

FINANTSINSPEKTSIOON

Company AS TALLINNA SADAM

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Title Compromise agreement with AS Tallink Grupp to end the court dispute

AS Tallink Grupp and AS Tallinna Sadam have today, 11 February, reached a compromise agreement, which ends the court dispute between the two parties which started in March 2021 over the port dues offered to passenger ferries in the Old City Harbour. According to the compromise agreement, AS Tallink Grupp will waive all submitted claims against AS Tallinna Sadam in this case and AS Tallinna Sadam will change the port dues applied to passenger ferries operating regular routes to and visiting the Old City Harbour. New port dues will apply to all ferry operators operating regular routes to the port. More detailed information about the dispute can be found in the stock exchange announcements of AS Tallinna Sadam published on 1 March 2021 (<https://view.news.eu.nasdaq.com/view?id=b113fdc182500dd7410f83bd72ae34500&lang=en>), 15 April 2021 (<https://view.news.eu.nasdaq.com/view?id=beecd4c37bfe9c817308365629a13e93e&lang=en>) and 23 December 2021 (<https://view.news.eu.nasdaq.com/view?id=bcdc91772b2d4ac8eb60899d9957a0b60&lang=en>).

As a result of the compromise agreement, AS Tallinna Sadam will reduce the tonnage charge and passenger fee for the regular lines passenger ferries in the Old City Harbour by 10% and will increase the discount offered to vessels based on their Environmental Ship Index (ESI) (to 14% for passenger vessels whose ESI value is 80 or higher, and to 8% for passenger vessels whose ESI value is between 65 and 79.9). The mooring charges, waste fees and vehicle cargo charges will not change.

From 2025 onwards, AS Tallinna Sadam has the right to increase the port dues that are a part of this agreement in the event of changes in the Consumer Price Index (CPI) as follows: in the event of the CPI increasing by up to 6% to the extent of the CPI change, but no more than 2% annually; in the event of the CPI increase by more than 6% the increase may be 2% plus those percentage points for which the CPI annual increase is higher than 6%. In the event of the CPI decreasing, AS Tallinna Sadam does not have the obligation to reduce the port dues covered by this compromise agreement, except in the event that the CPI



decreases by more than 6% compared to the previous calendar year, in which case AS Tallinna Sadam will reduce the port dues covered by this compromise agreement by at least 2% annually and additionally by those percentage points where the CPI decrease is greater than 6%.

As an exception to the above, AS Tallinna Sadam has the right to change mooring charges and waste fees, if the cost of providing these services changes beyond the control of AS Tallinna Sadam, in which case the difference between the original charge and the new charge will be taken into account proportionally. The changed fees and charges will be applied from the next month after the compromise takes effect and the agreement applies for 10 years following the date from which the court order confirming the compromise is effective from.

?As a responsible and strategic company in maritime business, Tallinna Sadam contributes to the recovery of the international passenger transport sector and to the tourism sector in wider respect from the significant deterioration that has resulted from the COVID-19 pandemic, in order to secure the sustainability and survival of these sectors and in order to enable free movement of people and goods between Estonia and other countries around the Baltic Sea. It is also important to us that we have reached this agreement with one of our largest clients and we can look towards the future together," said Valdo Kalm, CEO of ASTallinna Sadam commented on the agreement.

Based on 2021 passenger traffic volumes, AS Tallinna Sadam estimates that the calculated negative impact of the transaction on the company's financial results in 2022 will be nearly 2 million euros. The exact economic impact on the next years is difficult to assess due to the ongoing pandemic. The compromise has not taken effect yet and it will be confirmed by the court with a court order. Once the court confirms the compromise, it will also terminate the court proceedings of this case.

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. The group's sales in 2020 totalled EUR 107.4 million, adjusted EBITDA EUR 58.4 million and profit EUR 28.5 million.

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