



Financial Statements

Finavia in brief

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

We do our best to ensure smooth travel and high-quality services. Our expertise lies in managing large-scale operations: demanding construction projects, passenger flows, complex logistics and

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

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

“

Our customer promise is "For smooth travelling".

Reports 2022



Annual and Responsibility Report

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

[➤ Read more](#)



Corporate Governance and Remuneration Report

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

[➤ Read more](#)



Financial Statements

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

[➤ Read more](#)

Contents

01 Board of Directors' report	5
02 Financial statements	10
Consolidated income statement	11
Consolidated balance sheet	12
Finavia Corporation cash flow statement and the parent company's cash flow statement	14
Finavia Corporation income statement	15
Finavia Corporation balance sheet	16
Notes to the financial statements	18
Signatures of the Board of Directors	33
Calculation of key figures	34
03 Auditor's report	35



Board of Directors' report

Operating environment

The recovery of air traffic began in 2022 after the worst of the COVID-19 pandemic had passed. There was pent-up demand for travel, and the aviation sector's recovery began as flight connections were quickly opened. Air traffic operators engaged in close cooperation to promote the recovery of travel.

A new crisis, one that especially affects Europe and the West, began when Russia invaded Ukraine in February. The EU countries, together with the United States, imposed economic sanctions against Russia. Russia responded by closing its airspace, forcing airlines from EU countries to fly around Russian airspace on flights to Asia.

The closure of Russian airspace and the continued strict COVID-19 travel restrictions in China had a negative impact on the recovery of air traffic between Europe and Asia. The number of transfer passengers at Helsinki Airport was low.

According to the International Civil Aviation Organization (ICAO), passenger volumes increased globally by 47 per cent compared to 2021.

According to Airports Council International Europe, passenger volumes in air traffic increased by 122 per cent in the EU and by 98 per cent in Europe as a whole compared to 2021. The total number of passengers at Finavia's airports in 2022 was 15.4 million, an increase of 187 per cent compared to 2021.

According to ACI Europe, air freight volumes in Europe fell by 5 per cent. The freight volume carried by airlines at Finavia's airports decreased by 3 per cent to 172,773 tonnes.

Due to the war started by Russia and the related airspace closure, it is likely to take years for air traffic to return to the levels seen before the COVID-19 crisis. The uncertainty caused by the war – combined with raw material shortages, higher interest rates and increased energy costs – led to higher prices, which were also reflected in costs in the aviation sector.

Development of passenger volumes and connections

The number of passengers at Finavia's airports rose to 15.4 million (5.4) in 2022. Air traffic to Europe, in particular, increased in



the summer due to the lifting of travel restrictions and the strong summer holiday season. Finavia's airports in Lapland had an excellent winter season. Passenger volumes in transfer travel between Europe and Asia – which is important for Finavia's business – were still low.

During the year, several airlines launched routes between Helsinki Airport and new destinations in Europe, the United States and India. New routes to international destinations were also launched at Finavia's regional airports. At the same time, the number of domestic flights decreased. At the end of the year, there were 130 (71) direct flight destinations from Finland to destinations around the world.

A total of 15,405,024 passengers flew on scheduled and charter flights, an increase of 187 per cent compared to 2021. The total number of flights (commercial flights including scheduled, charter and taxi flights carrying passengers or cargo) increased by 83 per cent. The total number of flights was 167,409.

At Helsinki Airport, the total number of passengers was 12.9 million, representing an increase of 202.3 per cent compared to 2021. Transfer passengers represented 12 per cent of the total number of passengers at Helsinki Airport in 2022.

Passenger volumes at the other major Nordic airports grew slightly slower than at Helsinki Airport. Passenger volumes increased by 146 per cent at Stockholm Arlanda Airport, 141

per cent at Copenhagen Airport and 139 per cent at Oslo Airport.

The total number of passengers at Finavia's regional network airports increased by 126 per cent and came to 2.5 million. 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 Airport and Turku Airport.

