

FINAVIA
2019

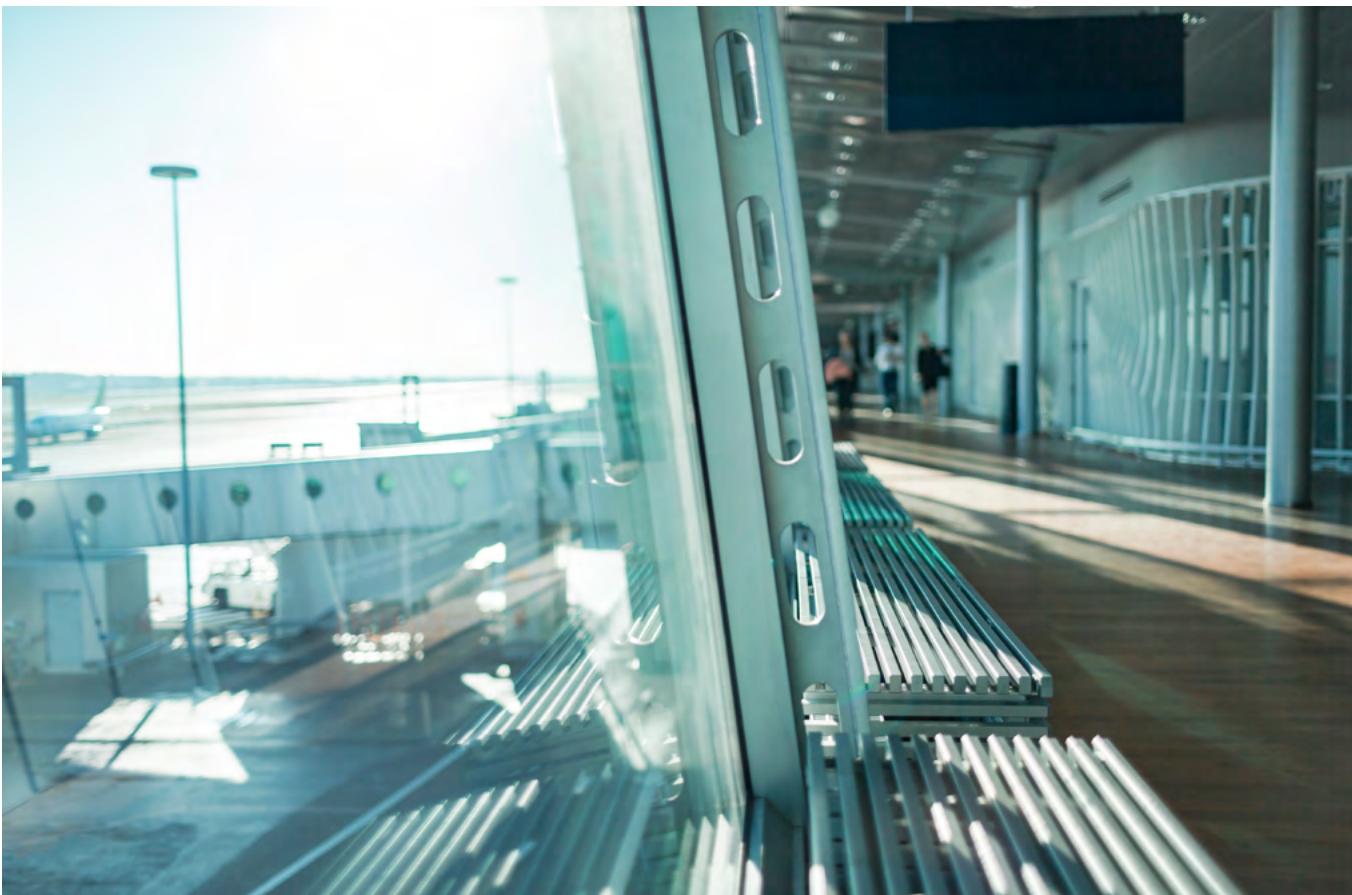
Financial
statements



Finavia in brief

Finavia is an airport company which operates and develops 21 airports around Finland. We serve Finnish and international passengers and airlines. Our key mission is to ensure smooth travel from Finland to different parts of the world and back. By developing airports and smooth connections, we create jobs and support Finland's international competitiveness.

We bear our responsibility for the impact of our activities on people, the environment and society at large. Safety, security, sustainable development and connectivity are at the core of our responsibility. At Finavia, responsibility is made of details, and every single detail counts.



Finavia's Annual report 2019

Finavia's Annual report 2019 consists of an Annual review, Responsibility report, Corporate governance and remuneration statement and Financial statements, which are published as separate PDF documents on our website.

www.finavia.fi



ANNUAL REVIEW



RESPONSIBILITY
REPORT



CORPORATE GOVERNANCE
AND REMUNERATION
STATEMENT



FINANCIAL
STATEMENTS

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Board of Directors' report

Operating environment

The development and regulation of air traffic had the biggest impacts on the operating environment of airports.

The rapid growth of air travel ended in 2019 due to the weakened outlook of global economy and trade disputes, for example. Traffic increased by 3.3 per cent in the EU and by 3.2 per cent in the whole of Europe compared with 2018. The number of passengers using Finavia's airports increased by 4.2 per cent. In Europe, the volume of freight traffic decreased by 1.9 per cent. At Finavia's airports, the amount of cargo transported by airlines increased by 13.1 per cent (234,461 tonnes).

In longer term, the growth of air travel is expected to continue. The market outlook is promising, particularly in Asia.

Climate change was an important topic in public debate also in 2019. Thanks to Finavia's long-term efforts and climate policy, all its airports achieved carbon neutrality one year ahead of schedule.

The regulation on airports and air traffic also had an impact on Finavia's operating environment and development of competition in 2019. The regulation concerned, among other things, aviation safety, environmental matters and the pricing of services. Among other things, it required investments in new technology and development of processes and operating methods.

Development of passenger volumes and connections at Finavia's airports

2019 was a busy year at Finavia's airports even though the growth rate of passenger volumes traffic was more moderate than in previous years. A total of 26.0 million passengers flew on scheduled and charter flights, an increase of 4.2 per cent from the previous year.

The number of passengers travelling through Helsinki Airport was 21.9 million, an increase of 4.9 per cent from 2018. The market position of Helsinki Airport strengthened in relation to other Nordic hub airports. The number of transfer passengers on international flights increased by 16.7 per cent. This was the first time that Helsinki Airport served more transit passengers than Copenhagen Airport.

At the end of the year, Helsinki Airport had direct flights to 186 (162) destinations. During the year, three Chinese airlines commenced flights to Helsinki Airport. These openings showed that Finland is seen as an attractive destination in China, and Helsinki Airport is considered to be a fluent transit airport.

The passenger volume of regional network airports increased by 0.6 per cent to a total of 4.2 million. Of the biggest airports, the growth was highest in Turku (+22.6%) and Rovaniemi (+2.6%). A total of 1.5 million passengers went through Lapland airports in 2019, an increase of 1.5 per cent from the previous year.

Finavia's airports handled a total of 125,869 commercial flights (scheduled, charter, taxi and cargo flights) in 2019 (+0.2%). The number of departing and arriving flights did not grow at the same rate as the passenger volume, because the airlines used bigger planes with higher occupancy rates.

The flights arriving Finavia's airports as well as the respective passenger and freight volumes are presented on page 20 of the annual review section of the Annual Report.

Finavia was involved in the development of travel chains combining flying as a smooth and environmentally efficient part of other modes of transport. During 2019, Finavia continued the planning for implementing the multimodal travel centre of Helsinki Airport and participated in the Finland Railway project company negotiations.

Implementing the strategy

Finavia succeeded in implementing its strategy according to plans in 2019. There were three strategic goals: The best flight connections in Northern Europe, a customer experience of exceptionally high quality, as well as responsible growth and profitability.

The development programmes of Helsinki Airport and Lapland airports were also proceeding in 2019. They helped prepare for future growth. In spite of the extensive construction operations, we succeeded in maintaining a high level of customer satisfaction.

Finavia continued its investments in developing the routes and connections, as well as in marketing Finland as an attractive desti-

nation. Marketing efforts were targeted particularly at St Petersburg and Estonia, as well as China.

