in total.



The dividend policy of AS Tallinna Sadam sets the target to pay regular post-tax 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. The target for the period 2019–2020 was to distribute a dividend of at least EUR 30 million per year, which was met.

## CORPORATE GOVERNANCE

At 30 September 2022, 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. From 1 July 2022, the supervisory board has 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 may have two to five members. At 30 September 2022, the management board had three members: Valdo Kalm (chairman and CEO), Andrus Ait (CFO) and Margus Vihman (CCO).

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 2021.

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

## SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2022

- 1. New composition of the supervisory board took office in July.** From 1 July 2022, the supervisory board has seven members: Riho Unt (chairman), Maarika Honkonen, Kaur Kajak (Ministry of Finance), Veiko Sepp, Marek Helm, Risto Mäeots and Ain Tatter (Ministry of Economic Affairs and Communications). Riho Unt, Maarika Honkonen and Veiko Sepp continue from the previous composition of the supervisory board.
- 2. Changes on the audit committee and remuneration committee.** The supervisory board decided on 5 July to appoint supervisory board members Marek Helm (chairman of the audit committee) and Kaur Kajak as new members of the audit committee. Riho Unt and Maarika Honkonen continue on the audit committee. The supervisory board also decided to appoint supervisory board members Riho Unt, Risto Mäeots and Ain Tatter as new members of the remuneration committee. Veiko Sepp (chairman of the remuneration committee) continues on the remuneration committee.
- 3. The Competition Authority terminated supervision proceedings regarding the contractual penalty of Worldwide Cargo Establishment.** The purpose of the supervision proceedings was to determine whether the activities of AS Tallinna Sadam, when offering the use of infrastructure at Muuga Harbour to Worldwide Cargo Establishment, had the characteristics of a violation of clauses 1 and 3 of section 16 of the Competition Act. The Competition Authority did not analyse the market position of AS Tallinna Sadam, but as a result of the supervision proceedings still concluded that the activities of AS Tallinna Sadam, regardless of the market position of AS Tallinna Sadam, did not have the characteristics of a violation of the Competition Act and the company had not significantly harmed competition and there was no threat of the company significantly harming competition.
- 4. Closing of operations in Paljassaare Harbour.** After a long process, the Transport Administration satisfied the application of AS Tallinna Sadam and OÜ Hundipea and carried out the change of the port authority, according to which OÜ Hundipea is the port authority of Paljassaare Harbour, effective from 10 August 2022. AS Tallinna Sadam is no longer the port authority for Paljassaare Harbour and no longer provides port services there. The termination of port management and port services in Paljassaare does not have a significant impact on the financial results of AS Tallinna Sadam, as the assets related to Paljassaare Harbour were already transferred in the past few years.
- 5. Changes on the supervisory boards of a subsidiary and an associate of AS Tallinna Sadam.** Ahti Kuningas, a former member of the supervisory board of AS Tallinna Sadam, was removed from the supervisory board of OÜ TS Shipping, a subsidiary of AS Tallinna Sadam, and Rene Pärt was appointed as a new member of the supervisory board for a term of three years, effective from 1 September 2022. Ahti Kuningas was also removed from the supervisory board of AS Green Marine, an associate of Tallinna Sadam, and Margus Vihman, the CCO / member of the management board of AS Tallinna Sadam, was appointed as a new member for a term of three years, effective from 1 September 2022.

6. **AS Tallinna Sadam investor day 'In the Winds of the Future'.** On 14 September, an investor day was held in the Old City Harbour cruise terminal. Besides presenting the company in general, the event focused on future projects, particularly the business opportunities of AS Tallinna Sadam in the construction and maintenance of offshore windfarms.
7. **The state will not exercise the option to purchase the ferries.** The Ministry of Economic Affairs and Communications has announced that the state will not exercise its contractual option to purchase the ferries. Under the contract, the state had the right to purchase one to four of the ferries owned by OÜ TS Laevad that had been built for the purpose of the contract at a fixed price on the expiry of the contract term by giving notice of its intention to exercise the option on 30 September 2022 at the latest. OÜ TS Laevad serves the Saaremaa and Hiiumaa routes under the existing passenger transport contract until 30 September 2026. The state has not yet announced a tender to find a service provider for the next period.



