

Company AS TALLINNA SADAM
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Currency

Title Court judgement in the dispute over mandatory cargo volume penalty of Tallinna Sadam's

On 30.05.2018, Worldwide Cargo Establishment (hereinafter "WCE") filed a claim with the Harju County Court against AS Tallinna Sadam (hereinafter referred to as "Tallinna Sadam") requesting that the minimum cargo volume in the cooperation agreement should be reduced retroactively from 2015 and that the contractual penalties paid for 2015-2017 in the amount of EUR 0.45 million plus accrued interest should be repaid.

On 19.01.2021, Harju County Court decided to reject the application and the procedural costs were left to be borne by WCE. The judgment has not entered into force and WCE may appeal against the judgment within 30 days of receipt of the judgment.

WCE is a cargo operator of Tallinna Sadam, which owns a grain terminal in Muuga Harbour and handles grain. According to the long-term co-operation agreement, WCE has a minimum annual cargo charge obligation of EUR 0.31 million, failing which WCE shall pay Tallinna Sadam a penalty in the amount of the difference between the mandatory and the actual cargo charge. In the opinion of Tallinna Sadam and its legal advisers, the claim is not substantiated, and it is not probable that a liability will arise, therefore Tallinna Sadam has not considered it necessary to recognise a provision for the claim.

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. According to audited 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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