

FINAVIA

Financial Statements

2023



Finavia in brief

Finavia is an airport company that leads and develops 20 airports in Finland. We build smooth flight connections in cooperation with airlines, regions and travel operators. We do our part to ensure Finland's connectivity. Our work brings the world closer.

We offer a smooth travel experience and high-quality services at our airports. Our expertise lies in managing large-scale operations: demanding construction projects, passenger flows, complex logistics and

data. This is enabled by our specialists in various fields. Our customer promise is "For smooth travelling".

Responsibility is the cornerstone of our operations and safety is the first priority in everything we do. We bear our responsibility for the environment around our airports, as well as people and the economy. At the same time, we want to contribute to responsibility throughout our value chain and promote sustainable air travel.

**Our customer promise is
"For smooth travelling".**

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Reports 2023



Annual and Responsibility Report

The Annual and Responsibility Report describes Finavia's business and responsibility goals and achievements and also includes the CEO's review.

[Read more](#)



Corporate Governance and Remuneration Report

The Corporate Governance and Remuneration Report consists of the Corporate Governance Statement and the Remuneration Statement.

[Read more](#)



Financial Statements

The Financial Statements include the Board of Directors' Report and key information on Finavia's finances for the past year.

[Read more](#)

Board of Directors' report

Operating environment

The demand for international air travel remained strong in spite of the uncertain economic situation and high interest rates in 2023. The growth of air travel exceeded expectations, particularly from January to September. The demand for air travel provided airlines with good conditions to strengthen their profit performance. In spite of global uncertainty and inflation being higher than the (European) Central Bank's target, people's desire to travel is reflected in increased passenger volumes at airports.

According to Airports Council International Europe, passenger volumes in air traffic increased by 18.4 per cent in the EU and by 19.3 per cent in Europe as a whole when compared to 2022. The total number of passengers at Finavia's airports in 2023 was 18.3 million, an increase of 18.7 per cent when compared to 2022.

According to ACI Europe, air freight volumes in Europe decreased by -2.9 per cent. At Finavia's airports, the amount of cargo transported by airlines increased by 1.5 per cent and amounted to 176,412 tonnes.

The uncertainty caused by the war started by Russia in Ukraine in February 2022, combined with higher interest rates and increased energy costs, led to higher prices during the year, which were also reflected in rising costs in the aviation sector.

Development of flight connections and passenger volumes

Flight connections between Finland and Europe were significantly improved as airlines opened new direct international connections from Finavia's airports. In addition to Helsinki Airport, connections were improved at Tampere-Pirkkala Airport, Oulu Airport and Finavia's airports in Lapland. Several direct flight connections from European cities to airports in Lapland were opened for the winter season 2023–2024. At the end of the year, there were 130 direct flight destinations (130) from Finavia's airports to destinations around the world. Finavia's active efforts to increase new flight connections across the airport network improved Finland's connectivity.

The positive development of the number of flight connections was reflected in increased passenger volumes. The number of passengers at Finavia's airports rose to 18.3 million (15.4) in 2023. The number of passengers on scheduled and chartered flights increased by 18.7 per cent when compared to 2022. The total number of flights (commercial flights including scheduled, charter and taxi flights carrying passengers or cargo) increased by 7.5 per cent. The total number of flights was 179,959.

At Helsinki Airport, the total number of passengers was 15.3 million (12.9), representing



an increase of 18.9 per cent when compared to 2022. The number of passengers at Helsinki Airport was approximately 70.0 per cent of the number of passengers in 2019, which is still lower than the average for other key European airports. The share of Asian traffic remained low due to the war in Ukraine leading to the closure of Russian airspace and the flight routes being longer than before, which had a direct impact on the development of international passenger volumes at Helsinki Airport. Transfer passengers represented 31.4 per cent of the total number of passengers at Helsinki Airport in 2023.

At the other major Nordic airports, passenger volumes increased by 19 per cent at Stockholm Arlanda Airport, 21 per cent at Copenhagen Airport and 12 per cent at Oslo Airport.

The number of passengers at Finavia's regional network airports increased by 17.9 per cent and came to 3.0 million (2.5). The number of direct scheduled flights between major European cities and Finavia's regional airports increased during the year, with new international flight connections opened at Rovaniemi Airport, Kittilä Airport, Tampere-Pirkkala Airport and Oulu Airport. The new connections contributed to the number of international passengers increasing by 43.4 per cent year-on-year.

At Finavia's airports in Lapland, which play an important role in Finnish tourism, the winter season 2023–2024 was very good, supported by new routes opened by airlines, and the number of international passengers rose to a record-high level. A significant proportion of tourists came to Lapland on direct scheduled international flights. While the number of chartered flights also in-

creased, their share of all flights was lower than before. The number of passengers at Finavia's airports in Lapland in 2023 came to 1.5 million (1.2), representing an increase of 20 per cent when compared to 2022.

Flights to Kajaani, Kemi-Tornio, Kokkola-Pietarsaari, Joensuu, Jyväskylä, Pori and Savonlinna are primarily operated as state-subsidised purchased services. Regular scheduled flights between Helsinki and Joensuu, Helsinki and Jyväskylä, Helsinki and Kajaani, Helsinki and Kokkola-Pietarsaari and Helsinki and Kemi-Tornio were put up for tender by the Finnish Transport and Communications Agency Traficom in October 2023. The new contract term for these state-subsidised services will begin in April 2024 and end in March 2026.

Arrived flights and the respective passenger and freight volumes are itemised by airport on page 72 of the Annual and Sustainability Report.

Implementation of strategy

Finavia continued the implementation of its strategy, which was drawn up in 2022. The strategy responds to the prevailing circumstances where Finavia's operations and strategic position are affected by Russia's invasion of Ukraine and the subsequent closure of Russian airspace to EU countries. Finavia set three objectives for the successful implementation of the strategy: dedicated and motivated personnel, business growth and financially sustainable operations. The strategy was further specified in spring 2023 to increase business growth. The company made good progress towards its three strategic objectives. Finavia managed to grow its business and improve profitability and reduce its financial losses by enhanc-

ing the efficiency of its operations and simultaneously look after employee satisfaction.

Sustainability

Finavia promoted its sustainability targets in accordance with its sustainability programme "Towards sustainable air travel". The three cornerstones of the programme are sustainable air traffic, the well-being of people, and good governance and finances. The company was successful in promoting its sustainability targets.

Finavia continued to reduce its carbon emissions by increasing the use of renewable energy and improving its energy efficiency. The airports in Ivalo, Kittilä, Kuusamo and Rovaniemi achieved net zero emissions at the beginning of 2023. The goal is to achieve net zero emissions at all Finavia airports by the end of 2025. Finavia was also involved in cooperation projects aimed at reducing emissions in the air traffic sector as a whole. For example, Finavia participates in funding the testing and development of Finland's first electric aircraft and promotes the introduction of hydrogen as a motive power.

In 2023, Finavia invested over EUR 4 million in sustainable development projects whose main focus was on promoting water protection at Helsinki Airport, Turku Airport and Pori Airport. Finavia's subsidiary Airpro has engaged in the electrification of its ground handling fleet for several years now.

More information on the targets and results of Finavia's sustainability programme is provided on pages 25–27 of the Annual and Responsibility Report.

Business development

Finavia has two business areas: Helsinki Airport and Airport Network. In addition, the sub-group Airpro, which consists of Airpro and RTG, provides ground handling, security control and cabin services for air traffic operators.

In addition, Finavia is a shareholder (49%) of Avia Real Estate Oy, which owns, lets and develops hotels, offices and logistics premises located in the Helsinki Airport area, as well as plots of land for residential development.

Finavia was also a shareholder (10%) in the Suomi-rata Oy project company. One of the goals of the project company is to explore opportunities for connecting Helsinki Airport to long-distance rail traffic.

