

# Financial Statements

# 2021



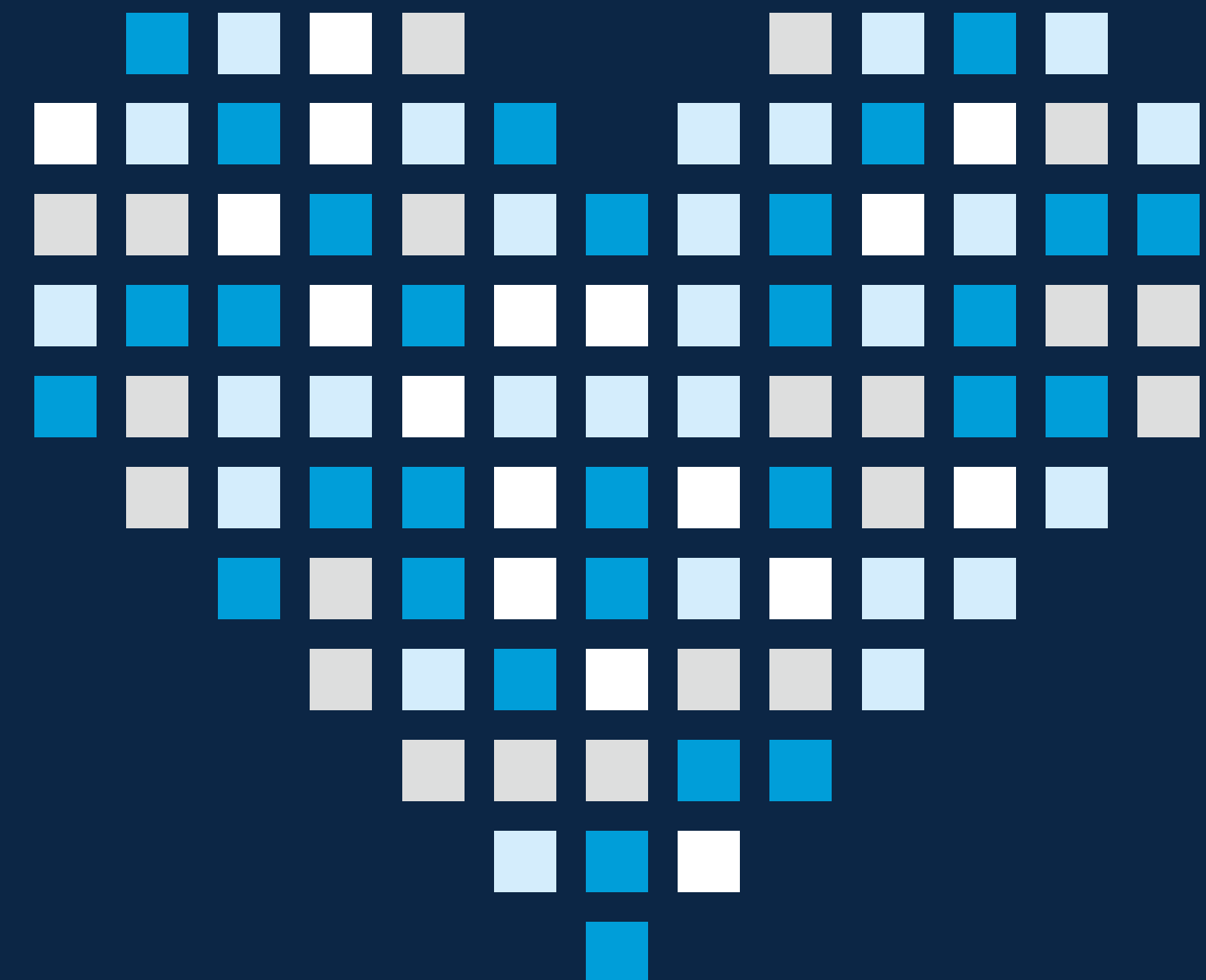
# Finavia in brief

Finavia is an airport company whose goal is to make travel smooth and stress-free. We enable good flight connections from Finland to the rest of the world through our nationwide network of airports. Our main airport, Helsinki Airport, is a leading European hub for long-haul and connecting flights.

We develop and maintain airports and manage large-scale operations ranging from demanding construction projects to complex logistics, passenger flows and data. We work together with our customers and partners to promote Finnish people's mobility and 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 Finland's connectivity are at the core of our responsibility. At Finavia, responsibility consists of details, and every single detail counts.

Our work at Finavia makes the world closer.



Responsibility at Finavia is a complex set of considerations in which every detail counts. Small details come together in a chain of strengths to create safe and efficient connections to the rest of the world, ambitious climate efforts, an inspiring workplace and a world-class passenger experience – a sum of good things.





## Finavia's Annual Report 2021

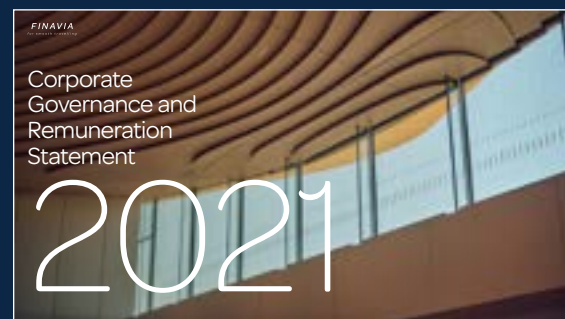
Finavia's annual reporting for 2021 consists of an Annual Report and Responsibility report, Corporate Governance and Remuneration Statement and Financial Statements, which are published as separate PDF documents on our website.

[www.finavia.fi/en](http://www.finavia.fi/en)



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

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

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

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# Board of Directors' report

## Operating environment

The COVID-19 pandemic that began in Asia at the beginning of 2020 had a very significant impact on Finavia's operations in 2021. During the first half of the year, the travel restrictions imposed by various countries kept the demand and supply of passenger traffic at a low level globally. In the second half of the year, when vaccination coverage in Finland and the rest of the world improved and the introduction of the COVID-19 certificate made it possible to ease travel restrictions, air travel began to recover. Air freight volumes recovered faster than air passenger volumes in 2021.

According to the International Civil Aviation Organization (ICAO), passenger volumes globally increased by 28 per cent compared to 2020 (-49% compared to 2019).

According to Airports Council International Europe (ACI), passenger volumes increased by 29 per cent in the European Union and by 37 per cent in Europe as a whole compared to 2020 (-59% compared to 2019). The total number of passengers at Finavia's airports in 2021 was 5.4 million, a decrease of 16 per cent compared to 2020 (-79% compared to 2019). Traffic at Finavia's airports did not increase as quickly as elsewhere in Europe due to the tighter travel restrictions.

According to ACI Europe, the total amount of air freight in Europe increased by 22 per cent (8% compared to 2019). At Finavia's airports, the amount of air freight transported by airlines increased by 21 per cent and came to 178,684 tonnes (-24% compared to 2019).

The International Air Transport Association (IATA) has predicted that air traffic will return to the pre-pandemic level in 2024

at the earliest. The recovery of air traffic will require that the COVID-19 pandemic abates, travel restrictions are lifted and the supply and demand for flights recover. Global economic development and the general recovery of society will also affect how long the recovery of travel will take.

Investments in health security influenced the operations of airports during the year. Finavia implemented necessary changes to passenger processes and ensured a high level of cleanliness and hygiene at its airports to prevent the spread of COVID-19. Finavia maintained close cooperation with the authorities. Finavia provided instructions, guidance and information to passengers to facilitate safe and smooth travel.

## Development of passenger volumes and connections

A total of 5.4 million people travelled through Finavia's airports in 2021. Air traffic recovered significantly in the second half of the year when internal Schengen border controls were lifted in July. This was reflected in strong growth in the demand for travel and the supply of flights by airlines towards the end of the year. Internal border controls were reintroduced when the COVID-19 pandemic situation again deteriorated in late December.

A total of 5,369,457 passengers flew on scheduled and chartered flights, representing a decrease of 16 per cent compared to 2020 (-79% compared to 2019). The total number of flights (commercial flights including scheduled, chartered and taxi flights carrying passengers or cargo) decreased by 2 per cent and amounted to 91,634 (-64% compared to 2019).

The total number of passengers at Helsinki Airport was 4,261,431, a decrease of 16 per cent compared to 2020 (-81% compared to 2019). Passenger volumes at other major Nordic airports grew faster than at Helsinki Airport in 2021 due to looser travel restrictions. Passenger volumes increased by 15 per cent at Stockholm Arlanda Airport, 22 per cent at Copenhagen Airport and 4 per cent at Oslo Airport.

