



AS Tallinna Lennujaam 1 January - 30 September 2021

Interim report



502 thousand passengers passed through Tallinn airport in the third quarter



PASSENGERS AT TALLINN AIRPORT

9 Mo 2021	785 277
9 Mo 2020	772 463
Change	+2%



PASSENGERS AT REGIONAL AIRPORTS

9 Mo 2021	31 071
9 Mo 2020	25 906
Change	+20%

During the first three quarters of 2021, more than 785 thousand passengers were served at Tallinn Airport, which is 2% more than during the same period last year.

While in the first half of the year, the number of passengers was about 19% compared to the pre-crisis level, due to the introduction of the European Union COVID digital certificate on 1 July, the number of passengers reached 52% of the 2019 volume in the third quarter. The average passenger load factor increased by more than 70% in July and August but fell to a moderate 64% in September due to the end of the holiday period.

In July, the Swiss airline Swiss, part of the Lufthansa group, started

flying to Tallinn, opening a long-awaited route to Zurich. In August, Air Baltic re-established a direct connection with Vilnius, and the low-cost airlines Wizzair opened a new route between Tallinn and Naples in September. As of September, 15 different airlines operated scheduled flights from Tallinn Airport on 30 direct routes. There were no scheduled international flights from regional airports.

Of all the airlines, Air Baltic has served the most passengers in nine months, with a market share of 22%, followed by Smartlynx (13% of passengers), Lufthansa (12% of passengers), and Ryanair (10% of passengers). Since the beginning of the year, more than 18 thousand aircraft movements have been serviced, which is at a level comparable to last year and makes an average of 67 landings and take-offs per day.

Out of ordinary, airlines plan to add flights to several existing routes in the fourth quarter (including Copenhagen, Frankfurt, Warsaw, Paris, Rome, Naples, etc.) and to add more connections (including Barcelona, Billund, Liverpool, Edinburgh, Düsseldorf, Malta), which will stimulate a continued recovery in demand.





Third quarter results

The Covid-19 virus continues to affect the entire aviation and tourism sector. Thanks to vaccination, the restrictions were more lenient than in the same period last year, which led to a noticeable increase in activity in aviation. The number of air passengers and aircraft movements at Tallinn Airport was 144% and 33% better in the third quarter compared to the same period last year. At regional airports, passenger numbers were 47% higher, and the number of aircraft movements was 18% lower in the third quarter. The decrease in the number of aircraft movements was due to the decrease in the number of training flights at Tartu Airport.

The increase in the number of air passengers and aircraft movements is reflected in the increase in sales revenue. Compared to the third quarter of the previous year, the **sales revenue has increased by 3.5 million euros or 74%**.

Due to the low revenue base, the Group continued in cost-saving mode. In the third quarter, however, expenses were 0.7 million euros higher than a year ago - a total of 9.1 million euros. Expenses for goods and materials were higher by 0.5 million euros and miscellaneous operating expenses by 0.2 million euros.

Labor costs were lower by 0.1 million euros. Depreciation of fixed assets was 0.1 million higher.

In the third quarter, the Group's **earnings before interest, taxes, depreciation, and amortization (EBITDA) was 4.3 million euros**, or 3.5 million euros (+447%) more than a year earlier.

The profit for the third quarter **was 2.4 million euros**. The result for the same period last year was a loss of 1.0 million euros.

The Group's cash balance is sufficient to continue implementing the investment plan and meet obligations on time.



NET PROFIT/LOSS
mln €

9 Mo 2021	2,5
9 Mo 2020	-1,6
Change	+253%



REVENUE
mln €

9 Mo 2021	18,2
9 Mo 2020	16,4
Change	+ 11%



EBITDA
mln €

9 Mo 2021	8,2
9 Mo 2020	4,4
Change	+87%



BALANCE SHEET TOTAL
mln €

30.09.2021	241,0
01.01.2021	230,5
Change	+5%



Results for the period January - September

The Group's total revenue was 29.7 million euros, which is 2.0 million euros more (+7%) than in the comparable period of the previous year. **Sales revenue increased by 1.7 million euros (+11%)**, and other operating income was higher by 0.3 million euros (+3%).