At Finavia's airports in Lapland, which play an important role in Finnish tourism, the winter season was excellent and the number of passengers rose to a record-high level. Half of the flights to Lapland are scheduled flights. The number of passengers at Finavia's airports in Lapland came to 1.2 million, representing an increase of 93 per cent compared to 2021.

Following the expiry of state-subsidised regional air service agreements in August, there were no flights from Joensuu, Jyväskylä, Kaajaani, Kemi-Tornio and Kokkola-Pietarsaari airports in September. State-subsidised traffic was put up for tender by the Finnish Transport and Communications Agency Traficom and subsequently resumed in October. Air traffic at Savonlinna Airport and Pori Airport was also put up for tender.

Arrived flights and the respective passenger and freight volumes are itemised by airport on page 74 of the Annual and Responsibility Report.

Implementation of strategy

In 2022, Finavia continued to execute its strategy, which is focused on supporting recovery. To promote the recovery of business and strengthen the financial position, Finavia continued to implement the Group-wide cost-cutting programme and actively sought to have new flight connections opened between Finland and international destinations. Goals related to improving employee well-being and coping were promoted together with the personnel.

In 2022, our operations were significantly affected by Russia's invasion of Ukraine and the subsequent closure of Russian airspace to EU countries. These developments complicated flights to Asia and changed Finavia's strategic position. In autumn 2022, Finavia published its strategic goals adapted to the new situation: dedicated and motivated personnel, business growth and financially sustainable operations. These goals and related targets will guide our operations from 2023 onwards.

Finavia continued to focus on climate change mitigation and promoting Finland's connectivity. Finavia's airports have been carbon neutral since 2019. Finavia continued to reduce its carbon emissions by increasing the use of renewable energy and by improving energy efficiency. The next goal is net zero by the end of 2025. Finavia is involved in cooperation projects aimed at reducing the emis-

sions of the entire air traffic sector. For example, Finavia participates in funding the testing and development of Finland's first electric aircraft.

In 2022, Finavia drew up a new sustainability programme, "Towards sustainable air travel", which promotes the social, economic and environmental responsibility of our business operations. It is based on the three pillars of human well-being, sustainable air traffic and good governance and finances responsibility. Finavia's sustainability programme also includes a commitment to accelerating sustainability throughout the air traffic value chain. The targets and results of the sustainability programme will be measured starting from 2023.

Business development

Finavia has two business areas: Helsinki Airport and Airport Network. Finavia's services for air traffic are complemented by its wholly-owned subsidiary Airpro Oy and its 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, as well as plots of land for residential development.

Finavia is also a shareholder (10%) in the Suomi-rata Oy project company, the goals of

which include exploring opportunities for connecting Helsinki Airport to long-distance rail traffic.

The cost-cutting programme that Finavia Group began in March 2020 continued in 2022. 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. It included the prioritisation and reduction of investments as well as reductions in operating expenses. By the end of 2022, EUR 186 million in operating costs had been cut. Investments had been reduced by EUR 85 million by the end of the year.

The revenues of the Helsinki Airport business increased by 119.7 per cent to EUR 203.1 million in 2022. The growth in revenues was driven by the recovery of air traffic after the COVID-19 pandemic.

Finavia's Helsinki Airport Development Programme, which is valued at over one billion euros and will support and enhance the airport's operations far into the future, progressed faster than originally scheduled. During the year, we commissioned the check-in facilities and state-of-the-art security control area in the new departures hall. In connection with this, a single terminal operating model was adopted at Helsinki Airport, with all departure and arrival services located in the same building. New restaurant and retail services

were also opened at the same time. Alteration work related to the final stage of the development programme continued in the departure gate area. The facilities in question are scheduled to be commissioned in autumn 2023.

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

The Airport Network business comprises 17 airports used by commercial air traffic and two airports that are only used by general and military aviation. In 2022, the revenues of the Airport Network business increased by 55.2 per cent and amounted to EUR 54.0 million.