Airlines resumed flights and opened several new routes from Helsinki Airport during the year, but flights were operated using smaller aircraft and less frequently than before the pandemic. Travel to Europe and North America grew especially in the second half of the year. At the end of the year, Helsinki Airport had direct flights to 71 destinations (54 in 2020, 186 in 2019).

The volume of international transfer traffic at Helsinki Airport was low due to the strict entry restrictions in force in Asian countries. Transfer passengers represented 14 per cent of the total number of passengers at Helsinki Airport in 2021.

The total number of passengers at Finavia's regional network airports decreased by 17 per cent and came to 1,115,511 (-73% compared to 2019). The number of direct scheduled flights between major European cities and Finavia's regional airports increased during the year, with several new international flight connections opened at Rovaniemi Airport, Kittilä Airport, Tampere-Pirkkala Airport and Turku Airport. At Finavia's airports in Lapland, which play an important role in Finnish tourism, the winter season was very good, with the number of chartered flights returning to the pre-pandemic level. The total number of passengers at Finavia's airports in Lapland was 622,010.

Arrived flights and the respective passenger and freight volumes are itemised by airport on page 64 of the Annual and Sustainability Report.

In 2021, Finavia developed travel chains that pair flying with other modes of transport to create smooth and more ecologically sustainable combinations. Finavia opened a new travel centre at Helsinki Airport that connects different modes of transport. Finavia is a shareholder in Suomi-rata Oy, a project company that aims to improve domestic train connections to Helsinki Airport.

## Implementation of strategy

At the beginning of 2021, Finavia selected three key focus areas: accelerating the recovery of business, safeguarding the company's financial position and building the well-being and future of the company's personnel. The recovery of business and the company's financial position were strengthened by a Group-wide cost-cutting programme and financing arrangements, among other things. Goals related to improving employee well-being and coping were promoted through measures chosen together with the personnel.

In addition to the three focus areas, the company continued to invest in climate change mitigation and promote Finland's connectivity. Finavia's airports are carbon-neutral and the goal is to achieve net zero emissions by 2030. Finavia moved forward with its climate programme and worked to reduce the emissions of its airports in line with the company's targets. Zero-carbon district heating was deployed at Rovaniemi Airport early in the year. Finavia moved forward with the gradual shift of its heavy vehi-

cles from engine fuel oil to renewable fuel oil. At Helsinki Airport, Finavia commissioned a new parking facility for which electricity is produced by 700 solar panels installed on the side of the building. In addition, Finavia installed several electric vehicle charging points on the Helsinki Airport apron for use by all operators.

To reduce emissions, Finavia focuses on increasing the use of renewable energy and improving energy efficiency, as the climate impacts of airports largely arise from the energy consumption of buildings. As part of sustainability, Finavia also had a strong focus on ensuring safe travel at its airports.

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

## Business development

Finavia has two business areas: Helsinki Airport and Airport Network. Finavia's services for air traffic are complemented by its subsidiary Airpro Oy, and Airpro Oy's subsidiaries RTG Ground Handling Oy and Airpro Academy Oy.

In addition, Finavia is a shareholder (49%) of Avia Real Estate Oy, which owns, lets and develops office and logistics premises that are primarily located in the Helsinki Airport area.

The cost-cutting programme that Finavia Group began in March 2020 continued in 2021. The cost-cutting programme is aimed at reducing operating expenses and reducing investments by a total of EUR 300 million by the end of 2023. The cost-cutting programme progressed faster than planned. The cost-cutting programme included the prioritisation and reduction of investments as well as reductions in operating expenses. Finavia and Airpro were also forced to temporarily lay off part of their personnel. By the end of 2021, EUR 166 million in operating costs had been cut. Investments had been reduced by EUR 35 million by the end of the year.

## The revenues from Helsinki Airport's operations

decreased by 6.0 per cent to EUR 92.4 million in 2021. The decline in revenues was due to the contraction in traffic volumes caused by the COVID-19 pandemic.

Finavia's investment programme to develop Helsinki Airport, which is valued at over one billion euros and has a long time horizon, has progressed according to plan. The low volume of air traffic made it possible for Finavia to decide to accelerate the project schedule at the beginning of 2021. The project is set to be completed in 2023. The project to increase the capacity of long-haul traffic was completed and the extension to gate area 37–39 went into service in September. Construction of the terminal 2 extension and new public transport arrangements were completed. The extension, the new travel centre and the P1/P2 parking facility completed in autumn 2020 were opened for use by passengers. The check-in and security control facilities in the new departures hall will be commissioned by summer 2022. Alterations to the departures and arrivals halls of Terminal 2 continued as planned.

Finavia was able to maintain services and the customer experience at a good level in spite of the construction operations.

**The Airport Network business** is responsible for producing services for airlines and passengers at Finavia's regional airports. The business comprises 17 airports used by commercial air traffic and two airports that are only used by general and military aviation. Following the transfer of ownership of Enontekiö Airport to the municipality of Enontekiö in July 2021, Finavia now owns 19 regional airports throughout Finland.

Revenues from the airport network business declined by 7.3 per cent in 2021 and amounted to EUR 34.8 million.

**The Airpro sub-group** produces ground forwarding, security control, cabin services and customer services for aviation operators. The Airpro sub-group's business operations were also affected by the COVID-19 pandemic in 2021. Employees were

## The Group's key figures

	2021	2020	2019	Change, %**
Total number of passengers, million	5.4	6.4	26.0	-16.1
Revenues, EUR million	145.4	150.6	389.2	-3.5
Operating margin, EUR million	-27.2	-27.0	134.6	-0.7
Operating margin, %	-18.7	-17.9	34.6	
Operating profit, EUR million	-130.7	-128.9	44.0	-1.4
Operating profit, %	-89.9	-85.6	11.3	
Result for the period, EUR million	-143.8	-147.0	34.3	2.2
Return on equity, %	-23.0	-24.2	5.1	
Return on investment*, %	-9.2	-10.4	4.4	
Equity ratio, %	44.9	36.3	50.3	
Cash flow-based investments, EUR million	164.7	255.7	306.1	-35.5
Net debt	621.3	727.9	489.8	
Balance sheet total, EUR million	1,591.8	1,476.5	1,354.4	7.8
Average number of employees (person-years)	1,398	1,366	2,241	1.8
Salaries and fees, EUR million	65.7	62.3	99.4	5.5

\*The calculation of return on investment includes interest rate and other financing costs, whereas previously financial income and expenses were included.

\*\*The percentage change shows the change between 2021 and 2020.



temporarily laid off for a fixed term or until further notice. Airpro acquired new customers during the year and the Airpro sub-group's revenues increased by 13 per cent compared to 2020. Revenues amounted to EUR 33.1 million.

### Revenues and result

Finavia's profitability and result were negative by a clear margin in 2021 due to the COVID-19 pandemic.

Finavia Group's revenues for 2021 decreased by 3.5 per cent to EUR 145.4 million (150.6). Revenues from air traffic decreased by 8.8 per cent to EUR 71.0 million (77.8).

Revenues from operations other than air traffic accounted for 51.2 per cent (48.3) of total revenues. The Group's other revenues increased by 2.2 per cent. These include revenues from parking services, commercial revenues, rental income as well as the Airpro sub-group's income from ground forwarding, security control, cabin services and customer services.

The Group's operating result was EUR -130.7 million (-128.9), or -89.9 per cent (-85.6) of revenues. Due to the investment programme, depreciation increased to EUR 103.5 million (102.0).

The result for the financial year was EUR -143.8 million (-147.0). Financial expenses totalled EUR 7.8 million (14.2).

### Balance sheet

The consolidated balance sheet total was EUR 1,591.8 million (1,476.5). The equity ratio was 44.9 per cent (36.3). Due to the ongoing development and investment programme, fixed assets increased to EUR 1,423.8 million (1,359.0). Interest-bearing loans totalled EUR 738.1 million (802.0) at the end of the year. Liabilities decreased to EUR 862.9 million (923.4). The net gearing ratio was 87.2 per cent (135.8). Statutory provisions amounted to EUR 16.6 million (17.0) and were related to the environmental and RESA provisions of airports.

