

AS Tallinna Lennujaam

Interim report, Q1 2023

1 January - 31 March 2023

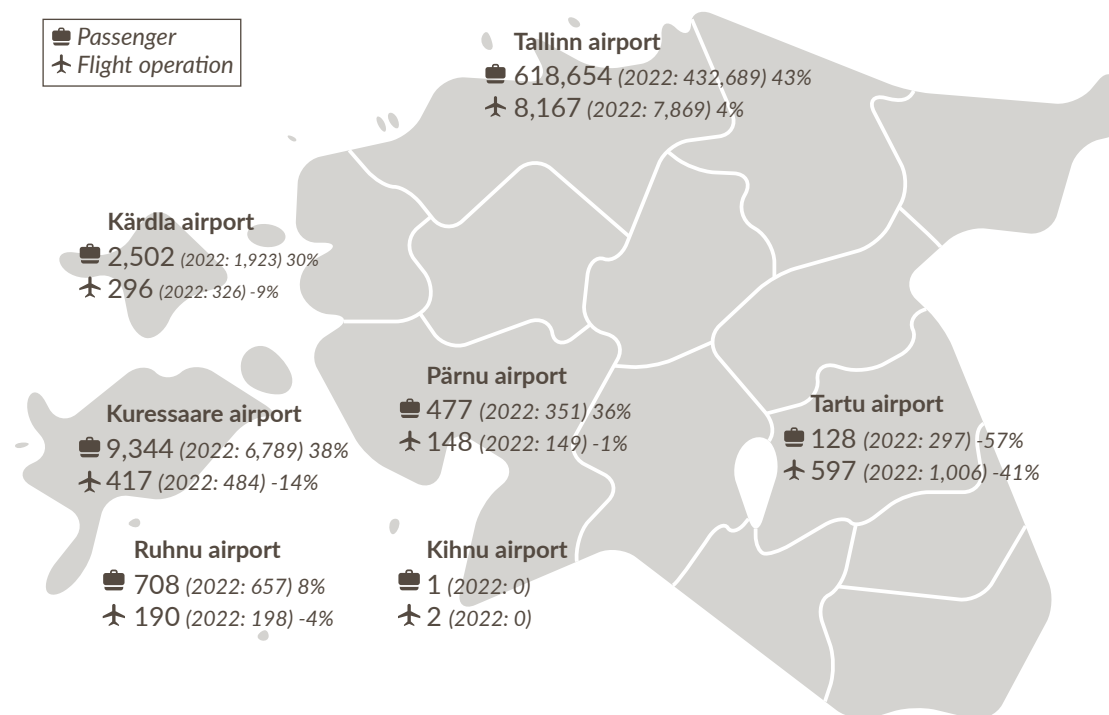


The most important indicators

Overview of the first quarter of 2023

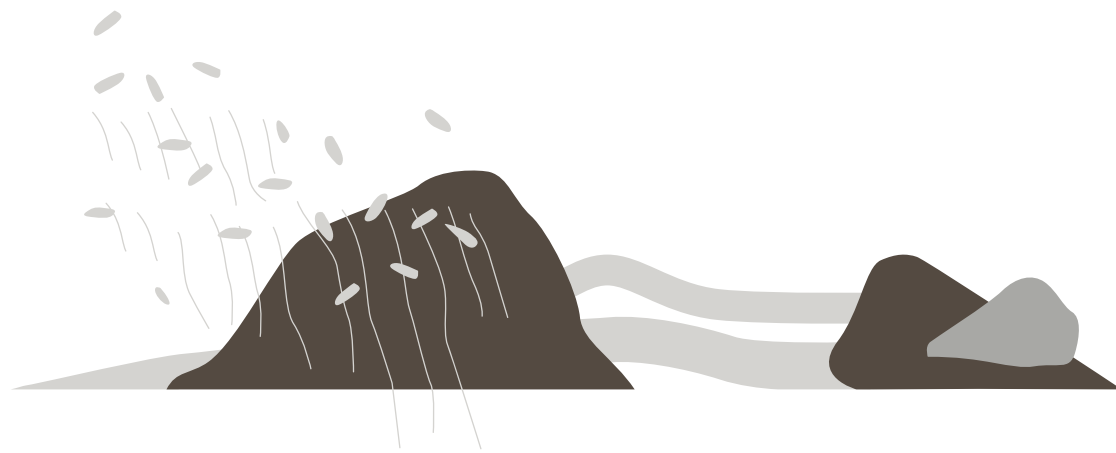
- A total of 618,654 passengers passed through Tallinn Airport in the first quarter of the year and 8,167 flights were operated.
- Regional airports served 13,160 passengers and 1,650 flights were operated.
- As of the end of March, direct flights were available to 33 destinations, served by 13 airlines.
- The EBITDA of the group was €4.1 million and net profit €1.5 million in Q1.
- The group invested €2.1 million in Q1.
- Tallinn Airport earned the prestigious international award of Best Airport 2022 among the airports serving 2 to 5 million passengers per year.
- Tallinn Airport GH, a subsidiary of Tallinn Airport, started using its first electric cars.
- AS Airport City, a subsidiary that will be working with development projects, was established.