The Airpro sub-group produces ground forwarding, security control, cabin services and customer services for aviation operators. Airpro gained new customers in 2022 and invested in the electrification of its fleet. The revenues of the Airpro sub-group increased by 102.9 per cent compared to 2021 and amounted to EUR 67.2 million.

Revenues and result

Finavia Group's revenues grew substantially and the operating margin turned positive in 2022. Revenues increased by 105.3 per cent and came to EUR 298.4 million (145.4). Revenues from air traffic increased by 110.3 per cent to EUR 149.3 million (71.0).

Revenues from operations other than air traffic accounted for 50.0 per cent (51.2) of

The Group's key figures

	2022	2021	Change, %
Total number of passengers, million	15.4	5.4	186.7
Revenues, EUR million	298.4	145.4	105.3
Operating margin, EUR million	65.4	-27.2	340.8
Operating margin, %	21.9	-18.7	
Operating result, EUR million	-52.3	-130.7	60.0
Operating result, %	-17.5	-89.9	
Profit for the period, EUR million	-57.9	-143.8	59.8
Return on equity, %	-8.5	-23.0	
Return on investment, %	-3.5	-9.2	
Equity ratio, %	41.4	44.9	
Cash flow-based investments, EUR million	105.7	164.7	-35.8
Net debt	682.4	621.3	9.8
Balance sheet total, EUR million	1,595.2	1,591.8	0.2
Average number of employees (person-years)	1,817	1,398	30.0
Salaries and fees, EUR million	89.5	65.7	36.2

total revenues. The Group's other revenues increased by 100.3 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 -52.3 million (-130.7), or -17.5 per cent (-89.9) of revenues. Due to the investment programme,

depreciation increased to EUR 117.7 million (103.5).

The result for the financial year was EUR -57.9 million (-143.8). Financial income and expenses totalled EUR 2.7 million (-7.8).

Balance sheet

The consolidated balance sheet total was EUR 1,595.2 million (1,591.8). The equity ratio was 41.4 per cent (44.9). Due to the ongoing devel-

opment and investment programme, fixed assets increased to EUR 1,413.9 million (1,423.8). Interest-bearing loans totalled EUR 807.3 million (738.1) at the end of the year. Liabilities increased to EUR 923.6 million (862.9). The net gearing ratio was 103.8 per cent (87.2). Statutory provisions amounted to EUR 14.3 million (16.6) and were related to the environmental and RESA provisions of airports.

Cash flow and financial position

Cash flow from operations was EUR 53.1 million (-37.5). Cash flow from investments came to EUR 114.3 million (-173.0). Repayments of long-term loans amounted to EUR 30.9 million (26.7). On 31 December 2022, the Group had cash and cash equivalents amounting to EUR 124.8 million (116.9).

Finavia took out EUR 100 million in new long-term loans in 2022 to finance the Helsinki Airport Development Programme.

Finavia has a revolving credit facility of EUR 125 million, which was unused at the end of 2022. At the end of the year, Finavia also had a EUR 250 million short-term commercial paper programme, which is unused.

At the end of 2022, the Group had hedged 68.2 per cent of the interest rate risk for interest-bearing liabilities. The average rate of interest on the Group's interest-bearing loans was 1.3 per cent in 2022, and the interest rate tying period for the debt and leasing portfolio and hedging was four 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 36.1 million (38.7) 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 covenant included in Finavia's financing agreements being breached. Waiver agreements have been negotiated with financing providers for 2022 and 2023.

Investments

In 2022, Finavia Group's investments totalled EUR 105.7 million (164.7).

Finavia's investment programme to develop Helsinki Airport, which is valued at over one billion euros, progressed faster than originally scheduled. The development programme will continue with the renewal of the area previously used as the departures hall of Terminal 2. This will take until autumn 2023, after which the development programme will be finished.

Finavia invested EUR 3 million in the renovation of Savonlinna Airport. The airport's runway was resurfaced in June and energy efficiency was improved.