The revenue of the Helsinki Airport business increased by 21.6 per cent to EUR 247.0 million (203.1) in 2023. The increase in revenue was driven by the growth of passenger volumes and the development of the commercial offering at the airport.

Finavia's Helsinki Airport development programme, which was valued at over one billion euros and will support and enhance the airport's operations far into the future, was completed on budget and ahead of schedule. This represented a significant success that was accomplished together with the company's personnel and stakeholders. The investment in the expansion of Helsinki Airport and its services and processes will enable the future growth of air traffic, and it represents an investment in the prosperity of Finland as a whole.

Service quality, the fluidity of operations and the customer experience remained very good throughout the development programme, which

was reflected in improved customer satisfaction and international awards.

The Airport Network business comprises 17 airports used by commercial air traffic and two airports that are only used by general and military aviation. In 2023, the revenue of the Airport Network business increased by 15.9 per cent and amounted to EUR 62.5 million (54.0). Nevertheless, the network business was loss-making, particularly due to the low number of flights and passengers at small airports.

The Airpro sub-group operates at 11 Finavia airports. In 2023, the revenue of the Airpro sub-group increased by 16.4 per cent and amounted to EUR 78.3 million (67.2).

Revenue and result

Finavia's revenue and operating margin increased substantially in 2023. Revenue increased by 20.6 per cent and came to EUR 359.8 million (298.4). Revenue from air traffic increased by 19.7 per cent to EUR 178.7 million (149.3). Revenue from operations other than air traffic accounted for 50.3 per cent (50.0) of total revenue. The Group's other revenue increased by 21.5 per cent. These include revenue from parking services, commercial revenue, rental income as well as the Airpro sub-group's income from ground forwarding, security control, cabin services and customer services. The significance of revenue from operations other than air traffic increased in Finavia's business because air traffic has yet to recover to the pre-pandemic level.

The Group's operating result was EUR -23.8 million (-52.3), or -6.6 per cent (-17.5) of revenue. Depreciation decreased due to the completion

of the investment programme and amounted to EUR 117.1 million (117.7).

The result for the financial year was EUR -53.8 million (-57.9). Financial income and expenses totalled EUR -30.2 million (2.7).

Finavia Group launched a cost-cutting programme of EUR 300 million in March 2020 in response to the COVID-19 pandemic, and the targets of the programme were achieved faster than anticipated. The target set for the cost-cutting programme was achieved six months earlier than planned, in June 2023. The cost-cutting programme was aimed at adapting Finavia's operations to the financial impacts of the COVID-19 pandemic and the slow recovery of Asian traffic. Savings of EUR 185 million were achieved in operating expenses and EUR 122 million in investments. In total, the Group achieved EUR 307 million in savings during the period 2020–2023.

Balance sheet

The consolidated balance sheet total was EUR 1,513.0 million (1,595.2). The equity ratio was 42.0 per cent (43.0). Fixed assets decreased to EUR 1,339.2 million (1,413.9) due to the completion of the development programme. Interest-bearing loans totalled EUR 769.9 million (807.3) at the end of the year. Liabilities decreased to EUR 868.1 million (897.5). The net gearing ratio was 103.4 per cent (101.1). Mandatory provisions amounted to EUR 12.4 million (14.3) and were related to the environmental and RESA provisions of airports.

Cash flow and financial position

Consolidated cash flow from operations amounted to EUR 79.6 (53.1) million. Cash flow from in-

The Group's key figures

	2023	2022	Change, %
Number of passengers, million	18.3	15.4	18.7
Revenue, EUR million	359.8	298.4	20.6
Operating margin, EUR million	93.4	65.4	42.8
Operating margin, %	26.0	21.9	
Operating result, EUR million	-23.8	-52.3	54.6
Operating result, %	-6.6	-17.5	
Result for the period, EUR million	-53.8	-57.9	7.0
Return on equity, %	-8.3	-8.5	
Return on investment, %	-2.0	-3.5	
Equity ratio, %	42.0	43.0	
Cash flow-based investments, EUR million	52.0	105.7	-49.9
Net debt	656.4	682.4	-3.8
Balance sheet total, EUR million	1,513.0	1,595.2	-5.2
Average number of employees (person-years)	1,967	1,834	7.3
Salaries and fees, EUR million	102.9	89.5	15.0

vestments was EUR -53.6 million (-114.3). Repayments of long-term loans amounted to EUR 37.3 million (30.9). On 31 December 2023, the Group had cash and cash equivalents amounting to EUR 113.5 million (124.8).

Finavia has a committed revolving credit facility of EUR 125 million, which was unused at the end of 2023. At the end of the year, Finavia also had a EUR 250 million short-term commercial paper programme, which is unused.

At the end of 2023, the Group had hedged 67.9 per cent of the interest rate risk of interest-bearing liabilities. The average rate of interest on the Group's interest-bearing loans was 2.0 per cent in 2023, and the interest rate tying period for debt and leasing portfolio and hedging was two years (excluding the fixed-interest loans taken out for the Helsinki Airport development programme). The impact of interest rate swaps has been taken into account in calculating the average rate of interest for the loans. Some of the parent company's long-term loans had State guarantees, and the company paid a guarantee commission for them. The Group's lease liabilities totalled EUR 37.8 million (36.1) at the end of the year.

Finavia's operating margin has decreased significantly starting from 2020 due to the COVID-19 pandemic and the airspace restrictions resulting from Russia's war of aggression against Ukraine. This led to a situation where the covenant included in financing agreements was breached. Finavia signed waivers that were in effect until the end of 2023. Finavia has negotiated a new covenant for its financing agreements effective from 2024.

Investments

In 2023, Finavia Group's investments totalled EUR 52.0 million (105.7).

Finavia's investment programme to develop Helsinki Airport, which was valued at over one billion euros, was completed in October. During the year, Finavia deployed new security control and baggage claim areas at the airport, along with a large retail and restaurant area. The 10-year investment programme was completed ahead of schedule and within budget. The employment effect during construction was 17,000 person-years, and the project had a degree of domestic content of 90 per cent.

The new-look airport received several international awards during the year. Airports Council International (ACI) recognised Helsinki Airport as the best airport in the size category of 15–25 million passengers. The ranking was based on ACI's international comparative survey on service quality. Helsinki Airport was also rated as the best airport in Northern Europe in an international service survey conducted by Skytrax. The airport also won awards for its steel construction, the use of data modelling, architecture and the restaurant offering.

In 2023, Finavia invested a combined EUR 15 million in infrastructure at several of its airports. Environmental perspectives were given particular attention in the construction and renovation projects implemented at Helsinki Airport, Kuopio Airport and Kuusamo Airport.

During the first phase of the renovation of runway 2 at Helsinki Airport, Finavia upgraded runway surfacing, stormwater drainage and electrical systems, for example. At Kuopio Airport, the renovation of taxiways E and F was completed, which also included the renovation of stormwater drain-

age systems. The renovation of Kuusamo Airport included repaving the apron and taxiway and replacing the runway lighting system.

To protect the waterways around Helsinki Airport, Finavia also introduced an underground wetland to which runway and apron stormwater is diverted. It is the first of its kind in the Nordic region. Finavia also launched a forest programme to support biodiversity in the areas around its airports.

Personnel

At the end of 2023, the Group had 2,535 employees (2,539). The number of permanent employees was 1,814 (1,834). In terms of person-years, the average number of employees during the financial year was 1,967 (1,834).

At the end of 2023, the parent company had 1,178 employees (1,132). In terms of person-years, the average number of parent company employees during the year was 982 (917).

The job satisfaction of Finavia's personnel is measured annually by means of an employee survey. A comprehensive employee survey was carried out in 2023. According to the survey, Finavia's PeoplePower index was 70.5 (68.9). The exit turnover rate fell to the pre-pandemic level and was 5.96 per cent (9.78).

