

AS Tallinna Lennujaam

Interim report

1 January - 30 June 2022

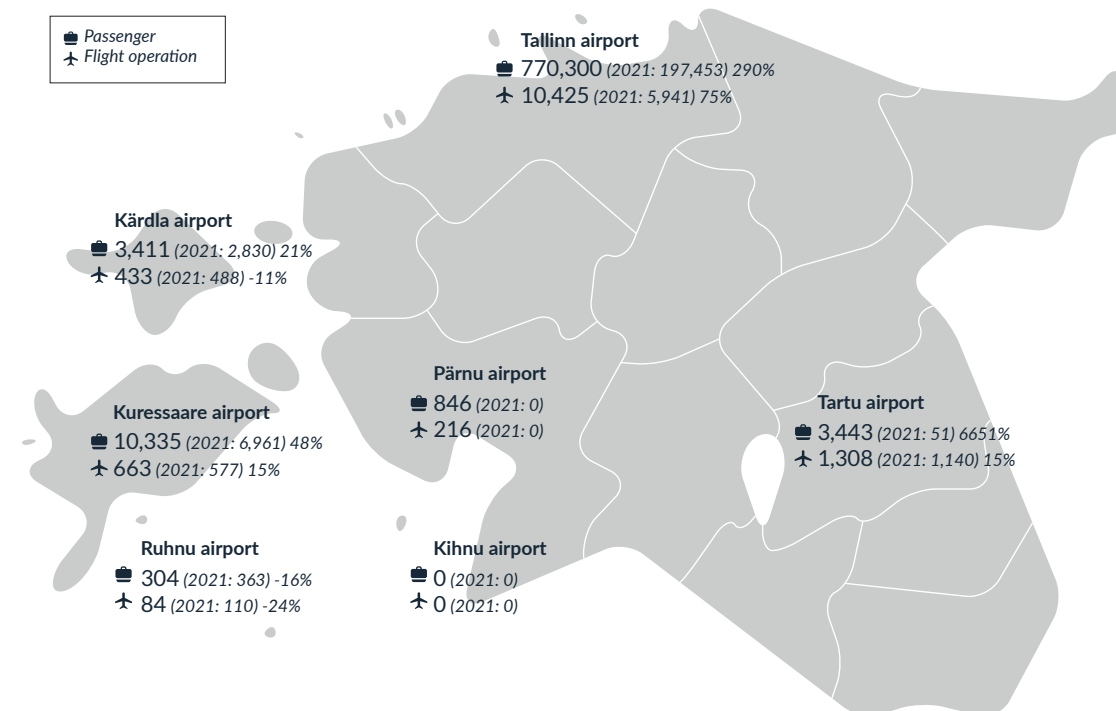


The most important indicators

Overview of Q2 2022

- A total of 770,300 passengers passed through Tallinn Airport in Q2 and 10,425 flight operations were served.
- During this period, 18,339 passengers passed through regional airports in Estonia and 2,704 flight operations were carried out.
- As of June, direct flights were available to 34 destinations, offered by 14 airlines.
- May saw the opening of the Pärnu-Helsinki route, while flights between Pärnu and Stockholm were launched in June.
- The EBITDA of the group was €5 million and its profit €3 million in Q2.
- The group invested a total of €4.2 million in Q2.
- The basis was laid for the establishment of Hydrogen Valley Estonia, of which Tallinn Airport is a founding member.
- The airport's first green forum was held.

Figure 1.
AS Tallinn Airport 2022 Q2 number of passengers and flight operations compared to 2021



The most important indicators

The most important indicators of
the Group, 2022 vs 2021 (Q2)



	2022, Q2	2021, Q2	Change %
Passengers at Tallinn airport	770,300	197,453	290%
Flight operations at Tallinn airport	10,425	5,941	75%
Passengers at regional airports	18,339	10,205	80%
Flight operations at regional airports	2,704	2,315	17%
Average number of employees reduced to full-time equivalents	508	468	9%
Total operating income EUR million	11,9	5,2	131%
Sales revenue EUR million	15,4	9,4	64%
Operating profit before depreciation EUR million	5,0	2,4	113%
Net profit EUR million	3,0	0,4	582%
Cash flows from operating activities EUR million	6,1	2,1	188%
Investments EUR million	4,2	10,2	-59%
Return on equity (ROE)	2,5%	0,5%	430%
EBITDA margin	42%	46%	-8%

Management Board statement



Dear reader

The switch to our summer timetable at the end of March brought with it, as always, an increase in flights, destinations and passenger numbers. Although we were prepared for this, none of us foresaw the speed at which air travel recovered around Europe – leading to lengthy queues and a great deal of confusion, both of which remain problems at time of writing. In aviation, where safety is always the top priority, recruiting and training staff takes a long time.