Finavia takes environmental perspectives into account in construction and renovation projects. Work was carried out in 2022 on building an aircraft de-icing agent collection system at Turku Airport. Construction continued on an underground wetland related to stormwater treatment at Helsinki Airport. Both of the projects will be completed in early 2023.

Personnel

At the end of 2022, the Group had 2,539 employees (2,250). The Group did not have any employees abroad. The number of permanent employees was 1,834 (1,728). In terms of person-years, the average number of employees during the financial year was 1,817 (1,398).

At the end of 2022, the parent company had 1,132 employees (1,059). In terms of person-years, the average number of parent company employees during the year was 900 (819).

The job satisfaction of Finavia's personnel is measured annually by means of an employee survey. A comprehensive employee survey was carried out in 2022. According to the survey, Finavia's PeoplePower index is 68.9. In spite of the COVID-19 pandemic, job satisfaction among Finavia's employees has remained at the same level as in 2020, when the corresponding survey was last conducted.

More information on Finavia's personnel is provided on page 40 of 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.

In 2022, Finavia's share capital amounted to EUR 185 million. The company does not have any treasury shares. The company has not had any share issues, option issues, or other issues of rights entitling to shares. The company's Board of Directors does not have any authorisations to issue shares or option rights.

Ordinary General Meeting 2022

The Ordinary General Meeting of Shareholders (GM) of Finavia Corporation was held on 18 March 2022. The GM adopted the 2021 financial statements and discharged the Board of Directors and the CEO from liability. The GM resolved, in accordance with the proposal of the Board of Directors, that no dividend be distributed.

Business-related risks

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

picture changed when, after the COVID-19 pandemic had abated, Russia launched a war of aggression in Ukraine in February 2022. This led to the closure of Russian airspace to EU and US airlines, as well as general uncertainty in the global economy. The sudden change in the operating environment will affect Finavia's long-term outlook. The company aims to continuously assess the consequences.

Strategic risks

The main strategic risks concern the general developments in the air traffic sector and the geopolitical situation. In general, the significance of the strategic risks related to the pandemic decreased in 2022. 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 the closure of Russian airspace and its effects on transfer travel.

Geopolitical risks, risks related to higher prices for flights and risks related to the availability of labour increased further in the aviation sector in 2022. 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.

Risks related to the operating environment

also include risks related to environmental regulation and the regulation of airport charges.

Operative risks

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

Compliance risks

Finavia's business is based on an EU certificate granting a licence for operating an airport. The implementation of the requirements associated with the licence is supervised by both national and EU authorities. As the legislation 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 reduced availability of loans or potential restrictions related to the availability of equity constitute a risk that is significant but fairly unlikely. Financial risks were mainly related to liquidity and credit risks, and these were actively managed.

Outlook for 2023

The company expects its revenues for 2023 to be higher than in 2022. This expectation is based on the current view of the development of air traffic. The operating profit is ex-

pected to be clearly higher than in 2022 but still unprofitable.

Due to Russia's war of aggression against Ukraine and the subsequent closure of Russian airspace, it is likely to take years for traffic to return to the levels seen before the COVID-19 crisis. The rapid rise in prices has an impact on the finances of consumers and businesses, as well as costs in the aviation industry. This may slow down the development of air traffic in the long term.

Events after the financial period

There have been no significant events after the financial period.

The Board's proposal regarding the distribution of dividend

The parent company's distributable funds on the balance sheet date, 31 December 2022, stood at EUR 360,031,222, of which the loss for the period was EUR 69,927,871. The Board of Directors proposes to the Ordinary General Meeting of Shareholders that no dividend be distributed.