The importance of responsibility in strategic focal areas was further emphasised. Finavia continued its determined efforts to reduce its emissions. Net zero emissions are the future goal. It means that Finavia's activities do not generate any carbon dioxide emissions.

Finavia was also involved in many cooperation projects aimed at reducing the emissions of the entire air traffic sector. Among other things, Finavia participated in the funding of testing and development of Finland's first electric aircraft.

Finavia will revise its strategy in 2020.

Development of Finavia's business

The Finavia Group provides air traffic services for airlines and passengers. The Group has two business areas: Helsinki Airport and the Airport Network. Finavia's air traffic services are supplemented by Finavia's subsidiary Airpro Oy, and its subsidiary RTG Ground Handling Oy. No changes occurred in the Group structure during 2019.

In addition, Finavia is a shareholder (49%) of LAK Real Estate Oy that owns, manages and lets office and logistics premises in the Helsinki Airport area.

The Group did not have any research or development expenditure in 2019.

The revenue of Helsinki Airport business increased by 5.9 per cent to EUR 274 million in 2019. The increase in revenue was due to increased passenger volumes, concentration of the sales of de-icing liquids to Finavia and the merger of Lentoasemakiinteistöt Oy to the business of Helsinki Airport at the end of 2018.

In 2019, the development programme of Helsinki Airport progressed as planned, and most of the expansion work and service reforms aimed at developing transit travel were completed. During the year, a new security check facility, expansion of the border check facility, passenger plaza Aukio, the West Pier with new bridges for wide-bodied planes and an expansion of the baggage handling

facility were commissioned. The extension of Terminal 1, serving Schengen traffic, was also opened. The construction work for the new entry and departure and arrival halls in Terminal 2 started at the beginning of the year.

In spite of the extensive construction operations, the Airports Council International (ACI) awarded Helsinki Airport for the best passenger experience in Europe in its size category.

The Airport Network business is responsible for producing services to airlines and passengers in the regional airports of Finavia's airport network. The airport network comprises 18 airports used by commercial air traffic and two airports that are only used by general and military aviation. The revenue of the Airport Network business increased by 3.6 per cent and was EUR 69.0 million.

The development programme of Ivalo, Kittilä and Rovaniemi Airports in Lapland was completed on schedule at the end of 2019. We succeeded in improving the service level of the airports just before the Christmas season when the terminal extensions and new cafeteria and shop premises were commissioned.

Basic reconditioning of runways took place at the Kuusamo and Pori Airports.

Finavia Group's subsidiary Airpro produces ground forwarding, security check, passenger compartment and customer services for airlines and airports. In 2019, Airpro made an environmental investment in ground forwarding equipment that allowed a totally electrically-powered low-emission ground-forwarding services for planes. Airpro's revenue decreased by 1.0 per cent to EUR 74.7 million due to the challenging market situation.

Revenues and result

Finavia's profitability and result remained at a good level in 2019. Finavia's stable financial position allowed cash flow from operations to be used for investments in addition to credit financing.

Finavia Group's revenue for 2019 increased by 3.2 per cent and stood at EUR 389.2 million (377.3). The increase in revenue reflected the increase in passenger volumes. The revenue of air traffic grew by 5.4 per cent to EUR 211.3 million (200.5).

Earnings from other activities than air traffic accounted for 45.7

per cent (47.4) of the total revenue. Other earnings of the group increased by 0.6 per cent. They included the income from parking services, commercial services, rent income as well as the income from ground forwarding, security check, passenger compartment and customer services produced by Airpro.

The Group's operating result excluding extraordinary items was EUR 50.7 million (61.4), i.e. 13.0 per cent of (16.3) of revenue. Depreciation excluding non-recurring items increased with the

investment programme and were EUR 90.5 million (75.4).

The profit for the financial period was EUR 34.3 million (45.3), down due to higher depreciation. Financial expenses amounted to EUR 3.6 million (8.4). They decreased due to the share in the associated company LAK Real Estate.

The Group's key figures

| | 2019 | 2018 | Change, % |
|---|---------|---------|-----------|
| Total number of passengers, million | 26.0 | 25.0 | 4.2 |
| Revenues, EUR million | 389.2 | 377.3 | 3.2 |
| Operating margin, EUR million | 134.6 | 143.1 | -5.9 |
| Operating margin, % | 34.6 | 37.9 | |
| Operating margin excl. extraordinary items ¹ , EUR million | 141.1 | 136.9 | 3.1 |
| Operating margin excl. extraordinary items ¹ , % | 36.3 | 36.3 | |
| Operating profit, EUR million | 44.0 | 66.8 | -34.1 |
| Operating profit, % | 11.3 | 17.7 | |
| Operating profit excl. extraordinary items ¹ , EUR million | 50.7 | 61.4 | -17.5 |
| Operating profit excl. extraordinary items ¹ , % | 13.0 | 16.3 | |
| Profit for the period, EUR million | 34.3 | 45.3 | -24.3 |
| Return on equity, % | 5.1 | 7.0 | |
| Return on investment ² , % | 4.4 | 6.7 | |
| Equity ratio, % | 50.1 | 58.7 | |
| Cash flow-based investments, EUR million | 306.1 | 239.5 | 27.8 |
| Net debt | 489.8 | 300.3 | 63.1 |
| Balance sheet total, EUR million | 1,360.1 | 1,133.3 | 20.0 |
| Average number of employees, person-years | 2,241 | 2,186 | 2.5 |
| Salaries and fees, EUR million | 99.4 | 96.9 | 2.5 |

¹Extraordinary items comprise write-downs from the Helsinki Airport development programme, the effects of new and reversed additional environmental provisions, as well as profit and performance bonuses.

²The calculation of return on investment in 2019 includes interest rate and other financing costs, while earlier financing gains and expenses were included. The return on investment (%) of 2018 has been updated to correspond with the calculation method of 2019.

Balance sheet

The consolidated balance sheet total was EUR 1,360.1 million (1,133.3). The equity ratio stood at 50.1 per cent (58.7). Because of the ongoing development and investment programme, there was an increase in fixed assets from EUR 1,033.9 million in 2018 to EUR 1245.6 million. Interest-bearing loans totalled EUR 517.4 million (323.1) at the end of the year. Liabilities increased to EUR 662.3 million during the period (452.7). Net gearing ratio stood at 72.0% (45.3). Statutory provisions amounted to EUR 17.6 million (17.2). They were related to the environmental and RESA provisions of airports.

Cash flow and financial position

The cash flow from operations was EUR 125.7 million (99.3). Cash flow from investments stood at EUR 304.1 million (198.9). Repayments of long-term loans amounted to EUR 15.7 million (17.4). Finavia's strong financial position supported its business development investments. On 31 December 2019, the Group had cash and cash equivalents amounting to EUR 27.5 million (22.8).

At the end of 2019, Finavia had EUR 215 million in unused long-term credit facilities taken out to fund the Helsinki Airport development programme. The loan arrangements included covenants related to indebtedness and the permanence of ownership.

Finavia also has a EUR 250 million short-term commercial paper programme, which had not been used by the end of the review period. At the end of 2019, the Group had hedged 42% of the interest rate risk for interest-bearing liabilities with variable interest rates. The average rate of interest on the Group's interest-bearing loans was 1.4% in 2019, and the interest rate tying period for debt and leasing portfolio and hedging was seven 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 leasing liabilities decreased, totalling EUR 16.1 million at the end of the year (21.3).

Investments

In 2019, Finavia Group's investments totalled EUR total 306.1 million (239.5).

In 2019, the development programme of Helsinki Airport, worth over one billion euros, continued on schedule and on budget. A significant part of the expansion operations aimed at increasing transit capacity were completed. All in all, 49,178 square metres of new terminal facilities were commissioned. The development programme will continue with the expansion of Terminal 2 until 2024.

The renovation investments in the airport network continued during 2019. The investment programme for the airports in Lapland totalling EUR 55 million, launched at the beginning of 2018, was also completed. It will help to make Lapland a more attractive tourist destination and make Finland more accessible and competitive.

In 2019, Finavia's most important environmental investments were made to improving the aircraft anti-icing and de-icing infrastructure. The company also invested in the protection of waterways and extended the use of renewable diesel fuel to all Finavia's airports. More information on Finavia's environmental work is available in the company's Responsibility Report.