- **Figure 1.**
AS Tallinn Airport 2023 Q1 number of passengers and flight operations compared to 2022



The most important indicators

 Key performance indicators
 of the group Q1, 2023 vs 2022



	2023, Q1	2022, Q1	Change %
Passengers at Tallinn airport	618,654	432,689	43%
Flight operations at Tallinn airport	8,167	7,869	4%
Passengers at regional airports	13,160	10,017	31%
Flight operations at regional airports	1,650	2,163	-24%
Average number of employees reduced to full-time equivalents	554	494	12%
Total operating income EUR million	14.4	12.0	20%
Sales revenue EUR million	18.1	15.4	17%
Operating profit before depreciation EUR million	4.1	4.4	-6%
Net profit EUR million	1.5	2.4	-36%
Cash flows from operating activities EUR million	3.3	4.7	-30%
Investments EUR million	2.1	1.9	11%
Return on equity (ROE)	1.2%	2.0%	-40%
EBITDA margin	29%	36%	-21%

Dear reader

The first quarter of the year has come to its end and we switched to our summer flight schedule. Irrespective of the current situation in the world or the season, our mission is the same – to connect Estonia to the world. We work hard every day to offer airlines the opportunity to carry passengers to destinations that enrich their lives and to help Estonia be an attractive business environment and a good target for investments.

Looking at the results of the first quarter, we can be pleased and say that we've overcome the crises of recent years. A total of 618,654 passengers passed through Tallinn Airport in three months and 8,167 flights were operated. In March, 232,938 passengers passed through the airport and for the first time, the number of passengers exceeded the level of 2019.

The average capacity for scheduled flights during the month was 70%. As at the end of March, regular flights were departing from Tallinn Airport to 33 destinations and they were operated by 13 airlines. The biggest share of passengers – 43% – flew to the largest hubs (Helsinki, Riga, Frankfurt, Warsaw and Stockholm).

Regular connections to many summer destinations were restored in late March when the airport switched to its summer flight schedule. AirBaltic started flying to Nice on the French Riviera. Turkish airline Sunexpress started seasonal flights to Antalya on the Mediterranean coast of Turkey.

Regional airports served 13,160 passengers in the first three months and 1,650 flights were operated.

The Group's EBITDA in the first quarter of the year was €4.1 million, which dropped by €0.3 million or 6% on the first quarter of the year before. The Group's net profit for Q1 was €1.5 million. The parent company's loss was €0.7 million and the subsidiary's profit was €2.2 million. The aviation side of the parent company made a loss of €2.2 million, the loss made by regional airports was €0.3 million and the

non-aviation side made a profit of €2.1 million.

The Group's expenditure in Q1 totalled €16.3 million, which was €3.2 million or 25% more than in the same period last year. The increase in expenditure was driven by the higher costs of labour, vehicle management and depreciation on fixed assets, as well as higher prices for outsourced services and products.

The Group invested €2.1 million in Q1. The biggest projects were the investments made according to the detailed spatial plan of the southern area (communications, access roads, etc.), the construction works of stage III of the extension of the air traffic area and the investments related to the construction of solar parks at regional airports (Pärnu, Tartu).