Finavia's improved personnel satisfaction was also reflected in the survey's other indices, with the commitment index and leadership index improving and the dedication index being at a good level. Our personnel indicated that the most significant positive changes at Finavia had taken place with regard to the organisation of work, team spirit, workload, the meaningfulness of work and the feeling of being appreciated.

More information on Finavia's personnel is provided starting from page 53 of the company's Annual and Responsibility Report.

Shares and share capital

Finavia Corporation is a company wholly owned by the State of Finland. The ownership steering is the responsibility of the Ownership Steering Department in the Prime Minister's Office. The company's share capital consists of 7,400,000 shares of equal value.

In 2023, Finavia's share capital amounted to EUR 185 million. The company does not have any treasury shares. The company has not had any share issues, option issues, or other issues of rights entitling to shares. The company's Board of Directors does not have any authorisations to issue shares or option rights.

Ordinary General Meeting 2023

The Ordinary General Meeting of Shareholders (GM) of Finavia Corporation was held on 21 March 2023. The GM adopted the 2022 financial statements and discharged the Board of Directors and the CEO from liability. The GM resolved, in accordance with the proposal of the Board of Directors, that no dividend be distributed.

Business-related risks

Finavia takes a proactive approach to risk management in its operations. The aim of the company is to identify the risk factors that may have a negative impact on its business operations or financial position. Risks at Finavia are classified into strategic, operative, compliance and financial risks. In 2023, Finavia's risk picture was character-

ised particularly by the impacts on Asian traffic of the closure of Russian airspace, the geopolitical situation and the general uncertainty in the global economy. Changes in the operating environment have affected Finavia's long-term outlook. The company aims to continuously assess the consequences.

Strategic risks

The main strategic risks concern the general developments in the air traffic sector and the escalation of the geopolitical situation. The most significant of the risks affecting Finavia's business operations are related to a slower-than-expected recovery of passenger volumes due to the closure of Russian airspace and its effects on Asian traffic.

The general rise in costs also increases risks related to the costs of flights. These risks increased in 2023. The fluctuations in the demand for air traffic and the changing service requirements of airline customers require Finavia to be increasingly flexible in its capacity management and service production. Significant difficulties or strategic changes among key airlines were estimated to be risks that are fairly unlikely but, if materialised, highly significant and having a long-term impact.

Risks related to the operating environment also include significant changes in environmental regulations and risks associated with changes in airport charges.

Operative risks

In the management of operative risks, the priority is to ensure the smoothness of the air traffic service chain. The service chain is created as a result of the cooperation of numerous organisations and actors. Finavia's role is to ensure that each actor is optimally placed to fulfil its responsibilities in the service chain. This risk is managed through active planning, ensuring scalability and actively monitoring the situation. Finavia's cost-cutting measures are not directed at aviation safety.

Service production risks depend on the functioning of IT systems and their compatibility with the Group's own IT systems, as well as with those of its partners. Risks were managed by considering such issues as the information system architecture, data security, documentation and interfaces.

Compliance risks

Finavia's business is based on an EU certificate granting a licence for operating an airport. The implementation of the requirements associated with the licence is supervised by both national and EU authorities. As the legislation pertaining to the licence is increasing and changing, Finavia is developing its competence, improving the processes and premises of its airports and training its personnel.

The operation of airports requires an environmental permit granted by a Regional State Administrative Agency. An environmental permit decision failing to give consideration to the special

characteristics of air traffic is a risk if it causes unreasonable costs to the airport operator. The risks also include permit decisions resulting in the loss of revenue due to strict noise control or traffic restrictions. From the point of view of the operating prerequisites of airports, it is important that functions sensitive to noise are not planned in aircraft noise areas or in their immediate vicinity.

The operations at Finavia's airports complied with the EASA requirements and the requirements contained in the Environmental Protection Act.

Financial risks

The reduced availability of loans or potential restrictions related to the availability of equity constitute a risk that is significant but fairly unlikely. Financial risks were mainly related to liquidity and credit risks, and these were actively managed.

Outlook for 2024

The company expects its revenue for 2024 to be higher than in 2023. This expectation is based on the current view of the development of air traffic. The operating profit is expected to be higher than in 2023.

Due to Russia's war of aggression against Ukraine and the subsequent closure of Russian airspace, it will take years for traffic to return to the level seen in 2019. The development of the economy affects companies' decisions concerning business travel as well as consumers' willingness to travel. This may slow down the development of air transport in the long term.

Events after the financial period

Finavia divested its holdings in the project company Suomi-rata Oy by an agreement concluded on 7 February 2024.

The Board's proposal regarding the distribution of dividend

The parent company's distributable funds on the balance sheet date of 31 December 2023 stood at EUR 449,581,225.43, of which the loss for the period was EUR -43,636,871.40. The Board of Directors proposes to the Ordinary General Meeting of Shareholders that no dividend be distributed.

The governance and remuneration report, as well as the salary and compensation report, will be published separately on the company's website at www.finavia.fi.

Vantaa, 7 March 2024

Finavia Corporation
Board of Directors

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Consolidated income statement

EUR 1,000	1 January–31 December 2023	1 January–31 December 2022
Revenue	359,785	298,401
Other operating income	2,698	6,956
Materials and services		
Materials and supplies		
Purchases during the financial period	40,017	41,600
Change in inventories; increase(-)/decrease(+)	488	-2,201
External services	58,016	55,262
Total	98,521	94,661
Personnel expenses		
Salaries and fees	102,912	89,454
Personnel expenses		
Pension expenses	18,808	15,265
Other personnel expenses	3,897	3,280
Total	125,617	107,999
Depreciation, amortisation and impairment		
According to plan		
Intellectual property rights	4,473	6,362
Other non-current expenditure	144	434
Buildings and structures	37,110	37,156
Machinery and equipment	40,004	37,872
Other tangible assets	35,406	35,859
Total	117,137	117,684

EUR 1,000	1 January–31 December 2023	1 January–31 December 2022
Other operating expenses	44,963	37,311
Operating profit/loss	-23,755	-52,297
Financial income and expenses		
Share of losses from participating interests	-11,297	-1,387
Income from shares in participating interests	116	0
Other interest and financial income	6,388	2,271
Impairment of non-current investments	-618	0
Change in the market value of derivatives	-5,982	15,128
Interest expenses and other financial expenses	-18,774	-13,310
Total	-30,167	2,701
Profit before appropriations and taxes	-53,922	-49,595
Deferred taxes	76	-8,280
Profit/loss for the period	-53,846	-57,876

Consolidated balance sheet

Assets

EUR 1,000	31 Dec 2023	31 Dec 2022
Non-current assets		
Intangible assets		
Intellectual property rights	10,695	8,899
Other non-current expenditure	303	447
Total	10,998	9,346
Tangible assets		
Land and water areas	44,471	44,327
Buildings and structures	686,314	703,066
Machinery and equipment	237,260	256,445
Other tangible assets	333,742	355,033
Advance payments and construction in progress	13,002	23,605
Total	1,314,790	1,382,475
Investments		
Holding in associated companies	8	8
Receivables from associated companies	13,042	21,253
Other shares and holdings	387	793
Total	13,438	22,055
Total non-current assets	1,339,225	1,413,876

EUR 1,000	31 Dec 2023	31 Dec 2022
Current assets		
Inventories		
Materials and supplies	3,941	4,062
Finished goods	1,279	1,435
Total	5,220	5,497
Receivables		
Non-current		
Other receivables	2	0
Deferred tax assets	4,386	4,430
Total	4,389	4,430
Current		
Accounts receivable	42,219	35,365
Other receivables	5,076	8,093
Prepayments and accrued income	3,394	3,164
Total	50,689	46,622
Cash and cash equivalents	113,472	124,824
Total current assets	173,769	181,372
Total assets	1,512,994	1,595,248