A total of 770,300 passengers passed through Tallinn Airport in Q2, representing 87% of pre-pandemic numbers. This increase in demand is reflected in the average capacity of regular flights, which rose to as much as 79% in June. Regional airports also posted impressive figures for Q2 – a total of 18,339 passengers passed through them, compared to 10,205 in the same period in 2021.

As at the end of June, 34 regular flights were being operated by 14 airlines. A total of 12% of all passengers flew on charter flights in Q2, primarily to Antalya in Turkey.

Regular flights to Antalya were launched by the Turkish airlines Pegasus and SunExpress in April, during which Ryanair launched flights to Nuremberg and Aegean Airlines restored its seasonal Athens route. Lufthansa began flying between Tallinn and Munich in May, Estonian airline Nyxair launched flights between Pärnu and Helsinki in May, while June saw SAS start flying between Pärnu and Stockholm.

The good number of passengers and flights was reflected in the group's financial results: its EBITDA in Q2 totalled €5 million, up €2.6 million or 113% year on year. Its net

profit for the quarter was €3 million, and €5.4 million for the first half of the year. Group revenue totalled €15.4 million in Q2, up 64% year on year. Expenditure amounted to €12.3 million during the quarter, an increase of 38% on the same period in 2021.

Despite the overall rise in prices, we continued to make strategic investments in Q2, to the value of €4.2 million. The projects we have undertaken have been affected by the increased cost and limited availability of building materials and the uncertainty arising from the war in Ukraine. During the first half of the year we invested a total of €6.1 million in a number of projects, the biggest being baggage handling system for departing baggage at Tallinn Airport and the extension of its Schengen pre-boarding areas. Smaller investments were also made in the development of both Tallinn Airport and regional airports.

One of the keywords for Q2 was the environment: working with some outstanding partners, we established a basis for the foundation of Hydrogen Valley Estonia, while our cooperation with Green Tiger led to the airport's first green forum being held.

We can already see that Q3 will be another good one in terms of passenger and flight numbers, but the widespread understaffing of European airports and the disruptions to services this is resulting in will limit growth in this regard. Make the most of the last month of summer and see you at the airport!

Anneli Turkin
Member of the Management Board

AS Tallinna Lennujaam consolidated financial statements (unaudited)