**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 2022</b>	<b>31 December 2021</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		36,416	34,840
Trade and other receivables	4	11,117	14,151
Contract assets	10	457	0
Inventories		507	399
<b>Total current assets</b>		<b>48,497</b>	<b>49,390</b>
<b>Non-current assets</b>			
Investments in an associate	5	2,118	1,559
Other long-term receivables	4	379	896
Property, plant and equipment	6	569,384	575,563
Intangible assets		2,006	2,130
<b>Total non-current assets</b>		<b>573,887</b>	<b>580,148</b>
<b>Total assets</b>		<b>622,384</b>	<b>629,538</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	8	15,916	15,916
Provisions		1,253	1,572
Government grants		551	1,223
Taxes payable		1,603	890
Trade and other payables	7	10,159	10,291
Contract liabilities	10	1,839	57
<b>Total current liabilities</b>		<b>31,321</b>	<b>29,949</b>
<b>Non-current liabilities</b>			
Loans and borrowings	8	180,015	187,398
Government grants		30,422	29,835
Other payables	7	504	652
Contract liabilities	10	778	809
<b>Total non-current liabilities</b>		<b>211,719</b>	<b>218,694</b>
<b>Total liabilities</b>		<b>243,040</b>	<b>248,643</b>
<b>EQUITY</b>			
Share capital	9	263,000	263,000
Share premium		44,478	44,478
Statutory capital reserve		22,115	21,271
Retained earnings (prior periods)		25,791	26,534
Profit for the period		23,960	25,612
<b>Total equity</b>		<b>379,344</b>	<b>380,895</b>
<b>Total liabilities and equity</b>		<b>622,384</b>	<b>629,538</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the 9 months ended 30 September**Consolidated statement of profit or loss**

In thousands of euros	Note	Q3 2022	Q3 2021	2022	2021
Revenue	3, 10	36,325	32,263	93,460	81,511
Other income		412	379	1,140	1,037
Operating expenses	11	-12,763	-10,081	-31,267	-25,454
Personnel expenses		-5,885	-5,370	-16,210	-15,114
Depreciation, amortisation and impairment	3	-6,191	-6,405	-18,703	-18,502
Other expenses		-55	-116	-249	-369
<b>Operating profit</b>		<b>11,843</b>	<b>10,670</b>	<b>28,171</b>	<b>23,109</b>
<b>Finance income and costs</b>					
Finance income		32	23	97	60
Finance costs		-404	-341	-1,011	-1,082
<b>Finance costs – net</b>		<b>-372</b>	<b>-318</b>	<b>-914</b>	<b>-1,022</b>
Share of profit of an associate accounted for under the equity method		237	224	814	265
<b>Profit before income tax</b>		<b>11,708</b>	<b>10,576</b>	<b>28,071</b>	<b>22,352</b>
Income tax expense		0	0	-4,111	-3,275
<b>Profit for the period</b>		<b>11,708</b>	<b>10,576</b>	<b>23,960</b>	<b>19,077</b>
Attributable to:					
Owners of the Parent		11,708	10,576	23,960	19,077
Basic earnings and diluted earnings per share (in euros)		0.04	0.04	0.09	0.07
Basic earnings and diluted earnings per share – continuing operations (in euros)		0.04	0.04	0.09	0.07

**Consolidated statement of other comprehensive income**

In thousands of euros	Q3 2022	Q3 2021	2022	2021
<b>Profit for the period</b>	<b>11,708</b>	<b>10,576</b>	<b>23,960</b>	<b>19,077</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net fair value gain on hedging instruments in cash flow hedges	0	29	0	102
<b>Total other comprehensive income</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>102</b>
<b>Total comprehensive income for the period</b>	<b>11,708</b>	<b>10,605</b>	<b>23,960</b>	<b>19,179</b>
Attributable to:				
Owners of the Parent	11,708	10,605	23,960	19,179