The increase in sales revenue is due to the fact that a year ago - since March - aviation was significantly affected by the effects of the Covid-19 virus, but this year, due to vaccinations, the supply of destinations by airlines, and the desire of passengers to travel again have led to a renewed upward trend in aviation.

Aviation revenues increased by 0.1 million euros (+1%), and non-aviation revenues increased by 1.6 million euros (+15%).

Of non-aviation revenues, revenues related to passenger and aircraft services increased the most by 1.4 million euros (+31%), incl., de-icing revenues increased by 0.4 million euros (+64%) due to weather conditions. Car parking

revenues also showed good growth, being 0.2 million euros higher than in the previous year (+31%).

Other operating income has increased by 0.3 million euros (+3%). The reason for the increase is the recognition of government grants in income according to expenses. In the period from April to June, the implementation of the Estonian Unemployment Insurance Fund's wage support measure provided funds in the amount of 1.4 million euros to cover labor costs. Last year, the Group received wage support of 2.0 million euros.

The Group's total operating expenses were 27.1 million euros, which is 2.1 million euros less (-7%) than in the same period last year. Labor costs have decreased by 1.0 million (-9%), incl., the number of employees (number of full-time equivalent employees, nine-month average, does not take into account the reduced workloads in the period April-June last year) decreased by 20% in the Group compared to the same period last year. Due to the significant decrease in operating volumes in 2020, the useful life of fixed assets has been changed based on the correlation between the intensity of use and the useful life, and therefore the depreciation of fixed assets has decreased by 0.7 million euros or -8%.

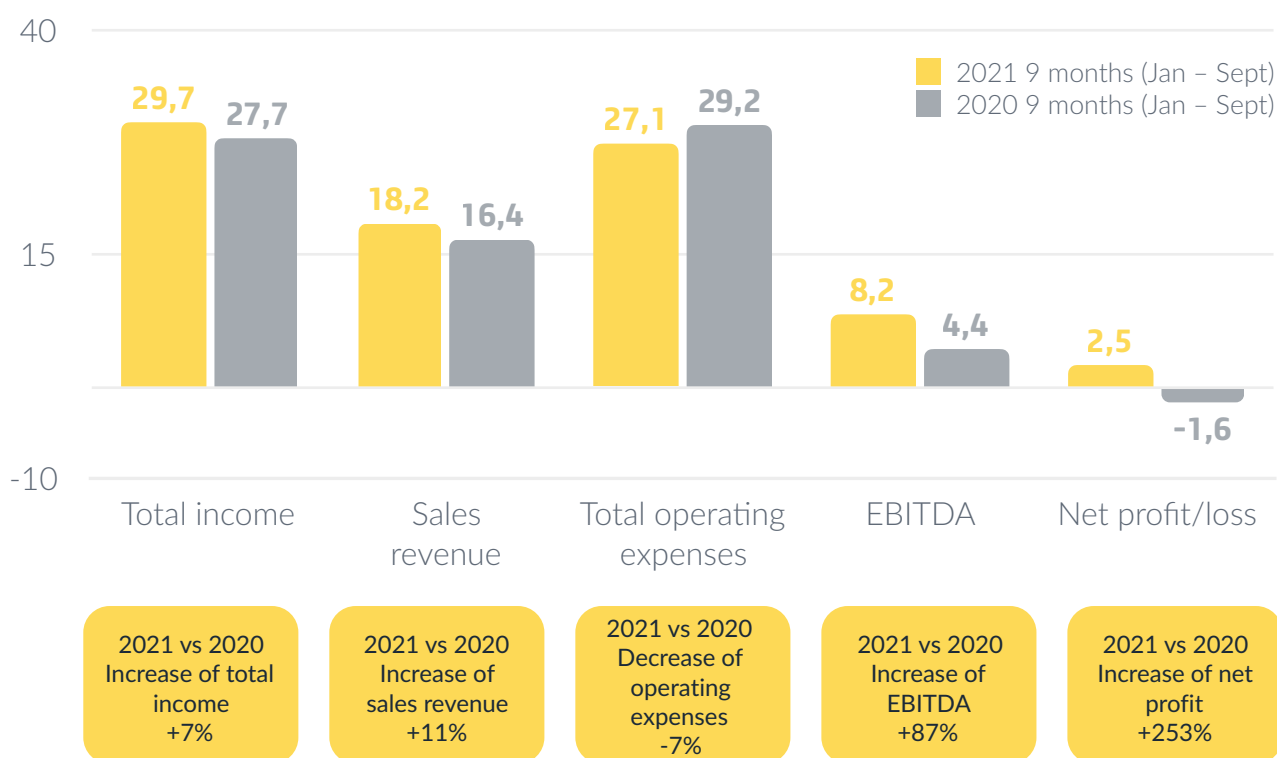
In the first nine months, the Group's **earnings before interest, taxes, depreciation, and amortization (EBITDA) was 8.2 million euros**, or 3.8 million euros (+87%) more than a year earlier.