01.01.2022-30.06.2022

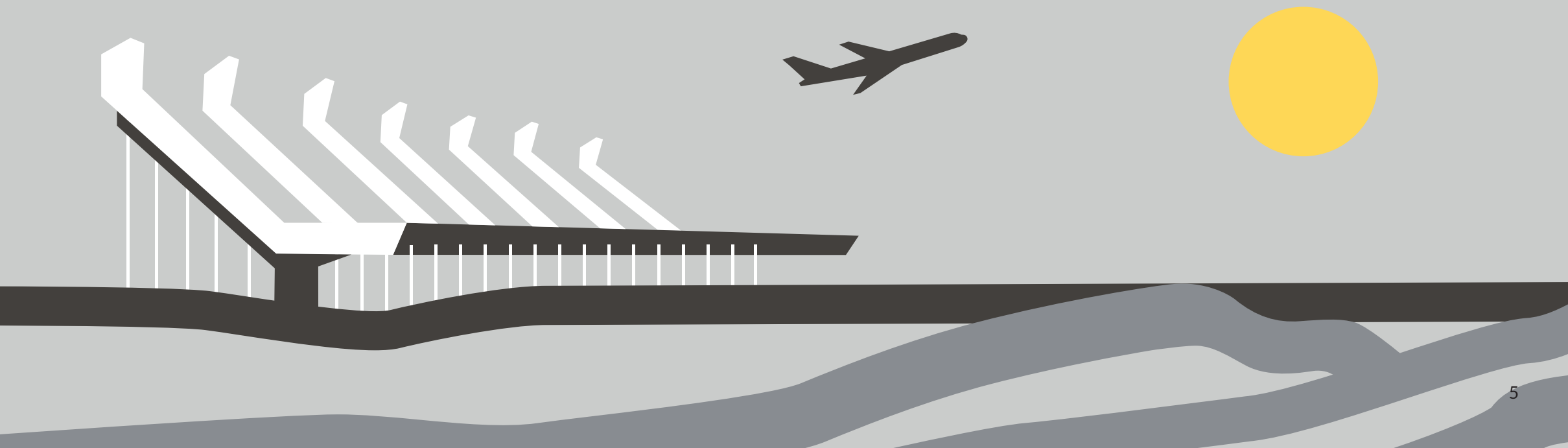


Table 2. Consolidated statement of financial position as at 30.06.2022

<i>In thousands of euros</i>	30.06.2022	31.12.2021	Change	Change %
Assets				
Non-current assets				
Property, plant and equipment	177,322	179,218	-1,896	-1%
Prepayments for property, plant and equipment	4,293	1,942	2,351	121%
Intangible assets	594	565	29	5%
Assets subject to the right of use	65	59	6	9%
Investment property	14,376	14,737	-361	-2%
Total non-current assets	196,649	196,521	128	0%
Current assets				
Inventories	925	527	398	76%
Receivables and prepayments	7,241	11,425	-4,184	-37%
Cash	50,820	49,814	1,006	2%
Total current assets	58,986	61,766	-2,780	-5%
Total assets	255,635	258,287	-2,652	-1%

<i>In thousands of euros</i>	30.06.2022	31.12.2021	Change	Change %
Equity				
Share capital	45,617	45,617	0	0%
Statutory reserve capital	2,625	2,510	115	5%
Retained earnings	73,434	68,155	5,279	8%
Total equity	121,676	116,282	5,394	5%
Liabilities				
Non-current liabilities				
Borrowings	45,394	45,394	0	0%
Finance lease liabilities	45	27	17	63%
Government grants	79,317	80,773	-1,455	-2%
Other payables	181	181	0	0%
Total non-current liabilities	124,937	126,375	-1,438	-1%
Current liabilities				
Borrowings	2,027	3,663	-1,636	-45%
Finance lease liabilities	21	33	-12	-36%
Payables and prepayments	6,974	11,934	-4,960	-42%
Total current liabilities	9,022	15,630	-6,608	-42%
Total liabilities	133,959	142,005	-8,046	-6%
Total liabilities and equity	255,635	258,287	-2,652	-1%

Table 3. Consolidated statement of comprehensive income

In thousands of euros	2022, Q2	2021, Q2	Change %	2022, 6 months	2021, 6 months	Change %
Revenue	11,928	5,154	131%	23,930	9,971	140%
Aviation revenue	3,992	1,595	150%	6,712	2,619	156%
Non-aviation revenue	7,936	3,559	123%	17,218	7,352	134%
Ground handling services	3,260	1,354	141%	8,702	3,384	157%
Rental income (property and real estate)	1,159	966	20%	2,645	2,061	28%
Passengers related services	2,912	969	200%	4,895	1,413	246%
Other non-aviation revenue	605	270	125%	976	494	97%
Other operating income	3,505	4,276	-18%	6,950	8,127	-14%
Government grants related to operating expenses	2,413	3,422	-29%	4,737	6,396	-26%
Government grants related to assets recognised as income	1,050	837	25%	2,093	1,679	25%
Other income	42	17	150%	119	52	129%
Total income	15,434	9,430	64%	30,880	18,098	71%

In thousands of euros	2022, Q2	2021, Q2	Change %	2022, 6 months	2021, 6 months	Change %
Goods, raw material and services	-3,865	-2,313	67%	-8,797	-5,051	74%
Other operating expenses	-367	-245	50%	-749	25	-3,095%
Staff costs	-5,083	-3,661	39%	-9,781	-7,472	31%
Depreciation, amortisation and impairment	-2,995	-2,718	10%	-5,979	-5,434	10%
Other expenses	-31	-13	132%	-49	-30	65%
Total operating expenses	-12,341	-8,949	38%	-25,355	-17,962	41%
Operating profit	3,093	480	544%	5,524	136	3,949%
Finance income and costs	-73	-37	95%	-131	-76	72%
Profit for the period	3,020	443	582%	5,394	61	8778%
EBITDA¹	5,038	2,361	113%	9,410	3,892	142%
Comprehensive income for the period	3,020	443	582%	5,394	61	8,778%

