

Company AS TALLINNA SADAM
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In the context of the COVID-19 pandemic, various measures have been established in European countries to prevent the spread of the virus. Among others, Estonia and Finland have both proclaimed state of emergency and closed the borders for foreign nationals' entrance. Passenger traffic between Estonia and Finland is only allowed for returning citizens or in certain special cases. There are no national restrictions on freight transport. Due to the decline in demand related to the restrictions, passenger operators have made several adjustments to their schedules.

The following information is subject to change at any time and is not intended to be a long-term guidance.

Today, there are daily trips on the Tallinn-Helsinki route served by Tallink's M/S Megastar (three visits per day), Viking Line's vessel M/S Viking XPRS (one visit per day) and Eckerö Line's vessel M/S Finlandia (three visits per day). Compared to the pre-pandemic period, the route has an average of five ship calls per day less. Tallink's ships M/S Silja Europa, which previously made one call per day and M/S Star, which previously made three calls per day, are away from the line. Viking Line's M/S Viking XPRS has reduced the number of calls from two per day to one. In addition to the significant decrease in the number of ship calls, the number of passengers on the Tallinn-Helsinki route has decreased by almost half in March.

Due to the temporarily restored border control procedures, Tallink's vessel M/S Sea Wind serving the Muuga-Vuosaari line departs from Tallinn Old City Harbor with the same frequency (two visits per day) but has temporarily stopped serving passengers and carries only freight. Eckerö Line's M/S Finbo Cargo is temporarily away from the line due to maintenance work and is expected to continue to carry freight on the line from 6 April 2020.

Tallinn-Stockholm line is temporarily closed as of 15 March, which means cancellation of one ship call per day. The freight of the line is diverted to Paldiski-Kapellskär line, which is served by Tallink's ship M/S Regal Star.



In connection with the queues at the Polish border and to ensure the operation of road transport, a new line Paldiski-Sassnitz (from Estonia to Germany) has been opened for freight traffic and passengers with vehicles from 19 March to 18 April served by Tallink's M/S Star, which previously sailed on Tallinn-Helsinki line. The vessel is scheduled to visit Paldiski South Harbor three times a week.

The ban on cruise ship calls until 1 May directly concerns the cancellation of four scheduled ship calls. As of today, cruise companies have also informed us of cancellations of few other calls scheduled for May but given the global evolution of the COVID-19 pandemic, we anticipate that there will be many cancellations this cruise season. The ban on cruise ship calls also applies to Moby SPL M/S Princess Anastasia sailing on the St. Petersburg-Helsinki-Tallinn-Stockholm-Helsinki-St. Petersburg line, which was originally planned to start traffic in early April and make one ship call per week to Tallinn Old City Harbour.

There are no significant changes in the schedules of regular freight lines vessels (containers and ro-ro) due to COVID-19 and voyages continue as before the crisis. Also, there has been no significant change in bulk cargo handling. Therefore, the COVID-19 pandemic has so far not had a significant impact on the revenue of the Cargo Harbours segment of Tallinna Sadam.

As freight and related ship calls continue, the COVID-19 pandemic and restrictions to prevent it have so far mainly reduced the number of passengers and ship calls of Tallinn Old City Harbour, a Passenger Harbours segment of Tallinna Sadam. In the Passenger Harbours segment, the decrease in the number of passengers will reduce the revenue from passenger charges and decrease in the number of ship calls will reduce the revenue from vessel charges.

The domestic ferry lines of Saaremaa and Hiiumaa operated by TS Laevad, a subsidiary of Tallinna Sadam, will continue to operate on a sparse schedule in order to ensure the island residents' return home and continuity of cargo traffic. The management estimates that the changes resulting from the restrictions will not have a significant impact on Tallinna Sadam, as the fixed fee, which is irrespective of the number of voyages, stipulated in the ferry agreement covers all fixed costs of the vessels and their operations (including salaries of the crew) and ensures planned profitability.

The multifunctional icebreaker Botnica, operated by TS Shipping, a subsidiary of the Port of Tallinn, will continue providing the regular icebreaking service to the Estonian Maritime Administration until 20 April 2020. Baffinland Iron Mines Corporation's contract for summer work in Northern Canada continues to be valid. So far, Botnica's operations and revenues have not been affected by the COVID-19 pandemic.

The national measures taken by the states to prevent COVID-19 are constantly being updated and changed and the situation is changing on daily basis. The



management estimates that the impact of the COVID-19 pandemic on Tallinna Sadam will be significant due to passenger traffic disruptions and the general economic downturn following the disruption of the virus, but the extent and duration of this impact cannot be objectively estimated at this point. In order to compensate for the decrease in revenues, we will critically review all the Group's expenses in the changed circumstances, but due to the high proportion of fixed costs, the decline in the profitability of the Group is unavoidable, especially in the Passenger Harbours segment. To improve the cash flow of the company, we review and, if necessary, re-evaluate all planned investments and postpone them whenever possible. At the time being, the Group does not intend to suspend investments already in progress.

Tallinna Sadam shall take the necessary measures and cooperate fully with the authorities to achieve a common global goal of preventing the spread of the virus and protecting human life and health. We have made several changes to work processes to ensure the continuity of the service. Office workers work in the home office during the spread of the virus. The work of operational staff has been reorganized to minimize contact with each other and outsiders. Personal protective equipment is provided to all frontline personnel.

Tallinna Sadam is one of the largest cargo- and passenger port complexes in the Baltic Sea region, which in 2019 serviced 10.64 million passengers and 19.9 million tons of cargo. In addition to passenger and freight services, Tallinna Sadam group also operates in shipping business via its subsidiaries - OÜ TS Laevad provides ferry services between the Estonian mainland and the largest islands, and OÜ TS Shipping charters its multifunctional vessel Botnica for icebreaking and construction services in Estonia and offshore projects abroad. Tallinna Sadam group is also a shareholder of an associate AS Green Marine, which provides waste management services. According to unaudited financial results, Tallinna Sadam group's sales in 2019 totaled EUR 130.5 million, adjusted EBITDA EUR 74.3 million and net profit EUR 44.4 million.

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