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the 9 months ended 30 September

In thousands of euros	Note	2022	2021
Cash receipts from sale of goods and services		101,077	87,777
Cash receipts related to other income		135	83
Payments to suppliers		-38,682	-30,919
Payments to and on behalf of employees		-14,673	-13,877
Payments for other expenses		-296	-376
Income tax paid on dividends		-4,335	-3,440
<b>Cash from operating activities</b>		<b>43,226</b>	<b>39,248</b>
Purchases of property, plant and equipment		-12,932	-11,516
Purchases of intangible assets		-346	-525
Proceeds from sale of property, plant and equipment		91	523
Proceeds from government grants related to assets		4,924	0
Dividends received		255	0
Interest received		3	2
<b>Cash used in investing activities</b>		<b>-8,005</b>	<b>-11,516</b>
Repayments of loans received	8	-7,383	-7,383
Dividends paid		-25,287	-20,085
Interest paid		-968	-1,218
Other payments related to financing activities		-7	-1
<b>Cash used in financing activities</b>		<b>-33,645</b>	<b>-28,687</b>
<b>NET CASH FLOW</b>		<b>1,576</b>	<b>-955</b>
Cash and cash equivalents at beginning of period		34,840	26,679
Change in cash and cash equivalents		1,576	-955
Cash and cash equivalents at end of period		36,416	25,724

**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	Hedge 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>0</b>	<b>52,146</b>	<b>380,895</b>
Profit for the period	0	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>0</i>	<i>23,960</i>	<b>23,960</b>
Dividend declared	0	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>0</i>	<i>-25,511</i>	<b>-25,511</b>
Increase of capital reserve	0	0	844	0	-844	<b>0</b>
<b>Equity at 30 September 2022</b>	<b>263,000</b>	<b>44,478</b>	<b>22,115</b>	<b>0</b>	<b>49,751</b>	<b>379,344</b>
<b>Equity at 31 December 2020</b>	<b>263,000</b>	<b>44,478</b>	<b>20,262</b>	<b>-102</b>	<b>47,794</b>	<b>375,432</b>
Profit for the period	0	0	0	0	19,077	<b>19,077</b>
Other comprehensive income for the period	0	0	0	102	0	<b>102</b>
<i>Total comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>102</i>	<i>19,077</i>	<b>19,179</b>
Dividend declared	0	0	0	0	-20,251	<b>-20,251</b>
<i>Total transactions with owners</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-20,251</i>	<b>-20,251</b>
Increase of capital reserve	0	0	1,009	0	-1,009	<b>0</b>
<b>Equity at 30 September 2021</b>	<b>263,000</b>	<b>44,478</b>	<b>21,271</b>	<b>0</b>	<b>45,611</b>	<b>374,360</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 2022 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 2022 and 31 December 2021:

<b>Subsidiary</b>	<b>Domicile</b>	<b>Ownership interest (%)</b>	<b>Core business line</b>
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 9 months ended 30 September 2022 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 2021. See note 2 to the consolidated financial statements in the annual report for 2021 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 2021. 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**

	<b>9 months 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 sales	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.

**Note 3 continued**

In thousands of euros	9 months 2021				
	Passenger harbours	Cargo harbours	Ferry	Other	Total
Vessel dues	13,238	14,754	0	0	27,992
Cargo charges	1,068	4,193	0	0	5,261
Passenger fees	3,521	154	0	0	3,675
Sale of electricity	765	3,424	0	0	4,189
Sale of ferry services – ticket sales	0	0	9,487	0	9,487
Sale of other services	499	706	70	69	1,344
Lease income	1,267	7,031	631	0	8,929
Charter fees	0	0	0	7,558	7,558
Sale of ferry services – government support	0	0	13,076	0	13,076
<b>Total segment revenue* (note 10)</b>	<b>20,358</b>	<b>30,262</b>	<b>23,264</b>	<b>7,627</b>	<b>81,511</b>
<b>Adjusted segment EBITDA</b>	<b>9,648</b>	<b>16,929</b>	<b>10,154</b>	<b>4,501</b>	<b>41,233</b>
Depreciation and amortisation	–5,265	–6,857	–4,488	–1,660	–18,270
Impairment losses	0	–232	0	0	–232
Amortisation of government grants received	184	459	0	0	643
Share of profit of an associate accounted for under the equity method	0	0	0	–265	–265
<b>Segment operating profit</b>	<b>4,567</b>	<b>10,299</b>	<b>5,666</b>	<b>2,577</b>	<b>23,109</b>
Finance income and costs, net					–1,022
Share of profit of an associate accounted for under the equity method					265
Income tax expense					–3,275
<b>Profit for the period</b>					<b>19,077</b>