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

Table 4. Consolidated statement of cash flows

<i>In thousands of euros</i>	2022, Q2	2021, Q2	Change %	2022, 6 months	2021, 6 months	Change %
Cash flows from operating activities						
Collections from customers	14,180	6,279	126%	29,639	12,417	139%
Payments to suppliers and employees	-10,442	-6,642	57%	-23,411	-15,123	55%
Interest received	1	1	52%	3	2	103%
Interest paid	-44	-49	-11%	-68	-65	5%
Government grants received from state budget	2,267	2,517	-10%	4,533	5,033	-10%
Other grants received	100	0		100	0	
Total cash flows from operating activities	6,062	2,105	188%	10,797	2,265	377%
Cash flows from investing activities						
Paid for acquisition of intangible assets, property, plant and equipment	-3,477	-4,197	-17%	-9,964	-11,652	-14%
Proceeds from sale of property, plant and equipment	0	3	-100%	0	3	-100%
Government grants received for non-current assets	1,083	1,602	-32%	1,832	3,690	-50%
Total cash flows from investing activities	-2,395	-2,593	-8%	-8,132	-7,958	2%

<i>In thousands of euros</i>	2022, Q2	2021, Q2	Change %	2022, 6 months	2021, 6 months	Change %
Cash flows from financing activities						
Repayments of borrowings	-1,393	-1,393	0%	-1,643	-1,643	0%
Repayments of lease liabilities	-9	-10	-10%	-17	-19	-13%
Total cash flows from financing activities	-1,401	-1,402	-0%	-1,659	-1,662	-0%
Net cash flows						
Cash and cash equivalents at beginning of the period	48,554	44,065		49,814	49,530	
Cash and cash equivalents at end of the period	50,820	42,174		50,820	42,174	
Net increase/decrease in cash and cash equivalents	2,266	-1,890		1,006	-7,356	

Table 5. Air traffic at Tallinn Airport

	2022, Q2	2021, Q2	Change %
Passengers	770,300	197,453	290%
Flight operations	10,425	5,941	75%
MTOW	245,923	98,369	150%
Cargo and mail, tons	2,807	2,471	14%

	2022, 6 months	2021, 6 months	Change %
Passengers	1,202,989	283,495	324%
Flight operations	18,294	9,725	88%
MTOW	436,570	159,311	174%
Cargo and mail, tons	5,570	4,664	19%



Table 6. Air traffic at regional airports

	2022, Q2	2021, Q2	Change %	2022, 6 months	2021, 6 months	Change %
Kärdla Airport						
Passengers	3,411	2,830	21%	5,334	4,175	28%
Flight operations	433	488	-11%	759	811	-6%
MTOW	1,352	1,511	-11%	2,549	2,718	-6%
Kuressaare Airport						
Passengers	10,335	6,961	48%	17,124	11,333	51%
Flight operations	663	577	15%	1,147	1,237	-7%
MTOW	5,029	3,986	26%	8,161	7,629	7%
Tartu Airport						
Passengers	3,443	51	6651%	3,740	80	4575%
Flight operations	1,308	1,140	15%	2,314	1,775	30%
MTOW	2,905	1,245	133%	4,260	2,002	113%

	2022, Q2	2021, Q2	Change %	2022, 6 months	2021, 6 months	Change %
Pärnu Airport						
Passengers	846	0		1,197	0	
Flight operations	216	0		365	0	
MTOW	536	0		740	0	
Kihnu Airfield						
Passengers	0	0		0	0	
Flight operations	0	0		0	0	
MTOW	0	0		0	0	
Ruhnu Airfield						
Passengers	304	363	-16%	961	982	-2%
Flight operations	84	110	-24%	282	358	-21%
MTOW	128	160	-20%	428	544	-21%
Total of regional airports						
Passengers	18,339	10,205	80%	28,356	16,570	71%
Flight operations	2,704	2,315	17%	4,867	4,181	16%
MTOW	9,950	6,902	44%	16,138	12,893	25%



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