Consolidated balance sheet

Equity and liabilities

EUR 1,000	31 Dec 2023	31 Dec 2022
Equity		
Share capital	185,000	185,000
Other reserves		
Invested unrestricted equity reserve	603,785	603,785
Fair value reserve	-16,134	-19,053
Retained earnings	-86,316	-28,440
Profit/loss for the period	-53,846	-57,876
Total	632,490	683,416
Mandatory provisions		
Other mandatory provisions	12,405	14,325

EUR 1,000	31 Dec 2023	31 Dec 2022
Liabilities		
Non-current		
Capital loans	32,850	32,850
Loans from financial institutions	697,418	737,064
Other liabilities	9,982	7,823
Deferred tax liability	4,738	4,858
Total	744,988	782,594
Current		
Loans from financial institutions	39,645	37,338
Advance payments received	6,564	6,067
Accounts payable	42,048	42,395
Other liabilities	4,889	4,304
Accrued expenses	29,966	24,809
Total	123,112	114,912
Total equity and liabilities	1,512,994	1,595,248

Cash flow statements – Finavia Group and Finavia Corporation

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Cash flow from business operations				
Payments received from sales	355,853	295,533	310,345	258,671
Payments from operating costs	-262,888	-231,451	-220,835	-197,176
Cash flow from business operations before financial items and taxes	92,965	64,081	89,509	61,495
Interest and financial expenses paid	-17,842	-11,218	-17,839	-11,217
Interest received from business operations	4,905	1,019	4,961	1,029
Dividends received	116	0	0	0
Other financial items from business operations	-589	-771	-587	-769
Direct taxes paid	0	-18	0	0
Cash flow from business operations	79,556	53,093	76,044	50,538
Cash flow from investments				
Investments in tangible and intangible assets	-52,039	-105,689	-54,609	-100,164
Gains from the disposal of tangible and intangible assets	273	255	88	251
Investments in other investments	-211	-283	-211	-283
Granted loans	-1,593	-11,760	-1,593	-11,760
Repayments of loan receivables	0	3,224	0	3,224
Cash flow from investments	-53,570	-114,254	-56,325	-108,732

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Financing cash flow				
Drawdown of long-term borrowings	0	100,000	0	100,000
Repayment of long-term borrowings	-37,338	-30,867	-37,338	-30,867
Loans granted to subsidiaries	0	0	0	-2,000
Repayment of group loans	0	0	2,265	0
Financing cash flow	-37,338	69,133	-35,073	67,133
Change in cash and cash equivalents	-11,352	7,973	-15,353	8,939
Cash and cash equivalents 1 January	124,824	116,851	121,768	112,828
Cash and cash equivalents 31 December	113,472	124,824	106,415	121,768

Finavia Corporation income statement

EUR 1,000	1 January–31 December 2023	1 January–31 December 2022
Revenue	311,862	259,671
Other operating income	3,232	6,513
MATERIALS AND SERVICES		
Materials and supplies		
Purchases during the financial period	39,460	40,856
Change in inventories; increase(-)/decrease(+)	220	-1,379
External services	79,087	75,201
Total	118,767	114,677
PERSONNEL EXPENSES		
Salaries and fees	56,250	48,022
Personnel expenses		
Pension expenses	10,507	7,788
Other personnel expenses	2,062	1,727
Total	68,820	57,536
DEPRECIATION, AMORTISATION AND IMPAIRMENT		
According to plan		
Intellectual property rights	4,225	6,219
Other non-current expenditure	105	391
Buildings and structures	37,149	37,194
Machinery and equipment	37,843	35,704
Other tangible assets	35,402	35,855
Total	114,723	115,364

EUR 1,000	1 January–31 December 2023	1 January–31 December 2022
Other operating expenses	37,688	30,994
Operating profit/loss	-24,904	-52,387
Financial income and expenses:		
Financing income	6,637	2,311
Impairment of non-current investments	-618	0
Change in the market value of derivatives	-5,982	15,128
Interest expenses and other financial expenses	-18,769	-13,307
Total	-18,733	4,132
Profit before appropriations and taxes	-43,637	-48,255
Appropriations		
Change in cumulative accelerated depreciation	0	-21,673
Income taxes		
Taxes for the financial period	0	0
Profit/loss for the period	-43,637	-69,928

Finavia Corporation balance sheet

Assets

EUR 1,000	31 Dec 2023	31 Dec 2022
Non-current assets		
Intangible assets		
Intellectual property rights	9,423	8,558
Other non-current expenditure	100	205
Total	9,523	8,763
Tangible assets		
Land and water areas	43,160	43,016
Buildings and structures	687,097	703,895
Machinery and equipment	228,035	245,342
Other tangible assets	333,668	354,954
Advance payments and construction in progress	12,828	19,421
Total	1,304,788	1,366,627
Investments		
Holdings in Group companies	6,357	6,357
Holdings in associated companies	3,420	3,420
Receivables from associated companies	33,082	29,996
Other shares and holdings	387	793
Total	43,246	40,566
Total non-current assets	1,357,556	1,415,955

EUR 1,000	31 Dec 2023	31 Dec 2022
Current assets		
Inventories		
Materials and supplies	2,867	2,824
Finished goods	704	966
Total	3,571	3,791
Non-current receivables		
Receivables from Group companies	4,530	6,795
Other receivables	2	0
Total	4,532	6,795
Current receivables		
Accounts receivable	31,130	26,812
Receivables from Group companies	4,671	3,636
Other receivables	3,928	6,745
Prepayments and accrued income	2,488	2,592
Total	42,218	39,784
Financial securities		
Other securities	31,000	72,000
Cash and cash equivalents	75,415	49,768
Total current assets	156,735	172,138
Total assets	1,514,292	1,588,093

Finavia Corporation balance sheet

Equity and liabilities

EUR 1,000	31 Dec 2023	31 Dec 2022
Equity		
Share capital	185,000	185,000
Other reserves		
Invested unrestricted equity reserve	603,785	603,785
Fair value reserve	-16,134	-19,053
Retained earnings	-94,433	-24,505
Profit/loss for the period	-43,637	-69,928
Total	634,581	675,299
Accumulated appropriations		
Depreciation difference	18,864	18,864
Mandatory provisions		
Other mandatory provisions	12,405	14,325

EUR 1,000	31 Dec 2023	31 Dec 2022
Liabilities		
Non-current		
Capital loans	32,850	32,850
Loans from financial institutions	697,418	737,064
Accrued expenses	9,982	7,823
Total	740,250	777,737
Current		
Loans from financial institutions	39,645	37,338
Advance payments received	4,983	4,378
Accounts payable	37,029	37,497
Loans to other Group companies	3,234	2,860
Other liabilities	2,626	2,435
Accrued expenses	20,674	17,359
Total	108,191	101,867
Total equity and liabilities	1,514,292	1,588,093

Notes to the financial statements

1. Accounting principles of the consolidated financial statements

Finavia Corporation is a Finnish public limited liability company, whose registered office is located in Vantaa. The State of Finland owns the entire capital stock. In addition to Vantaa, there are business operations at 19 airports around Finland.

Finavia Group delivers air traffic services and has three Business Areas: Helsinki Airport, the Airport Network and Airpro sub-group.

These financial statements have been drawn up in accordance with Finnish accounting legislation.

All Group companies are included in the consolidated financial statements. The associated company Taxi Point Oy was disregarded due to its negligible impact on group equity. More detailed information on Group companies is available in Notes 12 to the balance sheet.

The Group's internal transactions, receivables, liabilities and unrealised margins, as well as internal distribution of profit have been eliminated. Cross-ownership of shares has been eliminated using the acquisition cost method. Subsidiaries acquired during the financial period are included

in the consolidated financial statements from the time when the Group gained control.

Changes in the Group structure

There were no changes in the Group structure in 2023.