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

Vantaa, 21 March 2023

Finavia Corporation
Board of Directors



02 Financial Statements

- 11 Consolidated income statement
- 12 Consolidated balance sheet
- 14 Finavia Corporation cash flow statement and the parent company’s cash flow statement
- 15 Finavia Corporation income statement
- 16 Finavia Corporation balance sheet
- 18 Notes to the financial statements
- 34 Calculation of key figures

Consolidated income statement

EUR 1,000	1 January–31 December 2022	1 January–31 December 2021
Revenues	298,401	145,357
Other operating income	6,956	5,485
Materials and services		
Materials and supplies		
Purchases during the financial period	41,600	26,145
Change in inventories; increase(-)/decrease(+)	-2,201	-198
External services	55,262	39,752
Total	94,661	65,700
Personnel expenses		
Salaries and fees	89,454	65,701
Indirect personnel expenses		
Pension expenses	15,265	11,086
Other indirect staff expenses	3,280	2,267
Total	107,999	79,054
Depreciation, amortisation and impairment		
According to plan		
Intellectual property rights	6,362	5,995
Goodwill	0	7
Other non-current expenditure	434	434
Buildings and structures	37,156	30,996
Machinery and equipment	37,872	33,067
Other tangible assets	35,859	33,041
Total	117,684	103,541

EUR 1,000	1 January–31 December 2022	1 January–31 December 2021
Other operating expenses	37,311	33,243
Operating profit	-52,297	-130,696
Financial income and expenses		
Income (losses) from participating interests	-1,387	-1,155
Other interest and financial income	2,271	1,190
Change in the market value of derivatives	15,128	4,604
Interest expenses and other financial expenses	-13,310	-12,425
Total	2,701	-7,787
Profit before appropriations and taxes	-49,595	-138,482
Taxes for the period and previous periods	0	-17
Deferred taxes	-8,280	-5,309
Total	-8,280	-5,326
Profit/loss for the period	-57,876	-143,808

Consolidated balance sheet

Assets

EUR 1,000	31.12.2022	31.12.2021
Non-current assets		
Intangible assets		
Intellectual property rights	8,899	13,502
Other non-current expenditure	447	881
Total	9,346	14,383
Tangible assets		
Land and water areas	44,327	44,328
Buildings and structures	703,066	713,959
Machinery and equipment	256,445	238,444
Other tangible assets	355,033	385,921
Advance payments and construction in progress	23,605	14,396
Total	1,382,475	1,397,048
Investments		
Holding in associated companies	8	8
Receivables from associated companies	21,253	11,802
Other shares and holdings	793	510
Total	22,055	12,321
Total non-current assets	1,413,876	1,423,752

EUR 1,000	31.12.2022	31.12.2021
Current assets		
Inventories		
Materials and supplies	4,062	2,594
Finished goods	1,435	910
Total	5,497	3,504
Receivables		
Non-current		
Accrued income	-	104
Deferred tax assets	4,430	8,375
Total	4,430	8,479
Current		
Accounts receivable	35,365	24,298
Other receivables	8,093	10,661
Prepayments and accrued income	3,164	4,209
Total	46,622	39,167
Cash and cash equivalents	124,824	116,851
Total current assets	181,372	168,001
Total assets	1,595,248	1,591,754

Consolidated balance sheet

Equity and liabilities

EUR 1,000	31 Dec 2022	31 Dec 2021
Equity		
Share capital	185,000	185,000
Other reserves		
Invested unrestricted equity reserve	603,785	603,785
Fair value reserve	-19,053	-21,972
Retained earnings	-54,494	89,314
Profit/loss for the period	-57,876	-143,808
Total	657,363	712,320
Provisions		
Other provisions	14,325	16,583

EUR 1,000	31 Dec 2022	31 Dec 2021
Liabilities		
Non-current		
Capital loans	32,850	32,850
Loans from financial institutions	737,064	674,401
Accrued expenses	7,823	26,838
Deferred tax liability	30,911	26,576
Total	808,648	760,666
Current		
Loans from financial institutions	37,338	30,867
Advance payments received	6,067	3,681
Accounts payable	42,395	41,831
Other liabilities	4,304	3,865
Accrued expenses	24,809	21,942
Total	114,912	102,185
Total equity and liabilities	1,595,248	1,591,754

Finavia Corporation cash flow statement and the parent company's cash flow statement

