

Company AS TALLINNA SADAM
Type Company Release
Category Other corporate action
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Title Termination of the Worldwide Caro Establishment contractual penalty litigation

On 30 May 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 0.45million plus accrued interest should be repaid.

The action was dismissed by the decision of the Harju County Court on 19 January 2021. WCE filed an appeal with the circuit court and on 22 October 2021 the Tallinn Circuit Court dismissed the appeal. On 22 November 2021, WCE filed an appeal in cassation against the decision of the Tallinn Circuit Court with the Supreme Court.

On 11 April 2022, the Supreme Court issued a ruling dismissing the appeal in cassation. On the day the ruling was made, the aforementioned judgment of the Tallinn Circuit Court of 22 October 2021 and the decision of the Harju County Court of 19 January 2021 entered into force and the court dispute ended.

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 was not substantiated, and it was not probable that a liability would 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. The group's sales in 2021 totalled EUR 110 million, adjusted EBITDA EUR 54 million and profit EUR 26 million.

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