Revenue recognition principles

The revenue of the Finavia Group are mainly made up of services sold to air traffic, rental income from real estate properties and parking income.

Income from the services is allocated to the month in which the service was rendered and rental income is allocated over the rental period.

Services sold are also invoiced at least on a monthly basis. There is no customer financing.

Transactions denominated in foreign currencies

The invoicing of Finavia Group is euro-denominated. Purchases in foreign currency are recorded at the exchange rate of the transaction date (entry of the purchase invoice in the system) and the exchange rate gain or loss arisen in connection



with the payment is treated as an adjustment item of purchases.

Large purchases in foreign currencies are hedged by means of currency forward contracts. The exchange rate gains or losses from currency hedging are recognised in the same manner as the purchase related to the hedging.

Valuation principles used in preparing the financial statements

Non-current assets have been capitalised at direct acquisition cost. Subsidies received are recognised as a deduction of the acquisition cost.

Planned depreciation is calculated within the Group according to uniform principles governing the economic life of each asset. Depreciation starts from the deployment month of the asset.

The acquisition cost of **inventories** is determined by using the weighted average cost method.

The securities included in **financial assets** are recognised at acquisition cost or market price, whichever is lower. Finavia Group uses the fair value model (chapter 5, section 2a of the Accounting Act) in the accounting of derivatives. The Group's derivatives include electricity derivatives and interest rate swaps. More detailed information on the derivatives used by the Group is provided in Note 27.

Provisions

There are regulations associated with the airport business, of which particularly the regulations concerning safety and the environmental permits of airports require measures from the company. Mandatory provisions have been recognised for these measures.

Costs of liabilities

The costs of liabilities are expensed in the financial period during which they have arisen. The interest rate costs and income of interest rate derivatives are allocated to the interest rate expenses of loans.

Income taxes

Finavia's share (EUR 67.5 million) of the construction costs of the Ring Rail Line may be deducted in income taxation as straight-line depreciation over 10 years, starting from the payment year. The payment shares of the Ring Rail Line have been paid in 2010–2016. In the income statement, the payment shares have been recognised as expenses in 2009 and 2011.

The deferred tax liability calculated on appropriations (depreciation difference) is shown as a separate item. A deferred tax receivable has been calculated from mandatory provisions and the recorded market value of interest rate derivatives.

Deferred taxes are only presented on the consolidated balance sheet and consolidated income statement. In accordance with the precautionary principle, the Group has not recognised deferred tax assets on confirmed losses.

The Group companies have no business operations or payable taxes in locations other than Finland.

The figures in the notes are in thousands of euros, unless otherwise stated.

Notes to the income statement

2. Revenue and operating profit by business area

EUR million	2023	2022	Change, %
Revenue			
Helsinki Airport	247.0	203.1	21.6
Airport network	62.6	54.0	15.9
Airpro group	78.3	67.2	16.5
Eliminations	-28.1	-25.9	-8.5
Group total	359.8	298.4	20.6
Operating profit/loss			
Helsinki Airport	12.7	-21.5	159.1
Airport network	-31.1	-32.6	4.3
Airpro group	1.7	-0.9	288.9
Eliminations	-7.1	2.7	
Group total	-23.8	-52.3	54.5

3. Other operating income

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Profit from the sale of land areas and properties	0	1,074	0	85
Profit from the sale of other capital assets	163	130	63	128
Income from forests and soil materials	344	439	344	439
Subsidies	113	83	112	82
Other earnings	2,079	5,230	2,713	5,779
Total	2,698	6,956	3,232	6,513

The Finnish Transport and Communications Agency Traficom charges air traffic monitoring charges to Finavia Corporation based on the previous year's passenger volumes (EUR 0.90 per departing or transferring passenger). Traficom does not collect the charges for airports for which the charges do not exceed EUR 20,000. Finavia invoices its customers for the corresponding monitoring charges based on the passenger volumes of the current year.

In 2023, Traficom charged EUR 6.7 million to Finavia Corporation for air traffic monitoring charges and Finavia charged airlines EUR 8.2 million. The difference of EUR 1.5 million is recognised in other operating income. In 2022, EUR 4.7 million was recognised in other operating income.

4. Salaries and fees of the management

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
CEO and Deputy CEO	769	598	559	359
Members of the Board of Directors	147	152	147	152

5. Personnel employed by Finavia Group

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Average number of employees (person-years)	1,967	1,834	982	917
Employees at the end of the year	2,535	2,539	1,178	1,132
permanent	1,814	1,834	861	826
temporary	721	705	317	306

Temporary personnel also includes individuals asked to work when needed, both in the parent company and the Group.

6. Auditor's fees

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
KPMG Oy				
Audit fees	113	75	96	60
Certificates and statements of opinion	12	8	12	8
Other services	97	265	97	265

7. Change of mandatory provisions in the income statement

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Other operating expenses	0	0	0	0

The largest items included in the mandatory provisions consist of the provisions related to the airports' environmental permits. No new mandatory provisions were recognised in 2022–2023. The work input in mandatory provisions during the year amounted to EUR 1.9 million. The expenses have been entered directly (against reservation) on the balance account, which means that the change in the reservation in this respect does not show in the income statement.

8. Financial income and expenses

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Share of participating interests' result	-11,297	-1,387		
Dividend income				
Income from participating interests	116	0		
Other interest and financial income				
Income from Group companies			268	59
Income from participating interests	2,455	1,788	2,455	1,788
From others	3,933	482	3,914	463
Impairment of non-current investments	-618	0	-618	0
Change in the market value of derivatives	-5,982	15,128	-5,982	15,128
Interest expenses and other financial expenses				
To others	-18,774	-13,310	-18,769	-13,306
Financial income and expenses, total	-30,167	2,701	-18,733	4,132

9. Income taxes

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Income tax on business activities	0	0	0	0
Change in the deferred tax receivable	-43	-3,946		
Change in the deferred tax liability	119	-4,334		
Total income tax	76	-8,280	0	0

A deferred tax asset has been recognised on mandatory provisions and the measurement of interest rate derivatives at market value. A deferred tax liability has arisen from appropriations.

Notes to the balance sheet

10. Non-current assets and depreciation

Straight-line depreciation is used and the depreciation periods are as follows:

	Years
Intangible assets	
Intellectual property rights	5–10
Other non-current expenditure	5–20
Tangible assets	
Buildings	
Office buildings and shelters	40
Station buildings, renovation or extension	20–30
Machine shelters and maintenance buildings, parking buildings	20–30
Other buildings and structures	5–20
Machinery and equipment	
Machinery and equipment in buildings	10–20
Maintenance fleet, vehicles and equipment	10–15
Electrical and lighting equipment	10–20
Other machinery and equipment	5–10
Ground structures	
Runways and taxiways	20–40
Aprons, parking areas, other ground structures	20
Paving of runways and taxiways	10–15
Water and wastewater networks, district heating and cable tubing network	20–30

Land and water areas are not depreciated.

The most significant deployments in 2023 were related to the new passenger terminal for departures and arrivals at Helsinki Airport as well as upgrades to the baggage handling system.

Subsidies received for investments

EU funding of EUR 1.4 million (EUR 0.5 million in 2022) was received for the construction of the Helsinki Airport travel centre.