Personnel

At the end of 2019, the Group had 2,775 employees (2,852). The number of permanent employees was 2,003 (2,132). In terms of man-years, the average number of employees during the financial period was 2,241 (2,186). The Group did not have any employees abroad. At the end of 2019, the parent company had 1,277 employ-

ees (1,240). In terms of person-years, the average number of parent company employees during the year was 1,096 (1,045).

The job satisfaction of Finavia's personnel is measured annually. The PeoplePower index was 69.1, slightly over the average for Finnish companies (67.9). The personnel survey showed that the personnel was committed and motivated. The flow of information was found to have improved, and the possibilities for participation and making initiatives had developed. The assessments of managerial work were also better than in the previous year. Resources were invested in leadership and development, and that was reflected in the results.

More information on Finavia's personnel is available in the company's 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. The share capital totals EUR 185.0 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 2019

The Ordinary General Meeting of Shareholders (GM) of Finavia Corporation was held on 13 March 2019. The GM adopted the 2019 financial statements and discharged the Board and the CEO from liability. The GM resolved, in accordance with the Board's proposal, that EUR 1.5 per share would be distributed in dividends (totalling EUR 11,100,000.00).

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. There were no major changes in the risk picture of Finavia in 2019.

Strategic risks

The main strategic risks concern the general developments in the air traffic sector. Predictability is weakened by the strong dependence on fluctuations in the world economy, the changing internal structure of air traffic, and statutory regulation of the industry. The most significant of the risks affecting Finavia's business operations are those involving a sudden decline in passenger volumes. The fluctuations in the demand for air traffic and the changing service requirements of airline customers mean that the Group has to be flexible in its capacity management and service production. On the other hand, Finavia's cost structure is mostly of fixed nature because the operations are capital-intensive and local.

The effects of the Helsinki Airport development programme on the infrastructure and processes have been classified as a significant strategic risk. Other risks in the operating environment are those involving environmental regulation and the regulation of air traffic charges.

Operative risks

In the management of operative risks, priority is on ensuring 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.

Smoothness of the service chain is becoming important as air traffic is growing and the Helsinki Airport development programme is still underway. In the development programme of Helsinki Airport, safety and smoothness of the air traffic are considered from the risk management perspective, both in the infrastructure planning process and during construction.

Service production risks are increasingly dependent 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 regarding licences is constantly increasing and changing, Finavia is developing its competence, improving the physical structures of 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 revenues 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 Group's cash flow depends on air traffic. Disruptions affecting the air transport and service interruptions may rapidly drain the cash flow. Risks related to cash flow are managed by ensuring sufficient liquidity and a liquidity reserve.

The pricing processes for landing and passenger charges collected from airlines are regulated and fairly time-consuming, which means that Finavia may incur front-end costs. The risk is managed by means of consultations with customers and by further developing the long-term pricing strategy.

The key financial risks are generated by interest expenses. Other financial risks include fluctuations in the price of electricity and bitumen, changes in exchange rates, liquidity and refinancing risks and credit risks.

Outlook for 2020

The forecasts indicate that the growth of global economy will slow down in 2020 which is also expected to reduce the growth rate of air travel. The passenger volumes are still expected to grow in international transit travel. The duration of the coronavirus epidemic that emerged early in the year and its impacts, particularly on the travelling of Chinese passengers, are difficult to estimate at this stage.

The company expects its revenue for 2020 to increase slightly from 2019, based on the current view on the development of air travel. The operating result excluding extraordinary items is estimated to fall clearly short of the 2019 level. This is mainly due to increased depreciation resulting from investments.

Events after the financial period

There have been no major events after the financial period.

The Board's proposal regarding the application of profits

The parent company's distributable funds on the balance sheet date of 31 December 2019 stood at EUR 405,385,383.92, of which the profit for the period was EUR 9,744,098.63. The Board of Directors proposes to the Ordinary General Meeting of Shareholders that EUR 1.15 per share should be distributed in dividends (totalling EUR 11,100,000.00).

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, 27 February 2020

Finavia Corporation
Board of Directors



Group income statement

| 1,000 euros | 1 Jan - 31 Dec 2019 | 1 Jan - 31 Dec 2018 | 1,000 euros | 1 Jan - 31 Dec 2019 | 1 Jan - 31 Dec 2018 |
|--|---------------------|---------------------|--|---------------------|---------------------|
| Revenues | | | Other operating expenses | | |
| Other operating income | 2,359 | 13,806 | | 43,864 | 42,945 |
| Materials and services | | | Operating profit | | |
| Materials and supplies | | | | 44,011 | 66,809 |
| Purchases during the financial period | 33,808 | 29,616 | | | |
| Change in inventories; increase(-)/decrease(+) | -535 | -954 | | | |
| External services | 60,241 | 58,803 | | | |
| Total | 93,514 | 87,466 | | | |
| Staff expenses | | | Financial income and expenses | | |
| Salaries and fees | 99,401 | 96,946 | Income (losses) from participating interests | 3,256 | -5,360 |
| Indirect staff expenses | | | Income from other non-current investments | 62 | 63 |
| Pension expenses | 17,053 | 16,764 | Other interest and financial income | 1,223 | 889 |
| Other indirect staff expenses | 3,102 | 3,869 | Change in the market value of derivatives | -478 | 2,088 |
| Total | 119,556 | 117,579 | Interest expenses and other financial expenses | -7,618 | -6,121 |
| Depreciation, amortisation and impairment | | | Total | -3,553 | -8,440 |
| According to plan | | | Profit before appropriations and taxes | 40,457 | 58,370 |
| Buildings and structures | 29,113 | 25,105 | Taxes for the period and previous periods | -1,308 | -11,849 |
| Machinery and equipment | 26,588 | 20,870 | Deferred taxes | -4,894 | -1,240 |
| Other tangible assets | 31,705 | 27,698 | Total | -6,202 | -13,089 |
| Intellectual property rights | 2,831 | 2,227 | | | |
| Other non-current expenditure | 370 | 385 | | | |
| Total | 90,607 | 76,284 | Profit for the financial period | 34,255 | 45,281 |



Group balance sheet

Assets

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|--|------------------|------------------|
| Non-current assets | | |
| Intangible assets | | |
| Intellectual property rights | 11,968 | 7,153 |
| Other non-current expenditure | 1,754 | 1,515 |
| Total | 13,722 | 8,668 |
| Tangible assets | | |
| Land and water areas | 44,765 | 45,019 |
| Buildings and structures | 452,393 | 274,804 |
| Machinery and equipment | 232,944 | 132,400 |
| Other tangible assets | 341,692 | 322,836 |
| Advance payments and incomplete acquisitions | 150,352 | 236,256 |
| Total | 1,222,146 | 1,011,315 |
| Investments | | |
| Holding in associated companies | 8 | 8 |
| Receivables from associated companies | 9,405 | 10,604 |
| Other shares and holdings | 284 | 336 |
| Total | 9,697 | 10,949 |
| Total non-current assets | 1,245,565 | 1,030,932 |

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|-----------------------------|------------------|------------------|
| Current assets | | |
| Inventories | | |
| Materials and supplies | 3,118 | 2,651 |
| Finished goods | 755 | 687 |
| Total | 3,873 | 3,338 |
| Receivables | | |
| Non-current | | |
| Accrued income | 65 | 199 |
| Deferred tax assets | 9,845 | 8,491 |
| Total | 9,910 | 8,690 |
| Current | | |
| Accounts receivable | 43,818 | 41,608 |
| Other receivables | 15,964 | 15,044 |
| Accrued income | 13,477 | 10,920 |
| Total | 73,259 | 67,572 |
| Cash and cash equivalents | | |
| | 27,539 | 22,807 |
| Total current assets | 114,582 | 102,408 |
| Total assets | 1,360,146 | 1,133,340 |



Equity and liabilities

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|--------------------------------------|----------------|----------------|
| Equity | | |
| Share capital | 185,000 | 185,000 |
| Other reserves | | |
| Invested unrestricted equity reserve | 286,635 | 286,635 |
| Fair value reserve | -27,810 | -21,406 |
| Retained earnings | 202,081 | 167,900 |
| Profit for the period | 34,255 | 45,281 |
| Total | 680,162 | 663,410 |
| Statutory provisions | | |
| Other statutory provisions | 17,645 | 17,199 |