The Group's **net profit for the period January to September was 2.5 million euros**, increasing by 4.1 million euros or 253% compared to the previous year. In the first 9 months of the previous year, the Group's loss was 1.6 million euros.

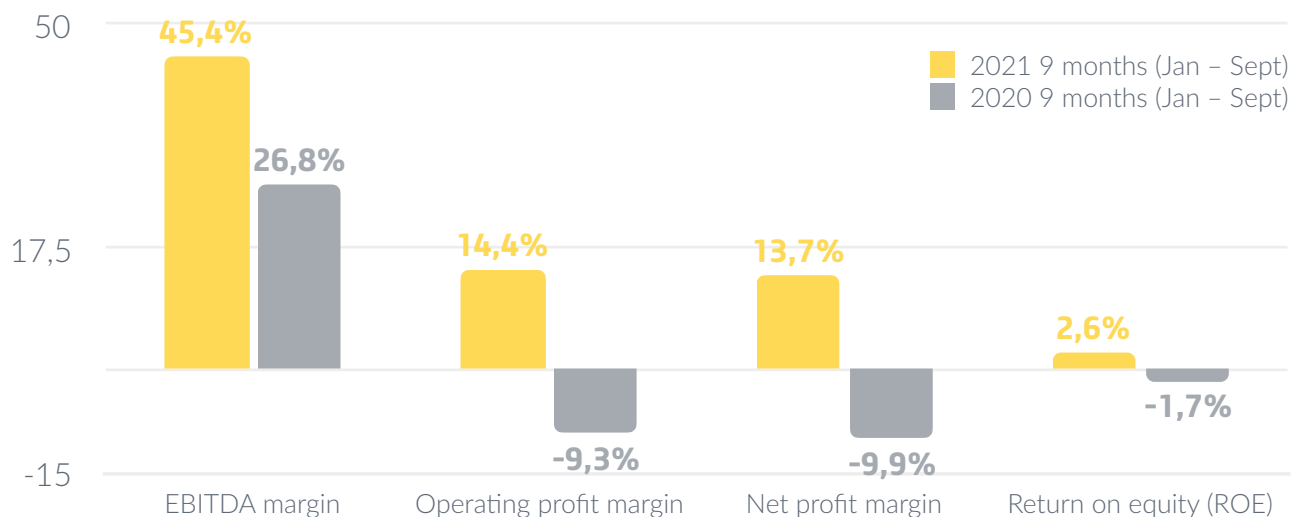
The Group's cash flows from operating activities for the first nine months were 4.3 million euros. The Group paid 25.7 million euros for investments in fixed assets and received 5.7 million euros in government grants for the acquisition of fixed assets. The Group repaid 1.9 million euros in loans.

The volume of assets of the AS Tallinna Lennujaam Group was 241.0 million euros at the end of September, increasing by 10.5 million euros (+4.5%) compared to the beginning of the year. Equity was 96.5 million euros, increasing by 2.5 million euros compared to the beginning of the year.

