

Company AS TALLINNA SADAM
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Title Tallinna Sadam signed an agreement to build a new quay in Paldiski South Harbour

AS Tallinna Sadam (hereinafter: Tallinna Sadam) signed an agreement with the Estonian branch of Akciju Sabiedriba BMGS and Insenerihituse AS for the design and construction of multi-functional quay number 6A and the area beyond the quay in the Paldiski South Harbour. The cost of the contract at the moment of is 53.2 million euros, and according to the possibility of indexation provided for in the contract, it can reach up to 55.9 million euros. The quay with the beyond area will be completed in July 2025.

The investment is co-financed by European Commission in the amount of EUR 20 million through the military mobility project EstMilMob, which aims to improve transport connections to Tapa over the next five years. The rest of the investment cost is financed from loan capital and as the company's own financing. The additional loan amount related to the project is between 20-27 million euros, and during the investment period, Tallinna Sadam plans to continue the current dividend policy.

The new quay with the beyond area to be built in Paldiski South Harbour is necessary to increase the maritime transport capacity of goods and vehicles including fulfilling military purpose. Due to the favorable location of Paldiski South Harbour, the construction of the new quay will create preconditions for Tallinna Sadam to become an important partner in the construction and subsequent maintenance of offshore wind farms in the Baltic Sea region.

The new quay will ensure the capacity of the port to receive high-draft special-purpose vessels for the construction of offshore wind farms and the transport of wind turbine components. The large rear area beyond the quay allows various preparations for the manufacture and storage of generators and wind turbine blades before being loaded on a ship. In addition, the new quay can be used to service ro-ro vessels if required.

We have entered into joint intent agreements with four offshore wind farm development or construction companies. The wind farms to be built in the area plan to start production in 2028, preceded by a 3-year construction period of



the wind farms. The positive impact of the investment on the operating volumes and turnover of Tallinna Sadam is expected from 2025 after the completion of the quay, but as negotiations with developers are still ongoing, it is currently not possible to assess the financial impact on Tallinna Sadam in more detail.

Tallinna Sadam is one of the largest cargo- and passenger port complexes in the Baltic Sea region, which serves annually 10 million passengers and 20 million tons of cargo in average. 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.

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