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|-----------------------------------|------------------|------------------|
| Liabilities | | |
| Non-current | | |
| Loans from financial institutions | 499,017 | 307,387 |
| Accrued liabilities | 37,316 | 34,273 |
| Deferred tax liability | 18,996 | 12,748 |
| Total | 555,330 | 354,408 |
| Current | | |
| Loans from financial institutions | 18,369 | 15,731 |
| Advance payments received | 1,919 | 2,417 |
| Accounts payable | 57,419 | 51,705 |
| Other liabilities | 4,959 | 4,919 |
| Accrued liabilities | 24,344 | 23,551 |
| Total | 107,010 | 98,323 |
| Total liabilities | 1,360,146 | 1,133,340 |



Cash flow statement

| | Group 2019 | Finavia Corporation 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|--|-----------------|--------------------------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Cash flow from business operations | | | | |
| Payments received from sales | 386,487 | 374,396 | 342,272 | 327,807 |
| Payments from operating costs | -251,116 | -254,668 | -214,090 | -218,070 |
| Cash flow from business operations before financial items and taxes | | | | |
| | 135,371 | 119,728 | 128,182 | 109,737 |
| Interest and financial expenses paid | -5,975 | -5,457 | -5,970 | -5,334 |
| Interest received from business operations | 1,002 | 811 | 906 | 819 |
| Dividends received | 63 | 63 | 0 | 0 |
| Other financial items from business operations | -816 | -1,448 | -815 | -651 |
| Direct taxes paid | -3,964 | -14,386 | -3,192 | -13,334 |
| Cash flow from business operations | 125,680 | 99,311 | 119,111 | 91,236 |
| Cash flow from investments | | | | |
| Investments in tangible and intangible assets | -306,061 | -239,486 | -303,007 | -235,176 |
| Income from disposal of tangible and intangible assets | 455 | 1,951 | 435 | 1,774 |
| Subsidiary shares sold | 0 | 27,634 | 0 | 27,634 |
| Income from disposal of other investments | 68 | 0 | 68 | 0 |
| Repayments of loan receivables | 1,421 | 10,957 | 1,421 | 60,688 |
| Cash flow from investments | -304,117 | -198,944 | -301,082 | -145,079 |

| | Group 2019 | Finavia Corporation 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|----------------|--------------------------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Financing cash flow | | | | |
| Repayments of loan receivables | | | 0 | 1,550 |
| Repayments of short-term loans | 0 | -109,801 | 0 | -53,992 |
| Drawdowns of long-term loans | 210,000 | 245,000 | 210,000 | 140,000 |
| Repayments of long-term loans | -15,731 | -17,413 | -15,731 | -17,413 |
| Profit crediting / return of capital paid | -11,100 | -7,992 | -11,100 | -7,992 |
| Financing cash flow | 183,169 | 109,794 | 183,169 | 62,153 |
| Change in cash and cash equivalents | | | | |
| | 4,732 | 10,161 | 1,199 | 8,310 |
| Cash and cash equivalents 1 January | 22,807 | 14,592 | 12,419 | 4,109 |
| Cash and cash equivalents of purchased and merged companies | 0 | 0 | 1,136 | 0 |
| Cash and cash equivalents of sold subsidiaries | 0 | 1,946 | 0 | 0 |
| Cash and cash equivalents 31 December | 27,539 | 22,807 | 14,753 | 12,419 |



Finavia Corporation income statement

| 1,000 euros | 1 Jan–31 Dec 2019 | 1 Jan–31 Dec 2018 | 1,000 euros | 1 Jan–31 Dec 2019 | 1 Jan–31 Dec 2018 |
|--|-------------------|-------------------|--|-------------------|-------------------|
| Revenues | | | Other operating expenses | | |
| Other operating income | 10,158 | 26,438 | | 37,424 | 36,488 |
| Materials and services | | | Operating profit | | |
| Materials and supplies | | | | 47,778 | 73,845 |
| Purchases during the financial period | 31,837 | 27,320 | | | |
| Change in inventories; increase(–)/decrease(+) | -362 | -677 | | | |
| External services | 84,907 | 81,595 | | | |
| Total | 116,382 | 108,238 | | | |
| Staff expenses | | | Financial income and expenses: | | |
| Salaries and fees | 55,489 | 53,332 | Financing income | 1,128 | 874 |
| Indirect staff expenses | | | Changes in the market value of derivatives | -478 | 2,088 |
| Pension expenses | 9,260 | 8,994 | Interest expenses and other financial expenses | -7,612 | -5,954 |
| Other indirect staff expenses | 1,672 | 2,056 | Total | -6,962 | -2,992 |
| Total | 66,421 | 64,382 | | | |
| Depreciation, amortisation and impairment | | | Profit before appropriations and taxes | | |
| According to plan | | | | 40,816 | 70,852 |
| Buildings and structures | 29,151 | 24,448 | | | |
| Machinery and equipment | 25,110 | 19,659 | Appropriations | | |
| Other tangible assets | 31,705 | 27,695 | Change in cumulative accelerated depreciation | -30,307 | -520 |
| Intellectual property rights | 2,637 | 2,081 | | | |
| Other non-current expenditure | 336 | 11 | Income taxes | | |
| Total | 88,940 | 73,893 | Taxes for the financial period | 0 | -11,018 |
| | | | Taxes for previous financial periods | -765 | 0 |
| | | | Total | -765 | -11,018 |
| | | | Profit for the financial period | | |
| | | | | 9,744 | 59,315 |



Finavia Corporation balance sheet

Assets

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|--|------------------|------------------|
| Non-current assets | | |
| Intangible assets | | |
| Intellectual property rights | 11,571 | 6,766 |
| Other non-current expenditure | 1,379 | 154 |
| Total | 12,951 | 6,920 |
| Tangible assets | | |
| Land and water areas | 43,454 | 43,463 |
| Buildings and structures | 453,338 | 267,533 |
| Machinery and equipment | 220,929 | 122,417 |
| Other tangible assets | 341,599 | 322,836 |
| Advance payments and procurement in progress | 150,031 | 235,534 |
| Total | 1,209,351 | 991,783 |
| Investments | | |
| Holdings in Group companies | 2,157 | 2,796 |
| Holding in associated companies | 3,415 | 2,200 |
| Receivables from associated companies | 9,405 | 10,604 |
| Other shares and holdings | 280 | 332 |
| Total | 15,257 | 15,933 |
| Total non-current assets | 1,237,558 | 1,014,636 |

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|----------------------------------|------------------|------------------|
| Current assets | | |
| Inventories | | |
| Materials and supplies | 2,369 | 2,014 |
| Finished goods | 346 | 339 |
| Total | 2,715 | 2,353 |
| Non-current receivables | | |
| Accrued income | 4,200 | 4,200 |
| Deferred tax receivable | 65 | 199 |
| Total | 4,265 | 4,399 |
| Current receivables | | |
| Accounts receivable | 37,274 | 32,401 |
| Receivables from Group companies | 525 | 3,000 |
| Other receivables | 15,956 | 14,374 |
| Accrued income | 12,189 | 10,396 |
| Total | 65,943 | 60,172 |
| Cash and cash equivalents | | |
| | 14,753 | 12,419 |
| Total current assets | 87,676 | 79,342 |
| Total assets | 1,325,234 | 1,093,978 |



Equity and liabilities

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|--------------------------------------|----------------|----------------|
| Equity | | |
| Share capital | 185,000 | 185,000 |
| Other reserves | | |
| Invested unrestricted equity reserve | 286,635 | 286,635 |
| Fair value reserve | -27,810 | -21,406 |
| Retained earnings | 136,816 | 88,601 |
| Profit for the period | 9,744 | 59,315 |
| Total | 590,385 | 598,145 |
| Cumulative appropriations | | |
| Depreciation difference | 90,231 | 58,917 |
| Statutory provisions | | |
| Other statutory provisions | 17,645 | 17,199 |

| 1,000 euros | 31 Dec 2019 | 31 Dec 2018 |
|-----------------------------------|------------------|------------------|
| Liabilities | | |
| Non-current | | |
| Loans from financial institutions | 499,017 | 307,387 |
| Accrued liabilities | 31,579 | 25,256 |
| Total | 530,597 | 332,643 |
| Current | | |
| Loans from financial institutions | 18,369 | 15,731 |
| Advance payments received | 1,022 | 924 |
| Accounts payable | 54,504 | 49,433 |
| Loans to other Group companies | 3,330 | 3,358 |
| Other liabilities | 3,653 | 3,758 |
| Accrued liabilities | 15,498 | 13,872 |
| Total | 96,376 | 87,075 |
| Total liabilities | 1,325,234 | 1,093,978 |

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 in 20 airports around Finland.