The most important financial indicators, mln €



The most important margins, %





AS Tallinna Lennujaam

Consolidated financial statements

(unaudited)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.09.2021

In thousands of euros

30.09.2021

31.12.2020

Change

Change %

ASSETS

Non-current assets

Property, plant and equipment	180 901	158 875	22 026	14%
Intangible assets	589	511	78	15%
Investment property	14 988	15 698	-710	-5%
TOTAL NON-CURRENT ASSETS	196 479	175 085	21 394	12%

Current assets

Inventories	440	265	175	66%
Receivables and prepayments	12 125	5 644	6 481	115%
Cash	31 943	49 530	-17 586	-36%
TOTAL CURRENT ASSETS	44 508	55 439	-10 931	-20%
TOTAL ASSETS	240 986	230 524	10 463	5%

EQUITY

Share capital	25 617	25 617	0	0%
Statutory reserve capital	2 510	2 510	0	0%
Retained earnings	68 351	65 855	2 496	4%
TOTAL EQUITY	96 477	93 982	2 495	3%

In thousands of euros

30.09.2021

31.12.2020

Change

Change %

LIABILITIES**Non-current liabilities**

Borrowings	49 036	49 036	0	0%
Government grants	80 803	75 900	4 903	6%
Finance lease liabilities	60	57	3	5%
Other payables	41	41	0	0%
TOTAL NON-CURRENT LIABILITIES	129 939	125 033	4 906	4%

Current liabilities

Borrowings	1 426	3 297	-1 871	-57%
Payables and prepayments	12 925	7 965	4 960	62%
Provisions	211	211	0	0%
Finance lease liabilities	8	36	-27	-77%
TOTAL CURRENT LIABILITIES	14 570	11 509	3 061	27%

TOTAL LIABILITIES	144 509	136 542	7 967	6%
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TOTAL LIABILITIES AND EQUITY	240 986	230 524	10 463	5%
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12 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros

2021, 9 months 2020, 9 months Change Change %

REVENUE	18 161	16 432	1 729	11%
Aviation revenue	5 494	5 417	78	1%
Non-aviation revenue	12 666	11 015	1 651	15%
Ground handling services	6 046	4 602	1 444	31%
Rental income (property and real estate)	2 993	2 882	111	4%
Passengers related services	3 330	3 301	29	1%
Concessions and rental income of passenger terminal	1 787	1 911	-124	-6%
Car parking	846	644	202	31%
Advertising	281	360	-79	-22%
VIP and Business Lounge Services	415	386	29	8%
Other non-aviation revenue	298	231	67	29%
OTHER OPERATING INCOME	11 546	11 233	313	3%
Government grants related to operating expenses	8 967	7 588	1 379	18%
For security and safety	5 825	4 283	1 543	36%
For regional airports	1 725	1 210	515	43%
For Tartu Airport	50	75	-25	-33%
For cargo	4	0	4	
For salaries	1 363	2 020	-657	-33%
Government grants related to assets recognised as income	2 504	2 926	-422	-14%
Other income	75	719	-644	-90%
Goods, raw material and services	-7 647	-7 280	-368	5%
Other operating expenses	-203	-872	669	-77%
Other operating expenses	-602	-691	89	-13%
Uncollectible Accounts Expense	399	-181	580	-320%
Staff costs	-11 067	-12 116	1 049	-9%
Depreciation, amortisation and impairment	-8 131	-8 859	728	-8%
Other expenses	-45	-71	26	-37%
OPERATING PROFIT	2 614	-1 533	4 146	271%
Finance income and costs	-118	-95	-23	24%
PROFIT FOR THE PERIOD	2 496	-1 628	4 124	253%
EBITDA	8 241	4 400	3 840	87%
COMPREHENSIVE INCOME FOR THE PERIOD	2 496	-1 628	4 124	253%

1. Support from the Estonian Unemployment Insurance Fund to cover labour costs

2. Reverse the original recording of uncollectible accounts expense

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

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros

2021, 9 months

2020, 9 months

Change

Change %

CASH FLOWS FROM OPERATING ACTIVITIES

Collections from customers	21 136	20 825	312	1%
Payments to suppliers and employees	-24 280	-23 067	-1 213	5%
Interest received	5	42	-37	-88%
Interest paid	-95	-104	9	-9%
Government grants received from state budget	7 550	7 215	335	5%
Other grants received	0	75	-75	-100%
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	4 316	4 986	-669	-13%

