

# AS Tallinna Lennujaam

## Interim report, Q3

1 January - 30 September 2023

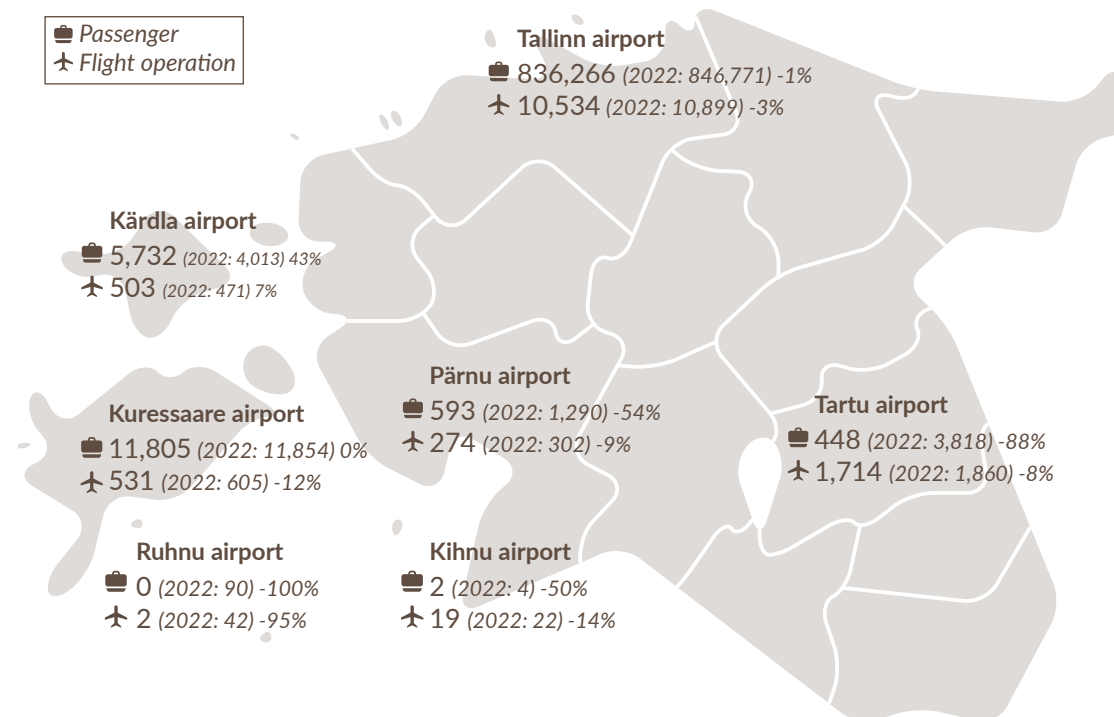


## The most important indicators

### Overview of Q3 2023

- A total of 836,266 passengers travelled through Tallinn Airport in Q3, with 10,534 flights operated.
- Regional airports served 18,580 passengers in Q3 and 3,043 flights were operated.
- As of the end of September, direct flights were available to 32 destinations, served by 15 airlines.
- The EBITDA of the Group was €5.8 million and net profit €3.5 million in Q3.
- The group invested a total of €5.2 million in Q3.
- AS Tallinn Airport initiated a detailed planning process to be ready for a growth in passenger numbers to up to 5 million passengers per year in the next decade.
- The reconstruction works of Ruhnu airfield were completed and the included the reconstruction of the entire air traffic area, i.e. the runway, taxiway, adjacent safety areas and drainage system.

Figure 1.  
The most important indicators of the Group, 2023 vs 2022 (Q3)