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

The financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

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 business 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

Lentoasemakiinteistöt Oy was merged to the parent company on 1 January 2019, and Skyhow Oy was merged to the parent company on 1 May 2019. The revenue of Lentoasemakiinteistöt Oy was EUR 2.2 million in 2018, and its balance sheet total stood at EUR 11.9 million on 31 December 2018. Skyhow Oy has been dormant in recent years.

Income recognition principles

The revenues 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 when 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.

The largest purchases in foreign currency have been hedged by forward exchange contracts. The exchange rate gains or losses from currency hedging have been recorded in the same way as the underlying purchase.

Valuation principles used in preparing the financial statements

Non-current assets have been capitalised at direct acquisition cost. Subsidies received are recorded 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 using the weighted average (cost method).

The securities included in **financial assets** are recognised at acquisition cost or market price, whichever is lower.

In December 2016, the Accounting Board issued a new statement on recording derivatives (1963/2016). Finavia Group uses the fair value model (chapter 5, section 5 of the Accounting Act) for recording derivatives. The Group's derivatives include forward exchange contracts, electricity forward contracts and interest rate swap contracts. 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 recorded 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 costs 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.

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 by business area

| EUR million | Group 2019 | Group 2018 | Change, % |
|------------------------|---------------|---------------|------------|
| Helsinki Airport | 274.3 | 259.1 | 5.9 |
| Airport Network | 69.0 | 66.6 | 3.6 |
| Airpro | 74.7 | 75.5 | -1.0 |
| Real estate operations | 0.0 | 3.9 | -100.0 |
| Eliminations | -28.8 | -27.7 | 3.9 |
| Group total | 389.2 | 377.3 | 3.2 |

3. Other operating income

| 1,000 euros | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|--|---------------|---------------|--------------------------------|--------------------------------|
| Profit from the sale of land areas and properties | | 57 | | 57 |
| Profits from the sale of other capital assets | | 274 | | 215 |
| Capital gain from the sale of subsidiary shares | | 10,522 | | 23,310 |
| Gains from subsidiary mergers | | 0 | | 0 |
| Income from forests and land areas | | 423 | | 423 |
| Other earnings | | 2,530 | | 2,433 |
| Total | 13,806 | | 26,438 | |

The item Other earnings has decreased due to the administrative support services sold to ANS Finland. ANS Finland will gradually, during 2018–2019, start acquiring the support services from outside the Finavia Group.

4. Salaries and fees of the management

| 1,000 euros | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|-----------------------------------|---------------|---------------|--------------------------------|--------------------------------|
| CEO and deputy CEO | | 1,109 | | 866 |
| Members of the Board of Directors | | 145 | | 145 |

5. Personnel employed by Finavia Group

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|---------------|--------------------------------|--------------------------------|
| Average number of employees (person-years) | | 2,186 | | 1,045 |
| Employees at the end of the year permanent | | 2,852 | | 1,240 |
| temporary | | 2,132 | | 926 |
| | | 720 | | 314 |

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

6. Auditor's fees

| 1,000 euros | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|--|---------------|---------------|--------------------------------|--------------------------------|
| Ernst & Young Oy | | | | |
| Audit fees | 85 | 92 | 63 | 64 |
| Certificates and statements of opinion | 6 | 6 | 6 | 5 |
| Tax advice | 0 | 41 | 0 | 39 |
| Other services | 28 | 30 | 28 | 29 |



7. Change of statutory provisions in the income statement

| | Group 2019 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|--------------------------|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | |
| Other operating expenses | | -1,591 | -1,591 |

The largest items included in the statutory provisions consist of the provisions related to the airports' environmental permits. In 2019, the change in the provision in the income statement amounted to EUR -1.9 million (EUR -1.5 million in 2018). The work input in statutory provisions during the year amounts to EUR 1.4 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

| | Group 2019 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | |
| Share of associated companies' result | | -5,360 | |
| Dividend income | | | 0 |
| Dividend income from Group companies | | | |
| Dividend income from associated companies | | 63 | |
| Other interest and financial income | | | |
| From Group companies | | | 26 |
| From associated companies | | 748 | 748 |
| From others | | 141 | 100 |
| Changes in the market values of derivatives | | 2,088 | 2,088 |
| Interest expenses and other financial expenses | | | |
| To others | | -6,121 | -5,954 |
| Financial income and expenses, total | -8,440 | -2,992 | |

9. Income taxes

| | Group 2019 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|----------------|--------------------------------|--------------------------------|
| 1,000 euros | | | |
| Income tax on business activities | | -11,848 | -11,018 |
| Income tax from previous financial periods | | -1 | 0 |
| Change in the deferred tax receivable | | -880 | |
| Change in the deferred tax liability | | -360 | |
| Total income tax | -13,089 | -11,018 | |

A deferred tax receivable or liability has been recorded for the statutory provisions and the market valuation of interest rate derivatives included in hedge accounting. A deffered tax liability has arisen from appropriatos.



Notes to the balance sheet

10. Intangible and tangible assets and amortisation and depreciation

The economic lifetimes are as follows:

| | Years |
|---|----------------------------|
| Intangible assets | |
| Intellectual property rights | Straight-line depreciation |
| Other non-current expenditure | Straight-line depreciation |
| Tangible assets | |
| Buildings | Straight-line depreciation |
| Short-term structures and constructions | Straight-line depreciation |
| Machinery and equipment | Straight-line depreciation |
| Ground structures | Straight-line depreciation |
| Land and water areas are not depreciated. | |

In 2018, additional depreciation of EUR 862,780.60 was made. An amortisation of EUR 320,835.28 concerned intangible rights, while a depreciation of EUR 238,495.00 concerned buildings and a depreciation of EUR 303,450.32 concerned machinery and equipment.

Subsidies received for investments

In 2019, an energy subsidy of EUR 166,620.93 was received (EUR 8,702.75 in 2018). These investments were used for constructing charging points for electrical cars at different airports and a solar power plant in the west pier terminal extension. A total of EUR 660,000 was received in EU subsidies (EUR 43,770.94 in 2018) for the design work of Helsinki Airport travel centre.

Changes in balance sheet items:

1,000 euros

Intellectual property rights

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|---------------|--------------------------------|--------------------------------|
| Acquisition cost 1 January | 19,202 | 14,469 | 18,402 | 13,821 |
| + Transfers between items | 7,646 | 5,010 | 7,442 | 4,854 |
| - Deductions during the financial period | -902 | -278 | -899 | -273 |
| Acquisition cost 31 December | 25,945 | 19,202 | 24,945 | 18,402 |
| Accumulated depreciation and amortisation according to plan 1 January | -12,048 | -10,099 | -11,635 | -9,828 |
| Accrued depreciation and amortisation for deductions | 902 | 278 | 899 | 273 |
| Depreciation and amortisation for the financial period | -2,831 | -2,227 | -2,637 | -2,081 |
| - Accrued depreciation and amortisation according to plan 31 December | -13,977 | -12,048 | -13,373 | -11,635 |
| Book value 31 December | 11,968 | 7,153 | 11,571 | 6,766 |