Changes in balance sheet items:

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Intellectual property rights				
Acquisition cost 1 January	33,977	35,481	32,552	34,038
+ Transfers between items	6,269	1,770	5,089	1,770
- Deductions during the financial period	-1,065	-3,274	-1,065	-3,256
Acquisition cost 31 December	39,181	33,977	36,577	32,552
Accumulated depreciation and amortisation according to plan 1 January				
	-25,079	-21,979	-23,994	-21,031
Accrued depreciation and amortisation for deductions				
	1,065	3,274	1,065	3,256
Depreciation and amortisation for the financial period				
	-4,473	-6,373	-4,225	-6,219
- Accrued depreciation and amortisation according to plan 31 December				
	-28,486	-25,079	-27,154	-23,994
Book value 31 December	10,695	8,899	9,423	8,558
Other non-current expenditure				
Acquisition cost 1 January	2,663	2,663	1,777	1,777
+ Transfers between items	0	0	0	0
- Deductions during the financial period	0	0	0	0
Acquisition cost 31 December	2,663	2,663	1,777	1,777
Accrued depreciation and amortisation 1 January				
	-2,216	-1,782	-1,572	-1,181
Accrued depreciation and amortisation for deductions				
	0	0	0	0
Depreciation and amortisation for the financial period				
	-144	-434	-105	-391
- Accrued depreciation and amortisation according to plan 31 December				
	-2,361	-2,216	-1,677	-1,572
Book value 31 December	303	447	100	205

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Land and water areas				
Acquisition cost 1 January	43,321	43,321	42,010	42,010
+ Increases during the financial period	236	1	236	1
- Deductions during the financial period	-92	-2	-92	-2
Acquisition cost 31 December	43,465	43,321	42,154	42,010
Utility charges for real estate				
Acquisition cost 1 January	1,006	1,006	1,006	1,006
- Deductions during the financial period	0	0	0	0
Acquisition cost 31 December	1,006	1,006	1,006	1,006
Land and water areas (total)	44,471	44,327	43,160	43,016
Buildings and structures				
Acquisition cost 1 January	1,177,955	1,172,240	1,179,508	1,173,794
+ Transfers between items	20,358	26,262	20,351	26,262
- Deductions during the financial period	-14,483	-20,548	-14,483	-20,548
Acquisition cost 31 December	1,183,830	1,177,955	1,185,377	1,179,508
Accumulated depreciation and amortisation according to plan 1 January	-474,889	-458,281	-475,614	-458,967
Accrued depreciation and amortisation for deductions	14,483	20,548	14,483	20,548
Depreciation and amortisation for the financial period	-37,110	-37,156	-37,149	-37,194
- Accrued depreciation and amortisation according to plan 31 December	-497,516	-474,889	-498,280	-475,614
Book value 31 December	686,314	703,066	687,097	703,895

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Machinery and equipment				
Acquisition cost 1 January	620,888	574,857	598,522	553,471
+ Transfers between items	20,904	55,900	20,537	54,852
- Deductions during the financial period	-27,245	-9,869	-26,792	-9,800
Acquisition cost 31 December	614,547	620,888	592,267	598,522
Accrued depreciation and amortisation 1 January	-364,443	-336,412	-353,180	-327,240
Accrued depreciation and amortisation for deductions	27,160	9,831	26,792	9,764
Depreciation and amortisation for the financial period	-40,004	-37,862	-37,843	-35,704
- Accrued depreciation and amortisation according to plan 31 December	-377,287	-364,443	-364,231	-353,180
Book value 31 December	237,260	256,445	228,035	245,342
Ground structures				
Acquisition cost 1 January	796,403	795,142	796,310	795,049
+ Transfers between items	14,116	4,971	14,116	4,971
- Deductions during the financial period	-4,582	-3,709	-4,582	-3,709
Acquisition cost 31 December	805,937	796,403	805,844	796,310
Accrued depreciation and amortisation 1 January	-441,371	-409,221	-441,356	-409,211
Accrued depreciation and amortisation for deductions	4,582	3,709	4,582	3,709
Depreciation and amortisation for the financial period	-35,406	-35,859	-35,402	-35,855
- Accrued depreciation and amortisation according to plan 31 December	-472,196	-441,371	-472,177	-441,356
Book value 31 December	333,742	355,033	333,668	354,954
Advance payments and construction in progress				
Acquisition cost 1 January	23,605	14,396	19,421	14,357
+ Increases during the financial period	54,657	98,286	53,697	93,091
- Deductions	-3,612	-174	-197	-174
- Transfers between items	-61,647	-88,903	-60,093	-87,854
Acquisition cost 31 December	13,002	23,605	12,828	19,421

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Shares and holdings (subsidiaries and other shares)				
Acquisition cost 1 January	802	518	10,570	10,287
+ Increases during the financial period	211	283	211	283
+ Transfers between items	0	0	0	0
- Deductions during the financial period	-618	0	-618	0
Acquisition cost 31 December	395	802	10,163	10,570
Receivables from associated companies				
Acquisition cost 1 January	21,253	11,802	29,996	20,146
+ Increases during the financial period	3,086	13,074	3,086	13,074
- Deductions during the financial period	-11,297	-3,623	0	-3,224
Acquisition cost 31 December	13,042	21,253	33,082	29,996
Total				
Acquisition cost 1 January	2,721,874	2,651,428	2,711,672	2,645,936
+ Increases during the financial period	58,190	111,644	57,230	106,449
Transfers between items	0	0	0	0
- Deductions during the financial period	-62,994	-41,198	-47,827	-40,713
Acquisition cost 31 December	2,717,071	2,721,874	2,721,075	2,711,672
Accrued depreciation and amortisation 1 January	-1,307,998	-1,227,676	-1,295,717	-1,217,630
Accrued depreciation and amortisation for deductions	47,289	37,361	46,921	37,277
Depreciation and amortisation for the financial period	-117,137	-117,684	-114,723	-115,364
- Accumulated depreciation and amortisation according to plan 31 December	-1,377,847	-1,307,998	-1,363,519	-1,295,717
Book value 31 December	1,339,225	1,413,876	1,357,556	1,415,955

11. Other shares and holdings

	Shares / group companies	Shares / associated companies	Other shares and holdings	Other investments
Group				
Acquisition cost 1 January		8	793	0
+ Increases during the financial period			211	
- Deductions during the financial period			-618	
Acquisition cost 31 December	0	8	387	0
Parent company				
Acquisition cost 1 January	6,357	3,420	793	0
+ Increases during the financial period	0	0	211	
- Deductions during the financial period			-618	0
Acquisition cost 31 December	6,357	3,420	387	0

12. Group companies

	Group holding (%)	Parent company holding (%)
Airpro Oy, Vantaa	100.0	100.0
RTG Ground Handling Oy, Vantaa	100.0	0.0
Airpro Academy Oy, Vantaa	100.0	0.0
Koy Aviatontti I, Vantaa	100.0	100.0
Koy Aviatontti II, Vantaa	100.0	100.0
Koy Aviatontti III, Vantaa	100.0	100.0

	Balance sheet total in euros	Equity 31 December 2023 in euros	Revenue in euros	Profit/loss for the period in euros
Airpro Oy, Vantaa	40,885,104.42	18,835,796.99	27,188,280.71	455,322.58
RTG Ground Handling Oy, Vantaa	20,904,173.94	5,213,244.55	51,350,914.75	1,126,618.68
Airpro Academy Oy, Vantaa	115,308.03	96,392.11	281,648.31	-3,144.14
Koy Aviatontti I, Vantaa	609,625.92	279,470.35	34,000.00	-38,033.54
Koy Aviatontti II, Vantaa	1,437,635.74	1,419,967.66	0.00	-4,817.16
Koy Aviatontti III, Vantaa	1,334,018.31	1,325,492.52	0.00	-1,396.72

	Group holding (%)	Parent company holding (%)	Equity 31 December 2023 in euros	Profit/loss for the period in euros
Holdings in associated companies				
AVIA Real Estate Oy, Vantaa	49.00	49.00	30,118,407	-3,176,818
APC Properties 1 Oy, Vantaa	49.00	49.00	-4,556,187	-2,947,300
SB A Properties Oy, Vantaa	49.00	49.00	118,762	-3,123
SB B Properties Oy, Vantaa	49.00	49.00	1,957,220	-1,688
SB C Properties Oy, Vantaa	49.00	49.00	1,418,564	-2,266
AC D Properties Oy, Vantaa	49.00	49.00	11,611,642	18,094
SB G Properties Oy, Vantaa	49.00	49.00	4,191,737	-3,840
SB H1 Properties Oy, Vantaa	49.00	49.00	1,774,459	-3,688
SB H2 Properties Oy, Vantaa	49.00	49.00	2,401,124	-3,730
SB I Properties Oy, Vantaa	49.00	49.00	3,296,443	-3,775
AC E Properties Oy, Vantaa	49.00	49.00	6,740,656	-60,946
Taxi Point Oy, Vantaa	25.00	0.00	1,441,806	391,536