In the 2021 budget, the Finnish Parliament granted EUR 350 million to be used to ensure Finavia's solvency, and the Extraordi-

nary General Meeting held in March 2021 resolved to strengthen Finavia's equity by EUR 317.15 million. The capital investment was recognised in its entirety in the company's reserve for invested unrestricted equity. Finavia signed an agreement on a capital loan of EUR 32.85 million in September 2021. The European Commission approved the capital investments.

### Cash flow and financial position

Cash flow from operations was EUR -37.5 million (-11.3). Cash flow from investments was EUR -173.0 million (-226.8). Repayments of long-term loans amounted to EUR 26.7 million (17.0). On 31 December 2021, the Group had cash and cash equivalents amounting to EUR 116.9 million (74.1).

Finavia took out EUR 32.85 million in new long-term loans in 2021. At the end of the year, Finavia had EUR 100 million in unused long-term credit facilities, which were allocated to the financing of the Helsinki Airport expansion project.

Finavia had a revolving credit facility of EUR 125 million, which was unused at the end of 2021. At the end of the year, Finavia also had a EUR 250 million short-term commercial paper programme, which was unused.

At the end of 2021, the Group had hedged 73.4 per cent of the interest rate risk for interest-bearing liabilities. The average rate of interest on the Group's interest-bearing loans was 1.2 per cent in 2021, and the interest rate tying period for debt and leasing portfolio and hedging was three 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 38.7 million (42.2) at the end of the year.

Due to the COVID-19 pandemic, Finavia Group's EBITDA declined significantly starting from March 2020. This led to a cov-

enant included in Finavia's financing agreements being breached. Following the capitalisation received from the state in 2021, the covenant terms were met until 31 December 2021. For 2022 waiver agreements have been negotiated.

### Investments

In 2021, Finavia Group's investments totalled EUR 164.7 million (255.7).

The Helsinki Airport development programme progressed on schedule and on budget in 2021. The development programme will continue with the renewal of Terminal 2 until 2023.

Finavia invested EUR 7 million in renovating the air traffic areas of Helsinki Airport. The work was focused on smooth traffic operations and environmental protection and included the repaving of taxiways and the apron and improvements to aircraft parking stands and the stormwater sewer system.

Finavia invested EUR 5 million in renovating the runway and installing a new runway lighting system at Mariehamn Airport. The company also carried out runway repaving and renovation work at Joensuu Airport. The investment was valued at EUR 0.9 million.

Finavia could not carry out significant new environmental investments due to the continued cost-cutting programme. Instead, environmental perspectives were incorporated into construction and renovation projects. However, at Helsinki Airport, the construction of an underground wetland related to stormwater management continued in the spring and autumn, and the project will continue in 2022. At Mariehamn Airport, the fuel distribution station for land vehicles was upgraded.

### Personnel

At the end of 2021, the Group had 2,250 employees (2,233). The Group did not have any employees abroad. The number of permanent employees was 1,728 (2,046). In terms of person-years, the average number of employees during the financial year was 1,398 (1,366).

At the end of 2021, the parent company had 1,059 employees (1,068). In terms of person-years, the average number of parent company employees during the year was 819 (801).

The job satisfaction of Finavia's personnel is measured annually by means of an employee survey. The survey could not be carried out to a comprehensive extent in 2021 due to the COVID-19 crisis. Consequently, the change in the PeoplePower index measuring job satisfaction and commitment cannot be reported. Instead of the comprehensive personnel survey, Finavia carried out two pulse surveys to monitor employee satisfaction. Based on the results of the pulse surveys, employee satisfaction was at a good level in spite of the COVID-19 crisis.

More information on Finavia's personnel is provided on page 40 of the company's [Sustainability 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 2021, 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.

In the 2021 budget, the Finnish Parliament granted EUR 350 million to be used to ensure Finavia's solvency. In March 2021, Finavia's Extraordinary General Meeting decided to strengthen Finavia's equity by EUR 317.15 million. Finavia signed an agreement on a capital loan of EUR 32.85 million in September 2021.

### The impacts of the COVID-19 pandemic

The direct impacts of the COVID-19 pandemic on Finavia's business continued in 2021 in spite of the start of the recovery, as

the number of passengers at Finavia's airports was still low compared to the pre-pandemic times. The negative impact will continue in the financial year 2022, which will weaken the company's profit performance compared to normal circumstances.

The impacts of the COVID-19 pandemic on air traffic weaken the company's cash position and equity. Due to the weakened financial position, the company's owner granted additional equity financing at the beginning of 2021, which also helps the company prepare for the potential prolongation of the COVID-19 pandemic. Negotiations on additional financing were also completed with the company's existing debt financing providers.

### Ordinary General Meeting 2021

The Ordinary General Meeting of Shareholders (GM) of Finavia Corporation was held on 26 March 2021. The GM adopted the 2020 financial statements and discharged the Board 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. Finavia's risk picture changed in 2020 due to the COVID-19 pandemic. The sudden change in the operating environment led to a collapse of Finavia's business and the company had to very quickly take extensive action to adapt its costs and ensure financing.

### Strategic risks

The main strategic risks concern the general developments in the air traffic sector. In general, the significance of the strategic risks related to the pandemic decreased in 2021. Nevertheless,

the most significant of the risks affecting Finavia's business operations are still related to a slower-than-expected recovery of passenger volumes due to, for example, the spread of COVID-19 or travel restrictions. Geopolitical risks, risks related to higher prices for flights and risks related to the availability of labour increased further in 2021. Significant difficulties or strategic changes among airlines were estimated to be risks that are fairly unlikely but, if materialised, highly significant and having a long-term impact. 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. On the other hand, Finavia's cost structure is mostly of a 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 airport 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. Disruptions caused by lower service levels and capacity resulting from cost-cutting measures were estimated to constitute a moderate risk. This risk is managed through active planning, ensuring scalability and actively monitoring the situation. None of Finavia's cost-cutting measures are directed at health security or aviation safety.

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

Due to the increased need for capital, the reduced availability of loans or potential restrictions related to the availability of equity constitute a risk that is significant but fairly unlikely. Other key financial risks are related to interest expenses. Other financial risks were mainly related to liquidity and credit risks, and these were actively managed.

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.

### Outlook for 2022

Based on forecasts, the recovery from the COVID-19 crisis is anticipated to continue, but passenger volumes are not expected to reach the level seen in 2019. The outlook for 2022 is uncertain at the time of publishing the financial statements due to Russia's attack on Ukraine in late February. The outlook will be specified further in the business review for January–March 2022.

### Events after the financial period

The financial impacts on Finavia's business caused by the war between Russia and Ukraine are difficult to assess at present. Russia has closed its airspace to airlines from EU Member States, including Finland. The airspace closure may have a significant impact on transfer travel between Europe and Asia and the recovery of Finavia's business.