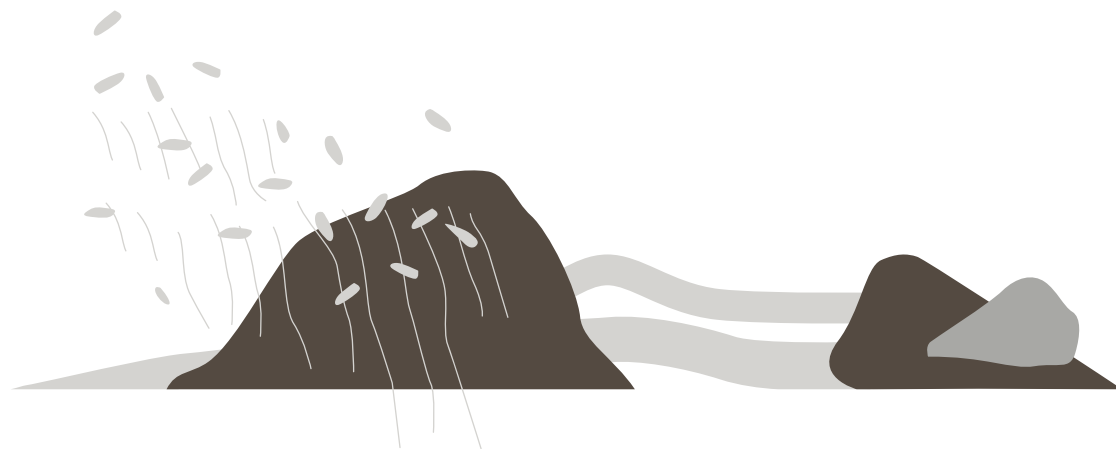


## The most important indicators

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 The most important indicators of the Group, 2023 vs 2022 (Q3)
 

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	2023, Q3	2022, Q3	Change %
Passengers at Tallinn airport	836,266	846,771	-1%
Flight operations at Tallinn airport	10,534	10,899	-3%
Passengers at regional airports	18,580	21,069	-12%
Flight operations at regional airports	3,043	3,302	-8%
Average number of employees reduced to full-time equivalents	585	536	9%
Total operating income EUR million	14.0	12.6	11%
Sales revenue EUR million	17.6	16.1	9%
Operating profit before depreciation EUR million	5.8	5.3	9%
Net profit EUR million	3.5	3.2	10%
Cash flows from operating activities EUR million	4.9	5.8	-16%
Investments EUR million	5.2	4.1	26%
Return on equity (ROE)	2.7%	2.6%	3%
EBITDA margin	41%	42%	-2%

**Dear reader,**

The peak summer travel season has been successfully overcome and once again, Tallinn Airport has become a year older – we celebrated our 87th birthday on 20 September. The third quarter of the year is always challenging for us, as the increased number of passengers and flight operations increases our workload, but still requires us to provide a fast and professional level of service, typical of the world's cosiest airport. We're pleased to report that we've successfully seen the summer to its end and are well prepared for the winter season, which will see the highest number of seats on sale in history.

A total of **836,266 passengers** passed through Tallinn Airport in Q3 and the flight capacity remained at a stable level. The number of passengers comprised 87% of the level of Q3 2019. Summer is the peak season for travel, but this year we've seen the impact of climate change and extreme weather conditions on travel, especially in the summer months.

A total of **10,534 flights** were operated in Q3. As at the end of September, regular flights were departing from Tallinn Airport to **32 destinations, operated by 15 airlines**. In addition, there were charter flights, which were used by 13% of all passengers. Among the new routes, SAS started flights to Oslo and added departures to Stockholm and Copenhagen to the flight schedule. The Turkish budget airline Pegasus Airlines added twice-weekly direct flights to Antalya to its schedule for the period from 23 September-28 October.

Regional airports served **18,580 passengers** in Q3 and **3,043 flights** were operated. In July and early August, passengers could still fly on the Pärnu-Helsinki route, and regular connections were also guaranteed between the Estonian

large islands and the mainland. The number of passengers travelling through Kärdla Airport was the biggest its history in July, with a total of 2,406 passengers served in one month.

A total of 2,232,064 passengers travelled through Tallinn Airport in nine months, with 28,968 flights operated. A total of 48,812 passengers travelled through regional airports in three quarters, with 7,367 flights operated.

The Group's **EBITDA** in Q3 was **€5.8 million**, an increase of €0.5 million or 9% on the same period in the previous year. The Group's **net profit** for Q3 was **€3.5 million**.

**The Group's profit for the nine months was €7.1 million.** The parent company's profit was €5.0 million, while its subsidiary AS Tallinn Airport GH earned a profit of €2.1 million. The aviation side of the parent company made a loss of €2.4 million, the non-aviation side earned a profit of €8.1 million, the loss made by regional airports was €0.3 million and the financial performance loss amounted to €0.4 million. Today we're forecasting a total loss for regional airports by the end of the year of around €0.6 million, mainly due to the rise in costs from inflation.

The Group's **expenditure in Q3 totalled €14.0 million**, which was €1.2 million or 9% more than in the same period last year. The expenses of the nine months amounted to €44.6 million, which was €6.5 million or 17% more than in the same period last year. This increase was driven by the higher costs of labour, aviation security checks, vehicle management and depreciation on fixed assets, as well as higher prices for other outsourced services and products.