CASH FLOWS FROM INVESTING ACTIVITIES

Paid for acquisition of intangible assets, property, plant and equipment	-25 716	-7 124	-18 592	261%
Proceeds from sale of property, plant and equipment	3	314	-311	-99%
Government grants received for non-current assets	5 731	504	5 227	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	-19 981	-6 305	-13 676	217%

CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowings	-28	-56	28	
Repayments of lease liabilities	0	0	0	
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	-1 921	-1 949	28	-1%

NET CASH FLOWS

	-17 586	-3 269		
Cash and cash equivalents at beginning of the period	49 530	50 903		
Cash and cash equivalents at end of the period	31 943	47 634		
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	-17 586	-3 269		

AIR TRAFFIC AT TALLINN AIRPORT

2021, 9 months 2020, 9 months Change Change %

TALLINN AIRPORT

Passengers	785 277	772 463	12 814	2%
Flight operations	18 105	18 329	-224	-1%
MTOW	336 254	337 221	-967	-0%

ONLY THIRD QUARTER

2021, July-Sept 2020, July-Sept Change Change %

TALLINN AIRPORT

Passengers	501 782	205 406	296 376	144%
Flight operations	8 380	6 315	2 065	33%
MTOW	176 943	107 287	69 656	65%

AIR TRAFFIC AT REGIONAL AIRPORTS

2021, 9 months 2020, 9 months Change Change %

TOTAL OF REGIONAL AIRPORTS

Passengers	31 071	25 906	5 165	20%
Flight operations	7 008	6 560	448	7%
MTOW	19 772	13 113	6 659	51%

Kärdla Airport

Passengers	8 171	7 441	730	10%
Flight operations	1 318	1 102	216	20%
MTOW	4 247	3 402	845	25%

Kuressaare Airport

Passengers	21 615	11 784	9 831	83%
Flight operations	1 863	1 497	366	24%
MTOW	11 311	4 129	7 182	174%

Tartu Airport

Passengers	303	5 783	-5 480	-95%
Flight operations	3 425	3 440	-15	-0%
MTOW	3 615	4 895	-1 280	-26%

Pärnu Airport

Passengers	0	361	-361	-100%
Flight operations	8	197	-189	-96%
MTOW	17	264	-247	-94%

Kihnu Airfield

Passengers	0	0	0	
Flight operations	0	26	-26	-100%
MTOW	0	16	-16	-100%

Ruhnu Airfield

Passengers	982	537	445	83%
Flight operations	394	298	96	32%
MTOW	582	407	175	43%

ONLY THIRD QUARTER

	2021, July-Sept	2020, July-Sept	Change	Change %
TOTAL OF REGIONAL AIRPORTS				
Passengers	14 501	9 890	4 611	47%
Flight operations	2 827	3 439	-612	-18%
MTOW	6 879	5 721	1 158	20%
Kärdla Airport				
Passengers	3 996	3 978	18	0%
Flight operations	507	538	-31	-6%
MTOW	1 529	1 509	20	1%
Kuressaare Airport				
Passengers	10 282	5 787	4 495	78%
Flight operations	626	747	-121	-16%
MTOW	3 682	1 910	1 772	93%
Tartu Airport				
Passengers	223	73	150	205%
Flight operations	1 650	2 056	-406	-20%
MTOW	1 613	2 181	-568	-26%
Pärnu Airport				
Passengers	0	10	-10	-100%
Flight operations	8	4	4	100%
MTOW	17	13	4	31%
Kihnu Airfield				
Passengers	0	0	0	
Flight operations	0	10	-10	-100%
MTOW	0	8	-8	-100%
Ruhnu Airfield				
Passengers	0	42	-42	-100%
Flight operations	36	84	-48	-57%
MTOW	38	100	-62	-62%

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