\* Total segment revenue represents revenue from external customers and excludes inter-segment revenue of EUR 126 thousand and EUR 7 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

<b>At</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Trade receivables	8,196	6,544
Credit loss allowance for trade receivables	–809	–445
Prepaid taxes	914	1,013
Government grants receivable	1,837	6,017
Other prepayments	783	552
Receivables from an associate (note 15)	7	8
Other receivables	568	1,358
<b>Total trade and other receivables</b>	<b>11,496</b>	<b>15,047</b>
Of which current receivables	11,117	14,151
non-current receivables	379	896

**Trade receivables – expected credit loss matrix**

In thousands of euros

<b>At 30 September 2022</b>	Not past due	Days past due				Total
		0–30	31–60	61–90	>90	
Expected credit loss rate	4.64%	1.5%	3.0%	80.0%	100.0%	
Total trade receivables	7,331	261	137	32	435	8,196
Lifetime expected credit loss (ECL)	–340	–4	–4	–26	–435	–809
						<b>7,387</b>
<b>At 31 December 2021</b>						
Expected credit loss rate	6.4%	1.5%	3.0%	80.0%	100.0%	
Total trade receivables	6,238	164	99	10	33	6,544
Lifetime expected credit loss (ECL)	–399	–2	–3	–8	–33	–445
						<b>6,099</b>



**5. INVESTMENTS IN AN ASSOCIATE**

In thousands of euros

<b>For the 9 months ended 30 September</b>	<b>2022</b>	<b>2021</b>
Income	6,117	3,839
Expenses	4,403	3,263
Profit	1,574	548

In thousands of euros

<b>At</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Net assets of the associate	4,153	3,056
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	2,118	1,559

**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 2021</b>						
Cost	648,873	254,742	8,634	3,790	16	916,055
Accumulated depreciation and impairment losses	-237,547	-96,898	-6,047	0	0	-340,492
<b>Carrying amount at 31 December 2021</b>	<b>411,326</b>	<b>157,844</b>	<b>2,587</b>	<b>3,790</b>	<b>16</b>	<b>575,563</b>
<i>Movements in the 9 months ended 30 September 2022</i>						
Acquisition and reconstruction	384	906	334	9,657	784	12,065
Sales at carrying amount	0	-16	0	-7	0	-23
Depreciation charge	-9,102	-8,476	-569	0	0	-18,147
Impairment	0	0	0	-74	0	-74
Reclassification at carrying amount	1,901	1,760	0	-3,645	-16	0
<b>At 30 September 2022</b>						
Cost	650,185	255,834	8,913	9,721	784	925,437
Accumulated depreciation and impairment losses	-245,676	-103,816	-6,561	0	0	-356,053
<b>Carrying amount at 30 September 2022</b>	<b>404,509</b>	<b>152,018</b>	<b>2,352</b>	<b>9,721</b>	<b>784</b>	<b>569,384</b>

**7. TRADE AND OTHER PAYABLES**

In thousands of euros

<b>At</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Trade payables	6,528	6,739
Payables to employees	1,323	1,337
Interest payable	318	299
Accrued taxes payable on employee remuneration	703	654
Advances for goods and services	854	645
Payables to an associate (note 15)	241	153
Other payables	696	1,116
<b>Total trade and other payables</b>	<b>10,663</b>	<b>10,943</b>
Of which current liabilities	10,159	10,291
non-current liabilities	504	652