In Q3, the **Group invested €5.2 million** and the total investments made in the nine months amounted to €13.6 million. Our biggest projects were the reconstruction of the air traffic area at Ruhnu Airport, construction work on Stage III of the extension of the air traffic area, the first part-

payment for new security line equipment for the passenger terminal, investments based on the detailed plans for the southern section and installation of AWOS weather stations at the airports in Tallinn, Tartu and Kärdla.

As an airport, we consider it important to have a long-term plan and adapt to changing circumstances. We know that passenger growth is linked to economic growth and overall prosperity, so we see a steady increase in passenger numbers in the coming years – expansion of the areas serving them is inevitable, and the airport is already congested at peak times. In order to solve this problem, **we initiated a detailed plan which allows us to create an additional 80,000m<sup>2</sup> passenger areas**. In addition, we want to use the plan to address the area between the airport and Tartu Road to create a holistic, urban, supportive environment that is modern and sustainable.

As environmental and sustainability issues have become part of our regular operations, and we also consider it important to lead by example in the transport sector, **we participated with a partner in the World Cleanup Day this year**. It was gratifying to see that so many of our own employees, as well as those of our partners, wanted to contribute to a cleaner environment.

The last quarter of the year is now upon us and the airport will be switching to its winter schedule at the end of October, where flights are operated by 17 different airlines that fly on 40 direct routes. I believe everyone finds a destination that they would like to discover.

See you again at Tallinn Airport!

**Riivo Tuvike**

CEO

# AS Tallinna Lennujaam consolidated financial statements (unaudited)

1 January - 30 September 2023



Table 2. Consolidated statement of financial position as at 30.09.2023

<i>In thousands of euros</i>	30.09.2023	31.12.2022	Change	Change %
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	181,732	180,098	1,634	1%
Prepayments for property, plant and equipment	2,677	308	2,369	768%
Intangible assets	1,124	848	277	33%
Assets subject to the right of use	112	83	29	35%
Investment property	15,882	16,376	-495	-3%
<b>Total non-current assets</b>	<b>201,527</b>	<b>197,713</b>	<b>3,814</b>	<b>2%</b>
<b>Current assets</b>				
Inventories	1,276	1,096	180	16%
Receivables and prepayments	9,062	8,529	532	6%
Cash	50,377	50,995	-618	-1%
<b>Total current assets</b>	<b>60,714</b>	<b>60,620</b>	<b>94</b>	<b>0%</b>
<b>Total assets</b>	<b>262,241</b>	<b>258,333</b>	<b>3,908</b>	<b>2%</b>

<i>In thousands of euros</i>	30.09.2023	31.12.2022	Change	Change %
<b>Equity</b>				
Share capital	45,617	45,617	0	0%
Statutory reserve capital	2,625	2,625	0	0%
Retained earnings	83,859	76,728	7,131	9%
<b>Total equity</b>	<b>132,101</b>	<b>124,970</b>	<b>7,131</b>	<b>6%</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	40,684	40,684	0	0%
Finance lease liabilities	104	48	56	116%
Government grants	76,468	75,801	667	1%
Provision	1,696	1,696	0	
Other payables	140	140	0	0%
<b>Total non-current liabilities</b>	<b>119,092</b>	<b>118,369</b>	<b>722</b>	<b>1%</b>
<b>Current liabilities</b>				
Borrowings	2,057	4,796	-2,739	-57%
Finance lease liabilities	9	35	-26	-75%
Payables and prepayments	8,982	10,163	-1,180	-12%
<b>Total current liabilities</b>	<b>11,049</b>	<b>14,994</b>	<b>-3,945</b>	<b>-26%</b>
<b>Total liabilities</b>	<b>130,140</b>	<b>133,363</b>	<b>-3,223</b>	<b>-2%</b>
<b>Total liabilities and equity</b>	<b>262,241</b>	<b>258,333</b>	<b>3,908</b>	<b>2%</b>

**Table 3. Consolidated statement of comprehensive income**

<i>In thousands of euros</i>	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
<b>Revenue</b>	<b>13,954</b>	<b>12,596</b>	<b>11%</b>	<b>40,966</b>	<b>36,522</b>	<b>12%</b>
Aviation revenue	5,296	4,200	26%	13,241	10,911	21%
Non-aviation revenue	8,658	8,396	3%	27,726	25,611	8%
Ground handling services	3,146	3,261	-4%	12,214	11,963	2%
Rental income (property and real estate)	1,154	1,220	-5%	3,586	3,863	-7%
Passengers related services	3,632	3,304	10%	10,065	8,201	23%
Other non-aviation revenue	725	612	18%	1,860	1,585	17%
<b>Other operating income</b>	<b>3,604</b>	<b>3,506</b>	<b>3%</b>	<b>10,968</b>	<b>10,462</b>	<b>5%</b>
Government grants related to operating expenses	2,595	2,425	7%	7,804	7,162	9%
Government grants related to assets recognised as income	1,000	1,060	-6%	3,115	3,153	-1%
Other income	9	21	-56%	49	146	-66%
<b>Total income</b>	<b>17,558</b>	<b>16,102</b>	<b>9%</b>	<b>51,935</b>	<b>46,984</b>	<b>11%</b>