### The Board's proposal regarding the distribution of dividend

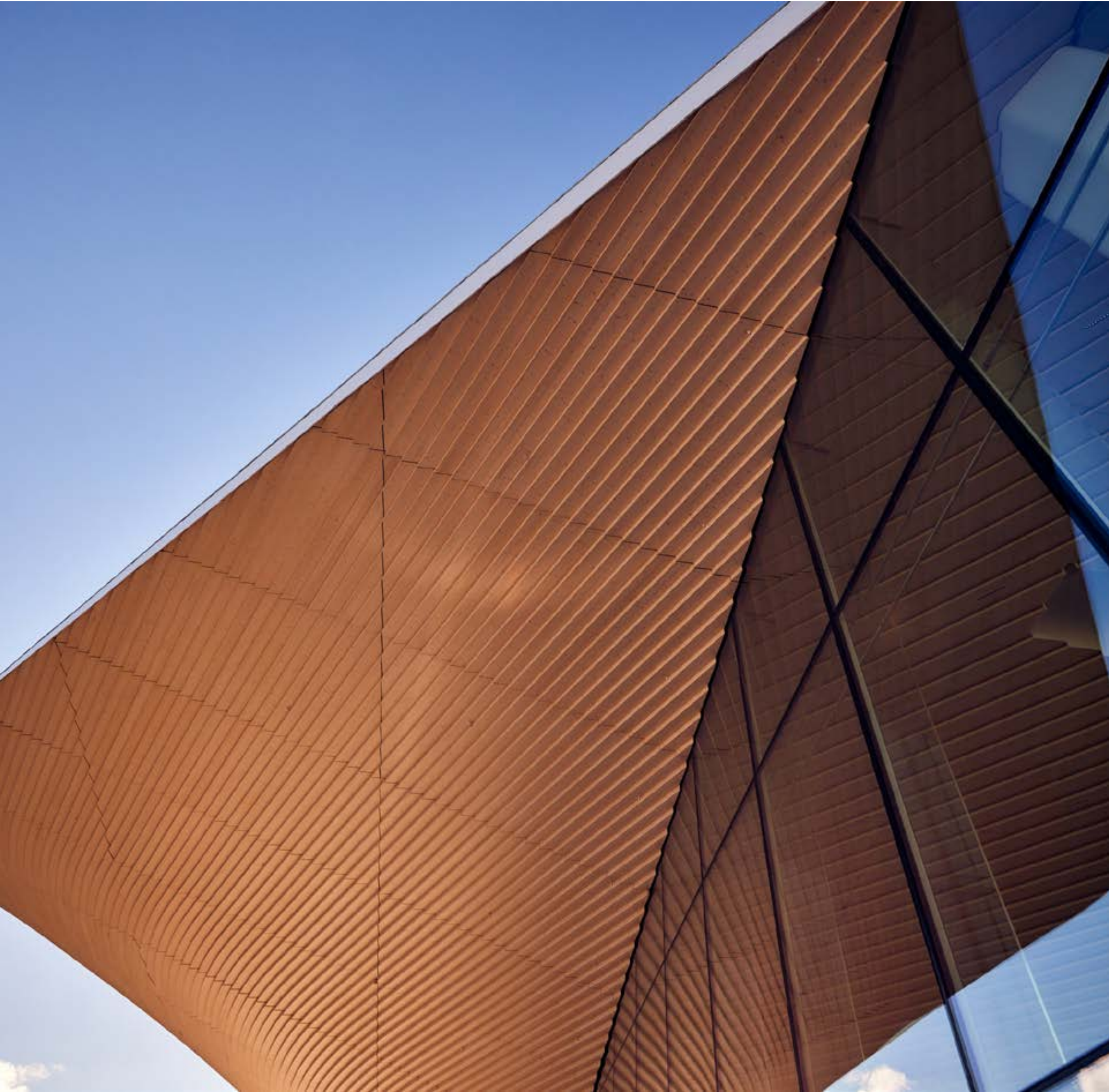
The parent company's distributable funds on the balance sheet date, 31 December 2021, stood at EUR 427,040,161, of which the loss for the period was EUR 150,289,149. The Board of Directors proposes to the Ordinary General Meeting of Shareholders that no dividend be distributed.

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](http://www.finavia.fi).

Vantaa, 11 March 2022

Finavia Corporation  
Board of Directors





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# Consolidated income statement

EUR 1,000	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
<b>Revenues</b>	145,357	150,576
Other operating income	5,485	4,769
<b>Materials and services</b>		
Materials and supplies		
Purchases during the financial period	26,145	22,206
Change in inventories; increase(-)/decrease(+)	-198	658
External services	39,752	42,837
<b>Total</b>	<b>65,700</b>	<b>65,701</b>
<b>Staff expenses</b>		
Salaries and fees	65,701	62,258
Social security expenses		
Pension expenses	11,086	9,644
Other social security expenses	2,267	2,405
<b>Total</b>	<b>79,054</b>	<b>74,308</b>
<b>Depreciation, amortisation and impairment</b>		
According to plan		
Intangible rights	5,995	4,953
Goodwill	7	13
Other intangible assets	434	439
Buildings and structures	30,996	31,414
Machinery and equipment	33,067	33,769
Other tangible assets	33,041	31,375
<b>Total</b>	<b>103,541</b>	<b>101,964</b>
Other operating expenses	33,243	42,312
<b>Operating profit/loss</b>	<b>-130,696</b>	<b>-128,940</b>

EUR 1,000	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
<b>Financial income and expenses</b>		
Income (losses) from participating interests	-1,155	-1,477
Income from other non-current investments	0	50
Other interest and financial income	1,190	1,070
Change in the market value of derivatives	4,604	-3,178
Interest expenses and other financial expenses	-12,425	-10,704
<b>Total</b>	<b>-7,787</b>	<b>-14,239</b>
<b>Profit before appropriations and taxes</b>	<b>-138,482</b>	<b>-143,178</b>
Taxes for the period and previous periods	-17	-102
Deferred taxes	-5,309	-3,741
<b>Total</b>	<b>-5,326</b>	<b>-3,843</b>
<b>Profit/loss for the period</b>	<b>-143,808</b>	<b>-147,022</b>



# Consolidated balance sheet

## Assets

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Non-current assets</b>		
Intangible assets		
Intangible rights	13,502	15,546
Goodwill	-	1
Other intangible assets	881	1,315
<b>Total</b>	<b>14,383</b>	<b>16,863</b>
Tangible assets		
Land and water areas	44,328	44,750
Buildings and structures	713,959	492,672
Machinery and equipment	238,444	212,441
Other tangible assets	385,921	340,927
Advance payments and construction in progress	14,396	247,205
<b>Total</b>	<b>1,397,048</b>	<b>1,337,996</b>
Investments		
Holding in associated companies	8	8
Receivables from associated companies	11,802	3,651
Other shares and holdings	510	510
<b>Total</b>	<b>12,321</b>	<b>4,170</b>
<b>Total non-current assets</b>	<b>1,423,752</b>	<b>1,359,028</b>

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Current assets</b>		
Inventories		
Materials and supplies	2,594	2,529
Finished goods	910	777
<b>Total</b>	<b>3,504</b>	<b>3,306</b>
Receivables		
Non-current		
Accrued income	104	52
Deferred tax receivable	8,375	9,754
<b>Total</b>	<b>8,479</b>	<b>9,807</b>
Current		
Accounts receivable	24,298	14,994
Other receivables	10,661	9,661
Prepayments and accrued income	4,209	5,590
<b>Total</b>	<b>39,167</b>	<b>30,244</b>
Cash and cash equivalents	116,851	74,068
<b>Total current assets</b>	<b>168,001</b>	<b>117,425</b>
<b>Total assets</b>	<b>1,591,754</b>	<b>1,476,453</b>



# Consolidated balance sheet

## Equity and liabilities

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Equity</b>		
Share capital	185,000	185,000
Other reserves		
Invested unrestricted equity reserve	603,785	286,635
Fair value reserve	-21,972	-24,891
Retained earnings	89,314	236,336
Profit/loss for the period	-143,808	-147,022
<b>Total</b>	<b>712,320</b>	<b>536,059</b>
<b>Statutory provisions</b>		
Other statutory provisions	16,583	17,040

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Liabilities</b>		
<b>Non-current</b>		
Capital loan	32,850	-
Loans from financial institutions	674,401	705,268
Accrued expenses	26,838	31,732
Deferred tax liability	26,576	22,647
<b>Total</b>	<b>760,666</b>	<b>759,648</b>
<b>Current</b>		
Loans from financial institutions	30,867	96,749
Advance payments received	3,681	382
Accounts payable	41,831	42,843
Other liabilities	3,865	2,392
Accrued expenses and deferred income	21,942	21,340
<b>Total</b>	<b>102,185</b>	<b>163,706</b>
<b>Total liabilities</b>	<b>1,591,754</b>	<b>1,476,453</b>



# Cash flow statement

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Cash flow from business operations</b>				
Payments received from sales	144,252	186,244	129,722	167,962
Payments for operating costs	-170,355	-192,429	-149,392	-168,731
Cash flow from business operations before financial items and taxes	-26,104	-6,185	-19,670	-769
Interest and financial expenses paid	-11,461	-9,160	-11,458	-9,158
Interest received from business operations	1,293	1,081	1,288	954
Dividends received	0	50	0	0
Other financial items from business operations	-1,227	-1,030	-1,226	-1,029
Direct taxes paid	0	3,949	0	3,768
<b>Cash flow from business operations</b>	<b>-37,499</b>	<b>-11,294</b>	<b>-31,066</b>	<b>-6,234</b>
<b>Cash flow from investments</b>				
Investments in tangible and intangible assets	-164,704	-255,521	-163,858	-252,033
Income from sales of tangible and intangible assets	1,100	30,411	1,100	30,410
Subsidiary shares acquired	0	-1	0	0
Other investments	-5	-226	-9	-226
Income from sales of other investments	0	0	0	0
Granted loans	-9,359	-1,470	-9,359	-1,470
Repayment of loans	0	0	0	0
<b>Cash flow from investments</b>	<b>-172,969</b>	<b>-226,808</b>	<b>-172,127</b>	<b>-223,320</b>