**8. LOANS AND BORROWINGS**

In thousands of euros

<b>At</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Current portion</b>		
Loans and borrowings	8,266	8,266
Debt securities	7,650	7,650
<b>Total current portion</b>	<b>15,916</b>	<b>15,916</b>
<b>Non-current portion</b>		
Loans and borrowings	38,415	45,798
Debt securities	141,600	141,600
<b>Total non-current portion</b>	<b>180,015</b>	<b>187,398</b>
<b>Total loans and borrowings</b>	<b>195,931</b>	<b>203,314</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 2022, AS Tallinna Sadam had two debt security issues with final maturities in 2026 and 2027. Consistent with the redemption schedules, no debt securities were redeemed in the nine-month period ended 30 September 2022. At 30 September 2022, the weighted average interest rate of the debt securities was 0.67% (31 December 2021: 0.49%). The interest rate risk of the debt securities issued has not been hedged with interest rate swaps.

**Note 8 continued****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-month period ended 30 September 2022 amounted to EUR 7,383 thousand (9-month period ended 30 September 2021: EUR 7,383 thousand).

At 30 September 2022, the weighted average interest rate of drawn loans was 1.41% (31 December 2021: 0.77%). The Group did not have any undrawn loans or credit limits at 30 September 2022. The interest rate risk of loans taken has not been hedged with interest rate swaps.

**Contractual maturities of loans and borrowings**

In thousands of euros

<b>At</b>	<b>30 September 2022</b>
Up to 12 months	15,916
1–5 years	109,515
> 5 years	70,500
<b>Total loans and borrowings</b>	<b>195,931</b>

**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 2022 and 31 December 2021 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 securities agreements currently in force are unsecured, i.e. no assets have been pledged to cover 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 2022, the Group was in compliance with all covenants that set requirements to its financial indicators.

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

At 30 September 2022, AS Tallinna Sadam had 263,000,000 registered ordinary shares (31 December 2021: 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 2021: 664,000,000). At 30 September 2022 and 31 December 2021, all shares issued had been fully paid for.

**Earnings per share**

	Q3 2022	Q3 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
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)	11,708	10,576	23,960	19,077
Basic and diluted earnings per share (in euros)*	0.04	0.04	0.09	0.07

\* In the periods ended 30 September 2022 and 30 September 2021 there were no dilutive instruments outstanding.

Consistent with the decision of the general meeting of 25 April 2022, the Group paid a dividend of EUR 0.097 per share, i.e. EUR 25,511 thousand in total, for 2021. The list of shareholders entitled to receive the dividend was determined on 5 May 2022 (the ex-dividend date: 4 May 2022) and the dividend was paid out to the shareholders on 12 May 2022 (through Nasdaq CSD).

**10. REVENUE**

In thousands of euros

<b>For the 9 months ended 30 September</b>	<b>2022</b>	<b>2021</b>
<b>Revenue from contracts with customers</b>		
Vessel dues	29,621	27,992
Cargo charges	5,222	5,261
Passenger fees	7,771	3,675
Sale of electricity	5,138	4,189
Sale of ferry services – ticket sales	11,423	9,487
Sale of other services	1,750	1,344
<b>Total revenue from contracts with customers</b>	<b>60,925</b>	<b>51,948</b>
<b>Revenue from other sources</b>		
Operating lease income	10,096	8,929
Charter fees	8,320	7,558
Sale of ferry services – government support	14,119	13,076
<b>Total revenue from other sources</b>	<b>32,535</b>	<b>29,563</b>
<b>Total revenue (note 3)</b>	<b>93,460</b>	<b>81,511</b>

Vessel dues include the tonnage charge, which is calculated on the basis of the gross tonnage of a vessel for each vessel 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 vessel calls by that vessel during the calendar year. Revenue from tonnage charges is recognised based on the yearly average tariffs and estimated volume. At 30 September 2022, the difference between revenue recognised and amounts billed to customers was recognised as a contract liability of EUR 1,339 thousand (amounts billed exceeded revenue recognised).