<i>In thousands of euros</i>	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
Goods, raw material and services	-4,274	-4,418	-3%	-14,426	-13,215	9%
Other operating expenses	-449	-421	7%	-1,493	-1,170	28%
Staff costs	-6,017	-4,930	22%	-18,844	-14,711	28%
Depreciation, amortisation and impairment	-3,171	-3,032	5%	-9,757	-9,012	8%
Other expenses	-54	26	-308%	-124	-29	324%
<b>Total operating expenses</b>	<b>-13,964</b>	<b>-12,775</b>	<b>9%</b>	<b>-44,644</b>	<b>-38,137</b>	<b>17%</b>
<b>Operating profit</b>	<b>3,594</b>	<b>3,327</b>	<b>8%</b>	<b>7,291</b>	<b>8,847</b>	<b>-18%</b>
Finance income and costs	-52	-92	-44%	-160	-223	-28%
<b>Profit for the period</b>	<b>3,542</b>	<b>3,234</b>	<b>10%</b>	<b>7,131</b>	<b>8,624</b>	<b>-17%</b>
<b>EBITDA</b>	<b>5,766</b>	<b>5,299</b>	<b>9%</b>	<b>13,932</b>	<b>14,705</b>	<b>-5%</b>
<b>Comprehensive income for the period</b>	<b>3,542</b>	<b>3,234</b>	<b>10%</b>	<b>7,131</b>	<b>8,624</b>	<b>-17%</b>

<sup>1</sup> EBITDA = operating profit - depreciation costs - Government grants related to assets recognised as income

Table 4. Consolidated statement of comprehensive income in terms of main services

In thousands of euros	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
<b>AS Tallinna lennujaam: aviation services</b>						
Total income	7,248	5,897	23%	19,130	16,152	18%
Total operating expenses (including overhead)	6,654	5,588	19%	21,549	16,604	30%
Profit/loss of aviation services	594	309	92%	-2,420	-452	-436%
Including profit/loss of airfield and passenger services and aircraft parking services	1,032	460	124%	-944	-389	-143%
Including security and rescue services profit/loss	-438	-151	-190%	-1,476	-63	2240%
<b>AS Tallinna lennujaam: non-aviation services</b>						
Total income	5,241	5,045	4%	15,039	13,497	11%
Total operating expenses (including overhead)	2,100	2,398	-12%	6,939	7,086	-2%
Profit/loss of non-aviation services	3,141	2,646	19%	8,100	6,411	26%

In thousands of euros	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
<b>AS Tallinna lennujaam: regional airports</b>						
Total income	1,445	1,427	1%	4,124	3,966	4%
Total operating expenses (including overhead)	1,380	1,386	0%	4,400	3,984	10%
Profit/loss of regional airports	65	41	60%	-276	-17	-1503%
<b>Finance income and costs</b>	<b>-146</b>	<b>-92</b>	<b>-58%</b>	<b>-359</b>	<b>-224</b>	<b>-61%</b>
<b>Total profit/loss of AS Tallinna lennujaam</b>	<b>3,655</b>	<b>2,904</b>	<b>26%</b>	<b>5,044</b>	<b>5,718</b>	<b>-12%</b>
<b>Tallinn Airport GH profit</b>	<b>-33</b>	<b>326</b>	<b>-110%</b>	<b>2,160</b>	<b>2,892</b>	<b>-25%</b>
<b>Airport City profit</b>	<b>-16</b>	<b>0</b>		<b>-17</b>	<b>0</b>	
<b>Consolidation profit</b>	<b>-64</b>	<b>5</b>	<b>-1404%</b>	<b>-56</b>	<b>14</b>	<b>-499%</b>
<b>Comprehensive income for the period</b>	<b>3,542</b>	<b>3,234</b>	<b>10%</b>	<b>7,131</b>	<b>8,624</b>	<b>-17%</b>