Other non-current expenditure

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|---------------|--------------------------------|--------------------------------|
| Acquisition cost 1 January | 3,570 | 5,100 | 216 | 216 |
| + Increases during the financial period (merger) | 0 | 1,026 | 0 | 0 |
| + Transfers between items | 609 | 0 | 535 | 0 |
| - Deductions during the financial period | -1,428 | -1,530 | 0 | 0 |
| Acquisition cost 31 December | 2,751 | 3,570 | 1,777 | 216 |
| Accrued depreciation and amortisation 1 January | -2,055 | -1,808 | -62 | -51 |
| Accrued depreciation and amortisation for deductions | 1,428 | 138 | 0 | 0 |
| Depreciation and amortisation for the financial period | -370 | -385 | -336 | -11 |
| - Accrued depreciation and amortisation according to plan 31 December | -998 | -2,055 | -398 | -62 |
| Book value 31 December | 1,754 | 1,515 | 1,379 | 154 |



| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|----------------|----------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Land and water areas | | | | |
| Acquisition cost 1 January | 44,012 | 50,065 | 42,701 | 42,391 |
| + Increases during the financial period | 24 | 435 | 24 | 435 |
| + Transfers between items | 0 | 2,529 | 0 | 0 |
| - Deductions during the financial period | -278 | -9,016 | -278 | -124 |
| Acquisition cost 31 December | 43,758 | 44,012 | 42,447 | 42,701 |
| Utility charges for real estates | | | | |
| Acquisition cost 1 January | 1,006 | 3,922 | 762 | 762 |
| + Increases during the financial period (merger) | 0 | 0 | 245 | 0 |
| - Deductions during the financial period | 0 | -2,916 | 0 | 0 |
| Acquisition cost 31 December | 1,006 | 1,006 | 1,006 | 762 |
| Land and water areas (total) | 44,765 | 45,019 | 43,454 | 43,463 |
| Buildings and structures | | | | |
| Acquisition cost 1 January | 673,193 | 823,860 | 661,024 | 655,674 |
| + Increases during the financial period (merger) | 0 | 0 | 8,255 | 0 |
| + Transfers between items | 206,701 | 12,773 | 206,701 | 12,015 |
| - Deductions during the financial period | -12,110 | -163,440 | -6,643 | -6,665 |
| Acquisition cost 31 December | 867,784 | 673,193 | 869,338 | 661,024 |
| Accumulated depreciation and amortisation according to plan 1 January | -398,389 | -411,619 | -393,491 | -374,331 |
| Accrued depreciation and amortisation for deductions | 12,110 | 38,335 | 6,643 | 5,288 |
| Depreciation and amortisation for the financial period | -29,113 | -25,105 | -29,151 | -24,448 |
| - Accrued depreciation and amortisation according to plan 31 December | -415,392 | -398,389 | -416,000 | -393,491 |
| Book value 31 December | 452,393 | 274,804 | 453,338 | 267,533 |

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|----------------|----------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Machinery and equipment | | | | |
| Acquisition cost 1 January | 417,379 | 397,796 | 401,655 | 378,915 |
| + Increases during the financial period (merger) | 0 | 0 | 10 | 0 |
| + Transfers between items | 127,238 | 31,596 | 123,688 | 28,329 |
| - Deductions during the financial period | -9,368 | -12,013 | -7,680 | -5,588 |
| Acquisition cost 31 December | 535,248 | 417,379 | 517,673 | 401,655 |
| Accrued depreciation and amortisation 1 January | -284,979 | -274,418 | -279,239 | -265,168 |
| Accrued depreciation and amortisation for deductions | 9,273 | 10,309 | 7,614 | 5,588 |
| Depreciation and amortisation for the financial period | -26,598 | -20,870 | -25,120 | -19,659 |
| - Accrued depreciation and amortisation according to plan 31 December | -302,304 | -284,979 | -296,744 | -279,239 |
| Book value 31 December | 232,944 | 132,400 | 220,929 | 122,417 |
| Ground structures | | | | |
| Acquisition cost 1 January | 669,032 | 604,954 | 669,032 | 604,113 |
| + Increases during the financial period | 0 | 0 | 0 | 0 |
| + Transfers between items | 50,561 | 65,050 | 50,468 | 65,050 |
| - Deductions during the financial period | -16,864 | -972 | -16,864 | -131 |
| Acquisition cost 31 December | 702,730 | 669,032 | 702,637 | 669,032 |
| Accrued depreciation and amortisation 1 January | -346,196 | -318,773 | -346,196 | -318,632 |
| Accrued depreciation and amortisation for deductions | 16,864 | 274 | 16,864 | 131 |
| Depreciation and amortisation for the financial period | -31,705 | -27,698 | -31,705 | -27,695 |
| - Accrued depreciation and amortisation according to plan 31 December | -361,038 | -346,196 | -361,037 | -346,196 |
| Book value 31 December | 341,692 | 322,836 | 341,599 | 322,836 |



| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|--|------------------|------------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Advance payments and incomplete acquisitions | | | | |
| Acquisition cost 1 January | 236,256 | 111,970 | 235,534 | 102,163 |
| + Increases during the financial period | 306,851 | 247,973 | 303,332 | 243,619 |
| - Deductions | 0 | -10,030 | 0 | 0 |
| - Transfers between items | -392,755 | -113,657 | -388,835 | -110,248 |
| Acquisition cost 31 December | 150,352 | 236,256 | 150,031 | 235,534 |
| Shares and holdings (subsidiaries and other shares) | | | | |
| Acquisition cost 1 January | 345 | 349 | 5,329 | 9,653 |
| + Increases during the financial period (merger) | 0 | 8,575 | 1,215 | 0 |
| + Transfers between items | 0 | -3,287 | 0 | 0 |
| - Deductions during the financial period | -53 | -5,292 | -693 | -4,324 |
| Acquisition cost 31 December | 292 | 345 | 5,851 | 5,329 |
| Receivables from associated companies | | | | |
| Acquisition cost 1 January | 10,604 | 0 | 10,604 | 0 |
| + Increases during the financial period | 222 | 10,604 | 222 | 10,604 |
| - Deductions during the financial period | -1,421 | 0 | -1,421 | 0 |
| Acquisition cost 31 December | 9,405 | 10,604 | 9,405 | 10,604 |
| Total | | | | |
| Acquisition cost 1 January | 2,074,600 | 2,012,485 | 2,045,259 | 1,807,706 |
| + Increases during the financial period | 307,096 | 267,588 | 314,329 | 254,659 |
| Transfers between items | 0 | 14 | 0 | 0 |
| - Deductions during the financial period | -42,424 | -205,487 | -34,478 | -17,106 |
| Acquisition cost 31 December | 2,339,272 | 2,074,600 | 2,325,110 | 2,045,259 |

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|------------------|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Accrued depreciation and amortisation 1 January | | | | |
| Accrued depreciation and amortisation for deductions | | | | |
| Depreciation and amortisation for the financial period | | | | |
| - Accumulated depreciation and amortisation according to plan 31 December | | | | |
| Book value 31 December | 1,030,932 | | | 1,014,636 |

11. Other shares and holdings

| | Shares / group companies | Shares / associated companies | Other shares and holdings | Other investments |
|--|--------------------------|-------------------------------|---------------------------|-------------------|
| 1,000 euros | | | | |
| Group | | | | |
| Acquisition cost 1 January | | | | |
| + Increases during the financial period | | | | |
| + Transfers between items | | | | |
| - Deductions during the financial period | | | | |
| Acquisition cost 31 December | 0 | 8 | 283 | 0 |
| Parent company | | | | |
| Acquisition cost 1 January | | | | |
| + Increases during the financial period | | | | |
| - Transfers between items | | | | |
| - Deductions during the financial period | | | | |
| Acquisition cost 31 December | 2,157 | 3,415 | 279 | 0 |



12. Group companies

| | Group holding (%) | Parent company holding (%) |
|--------------------------------|-------------------|----------------------------|
| Group companies | | |
| Airpro Oy, Vantaa | 100.0 | 100.0 |
| RTG Ground Handling 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 for the accounting period in euros | Equity 31/12/2019 in euros | Revenue in euros | Financial period profit/loss in euros |
|----------------------------|--|----------------------------|------------------|---------------------------------------|
| Airpro Oy, Vantaa | 35,787,614.79 | 18,403,521.73 | 63,778,678.50 | 2,695,009.03 |
| RTG Ground Handling | 5,998,345.39 | -3,604,820.21 | 24,742,266.92 | 45,947.61 |
| Koy Aviatontti I, Vantaa | 588,649.52 | 426,789.72 | 0.00 | -60,263.78 |
| Koy Aviatontti II, Vantaa | 1,437,635.74 | 1,434,049.67 | 0.00 | -1,837.22 |
| Koy Aviatontti III, Vantaa | 1,334,018.31 | 1,331,179.97 | 0.00 | -1,634.65 |

| | Group holding (%) | Parent company holding (%) | Equity 31/12/2019 in euros | Financial period profit/loss in euros |
|---|-------------------|----------------------------|----------------------------|---------------------------------------|
| Holdings in associated companies | | | | |
| LAK Real Estate Oy, Vantaa | 49.00 | 49.00 | -3,343,986.00 | 124,926.00 |
| Taxi Point Oy, Vantaa | 25.00 | 0.00 | 1,519,483.63 | 551,142.54 |

13. Receivables from associated companies

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|------------|------------|--------------------------|--------------------------|
| Loan receivables from associated companies | 5,407 | 9,450 | 5,407 | 9,450 |
| Subordinated loan receivable from associated companies | 3,700 | 1,078 | 3,700 | 1,078 |
| Interest receivables from associated companies | 298 | 76 | 298 | 76 |
| | 9,405 | 10,604 | 9,405 | 10,604 |

Of the shareholder loan granted to LAK Real Estate Oy (EUR 9.1 million), EUR 3,699.500 was converted into equity 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.



