

Company AS Tallink Grupp
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Title Compromise for termination of dispute with AS Tallinna Sadam

On 11 February 2022, AS Tallink Grupp and AS Tallinna Sadam concluded a settlement upon approval of which by the court, the court dispute between the parties concerning the fees of port services provided to passenger vessels at Old City Harbour is terminated, AS Tallink Grupp waives all the claims filed in the matter and AS Tallinna Sadam will amend the port fees applied to passenger vessels visiting the Old City Harbour. A detailed description of the dispute can be found in AS Tallink Grupp's company announcement (<https://view.news.eu.nasdaq.com/view?id=b26768e98154c6ef02fa9bae05fc61815&lang=en>) dated 1 March 2021.

As a result of the settlement, AS Tallinna Sadam will reduce the tonnage charge and passenger fee applied at Old City Harbour by 10% and increase the discount rate based on the environmental ship index (ESI) (to 14% for passenger vessels with an ESI of 80 or above and to 8% for passenger vessels with an ESI between 65 to 79.9). The mooring, waste and vehicle cargo charge rates will not change. AS Tallinna Sadam undertakes to not increase the rates that constitute a part of the settlement at least until 2025, after which AS Tallinna Sadam has the right to increase the fees addressed in the settlement upon a change in the consumer price index (CPI) as follows: in case of a CPI increase of up to 6% to the extent of the CPI change but not more than by 2%; in case of a THI change exceeding 6% by 2% and additionally by the percentage points by which the THI increase exceeds 6%. In case of a CPI decrease, AS Tallinna Sadam is not obliged to reduce the port fees addressed in the settlement, unless the CPI falls more than 6% in the preceding calendar year, in which case AS Tallinna Sadam shall reduce the port fees addressed in the settlement by at least 2% and additionally by the percentage points by which the CPI has fallen more than 6%. As an exception to the above, AS Tallinna Sadam has the right to change the mooring and waste charges if for reasons that AS Tallinna Sadam cannot control the costs associated with said services change, based on the proportionate difference between the initial cost and changed cost. AS Tallinna Sadam has the right to increase the mooring charge in such case by up to 2% per year, but not more than the proportional increase of the cost-based mooring fee. The new charges shall apply starting from the month following the entry into force of the settlement



and the agreement shall apply to both parties for 10 years as of the entry into force of the court order approving the settlement.

"We are pleased to have reached a mutually acceptable compromise with our good and long-term partner with regard to longstanding discussions on port fees, as a result of which the pricing of services at the Old City Harbour will change for passenger ships operating at the port. I would like to thank Tallinna Sadam for the constructive discussions and their consistent efforts in trying to find a mutually acceptable solution during the last months" commented the chairman of the board of AS Tallink Grupp, Paavo Nõgene.

The exact economic impact of the settlement is difficult to assess due to the ongoing coronavirus pandemic. The settlement has not entered into force yet and its approval is subject to issuance of a court order. Upon approval of the settlement, the court shall also terminate the proceedings.

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