Some cargo charge contracts 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 2022. Based on the estimation, the Group recognised contract assets of EUR 457 thousand. At 30 September 2022, revenue received from some customers exceeded management's estimates. As a result, the Group recognised contract liabilities of EUR 382 thousand so that estimated revenue would be evenly recognised over all interim periods of 2022.

**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. Amounts received for connection fees not yet included in revenue are recognised in the statement of financial position as contract liabilities. At 30 September 2022, such liabilities amounted to EUR 778 thousand (31 December 2021: EUR 809 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 from tickets sold for trips not yet performed is deferred and recognised in the statement of financial position as a contract liability. At 30 September 2022, such liabilities amounted to EUR 118 thousand (31 December 2021: EUR 56 thousand).

**11. OPERATING EXPENSES**

In thousands of euros

<b>For the 9 months ended 30 September</b>	<b>2022</b>	<b>2021</b>
Fuel, oil and energy costs	12,643	7,738
Technical maintenance and repair of non-current assets	5,169	4,637
Services purchased for infrastructure	2,463	2,242
Tax expenses	2,002	1,994
Consultation and development expenses	389	305
Services purchased	4,331	4,190
Acquisition and maintenance of assets of insignificant value	723	1,104
Advertising expenses	201	153
Lease expenses	457	508
Insurance expenses	596	581
Other operating expenses	2,293	2,002
<b>Total operating expenses</b>	<b>31,267</b>	<b>25,454</b>

**12. COMMITMENTS**

At 30 September 2022, the Group's contractual commitments related to the acquisition of property, plant and equipment, repair and maintenance, and research and development expenditures totalled EUR 7,467 thousand (31 December 2021: EUR 11,058 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. The statement of claim was identical to the one filed by the same plaintiffs in a previous civil case which was dismissed by the Harju County Court on 8 March 2019 because the plaintiffs did not provide security of EUR 14,000 in total ordered by the court to cover the estimated costs of the proceedings.

The Group has not admitted guilt and is defending itself in the action. 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 legal proceedings against other persons that have been charged 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

<b>For the 9 months ended 30 September</b>	<b>2022</b>	<b>2021</b>
<b>Transactions with the associate</b>		
Revenue	54	126
Operating expenses	1,695	1,075
<b>Transactions with companies in which members of supervisory and management boards of group companies have significant influence</b>		
Revenue	1	1
Operating expenses	7	7
Other expenses	20	18
<b>Transactions with government agencies and companies in which the state has control</b>		
Revenue	19,960	18,014
Other income	0	30
Operating expenses	9,211	6,585
Other expenses	28	28
Acquisition of property, plant and equipment	0	8

In thousands of euros

**At 30 September 2022 At 31 December 2021**

<b>Trade receivables from and payables to the associate</b>		
Receivables (note 4)	7	8
Payables (note 7)	241	153
<b>Trade receivables from and payables to companies in which members of supervisory and management boards of group companies have significant influence</b>		
Payables	1	1
<b>Trade receivables from and liabilities to government agencies and companies in which the state has control</b>		
Receivables	104	352
Liabilities	2,205	2,446

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 business-related services.

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



**16. EVENTS AFTER THE REPORTING PERIOD**

In addition to the European Union eighth package of sanctions adopted on 6 October 2022, which includes an import ban on oil products supplied on the basis of earlier agreements, effective from December 2022 or February 2023 depending on the product group, the government of Estonia decided on 27 October to ban the import and transit of Russian oil products, effective from 5 December 2022. The additional impact of the decision on the Group's results for 2022 is likely to be low because the cargo volumes of the majority of liquid bulk cargo operators have already decreased since the beginning of the year due to earlier sanctions.

**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 2022.

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 33, 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 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 November 2022



Valdo Kalm  
Chairman of the  
Management Board



Andrus Ait  
Member of the  
Management Board



Margus Vihman  
Member of the  
Management Board