Current assets

Non-current receivables

14. Prepaid expenses and accrued income

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Market value of hedging electricity derivatives | | 199 | | 199 |
| Due date of contracts in 2020 or later | | | | |

15. Deferred tax assets

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Non-current | | | | |
| For accrual differences and temporary differences | | 8,491 | | 0 |

A deferred tax asset has been recorded for the statutory provisions and the market valuation of interest rate derivatives included in hedge accounting.

16. Receivables from Group subsidiaries

1,000 euros

| | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|--------------------------------|--------------------------------|
| Accounts receivable | | 625 |
| Loan receivables | | |
| Non-current | | 4,200 |
| Current | | 2,300 |
| Prepaid expenses and accrued income | | 75 |
| At the end of the financial period | 7,200 | |

The loan receivables include a subordinated loan of EUR 4.2 million to the Group's subsidiary RTG Ground Handling Oy. Interest for the loan is charged at the 10-year euro swap rate which is revised on the day preceding the loan capital repayment. No margin is charged. The loan capital will not accrue interest for the financial periods for which the adopted financial statements do not show any distributable assets. In case of liquidation or bankruptcy of the company, the loan capital and interest may only be paid at a priority lower than that of other creditors. The loan capital may only be returned and interest paid to the extent that the sum total of the company's unrestricted equity and sum total of 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. Neither Finavia nor the subsidiary issue any collateral guarantee for the loan capital or interest.

17. Material items contained in accrued income

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|--|---------------|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Rent receivables | 6,288 | 4,356 | 6,272 | 4,340 |
| Receivables from occupational health care (KELA) | 559 | 487 | 250 | 231 |
| Insurance premium receivables | 0 | 2,126 | 0 | 2,126 |
| Tax receivable | 4,051 | 1,395 | 3,768 | 1,336 |
| Others | 2,579 | 2,556 | 1,899 | 2,363 |
| At the end of the financial period | 13,477 | 10,920 | 12,189 | 10,396 |



18. Increase and decrease in own equity items

| | 1,000 euros | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|----------------|----------------|----------------|--------------------------------|--------------------------------|
| Share capital | | | | | |
| At the beginning of the financial period | 185,000 | 185,000 | 185,000 | 185,000 | 185,000 |
| At the end of the financial period | 185,000 | 185,000 | 185,000 | 185,000 | 185,000 |
| Other reserves | | | | | |
| Invested unrestricted equity reserve | 286,635 | 286,635 | 286,635 | 286,635 | 286,635 |
| - Deductions | 0 | 0 | 0 | 0 | 0 |
| At the end of the financial period | 286,635 | 286,635 | 286,635 | 286,635 | 286,635 |
| Fair value reserve | -21,406 | -21,224 | -21,406 | -21,224 | |
| - changes | -6,404 | -182 | -6,404 | -182 | |
| At the end of the financial period | -27,810 | -21,406 | -27,810 | -21,406 | |
| Profit brought forward | 213,181 | 175,892 | 147,916 | 96,593 | |
| Distribution of dividend | -11,100 | -7,992 | -11,100 | -7,992 | |
| | 202,081 | 167,900 | 136,816 | 88,601 | |
| Profit (+) for the financial period | 34,255 | 45,281 | 9,744 | 59,315 | |
| Total equity | 680,162 | 663,410 | 590,385 | 598,145 | |

In 2019, Finavia Corporation distributed dividends of EUR 11,100,000 (EUR 7,992,000 in 2018).

On the basis of statement 1963/2016 by the Accounting Board, the market valuation of 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. Part of the derivatives acquired for hedging purposes were excluded from hedge accounting. For them, the changes in market values were recorded directly under financial items in the income statement.

EUR 75,985,380.89 of the depreciation difference was recorded in the Group's equity (EUR 50,991,953.34 in 2018). Poistoerosta on kirjattu konsernin omaan pääomaan 75.985.380,89 euroa (50.991.953,34 euroa vuonna 2018).

| 1,000 euros | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|--------------------------------|--------------------------------|
| Distributable unrestricted equity: | | |
| Invested unrestricted equity reserve | 286,635 | 286,635 |
| Fair value reserve | -27,810 | -21,406 |
| Retained earnings | 146,560 | 147,916 |
| At the end of the financial period | 405,385 | 413,145 |

19. Provisions

| 1,000 euros | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|----------------------|---------------|---------------|--------------------------------|--------------------------------|
| Statutory provisions | | 17,199 | | 17,199 |

The major items in statutory provisions on 31 December 2019:

An environmental provision of EUR 15.0 million (EUR 14.5 million in 2018) is associated with the pending environmental permit processes at different airports. A provision of EUR 2.7 million has been made for expanding the safety zones of runways in compliance with EASA's new aviation regulations.

20. Non-current liabilities

Loans maturing after five years or more.

| 1,000 euros | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|-----------------------------------|---------------|---------------|--------------------------------|--------------------------------|
| Loans from financial institutions | 382,726 | 228,341 | 382,726 | 228,341 |

**21. Material items for accrued expenses**

| | Group 2019 | Finavia Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|--------------------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Non-current | | | | |
| Negative market value of hedging derivatives | | 25,256 | | 25,256 |
| Group items concerning participations in associated companies which exceed the acquisition values of participations | | 9,017 | | |
| At the end of the financial period | 34,273 | | 25,256 | |

In December 2016, the Accounting Board issued a new statement on recording derivative contracts (1963/2016). On that basis, the fair value of hedging contracts was also recorded on the balance sheet. More detailed information on derivatives is provided in Note 27.

22. Deferred tax liability

| | Group 2019 | Finavia Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|--------------------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| For appropriations | | 12,748 | | 0 |
| At the end of the financial period | 12,748 | | 0 | |

23. Advance payments received

| | Group 2019 | Finavia Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---------------------------|---------------|--------------------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Advance payments received | | 2,417 | | 924 |

24. Debt to other Group subsidiaries

| | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|--------------------------------|--------------------------------|
| 1,000 euros | | |
| Accounts payable | | 3,286 |
| Loans | | 46 |
| Accrued expenses | | 25 |
| At the end of the financial period | 3,358 | |

25. Material items for accrued expenses

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|--|---------------|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Current | | | | |
| Holiday bonuses with social security contributions | 15,320 | 15,245 | 9,590 | 9,748 |
| Periodic salaries with social security contributions | 4,792 | 5,173 | 2,829 | 2,720 |
| Interest payable | 1,304 | 471 | 1,304 | 470 |
| Negative market value of derivatives | 0 | 6 | 0 | 6 |
| Others | 2,928 | 2,656 | 1,774 | 928 |
| At the end of the financial period | 24,344 | 23,551 | 15,498 | 13,872 |

26. Guarantees, pledges and liabilities

| | Group 2019 | Group 2018 | Finavia Corporation 2019 | Finavia Corporation 2018 |
|---|---------------|---------------|--------------------------------|--------------------------------|
| 1,000 euros | | | | |
| Other guarantees given for subsidiaries | | | | |
| Special guarantee given for leasing liabilities | | 147 | | 147 |
| Other guarantee liabilities | | 139 | | 89 |
| Lease liabilities | | | | |
| To be paid during the financial period of 2020 | | 5,439 | | 5,218 |
| To be paid later | | 15,856 | | 15,272 |

Other liabilities

On 31 December 2019, the procurement commitments associated with investments totalled EUR 61.1 million. The biggest single item is the Helsinki Airport development programme that has commitments totalling EUR 41.0 million.