It is important to us that passengers feel comfortable at our airport and that all activities and operations before their travels go smoothly irrespective of whether the service is provided by the staff of the airport or our partners. As a reward for our efforts, we won the Best Airport 2022 award among airports with 2 to 5 million passengers. Tallinn Airport was also one of the five airports in the world that received an award for good long-term work.

In recent years, we've taken big steps to reduce our carbon footprint, and plan to continue to reduce the environmental impact of our operations this year – becoming a carbon-neutral airport by 2030 is still our goal. For this purpose, we continued building solar parks and organising green mornings and the green forum for the transport sector. In order to reduce emissions from fossil fuels, our subsidiary started using the first three electric cars in January, which will reduce our annual emissions into the air by more than 17,000 kg.

See you again at the cosiest airport in the world!

Riivo Tuvike
CEO

AS Tallinna Lennujaam consolidated financial statements (unaudited)

1 January - 31 March 2023



Table 2. Consolidated statement of financial position as at 31.03.2023

<i>In thousands of euros</i>	31.03.2023	31.12.2022	Change	Change %
Assets				
Non-current assets				
Property, plant and equipment	178,742	180,098	-1,356	-1%
Prepayments for property, plant and equipment	486	308	178	58%
Intangible assets	943	848	95	11%
Assets subject to the right of use	103	83	20	24%
Investment property	16,122	16,376	-254	-2%
Total non-current assets	196,395	197,713	-1,318	-1%
Current assets				
Inventories	843	1,096	-252	-23%
Receivables and prepayments	8,212	8,529	-317	-4%
Cash	51,054	50,995	59	0%
Total current assets	60,109	60,620	-511	-1%
Total assets	256,505	258,333	-1,828	-1%

<i>In thousands of euros</i>	31.03.2023	31.12.2022	Change	Change %
Equity				
Share capital	45,617	45,617	0	0%
Statutory reserve capital	2,625	2,625	0	0%
Retained earnings	78,244	76,728	1,516	2%
Total equity	126,486	124,970	1,516	1%
Liabilities				
Non-current liabilities				
Borrowings	40,684	40,684	0	0%
Finance lease liabilities	77	48	29	61%
Government grants	74,684	75,801	-1,117	-1%
Provision	1,696	1,696	0	0%
Other payables	140	140	0	0%
Total non-current liabilities	117,282	118,369	-1,088	-1%
Current liabilities				
Borrowings	4,339	4,796	-457	-10%
Finance lease liabilities	26	35	-9	-27%
Payables and prepayments	8,373	10,163	-1,790	-18%
Total current liabilities	12,737	14,994	-2,257	-15%
Total liabilities	130,019	133,363	-3,344	-3%
Total liabilities and equity	256,505	258,333	-1,828	-1%

Table 3. Consolidated statement of comprehensive income

<i>In thousands of euros</i>	2023 Q1	2022 Q1	Change	Change %
Revenue	14,383	11,997	2,386	20%
Aviation revenue	3,683	2,719	964	35%
Non-aviation revenue	10,700	9,278	1,422	15%
Ground handling services	5,954	5,442	512	9%
Rental income (property and real estate)	1,300	1,484	-184	-12%
Passengers related services	2,957	1,980	977	49%
Other non-aviation revenue	488	371	117	32%
Other operating income	3,668	3,450	218	6%
Government grants related to operating expenses	2,527	2,324	203	9%
Government grants related to assets recognised as income	1,117	1,043	74	7%
Other income	24	83	-59	-71%
Total income	18,051	15,446	2,605	17%

<i>In thousands of euros</i>	2023 Q1	2022 Q1	Change	Change %
Goods, raw material and services	-6,020	-4,932	-1,088	22%
Other operating expenses	-492	-382	-110	29%
Staff costs	-6,272	-4,698	-1,574	33%
Depreciation, amortisation and impairment	-3,438	-2,984	-454	15%
Other expenses	-37	-24	-13	57%
Total operating expenses	-16,260	-13,020	-3,239	25%
Operating profit	1,791	2,426	-635	-26%
Finance income and costs	-276	-57	-218	-380%
Profit for the period	1,516	2,369	-853	-36%
EBITDA¹	4,113	4,367	-255	-6%
Comprehensive income for the period	1,516	2,369	-853	-36%