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Financing cash flow</b>				
Paid increase in equity	317,150	0	317,150	0
Drawdown of short-term borrowings	0	70,000	0	70,000
Repayment of short-term borrowings	-70,000	-3,400	-70,000	-3,400
Drawdown of long-term borrowings	32,850	235,000	32,850	235,000
Repayment of long-term borrowings	-26,749	-16,969	-26,749	-16,969
Loans granted to Subsidiaries	0	0	-7,060	0
<b>Financing cash flow</b>	<b>253,251</b>	<b>284,631</b>	<b>246,191</b>	<b>284,631</b>
<b>Change in cash and cash equivalents</b>	<b>42,783</b>	<b>46,529</b>	<b>42,998</b>	<b>55,077</b>
Cash and cash equivalents 1 January	74,068	27,539	69,830	14,753
Cash and cash equivalents 31 December	116,851	74,068	112,828	69,830



# Finavia Corporation income statement

EUR 1,000	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
<b>Revenues</b>	128,808	137,329
Other operating income	3,343	4,234
<b>Materials and services</b>		
Materials and supplies		
Purchases during the financial period	25,498	21,673
Change in inventories; increase(-)/decrease(+)	-71	374
External services	52,575	55,575
<b>Total</b>	<b>78,003</b>	<b>77,623</b>
<b>Staff expenses</b>		
Salaries and fees	40,124	40,220
Social security expenses		
Pension expenses	6,716	6,276
Other social security expenses	1,246	1,443
<b>Total</b>	<b>48,086</b>	<b>47,939</b>
<b>Depreciation, amortisation and impairment</b>		
According to plan		
Intangible rights	5,870	4,731
Other intangible assets	391	391
Buildings and structures	31,035	31,453
Machinery and equipment	30,995	31,914
Other tangible assets	33,036	31,371
<b>Total</b>	<b>101,328</b>	<b>99,860</b>

EUR 1,000	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
<b>Other operating expenses</b>	28,758	36,670
<b>Operating profit/loss</b>	<b>-124,024</b>	<b>-120,529</b>
<b>Financial income and expenses</b>		
Financial income	1,200	943
Changes in the market value of derivatives	4,604	-3,178
Interest expenses and other financial expenses	-12,420	-10,702
<b>Total</b>	<b>-6,616</b>	<b>-12,936</b>
<b>Profit before appropriations and taxes</b>	<b>-130,640</b>	<b>-133,465</b>
<b>Appropriations</b>		
Change in cumulative accelerated depreciation	-19,649	-17,579
<b>Income taxes</b>		
Taxes for the financial period	0	0
Taxes for previous financial periods	0	0
<b>Profit/loss for the period</b>	<b>-150,289</b>	<b>-151,044</b>



# Finavia Corporation balance sheet

## Assets

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Non-current assets</b>		
Intangible assets		
Intangible rights	13,007	15,055
Other intangible assets	596	988
<b>Total</b>	<b>13,604</b>	<b>16,043</b>
Tangible assets		
Land and water areas	43,017	43,439
Buildings and structures	714,827	493,578
Machinery and equipment	226,230	199,426
Other tangible assets	385,838	340,839
Advance payments and construction in progress	14,357	246,938
<b>Total</b>	<b>1,384,269</b>	<b>1,324,220</b>
Investments		
Holdings in Group companies	6,357	2,157
Holdings in associated companies	3,420	3,415
Receivables from associated companies	20,146	10,865
Other shares and holdings	510	506
<b>Total</b>	<b>30,433</b>	<b>16,942</b>
<b>Total non-current assets</b>	<b>1,428,306</b>	<b>1,357,205</b>

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Current assets</b>		
Inventories		
Materials and supplies	2,074	2,063
Finished goods	337	277
<b>Total</b>	<b>2,411</b>	<b>2,341</b>
Non-current receivables		
Receivables from Group companies	7,060	4,200
Accrued income	104	52
<b>Total</b>	<b>7,164</b>	<b>4,252</b>
Current receivables		
Accounts receivable	17,618	14,472
Receivables from Group companies	982	290
Other receivables	9,910	9,481
Prepayments and accrued income	3,228	4,719
<b>Total</b>	<b>31,738</b>	<b>28,962</b>
Financial securities		
Other securities	37,000	0
Cash and cash equivalents	75,828	69,830
<b>Total current assets</b>	<b>154,141</b>	<b>105,385</b>
<b>Total assets</b>	<b>1,582,447</b>	<b>1,462,590</b>



## Equity and liabilities

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Equity</b>		
Share capital	185,000	185,000
Other reserves		
Invested unrestricted equity reserve	603,785	286,635
Fair value reserve	-21,972	-24,891
Retained earnings	-4,484	146,560
Profit/loss for the period	-150,289	-151,044
<b>Total</b>	<b>612,040</b>	<b>442,260</b>
<b>Appropriations</b>		
Cumulative accelerated depreciation	127,459	107,810
<b>Provisions</b>		
Other provisions	16,583	17,040

EUR 1,000	31 Dec 2021	31 Dec 2020
<b>Liabilities</b>		
<b>Non-current</b>		
Capital loans	32,850	0
Loans from financial institutions	674,401	705,268
Accrued expenses	26,838	31,733
<b>Total</b>	<b>734,089</b>	<b>737,001</b>
<b>Current</b>		
Loans from financial institutions	30,867	96,749
Advance payments received	2,203	226
Accounts payable	38,391	42,087
Debt to other Group companies	2,722	1,076
Other liabilities	2,154	1,723
Accrued expenses and deferred income	15,939	16,617
<b>Total</b>	<b>92,275</b>	<b>158,479</b>
<b>Total liabilities</b>	<b>1,582,447</b>	<b>1,462,590</b>

# 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 is a provider of air traffic services and its business areas are: Helsinki Airport, the Airport Network and the 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 the Group's equity. More detailed information on Group companies is available in Note 13 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

Airpro Oy established a new subsidiary, Airpro Academy Oy, in late 2020, but the company's operations only began in 2021. Finavia Group's safety training activities take place under the newly established company.

### 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.

Large purchases in foreign currencies are hedged by using currency forward contracts. The exchange rate gains or losses from currency hedging are 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.

The Accounting Board issued a statement on the accounting of derivatives in December 2016 (1963/2016). Finavia Group uses the fair value model (chapter 2a, section 5 of the Accounting Act)

in the accounting of derivatives. The Group's derivatives include electricity forward contracts and interest rate swaps. More detailed information on the derivatives used by the Group is provided in Note 29.

### 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 income and expenses of interest rate derivatives are allocated to the interest 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.

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

## The impacts of the COVID-19 pandemic on the company's operations

Due to the COVID-19 pandemic and the related travel restrictions, the Group's revenues declined by 61.3% in 2020 compared to 2019, and by 3.5% in 2021 compared to the previous year.

The Group began a cost-cutting programme of EUR 300 million for the period 2020–2023, seeking a reduction of EUR 200 million in operating expenditure and EUR 100 million in investments. In spite of the cost reductions, the Group's result for the financial year came to EUR -144 million (EUR -147 million in 2020), and cash flow from business operations came to EUR -37 million (EUR -11.3 million). At the end of the financial period, the Group's equity ratio was 44.9% (36.3% in 2020). The negative impact of the pandemic will continue in the financial year 2022, which will weaken the Group's profit performance compared to normal circumstances.

Due to the weakened financing situation, additional equity financing was sought from the company's owner and negotiations on additional financing were held with the company's existing debt financing partners.

On 3 March 2021, the Finnish Government decided to capitalise Finavia Corporation by EUR 318 million (invested unrestricted equity reserve) and a capital loan of EUR 33 million was granted to the company. The capitalisation and capital loan were both paid to the company in 2021. With the capitalisation and additional debt financing, Finavia will be able to cope with the impacts of the COVID-19 pandemic for the next 12 months at least.

If prolonged, the COVID-19 pandemic would increase the risk of impairment of fixed assets.