13. Holdings in associated companies

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Holdings in associated companies				
Holdings in associated companies	3,428	3,428	3,420	3,420
Allocations of Group items	-23,460	-12,162		
Transfers between items	20,040	8,742		
Total	8	8	3,420	3,420
Receivables from associated companies				
Loan receivables from associated companies	28,230	22,806	28,230	22,806
Subordinated loan receivable from associated companies	4,853	6,830	4,853	6,830
Interest receivables from associated companies	0	360	0	360
Transfers between items	-20,040	-8,742		
Total	13,042	21,253	33,082	29,996

The allocations of Group items mainly consist of an associated company's losses and unrecognised gains on sale.

Of the shareholder loan granted to APC Properties 1 Oy (EUR 21.2 million), EUR 4,508,000 has been converted into a capital loan compliant with chapter 12 of the Limited Liability Companies Act.

This part of the loan will be a subordinated loan until the debtor's equity without the subordinated loan portion is half of the share capital. The interest accrued in 2021–2023 has been capitalised in the loan principal: the capital loan receivable, including interest, amounts to EUR 4,852,608.78.

Current assets

14. Deferred tax assets

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Non-current				
For accrual differences and temporary differences	4,386	4,430		

A deferred tax asset has been recognised on mandatory provisions and the measurement of interest rate derivatives at market value. The Group has not recognised tax assets on confirmed losses. Confirmed losses totalled EUR 269.3 million at the end of 2023.

15. Receivables from Group subsidiaries

EUR 1,000	Finavia Corporation 2023	Finavia Corporation 2022
Non-current		
Loan receivables	4,530	6,795
Current		
Accounts receivable	1,808	1,055
Loan receivables (repayments of principal)	2,265	2,265
Prepayments and accrued income	598	316
Current, total	4,671	3,636
At the end of the financial period	9,201	10,431

16. Material items contained in accrued income

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Receivables from occupational health care (KELA)	767	526	344	248
Accrual of licence and maintenance expenses for IT Systems	1,361	1,727	1,361	1,727
Rent receivables	21	0	21	0
Other	1,258	911	762	616
At the end of the financial period	3,407	3,164	2,488	2,592

17. Increases and decreases in equity items

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Share capital				
At the beginning of the financial period	185,000	185,000	185,000	185,000
At the end of the financial period	185,000	185,000	185,000	185,000
Other reserves				
Invested unrestricted equity reserve	603,785	603,785	603,785	603,785
- changes	0	0	0	0
At the end of the financial period	603,785	603,785	603,785	603,785
Fair value reserve	-19,053	-21,972	-19,053	-21,972
- changes	2,919	2,919	2,919	2,919
At the end of the financial period	-16,134	-19,053	-16,134	-19,053
Retained earnings/losses	-86,316	-54,494	-94,433	-154,773
Corrections to previous years	0	26,054	0	130,268
	-86,316	-28,440	-94,433	-24,505
Profit (+)/loss (-) for the financial period	-53,846	-57,876	-43,637	-69,928
Total equity	632,490	683,416	634,581	675,299

Finavia Corporation had reported deferred depreciation in taxation in 2021–2022 totalling EUR 130.3 million, but the deferred depreciation had not been deducted from accumulated depreciation in the company's accounting (Appropriations in Balance sheet). The error has been corrected retroactively directly in equity in 2023. The profit or loss effect for the Group amounts to EUR 26.1 million in the form of a deduction to deferred tax liabilities. The 2022 comparison figures of the consolidated income statement or parent company income statement have not been restated.

On the basis of statement 1963/2016 by the Accounting Board, the market valuation of interest

rate derivatives included in hedge accounting has been recorded in accrued income or accrued expenses as well as in fair value reserve of equity since 2016. In 2020, the hedging rate of these interest rate derivatives was below 50%. Consequently, we will accrue the market values at the time of the change over the remaining maturity of the derivatives and the changes in market value from that point of time onwards will be recognised directly in the income statement.

Part of the derivatives acquired for hedging purposes were excluded from hedge accounting. For these, the changes in market values were also previously recognised directly under financial items in the income statement.

Of the depreciation difference, EUR 18,951,198 is recognised in the Group's equity.

EUR 1,000	Finavia Corporation 2023	Finavia Corporation 2022
Distributable unrestricted equity:		
Invested unrestricted equity reserve	603,785	603,785
Fair value reserve	-16,134	-19,053
Retained earnings	-138,070	-94,433
Total	449,581	490,299

18. Provisions

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Mandatory provisions	12,405	14,325	12,405	14,325

The major items in mandatory provisions on 31 December 2023:

- An environmental provision of EUR 10.7 million (EUR 11.8 million in 2022) is associated with environmental permit processes at different airports.
- A provision of EUR 1.1 million has been recognised for expanding the safety zones of runways in compliance with EASA's new aviation regulations.

19. Non-current liabilities

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Capital loan	32,850	32,850	32,850	32,850
Loans from financial institutions	697,418	737,064	697,418	737,064

Maturities of non-current liabilities

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Capital loan, maturing in 1–5 years	32,850	32,850	32,850	32,850
Capital loan, maturing later	0	0	0	0
Loans from financial institutions, maturing in 1–5 years	189,084	172,922	189,084	172,922
Loans from financial institutions, maturing later	508,334	564,142	508,334	564,142

As part of the capitalisation of Finavia Corporation in 2021, the State of Finland granted a capital loan of EUR 32,850,000 to the company. The interest on the loan is linked to the 12-month Euribor and the margin was initially 2.5%. The margin rose to 3% when 12 months had passed from the date of signing the loan (September 2021) and the margin will rise to 4% in September 2024.

The capital loan will mature in September 2027 at the latest, provided that the conditions set out in the Limited Liability Companies Act are met. The loan capital may only be returned if the sum total of the company's unrestricted equity and the sum total of all subordinated loans exceeds the loss shown on the balance sheet included in the company's financial statements adopted for the financial period, or in more recent financial statements. If the conditions are met, the loan can also be amortised faster.

Finavia's operating margin has decreased significantly starting from 2020 due to the COVID-19 pandemic and the airspace restrictions resulting from Russia's war of aggression against Ukraine. This led to a situation where the covenant included in financing agreements was breached. Finavia signed waivers that were in effect until the end of 2023. Finavia has negotiated a new covenant for its financing agreements effective from 2024.

20. Material items for accrued expenses

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Non-current				
Negative market value of hedging derivatives, contract maturity date > 12 months	9,982	7,823	9,982	7,823
At the end of the financial period	9,982	7,823	9,982	7,823

The Accounting Board issued a statement on the accounting of derivatives in December 2016 (1963/2016). On the basis of that statement, the fair value of hedging contracts has also been recognised on the balance sheet. More detailed information on the derivatives is provided in Note 27.

21. Deferred tax liability

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
For appropriations	4,738	4,858		
At the end of the financial period	4,738	4,858		

Current liabilities

22. Loans from financial institutions

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Loans from financial institutions	39,645	37,338	39,645	37,338

Repayments of principal on non-current loans from financial institutions. Finavia Corporation has an agreement on a committed revolving credit facility of EUR 125 million, none of which was in use on 31 December 2023. Finavia also has a EUR 250 million commercial paper programme, which had not been used by the end of the financial year.