¹ 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

<i>In thousands of euros</i>	2023, Q1	2022, Q1	Change	Change %
AS Tallinna lennujaam: aviation services				
Total income	5,656	4,582	1,074	23%
Total operating expenses (including overhead)	7,844	5,754	2,089	36%
Profit/loss of aviation services	-2,188	-1,172	-1,016	-87%
Including profit/loss of airfield and passenger services and aircraft parking services	-1,706	-1,293	-414	-32%
Including security and rescue services profit/loss	-481	121	-602	-499%
AS Tallinna lennujaam: non-aviation services				
Total income	4,751	3,862	889	23%
Total operating expenses (including overhead)	2,675	2,451	223	9%
Profit/loss of non-aviation services	2,076	1,411	665	47%

<i>In thousands of euros</i>	2023, Q1	2022, Q1	Change	Change %
AS Tallinna lennujaam: regional airports				
Total income	1,241	1,143	98	9%
Total operating expenses (including overhead)	1,567	1,258	309	25%
Profit/loss of regional airports	-325	-115	-210	-183%
Finance income and costs	-275	-58	-217	-374%
Total profit/loss of AS Tallinna lennujaam	-712	66	-778	-1177%
Tallinn Airport GH profit	2,225	2,298	-73	-3%
Consolidation profit	2	5	-3	-52%
Comprehensive income for the period	1,516	2,369	-853	-36%

Table 5. Consolidated statement of cash flows

<i>In thousands of euros</i>	2023, Q1	2022, Q1	Change	Change %
Cash flows from operating activities				
Collections from customers	15,894	15,448	446	3%
Payments to suppliers and employees	-14,976	-12,969	-2,007	15%
Interest received	8	2	6	316%
Interest paid	-133	-24	-109	449%
Government grants received from state budget	2,517	2,267	250	11%
Other grants received	10	12	-2	-17%
Total cash flows from operating activities	3,320	4,736	-1,416	-30%
Cash flows from investing activities				
Paid for acquisition of intangible assets, property, plant and equipment	-2,643	-6,487	3,844	-59%
Proceeds from sale of property, plant and equipment	0	0	0	0%
Government grants received for non-current assets	0	750	-750	-100%
Total cash flows from investing activities	-2,643	-5,737	3,094	-54%

<i>In thousands of euros</i>	2023, Q1	2022, Q1	Change	Change %
Cash flows from financing activities				
Repayments of borrowings	-606	-250	-356	142%
Repayments of lease liabilities	-12	-8	-4	47%
Total cash flows from financing activities	-618	-258	-360	139%
Net cash flows	59	-1,260		
Cash and cash equivalents at beginning of the period	50,995	49,814		
Cash and cash equivalents at end of the period	51,054	48,554		
Net increase/decrease in cash and cash equivalents	59	-1,260		

Table 6. Air traffic at Tallinn Airport

	2023, Q1	2022, Q1	Change %
Passengers	618,654	432,689	43%
Flight operations	8,167	7,869	4%
MTOW	199,321	190,647	5%
Cargo and mail, tons	2,148	2,763	-22%



Table 7. Air traffic at regional airports

	2023, Q1	2022, Q1	Change %
Kärdla Airport			
Passengers	2,502	1,923	30%
Flight operations	296	326	-9%
MTOW	1,630	1,197	36%
Kuressaare Airport			
Passengers	9,344	6,789	38%
Flight operations	417	484	-14%
MTOW	3,088	3,132	-1%
Tartu Airport			
Passengers	128	297	-57%
Flight operations	597	1,006	-41%
MTOW	691	1,355	-49%

	2023, Q1	2022, Q1	Change %
Pämu Airport			
Passengers	477	351	36%
Flight operations	148	149	-1%
MTOW	215	204	5%
Kihnu Airfield			
Passengers	1	0	
Flight operations	2	0	
MTOW	7	0	
Ruhnu Airfield			
Passengers	708	657	8%
Flight operations	190	198	-4%
MTOW	305	300	2%
Total of regional airports			
Passengers	13,160	10,017	31%
Flight operations	1,650	2,163	-24%
MTOW	5,936	6,188	-4%



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