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



# Notes to the income statement

## 2. Revenue and operating profit/loss by business area

EUR million	2021	2020	Change, %
Helsinki Airport	92.4	98.3	-6.0
Airport network	34.8	37.5	-7.3
Airpro	33.1	29.4	12.5
Eliminations	-15.0	-14.7	1.9
<b>Group total</b>	<b>145.4</b>	<b>150.6</b>	<b>-3.5</b>
Helsinki Airport	-81.1	-74.4	-8.9
Airport network	-39.2	-34.1	-14.9
Airpro	-6.7	-8.4	20.2
Eliminations	-3.7	-12.0	69.1
<b>Group total</b>	<b>-130.7</b>	<b>-128.9</b>	<b>-1.4</b>

## 3. Other operating income

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Profit from the sale of land areas and properties	307	105	287	105
Profits from the sale of other capital assets	238	2,242	238	2,242
Income from forests and land areas	504	719	504	719
Subsidies	1,370	540	70	39
Other earnings	3,066	1,163	2,244	1,129
	<b>5,485</b>	<b>4,769</b>	<b>3,343</b>	<b>4,234</b>

## 4. Salaries and fees of the management

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
CEO and Deputy CEO	538	816	345	508
Board members	150	155	150	155

## 5. Personnel employed by Finavia Group

	Group		Finavia Corporation	
	2021	2020	2021	2020
Average number of employees (person-years)	1,398	1,366	819	801
Employees at the end of the year	2,250	2,233	1,059	1,068
permanent	1,728	2,046	784	884
temporary	522	187	275	184

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	
	2021	2020	2021	2020
KPMG Oy (starting from 2021)				
Audit fees	45		45	
Certificates and statements of opinion	0		0	
Other services	148		148	

## 7. Change of provisions in the income statement

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Other operating expenses	-780	13	-780	13

The largest items included in the mandatory provisions consist of the provisions related to the airports' environmental permits. The increase in provisions in 2021 (EUR 780,000) is related to aviation regulation EU 139/2014 CS ADR-DSN.N.785, which stipulates that intersection takeoff information signs must be installed on runways in places where intersection takeoff is permitted.

The work input in mandatory provisions during the year amounted to EUR 1.2 million. The expenses have been entered directly (against provisions) on the balance sheet, which means that the change in the provision in this respect does not show in the income statement.

## 8. Other operating expenses

A change in recognition practices was made in 2020 concerning the recognition of air traffic monitoring charges.

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 in 2021). Traficom does not collect charges for airports where the charge would be less than 20,000 euros. Finavia then charges its customers for the same monitoring charges based on the passenger volumes of the current year.

The difference between the amounts charged by Traficom and the amounts charged by Finavia were previously recognised in revenue but, in 2020, the difference grew and turned negative due to the sharp decline in passenger volumes.

In 2020, Traficom charged EUR 11.4 million to Finavia Corporation for air traffic monitoring charges and Finavia charged airlines EUR 2.9 million. The difference of EUR -8.5 million is recognised in other operating expenses. In 2021, the difference between Traficom's charges and Finavia's charges to its customers was only EUR -0.2 million.

## 9. Financial income and expenses

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Share of associated companies' result	-1,155	-1,477		
Dividend income				
Dividend income from associated companies	0	50		
Other interest and financial income				
Income from Group companies			16	0
Income from associated companies	1,087	729	1,087	729
From others	103	341	98	214
Changes in the market value of derivatives	4,604	-3,178	4,604	-3,178
Interest expenses and other financial expenses				
To others	-12,425	-10,704	-12,421	-10,701
<b>Financial income and expenses, total</b>	<b>-7,786</b>	<b>-14,239</b>	<b>-6,616</b>	<b>-12,936</b>

## 10. Income taxes

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Income tax on business activities	-17	0	0	0
Income tax from previous financial periods	0	-102	0	0
Change in the deferred tax receivable	-1,379	-90		
Change in the deferred tax liability	-3,930	-3,651		
<b>Total income tax</b>	<b>-5,326</b>	<b>-3,843</b>	<b>0</b>	<b>0</b>

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

## 11. Intangible and tangible assets and amortisation and depreciation

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

	Years
<b>Intangible assets</b>	
Intangible rights	5–10
Other intangible assets	5–20
<b>Tangible assets</b>	
<b>Buildings</b>	
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
<b>Machinery and equipment</b>	
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
<b>Ground structures</b>	
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 2021 were related to the new departures and arrivals hall in Terminal 2 at Helsinki Airport. In addition to the building, the investment also includes new ramps and structures associated with the travel centre.

### Subsidies received for investments

EU funding of EUR 3.8 million (EUR 2.9 million in 2020) was received for the planning and design of the Helsinki Airport travel centre. Finavia received an energy grant of EUR 56,043 from Business Finland, a centre for funding innovation, for costs associated with the solar power system of the P2 car park.

Changes in balance sheet items:

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Intangible rights</b>				
Acquisition cost 1 January	33,897	25,945	32,589	24,945
+ Transfers between items	3,957	8,544	3,823	8,215
- Deductions during the financial period	-2,373	-592	-2,373	-571
<b>Acquisition cost 31 December</b>	<b>35,481</b>	<b>33,897</b>	<b>34,038</b>	<b>32,589</b>
Accumulated depreciation and amortisation according to plan 1 January	-18,351	-13,977	-17,534	-13,373
Accrued depreciation and amortisation for deductions	2,373	592	2,373	571
Depreciation and amortisation for the financial period	-6,002	-4,966	-5,870	-4,731
- Accrued depreciation and amortisation according to plan 31 December	-21,979	-18,351	-21,031	-17,534
<b>Book value 31 December</b>	<b>13,502</b>	<b>15,546</b>	<b>13,007</b>	<b>15,055</b>
<b>Goodwill</b>				
Acquisition cost 1 January	1	0	0	0
+ Increases	0	1	0	0
- Deductions during the financial period	0	0	0	0
<b>Acquisition cost 31 December</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
Accumulated depreciation and amortisation according to plan 1 January	0	0	0	0
Depreciation and amortisation for the financial period	-1	0	0	0
- Accrued depreciation and amortisation according to plan 31 December	-1	0	0	0
<b>Book value 31 December</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Other intangible assets</b>				
Acquisition cost 1 January	2,663	2,751	1,777	1,777
+ Transfers between items	0	1	0	0
- Deductions during the financial period	0	-89	0	0
<b>Acquisition cost 31 December</b>	<b>2,663</b>	<b>2,663</b>	<b>1,777</b>	<b>1,777</b>

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Accrued depreciation and amortisation 1 January	-1,348	-998	-789	-398
Accrued depreciation and amortisation for deductions	0	89	0	0
Depreciation and amortisation for the financial period	-434	-439	-391	-391
- Accrued depreciation and amortisation according to plan 31 December	-1,782	-1,348	-1,181	-789
<b>Book value 31 December</b>	<b>881</b>	<b>1,315</b>	<b>596</b>	<b>988</b>
<b>Land and water areas</b>				
Acquisition cost 1 January	43,744	43,758	42,433	42,447
+ Increases during the financial period	9	21	9	21
- Deductions during the financial period	-432	-36	-432	-36
<b>Acquisition cost 31 December</b>	<b>43,321</b>	<b>43,744</b>	<b>42,010</b>	<b>42,433</b>
<b>Utility charges for real estates</b>				
Acquisition cost 1 January	1,006	1,006	1,006	1,006
- Deductions during the financial period	0	0	0	0
<b>Acquisition cost 31 December</b>	<b>1,006</b>	<b>1,006</b>	<b>1,006</b>	<b>1,006</b>
<b>Land and water areas (total)</b>	<b>44,328</b>	<b>44,750</b>	<b>43,017</b>	<b>43,439</b>
<b>Buildings and structures</b>				
Acquisition cost 1 January	926,050	867,784	927,603	869,338
+ Transfers between items	252,951	71,822	252,951	71,822
- Deductions during the financial period	-6,760	-13,556	-6,760	-13,556
<b>Acquisition cost 31 December</b>	<b>1,172,240</b>	<b>926,050</b>	<b>1,173,794</b>	<b>927,603</b>
Accumulated depreciation and amortisation according to plan 1 January	-433,378	-415,392	-434,025	-416,000
Accrued depreciation and amortisation for deductions	6,093	13,428	6,093	13,428
Depreciation and amortisation for the financial period	-30,996	-31,414	-31,035	-31,453
- Accrued depreciation and amortisation according to plan 31 December	-458,281	-433,378	-458,967	-434,025
<b>Book value 31 December</b>	<b>713,959</b>	<b>492,672</b>	<b>714,827</b>	<b>493,578</b>