23. Advance payments received

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Advance payments received	6,564	6,067	4,983	4,378

24. Debt to Group subsidiaries

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Accounts payable			2,986	1,006
Accrued expenses			247	1,854
At the end of the financial period			3,234	2,860

25. Material items for accrued expenses

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Current				
Holiday bonuses with social security contributions	16,164	13,749	9,282	8,489
Periodic salaries with social security contributions	6,228	3,544	3,767	2,043
Personnel incentive bonuses (payable to the personnel fund)	2,378	2,706	2,378	2,706
Interest rate liabilities	3,250	2,918	3,250	2,918
Property tax liabilities	0	22	0	-21
Other	1,946	1,870	1,997	1,224
At the end of the financial period	29,966	24,809	20,674	17,359

26. Guarantees, pledges and liabilities

EUR 1,000	Group		Finavia Corporation	
	2023	2022	2023	2022
Pledged as collateral for associated company loans				
Shares	3,330	3,330	3,330	3,330
Shareholder loans and other receivables	7,745	7,781	7,745	7,781
Other guarantees given for subsidiaries				
Special guarantee given for lease liabilities	3,000	0	3,000	0
Other guarantee liabilities	300	298	146	138
Lease liabilities				
To be paid during the financial period 2024	6,595	5,131	5,585	5,005
To be paid later	31,231	30,951	27,341	30,855

Other liabilities

On 31 December 2023, the procurement commitments associated with investments totalled EUR 1.3 million.

Finavia is committed to contributing to the financing of its associated company APC Properties 1 Oy's investment project (hotel building) in proportion to its share of ownership, in the amount of EUR 22.9 million. Of this amount, EUR 1.6 million was unpaid on 31 December 2023.

Jointly with the other shareholders (Nrep NSF III Holding 2 S.À.R.L. and Pontos Aero Oy), Finavia Corporation has put up a directly enforceable cost overrun guarantee for the aforementioned hotel construction project. The maximum total guarantee amount is EUR 23 million.

Finavia has issued a commitment to finance its associated company's investment project (logistics terminal) for a total amount of EUR 9.2 million.

Jointly with the other shareholders, Finavia Corporation has put up a directly enforceable cost overrun guarantee for the logistics terminal construction project. The maximum total guarantee amount is EUR 6.6 million.

Finavia Corporation has agreed on an option concerning the shares and shareholder loans of Avia Real Estate Oy and APC Properties 1 Oy. Accordingly, under certain conditions, Finavia Corporation has an obligation to redeem the shares and shareholder loans held by the other shareholders of the companies if one or more other shareholders wish to exercise that option.

Finavia Corporation has an obligation to review the VAT deductions it has made for the real estate investments completed during 2015–2023 in case the taxable use of the buildings decreases during the statutory adjustment period. The adjustment period is 10 years. The maximum amount of this liability is EUR 130,142,363.57, and the last adjustment year is 2032.

Year	Real estate investments	VAT of the real estate investment	Revision liability 31 December 2023	Annual amount subject to revision
2015	50,285	12,069	1,207	1,207
2016	119,608	28,706	5,741	2,871
2017	122,724	29,422	8,826	2,942
2018	77,046	18,491	7,396	1,849
2019	256,555	61,573	30,787	6,157
2020	79,985	19,197	11,518	1,920
2021	322,161	77,310	54,117	7,731
2022	21,330	5,119	4,095	512
2023	29,884	7,172	6,455	717
Total		259,058	130,142	25,906

27. Hedging instruments and hedge accounting

Interest rate risks

The objective of the management of the interest rate risk is to minimise the impact of changes in interest rates on Finavia's value and financial result. Finavia uses both fixed and variable rate loans for financing its operations, as a result of the changes in which arises an interest rate risk affecting the financial result and cash flow. In order to manage the interest rate risk, Finavia uses interest rate swaps and distributes part of its loan portfolio to fixed-interest loans. On 31 December 2023, the company had EUR 289 million in variable interest loans and EUR 481 million in fixed-interest loans.

All derivative contracts have been concluded for protection purposes in line with Finavia's financial policy to hedge against the interest rate risk of variable-rate loans. Finavia discontinued the application of hedge accounting effective from 1 January 2020. The fair value of the derivatives previously included in hedge accounting has been recognised in the fair value reserve under equity. With hedge accounting having been discontinued for derivatives, the fair value of the contracts is accrued over the remaining maturity in financial items in the income statement. Starting from 1 January 2020, changes in fair value have been recognised directly in financial items in the income statement.

For interest rate swaps to which hedge accounting was not previously applied, fair value changes will be recognised in financial items in the income statement as before. The fair values of interest rate swaps are based on the market valuations run out from the treasury system used by Finavia and verified against the market valuations reported by the contractual counterparties.

Currency risks

The objective of Finavia's currency risk management is to keep the currency risk at as low a level as possible. The most significant principles of the management of currency risks are to ensure the awareness of the business operations of currency risks, secure the recognition of the initial positions and manage the open position, as necessary, through financial instruments. The payment transactions of the Finavia Group are mainly conducted in euros and the accounts of the companies are euro-denominated. In some situations, the prices or price components in procurement contracts may be currency-denominated or tied to other exchange rates than that of the euro. Currency forward contracts have been used to hedge against procurement contracts in foreign currencies. There were no open currency forward contracts at the end of 2023.

Electricity price risk

The basic objective of Finavia's electricity procurement is a predictable price of electric energy and hedging against big price increases. The predicted consumption of approximately the following three years is hedged against the electricity price risk at annually decreasing hedging level. Finavia's electricity derivatives are denominated in euros.

Bitumen price risk

Finavia estimates the need to hedge against the price of bitumen considering the need for bitumen during the year in question, the available hedging instruments and the costs of hedging. The price of bitumen may be hedged against using fixed-price purchase agreements or raw material derivatives. In 2023, Finavia did not have any derivatives related to the hedging of bitumen.

Only the parent company Finavia Corporation had derivative contracts in the financial statements dated 31 December 2023.

Derivative contracts	nominal value, EUR	Finavia Corporation	
		fair value, EUR	fair value, EUR
		Contracts maturing during the next 5 years	Contracts maturing after the next 5 years
Interest rate swaps	87,000,000	0	-9,527,376
Electricity derivatives	312,039	312,039	0

Equity/fair value reserve 31 December 2023

The fair value of interest rate swaps, accrued in financial items in the income statement over their maturity	-16,134,037
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Signatures to the financial statements and Board of Directors' report

Vantaa, 7 March 2024

Kati Levoranta
Chairman of the Board of
Directors

Esko Pyykkönen

Jouko Sarkkinen

Mikko Tainio

Kaisa Vuorio

Pekka Vähähyppä

Kimmo Mäki
CEO

Auditor's note:

An auditor's report has today been issued for the audit carried out.

Helsinki, 11 March 2024

KPMG Oy Ab
Firm of APA Auditors

Ari Eskelinen
Authorised public accountant

Calculation of key figures

**Return on capital
employed (ROCE), %**

$$\frac{\text{Profit (loss) before appropriations and taxes + interest and other financial expenses}}{\text{Equity + interest-bearing financial loans (average)}}$$

Return on equity, %

$$\frac{\text{Profit (loss) before appropriations and taxes - income tax on business activities}}{\text{Equity + minority share (average)}}$$

Equity ratio, %

$$\frac{\text{Equity + minority share}}{\text{Balance sheet total - advances received}}$$

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's report

To the Annual General Meeting of Finavia Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Finavia Corporation (business identity code 2302570-2) for the year ended 31 December, 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and

are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going

concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant

deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Other Opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet (and the distribution of other unrestricted equity) is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, 11 March 2024
KPMG OY AB

Ari Eskelinen

Authorised Public Accountant, KHT

FINAVIA

FOR SMOOTH TRAVELLING

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