



**Consolidated Report for the
9 Months Ended on 30 September 2017**
Translation of the Estonian Original

PORT OF TALLINN
(AS Tallinna Sadam)

**AS TALLINNA SADAM
(PORT OF TALLINN)****CONSOLIDATED REPORT 9 MONTHS 2017**

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Beginning of financial year	1 January
End of financial year	31 December
Legal form	Limited company (AS)
Auditor	AS Deloitte Audit Eesti

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MANAGEMENT REPORT

In the first nine months of 2017 the cargo volume of Port of Tallinn totalled 14.3 million tons and the number of passengers was 8.22 million, while revenues increased mostly from the new business segment of operating the ferry traffic between Estonia's mainland and two biggest islands.

In the first nine months of 2017 14.3 million tons of cargo passed through the harbours of Port of Tallinn, which was 1.4 million tons or 9% less than a year before. The decrease was influenced by the decrease of liquid bulk, whereas the volume of all other cargo types somewhat increased.

Compared to 2016, the number of passengers serviced increased by 340 thousand, or by 4.3%, up to 8.22 million passengers. The passenger number increased mainly on the account of Tallinn-Helsinki line, as well as cruise passengers and Tallinn-Stockholm line. The stated number of passengers does not include passengers serviced by the subsidiary OÜ TS Laevad on the ferry lines operating between the Estonia's mainland and two biggest islands, as the number does not affect the company's revenues.

In total for the 9 months, the consolidated total revenue (sales and other income in total) of Port of Tallinn increased by EUR 22.5 million, or by 29%, up to EUR 99.3 million. The revenue increase was mostly caused by operating the ferry traffic, which is a new added business segment. The operating profit increased by EUR 0.6 million, or by 1.4%, up to EUR 39.9 million. Net profit was EUR 26.8 million, which was EUR 3.5 million less than for the same period a year before, due to increase of income tax expense on dividends and finance costs, increasing by EUR 3.3 million and EUR 1.0 million, respectively. Income tax expense on dividends increased due to larger amount of dividends declared, while finance costs increased due to the completion of the construction of the new ferries, as interest expense during the preceding construction period was capitalised.

The Port of Tallinn group includes in addition to the parent company also subsidiaries OÜ TS Energia, OÜ TS Shipping, and OÜ TS Laevad, and a joint venture AS Green Marine.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of euros (unaudited)	30.09.2017	31.12.2016
ASSETS		
Current assets		
Cash and cash equivalents	66 106	49 918
Trade and other receivables	7 901	17 276
Inventories	338	378
Total current assets	74 345	67 572
Non-current assets		
Investments in joint venture	1 458	1 086
Other long-term receivables	362	362
Property, plant and equipment	582 865	568 533
Intangible assets	1 244	1 155
Total non-current assets	585 929	571 136
Total assets	660 274	638 708
LIABILITIES		
Current liabilities		
Borrowings	110 384	118 018
Derivative financial instruments	712	1 008
Payable to shareholders	48 000	0
Provisions	0	1 156
Government grants	788	917
Taxes payable	1 337	9 436
Supplier and other payables	20 280	8 384
Total current liabilities	181 501	138 919
Non-current liabilities		
Borrowings	128 035	128 035
Government grants	23 618	23 703
Other payables	1 081	1 083
Total non-current liabilities	152 734	152 821
Total liabilities	334 235	291 740
EQUITY		
Share capital at nominal value	185 203	185 203
Statutory reserve capital	18 520	18 520
Hedge reserve	-712	-1 008
Retained earnings	96 252	104 775
Profit for the period	26 776	39 478
Total equity	326 039	346 968
Total liabilities and equity	660 274	638 708

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME**Consolidated statement of income**

in thousands of euros (unaudited)	9 months 2017	9 months 2016
Sales	83 301	75 644
Other income	16 043	1 236
Operating expenses	-31 692	-16 029
Personnel expenses	-12 394	-8 949
Depreciation and impairment	-15 033	-12 448
Other expenses	-323	-108
Operating profit	39 902	39 346
Finance income and costs		
Finance income	201	21
Finance costs	-1 699	-732
Finance costs - net	-1 498	-711
Profit/loss from investments in joint venture under equity method of accounting	372	351
Profit before income tax	38 776	38 986
Income tax expense	-12 000	-8 750
Profit for the period	26 776	30 236

Consolidated statement of comprehensive income

in thousands of euros (unaudited)	9 months 2017	9 months 2016
Profit for the period	26 776	30 236
Other comprehensive income		
Revaluation of derivatives	296	-489
Total other comprehensive income	296	-489
Total comprehensive income for the period	27 072	29 747

CONSOLIDATED STATEMENT OF CASH FLOWS

in thousands of euros (unaudited)	9 months 2017	9 months 2016
Cash receipts from sale of goods and services	88 319	79 220
Cash receipts related to other income	13 525	2 190
Payments to suppliers	-35 849	-21 440
Payments to and on behalf of employees	-11 460	-9 116
Payments for other expenses	-711	-168
Income tax paid on dividends	-8 657	-7 763
Cash flows from operating activities	45 167	42 924
Purchases of property, plant and equipment (PPE)	-19 887	-27 863
Purchases of intangible assets	-524	-550
Proceeds from sale of PPE	500	476
Proceeds from connection fees	30	0
Proceeds from government grants for non-current assets	349	334
Dividends received	179	0
Interest received	13	13
Cash used in investing activities	-19 340	-27 591
Redemption of bonds	-1 250	-1 250
Repayments of loans	-6 383	-22 827
Finance lease principal repayments	-2	-2
Interest paid	-2 004	-1 605
Cash used in financing activities	-9 639	-25 684
Net cash flow	16 188	-10 351
Cash and cash equivalents at beginning of the period	49 918	25 902
Change in cash and cash equivalents	16 188	-10 351
Cash and cash equivalents at end of the period	66 106	15 551