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Machinery and equipment</b>				
Acquisition cost 1 January	528,920	535,248	508,640	517,673
+ Transfers between items	59,157	41,168	57,886	38,310
- Deductions during the financial period	-13,220	-47,496	-13,055	-47,344
<b>Acquisition cost 31 December</b>	<b>574,857</b>	<b>528,920</b>	<b>553,471</b>	<b>508,640</b>
Accrued depreciation and amortisation 1 January	-316,479	-302,304	-309,214	-296,744
Accrued depreciation and amortisation for deductions	13,134	19,594	12,969	19,444
Depreciation and amortisation for the financial period	-33,067	-33,769	-30,995	-31,914
- Accrued depreciation and amortisation according to plan 31 December	-336,412	-316,479	-327,240	-309,214
<b>Book value 31 December</b>	<b>238,444</b>	<b>212,441</b>	<b>226,230</b>	<b>199,426</b>
<b>Ground structures</b>				
Acquisition cost 1 January	724,739	702,730	724,646	702,637
+ Transfers between items	78,035	30,611	78,035	30,611
- Deductions during the financial period	-7,633	-8,601	-7,633	-8,601
<b>Acquisition cost 31 December</b>	<b>795,142</b>	<b>724,739</b>	<b>795,049</b>	<b>724,646</b>
Accrued depreciation and amortisation 1 January	-383,812	-361,038	-383,807	-361,037
Accrued depreciation and amortisation for deductions	7,633	8,601	7,633	8,601
Depreciation and amortisation for the financial period	-33,041	-31,375	-33,036	-31,371
- Accrued depreciation and amortisation according to plan 31 December	-409,221	-383,812	-409,211	-383,807
<b>Book value 31 December</b>	<b>385,921</b>	<b>340,927</b>	<b>385,838</b>	<b>340,839</b>
<b>Advance payments and construction in progress</b>				
Acquisition cost 1 January	247,205	150,352	246,938	150,031
+ Increases during the financial period	161,284	248,998	160,114	245,864
- Deductions	0	0	0	0
- Transfers between items	-394,094	-152,145	-392,694	-148,957
<b>Acquisition cost 31 December</b>	<b>14,396</b>	<b>247,205</b>	<b>14,357</b>	<b>246,938</b>



EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Shares and holdings (subsidiaries and other shares)</b>				
Acquisition cost 1 January	518	292	6,077	5,851
+ Increases during the financial period	5	226	4,209	226
+ Transfers between items	0	0	0	0
- Deductions during the financial period	-5	0	0	0
<b>Acquisition cost 31 December</b>	<b>518</b>	<b>518</b>	<b>10,287</b>	<b>6,077</b>
<b>Receivables from associated companies</b>				
Acquisition cost 1 January	3,651	3,669	10,865	9,405
+ Increases during the financial period	9,281	1,470	9,281	1,470
- Deductions during the financial period	-1,130	-1,488	0	-10
<b>Acquisition cost 31 December</b>	<b>11,802</b>	<b>3,651</b>	<b>20,146</b>	<b>10,865</b>
<b>Total</b>				
Acquisition cost 1 January	2,512,395	2,333,536	2,502,575	2,325,110
+ Increases during the financial period	170,587	250,717	173,614	247,582
Transfers between items	0	0	0	0
- Deductions during the financial period	-31,553	-71,858	-30,253	-70,117
<b>Acquisition cost 31 December</b>	<b>2,651,428</b>	<b>2,512,395</b>	<b>2,645,936</b>	<b>2,502,575</b>
Accrued depreciation and amortisation 1 January	-1,153,368	-1,093,708	-1,145,370	-1,087,553
Accrued depreciation and amortisation for deductions	29,232	42,304	29,068	42,044
Depreciation and amortisation for the financial period	-103,541	-101,964	-101,328	-99,860
- Accumulated depreciation and amortisation according to plan 31 December	-1,227,676	-1,153,368	-1,217,630	-1,145,370
<b>Book value 31 December</b>	<b>1,423,752</b>	<b>1,359,027</b>	<b>1,428,306</b>	<b>1,357,205</b>

## 12. Other shares and holdings

	Shares / group companies	Shares / associated companies	Other shares and holdings	Other investments
<b>Group</b>				
Acquisition cost 1 January		8	510	0
+ Increases during the financial period			0	
- Deductions during the financial period		0	0	0
<b>Acquisition cost 31 December</b>	<b>0</b>	<b>8</b>	<b>510</b>	<b>0</b>
<b>Parent company</b>				
Acquisition cost 1 January	2,157	3,415	506	0
+ Increases during the financial period	4,200	5	4	
- Deductions during the financial period				0
<b>Acquisition cost 31 December</b>	<b>6,357</b>	<b>3,420</b>	<b>510</b>	<b>0</b>

## 13. 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 Dec 2021 in euros	Revenues in euros	Profit/loss for the period in euros
Airpro Oy, Vantaa	37,833,005.07	19,093,059.38	16,611,542.03	-83,369.94
RTG Ground Handling Oy, Vantaa	9,509,344.08	1,864,079.75	16,640,604.31	-6,810,310.78
Airpro Academy Oy, Vantaa	157,785.50	99,534.97	274,230.00	69,534.97
Koy Aviatontti I, Vantaa	601,387.72	382,584.97	34,000.00	-9,742.67
Koy Aviatontti II, Vantaa	1,437,635.74	1,428,122.33	0.00	-3,499.32
Koy Aviatontti III, Vantaa	1,334,018.31	1,327,789.96	0.00	-1,819.56

	Group holding (%)	Parent company holding (%)	Equity 31 Dec 2021 in euros	Profit/loss for the period in euros
<b>Holdings in associated companies</b>				
AVIA Real Estate Oy, Vantaa	49.00	49.00	27,901,601	-42,705
APC Properties 1 Oy, Vantaa	49.00	49.00	-137,201	-147,201
SB A Properties Oy, Vantaa	49.00	49.00	131,236	-3,032
SB B Properties Oy, Vantaa	49.00	49.00	1,966,409	-2,857
SB C Properties Oy, Vantaa	49.00	49.00	1,429,268	-2,925
SB D Properties Oy, Vantaa	49.00	49.00	4,204,402	-2,665
SB E Properties Oy, Vantaa	49.00	49.00	3,577,762	-2,721
SB F Properties Oy, Vantaa	49.00	49.00	4,424,285	-319,855
SB G Properties Oy, Vantaa	49.00	49.00	4,204,371	-2,696
SB H1 Properties Oy, Vantaa	49.00	49.00	1,787,345	-2,896
SB H2 Properties Oy, Vantaa	49.00	49.00	2,413,981	-2,844
SB I Properties Oy, Vantaa	49.00	49.00	3,309,176	-2,770
SB J Properties Oy, Vantaa	49.00	49.00	3,395,659	-5,799
Taxi Point Oy, Vantaa	25.00	0.00	1,157,058	-54,309

#### 14. Holdings in associated companies

	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Holdings in associated companies</b>				
Holdings in associated companies	3,428	3,423	3,420	3,415
Allocations of Group items	-11,764	-10,628		
Transfers between items	8,344	7,213		
<b>Total</b>	<b>8</b>	<b>8</b>	<b>3,420</b>	<b>3,415</b>
<b>Receivables from associated companies</b>				
Loan receivables from associated companies	15,293	6,877	15,293	6,877
Subordinated loan receivable from associated companies	4,781	3,700	4,781	3,700
Interest receivables from associated companies	72	288	72	288
Transfers between items	-8,344	-7,213		
<b>Total</b>	<b>11,802</b>	<b>3,651</b>	<b>20,146</b>	<b>10,865</b>

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

**Of the shareholder loan granted to AVIA Real Estate Oy** (EUR 10.97 million), EUR 3,699,500 was converted into a subordinated 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.

**Of the shareholder loan granted to APC Properties 1 Oy** (EUR 8.0 million), EUR 1,078,000 was converted into a subordinated 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 was capitalised in the loan principal on 31 December 2021.



## Non-current receivables

### 15. Accrued income

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Market value of hedging electricity derivatives	104	52	104	52
Due date of contracts in 2023 or later				

### 16. Deferred tax receivable

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Non-current				
For accrual differences and temporary differences	8,375	9,754	0	0

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

### 17. Receivables from Group subsidiaries

EUR 1,000	Finavia Corporation 2021	Finavia Corporation 2020
Accounts receivable	732	87
Loan receivables		
Non-current	7,060	4,200
Accrued income	250	203
<b>At the end of the financial period</b>	<b>8,042</b>	<b>4,490</b>

The loan receivables in 2020 included a subordinated loan of EUR 4.2 million to the Group's subsidiary RTG Ground Handling Oy. In 2021, the subordinated loan receivable was converted into a corresponding investment in the subsidiary's invested unrestricted equity reserve. Long-term group loans totalling EUR 9 million have been granted to Airpro Oy. Of this total, EUR 2 million is yet to be drawn down.