Finavia Corporation has concluded an option agreement on selling back the shares of LAK Real Estate Oy. Finavia Corporation has the obligation to buy or find a buyer for the shares of its associate company LAK Real Estate Oy held by a fund managed by NREP Oy or by Pontos Aero Oy. NREP and Pontos Aero Oy have the option but no obligation to sell all shares held by them. Finavia's obligation to buy the shares will not materialise until five years from the transaction date at the earliest.

Finavia Corporation is obliged to revise the VAT deductions it has made for the real estate investments completed during 2010–2018 in case the taxable use of the buildings decreases during the revision period. The revision period is 10 years. The maximum amount of this liability is EUR 77,453,657.20, and the last revision year will be 2027.

| | 1,000 euros | Real estate investments | VAT of the real estate investment | Revision liability 31/12/2019 | Annual amount subject to revision |
|--------------|----------------|-------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| 2011 | 28,628 | 6,584 | 658 | 658 | 658 |
| 2012 | 23,658 | 5,441 | 1,088 | 544 | |
| 2013 | 16,353 | 3,925 | 1,177 | 392 | |
| 2014 | 37,361 | 8,967 | 3,587 | 897 | |
| 2015 | 50,285 | 12,069 | 6,034 | 1,207 | |
| 2016 | 119,608 | 28,706 | 17,224 | 2,871 | |
| 2017 | 122,724 | 29,454 | 20,610 | 2,945 | |
| 2018 | 77,046 | 18,491 | 14,793 | 1,849 | |
| 2019 | 256,555 | 61,573 | 55,416 | 6,157 | |
| Total | 175,209 | 120,587 | | 17,521 | |

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 2019, the company has EUR 160 million in variable interest loans and EUR 357 million in fixed-interest loans.

Finavia uses selected sensitivity analyses to assess and measure the interest rate risk that mainly consists of interest-bearing debts and interest rate swaps associated with them. The sensitivity analysis produces an estimate of the possible changes in the value of instruments sensitive to market changes by varying the interest rate while keeping other variables constant.

Interest rate swaps on 31 December 2019:

| EUR million | Impact on fair value |
|---|----------------------|
| Interest - increase for 100 base points | 7.7 |
| Interest - decrease for 50 base points | -4.1 |



The Group's interest-bearing debts and interest rate swaps associated with them:

| EUR million | Annual impact on result |
|---|-------------------------|
| Interest - increase for 100 base points | -0.5 |
| Interest - decrease for 50 base points | -0.1 |

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 is 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 2019.

Electricity price risk

The basic objective of Finavia's electricity procurement is a foreseeable 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. The electricity agreements are euro-denominated and fall due for payment in 2020–2021.

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 2019, 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 2019.

| Derivative contracts | Nominal value, EUR | Finavia Corporation Fair value, EUR | Finavia Corporation Fair value, EUR |
|-------------------------------|---|--|--|
| Interest rate swaps | (contracts maturing during the next 5 years) | (contracts maturing after the next 5 years) | |
| In hedge accounting | 67,000,000 | 0 | -29,431,437 |
| Other hedges | 20,000,000 | 0 | -2,147,986 |
| Electricity forward contracts | | | |
| Other hedges | 822,514 | 116,506 | 0 |

Equity / fair value reserve 31 December 2019, EUR

| | |
|--|-------------|
| Fair value of derivatives included in hedge accounting | -29,431,437 |
| Market value of the sold interest rate swaption matured in 2016 that is allocated for the running time of the interest rate swap. | 1,621,674 |
| | -27,809,763 |

Derivative instruments and hedge accounting

All derivative contracts have been concluded for hedging purposes in line with Finavia's financial policy to hedge against the interest rate risk of variable-rate loans or against the price risk in electricity procurement. The derivatives included in hedge accounting are interest rate swaps where the effective part of change in fair value is recorded in the fair value reserve of equity when hedge accounting is applied. No non-effective part of interest swap agreements included in hedge accounting was recorded in the financial statements dated 31/12/2019. Changes in the fair value of derivative instruments not included in hedge accounting are recorded under financial items in the income statement. The fair values of interest rate swaps are based on the market values run out from the treasury system used by Finavia and verified against the market valuations reported by the contractual counterparties.

Hedge accounting**Type of hedging**

Cash flow hedging The risk to be hedged and the hedging relationship were documented and verified in keeping with the principles of hedge accounting. The interest flows of interest rate swaps are recorded through profit and loss using the same periods as the interest flows of hedged loans.

Subject of hedging

On the balance sheet date 31 December 2019, of the entire loan capital of Finavia, the amount corresponding to the nominal capital of interest swaps included in hedge accounting, EUR 67 million, is included in hedge accounting. The variable interest rates of the hedged loans are 3-month EURIBOR rates.

Hedging instruments

Interest swaps having on the balance sheet date 31 December 2019 a total nominal value of EUR 67 million and a fair value of EUR -29,431,437. The interest swaps provide Finavia with 3-month EURIBOR interest, while Finavia pays a fixed rate of interest.

Signatures to the financial statements and Board of Directors' report

Vantaa, 27 February 2020

Harri Sailas

Chairman of the Board of Directors

Nina Kiviranta**Annaleena Kiikonen****Tuija Pesonen****Esko Pyykkönen****Erkka Valkila****Stefan Wentjärvi****Kimmo Mäki**

Chief Executive Officer

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

Vantaa, 27 February 2020

Ernst & Young Oy

Firm of APA Auditors

Mikko Ryttilahti

APA, authorised to audit public entities



Calculation for key figures

Return on investment, % (ROCE)

Profit (loss) before appropriations and taxes + interest and other financial expenses

Equity + interest-bearing financial loans (average)

Return on equity, %

Profit (loss) before appropriations and taxes - income tax on business activities

Equity + minority share, average for the start and end of the financial period

Equity ratio, %

Equity + minority share

Balance sheet total - advances received

Auditor's report

To the General Meeting of Shareholders of Finavia Corporation

Audit of the financial statements

Opinion

We have audited the financial statements of Finavia Corporation (Business ID 2302570-2) for the financial period of 1 January – 31 December 2019. The financial statements include the consolidated balance sheet, the parent company's balance sheet, the consolidated income statement, the parent company's income statement, the consolidated cash flow statement, the parent company's cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the financial performance and financial position of the group and the parent company in compliance with the regulations valid in Finland governing the preparation of financial statements, and meet the statutory requirements.

Basis for the opinion

We conducted our audit in accordance with Finnish good auditing practice. Our responsibilities under good auditing practice are further described in the section entitled The auditor's responsibilities when auditing financial statements. We are independent of the parent company and 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 the audit opinion.

Obligations of the Board of Directors and the CEO regarding financial statements

The Board of Directors and the CEO are responsible for the preparation of financial statements so that they give a fair and sufficient presentation in compliance with the regulations valid in Finland governing the preparation of financial statements and meet the statutory requirements. The Board of Directors and the CEO are also responsible for such internal control they deem necessary for being able to prepare financial statements free of material misstatements due to fraud or error.

When preparing the financial statements, the Board of Directors and the CEO are obliged to assess the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to the 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.

The auditor's responsibilities when auditing financial statements

Our objective is to obtain reasonable assurance on 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, whether individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of conducting an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. In addition, we

- 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 controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- conclude on the appropriateness of the Board of Directors' and the CEO'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 parent company or the group 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 management, control and performance of the group's audit. We are 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 CEO are responsible for other information. The other information placed at our disposal before the date of issue of this auditors' report is the Board of Directors' Report.

Our opinion on the financial statements does not cover other information.

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

In our opinion, the information in the Board of Directors' Report is consistent with the information in the financial statements and the Directors' Report 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 in the information included in the Board of Directors' Report, we are required to report this fact. We have nothing to report in this respect.

Other opinions

We are in favour of adopting the financial statements. The proposal of the Board of Directors regarding the application of profits shown on the balance sheet is compliant with the Finnish Limited Liability Companies Act (624/2006). We are in favour of discharging the members of the parent company's board and the CEO from liability for the financial period we have audited.

Vantaa, 27 February 2020

Ernst & Young Oy
Firm of APA Auditors

Mikko Rytialhti
APA, authorised to audit public entities