Table 5. Consolidated statement of cash flows

In thousands of euros	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
<b>Cash flows from operating activities</b>						
Collections from customers	15,225	15,257	0%	46,299	44,884	3%
Payments to suppliers and employees	-12,866	-11,817	9%	-40,534	-35,226	15%
Interest received	118	1	8353%	161	5	3215%
Interest paid	-204	-36	462%	-773	-105	639%
Government grants received from state budget	2,517	2,267	11%	7,550	6,800	11%
Other grants received	88	168	-48%	262	280	-7%
<b>Total cash flows from operating activities</b>	<b>4,878</b>	<b>5,839</b>	<b>-16%</b>	<b>12,965</b>	<b>16,638</b>	<b>-22%</b>
<b>Cash flows from investing activities</b>						
Paid for acquisition of intangible assets, property, plant and equipment	-7,734	-3,968	95%	-13,788	-13,932	-1%
Proceeds from sale of property, plant and equipment	0	0	0%	0	0	0%
Government grants received for non-current assets (ÜF)	195	0		195	1,832	-89%
Government grants received for non-current assets (CEF fuel)	516	0		2,483	0	
Government grants received for non-current assets (CEF electricity)	0	0		516	0	
<b>Total cash flows from investing activities</b>	<b>-7,022</b>	<b>-3,968</b>	<b>77%</b>	<b>-10,593</b>	<b>-12,100</b>	<b>-12%</b>

In thousands of euros	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
<b>Cash flows from financing activities</b>						
Repayments of borrowings	-606	-553	10%	-2,961	-2,196	35%
Repayments of lease liabilities	-9	-10	-15%	-29	-28	3%
Cash contribution to share capital	0	0	0%	0	0	0%
<b>Total cash flows from financing activities</b>	<b>-615</b>	<b>-563</b>	<b>9%</b>	<b>-2,990</b>	<b>-2,224</b>	<b>34%</b>
<b>Net cash flows</b>	<b>-2,759</b>	<b>1,308</b>		<b>-618</b>	<b>2,314</b>	
Cash and cash equivalents at beginning of the period	53,136	50,820		50,995	49,814	
Cash and cash equivalents at end of the period	50,377	52,128		50,377	52,128	
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-2,759</b>	<b>1,308</b>		<b>-618</b>	<b>2,314</b>	

**Table 6. Air traffic at Tallinn Airport**

	2023, Q3	2022, Q3	Change %
Passengers	836,266	846,771	-1%
Flight operations	10,534	10,899	-3%
MTOW	238,426	250,111	-5%
Cargo and mail, tons	2,219	2,943	-25%

	2023, 9 months	2022, 9 months	Change %
Passengers	2,232,066	2,049,760	9%
Flight operations	28,968	29,193	-1%
MTOW	666,723	686,681	-3%
Cargo and mail, tons	6,482	8,513	-24%



Table 7. Air traffic at regional airports

	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
<b>Kärdla Airport</b>						
Passengers	5,732	4,013	43%	12,908	9,347	38%
Flight operations	503	471	7%	1,247	1,230	1%
MTOW	2,302	1,410	63%	6,086	3,959	54%
<b>Kuressaare Airport</b>						
Passengers	11,805	11,854	0%	31,988	28,978	10%
Flight operations	531	605	-12%	1,557	1,752	-11%
MTOW	3,218	3,472	-7%	9,841	11,633	-15%
<b>Tartu Airport</b>						
Passengers	448	3,818	-88%	958	7,558	-87%
Flight operations	1,714	1,860	-8%	3,535	4,174	-15%
MTOW	1,912	3,135	-39%	4,346	7,395	-41%
<b>Pärnu Airport</b>						
Passengers	593	1,290	-54%	1,874	2,487	-25%
Flight operations	274	302	-9%	708	667	6%
MTOW	521	862	-40%	1,184	1,602	-26%

	2023, Q3	2022, Q3	Change %	2023, 9 months	2022, 9 months	Change %
<b>Kihnu Airfield</b>						
Passengers	2	4		33	4	
Flight operations	19	22	-14%	42	182	-77%
MTOW	11	28	-61%	42	277	-85%
<b>Ruhnu Airfield</b>						
Passengers	0	90	-100%	1,051	1,051	0%
Flight operations	2	42	-95%	278	324	-14%
MTOW	2	47	-96%	440	475	-7%
<b>Total of regional airports</b>						
Passengers	18,580	21,069	-12%	48,812	49,425	-1%
Flight operations	3,043	3,302	-8%	7,367	8,329	-12%
MTOW	7,966	8,954	-11%	21,939	25,341	-13%



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