### 18. Material items contained in prepayments and accrued income

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Rent receivables	2	17	0	0
Receivables from occupational health care (KELA)	519	425	227	202
Prepayment of IT licences and maintenance costs	1,496	907	1,496	907
Health security expenses (COVID-19, paid by the City of Vantaa/the Finnish Ministry of Social Affairs and Health)	345	1,554	345	1,554
Other	1,847	2,687	1,160	2,055
<b>At the end of the financial period</b>	<b>4,209</b>	<b>5,590</b>	<b>3,228</b>	<b>4,719</b>

## 19. Increases and decreases in equity items

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
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	286,635	286,635	286,635	286,635
- changes	317,150	0	317,150	0
At the end of the financial period	603,785	286,635	603,785	286,635
Fair value reserve	-24,891	-27,810	-24,891	-27,810
- changes	2,919	2,919	2,919	2,919
At the end of the financial period	-21,972	-24,891	-21,972	-24,891
Retained earnings/losses	89,314	236,336	-4,484	146,560
Distribution of dividend	0	0	0	0
	89,314	236,336	-4,484	146,560
Profit (+)/loss (-) for the financial period	-143,808	-147,022	-150,289	-151,044
<b>Total equity</b>	<b>712,320</b>	<b>536,059</b>	<b>612,040</b>	<b>442,260</b>

Finavia Corporation received capitalisation from the State of Finland totalling EUR 350 million in 2021. Of this total, EUR 317,150,000 was received as an investment in the invested unrestricted equity reserve, and Finavia Corporation also received a capital loan of EUR 32,850,000.

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 106,305,696.78 is recognised in the Group's equity (EUR 90,587,083.19 in 2020).

EUR 1,000	Finavia Corporation	
	2021	2020
<b>Distributable unrestricted equity:</b>		
Invested unrestricted equity reserve	603,785	286,635
Fair value reserve	-21,972	-24,891
Retained earnings	-154,773	-4,484
<b>Total</b>	<b>427,040</b>	<b>257,260</b>

## 20. Provisions

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Other provisions	16,583	17,040	16,583	17,040

The major items in mandatory provisions on 31 December 2021:

- An environmental provision of EUR 13.8 million (EUR 14.5 million in 2020) is associated with the pending environmental permit processes at different airports.
- A provision of EUR 2.0 million has been made for expanding the safety zones of runways in compliance with EASA's new aviation regulations.



## 21. Non-current liabilities

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Capital loan	32,850	0	32,850	0
Loans from financial institutions	674,401	705,268	674,401	705,268

Loans maturing after five years or more.

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Capital loan	32,850	0	32,850	0
Loans from financial institutions	510,282	552,850	510,282	552,850

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 is currently 2.5%. The margin will rise to 3% when 12 months have passed from the date of signing the loan (September 2021) and the margin will subsequently rise to 4% in September 2024. Interest on the loan is paid annually at the end of December.

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 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.

Due to the COVID-19 pandemic, Finavia Group's EBITDA declined significantly starting from March 2020. This led to a covenant included in Finavia's financing agreements being breached.

Following the capitalisation received from the state in 2021, the covenant terms were met until 31 December 2021. Finavia has negotiated waiver agreements for year 2022.

## 22. Material items for accrued expenses

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Non-current</b>				
Negative market value of hedging derivatives	25,294	31,733	25,294	31,733
Personnel incentive bonus	1,544	0	1,544	0
<b>At the end of the financial period</b>	<b>26,838</b>	<b>31,733</b>	<b>26,838</b>	<b>31,733</b>

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.

Derivatives are described in more detail in Note 29.

A total of EUR 1.5 million in incentive bonuses for the personnel were accrued in 2021. The bonuses will be paid into Finavia's personnel fund in 2023.

## 23. Deferred tax liability

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
For appropriations	26,576	22,647		
<b>At the end of the financial period</b>	<b>26,576</b>	<b>22,647</b>		

## 24. Current liabilities

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Loans from financial institutions	30,867	96,749	30,867	96,749

Finavia Corporation has an agreement on a revolving credit facility of EUR 125 million with Skandinaviska Enskilda Banken Ab. None of this revolving credit facility was in use on 31 December 2021. Finavia also has a EUR 250 million commercial paper programme, which was not in use by the end of the financial year.

## 25. Advance payments received

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Advance payments received	3,681	382	2,203	226

## 26. Debt to other Group subsidiaries

EUR 1,000	Finavia Corporation	
	2021	2020
Accounts payable	2,505	372
Accrued expenses	217	704
<b>At the end of the financial period</b>	<b>2,722</b>	<b>1,076</b>

## 27. Material items for accrued expenses

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
<b>Current</b>				
Holiday bonuses with social security contributions	12,317	12,617	8,279	9,136
Periodic salaries with social security contributions	2,339	2,695	863	1,633
Interest rate liabilities	1,531	1,796	1,531	1,796
Property tax liabilities	3,859	3,060	3,859	3,060
Other	1,896	1,172	1,407	992
<b>At the end of the financial period</b>	<b>21,942</b>	<b>21,340</b>	<b>15,939</b>	<b>16,617</b>

## 28. Guarantees, pledges and liabilities

EUR 1,000	Group		Finavia Corporation	
	2021	2020	2021	2020
Other guarantees given for subsidiaries				
Special guarantee given for lease liabilities	5	37	5	37
Other guarantee liabilities	185	173	74	74
Lease liabilities				
To be paid during the financial period 2022	4,449	4,662	4,280	4,443
To be paid later	34,204	37,568	34,082	37,333

### Other liabilities

On 31 December 2021, the procurement commitments associated with investments totalled EUR 35.9 million. The biggest single item is the Helsinki Airport development programme, which involves commitments totalling EUR 33.7 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 15.0 million was unpaid on 31 December 2021.

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's obligation may be realised in March 2023 at the earliest.



Finavia Corporation has an obligation to review the VAT deductions it has made for the real estate investments completed during 2013–2021 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 171,131,165.28, and the last adjustment year was 2030.

Year	Real estate investments	VAT of the real estate investment	Revision liability 31 Dec 2021	Annual amount subject to revision
2013	16,353	3,925	392	392
2014	37,361	8,967	1,793	897
2015	50,285	12,069	3,621	1,207
2016	119,608	28,706	11,482	2,871
2017	122,724	29,422	14,711	2,942
2018	77,046	18,491	11,095	1,849
2019	256,555	61,573	43,101	6,157
2020	79,985	19,196	15,357	1,920
2021	322,161	77,310	69,579	7,731
<b>Total</b>		<b>259,658</b>	<b>171,131</b>	<b>25,966</b>

## 29. 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 2021, the company had EUR 236 million in variable interest rate loans and EUR 502 million in fixed rate 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.

Due to the prevailing interest rates, the hedging effectiveness of the interest rate swaps is less than half of the maturity of the contracts. Consequently, 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. Changes in fair value from this point onwards will be 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 is mainly conducted in euros and the bank 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 2021.

### 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. The electricity agreements are euro-denominated and mature in 2022–2023.

### 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 2021, 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 2021.

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	-25,294,174
Electricity forward contracts	1,223,334	1,095,180	0

### Equity/fair value reserve 31 December 2021

The fair value of interest rate swaps, accrued in financial items in the income statement over their maturity.	-21,971,900
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# Signatures to the financial statements and Board of Directors' report

Vantaa, 11 March 2022

**Harri Sailas**  
Chairman of the Board of Directors

**Johanna Kara**

**Kati Levoranta**

**Tuija Pesonen**

**Esko Pyykkönen**

**Erkka Valkila**

**Stefan Wentjärvi**

**Kimmo Mäki**  
CEO

**Auditor's note:**

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

Helsinki, 11 March 2022

KPMG Oy Ab  
Firm of APA Auditors

**Ari Eskelinen**  
Authorised public accountant



# Calculation of key figures

## Return on capital employed (ROCE), %

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

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Equity + interest-bearing financial loans (average for the start and end of the financial period)

## Return on equity, %

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

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

## Equity ratio, %

Equity + minority share

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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 1 January–31 December 2021. 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 conduct-

ed 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 consists of 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. 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 (and the distribution of other unrestricted equity) 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.

Helsinki, 11 March 2022

KPMG OY AB

### Ari Eskelinen

Authorised public accountant

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