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Cash flow from business operations				
Payments received from sales	295,533	144,252	258,671	129,722
Payments from operating costs	-231,451	-170,355	-197,176	-149,392
Cash flow from business operations before financial items and taxes	64,081	-26,104	61,495	-19,670
Interest and financial expenses paid	-11,218	-11,461	-11,217	-11,458
Interest received from business operations	1,019	1,293	1,029	1,288
Other financial items from business operations	-771	-1,227	-769	-1,226
Direct taxes paid	-18	0	0	0
Cash flow from business operations	53,093	-37,499	50,538	-31,066
Cash flow from investments				
Investments in tangible and intangible assets	-105,689	-164,704	-100,164	-163,858
Income from the disposal of tangible assets and intangible assets	255	1,100	251	1,100
Purchase of other investments	-283	-5	-283	-9
Granted loans	-11,760	-9,359	-11,760	-9,359
Repayments of loan receivables	3,224	0	3,224	0
Cash flow from investments	-114,254	-172,969	-108,732	-172,127

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Financing cash flow				
Paid increase in equity	0	317,150	0	317,150
Repayment of short-term borrowings	0	-70,000	0	-70,000
Drawdown of long-term borrowings	100,000	32,850	100,000	32,850
Repayment of long-term borrowings	-30,867	-26,749	-30,867	-26,749
Loans granted to subsidiaries		0	-2,000	-7,060
Financing cash flow	69,133	253,251	67,133	246,191
Change in cash and cash equivalents	7,973	42,783	8,939	42,998
Cash and cash equivalents 1 January	116,851	74,068	112,828	69,830
Cash and cash equivalents 31 December	124,824	116,851	121,768	112,828

Finavia Corporation income statement

EUR 1,000	1.1.–31.12.2022	1.1.–31.12.2021
Revenues	259,671	128,808
Other operating income	6,513	3,343
Materials and services		
Materials and supplies		
Purchases during the financial period	40,856	25,498
Change in inventories; increase(-)/decrease(+)	-1,379	-71
External services	75,201	52,575
Total	114,677	78,003
Personnel expenses		
Salaries and fees	48,022	40,124
Indirect staff expenses		
Pension expenses	7,788	6,716
Other indirect staff expenses	1,727	1,246
Total	57,536	48,086
Depreciation, amortisation and impairment		
According to plan		
Intellectual property rights	6,219	5,870
Other non-current expenditure	391	391
Buildings and structures	37,194	31,035
Machinery and equipment	35,704	30,995
Other tangible assets	35,855	33,036
Total	115,364	101,328

EUR 1,000	1.1.–31.12.2022	1.1.–31.12.2021
Other operating expenses	30,994	28,758
Operating profit	-52,387	-124,024
Financial income and expenses:		
Financing income	2,311	1,200
Changes in the market value of derivatives	15,128	4,604
Interest expenses and other financial expenses	-13,307	-12,420
Total	4,132	-6,616
Profit before appropriations and taxes	-48,255	-130,640
Appropriations		
Change in cumulative accelerated depreciation	-21,673	-19,649
Income taxes		
Taxes for the financial period	0,00	0,00
Profit/loss for the period	-69,928	-150,289

Finavia Corporation balance sheet

Assets

EUR 1,000	31 Dec 2022	31 Dec 2021
Non-current assets		
Intangible assets		
Intellectual property rights	8,558	13,007
Other non-current expenditure	205	596
Total	8,763	13,604
Tangible assets		
Land and water areas	43,016	43,017
Buildings and structures	703,895	714,827
Machinery and equipment	245,342	226,230
Other tangible assets	354,954	385,838
Advance payments and construction in progress	19,421	14,357
Total	1,366,627	1,384,269
Investments		
Holdings in group companies	6,357	6,357
Holdings in associated companies	3,420	3,420
Receivables from associated companies	29,996	20,146
Other shares and holdings	793	510
	40,566	30,433
Total non-current assets	1,415,955	1,428,306

EUR 1,000	31 Dec 2022	31 Dec 2021
Current assets		
Inventories		
Materials and supplies	2,824	2,074
Finished goods	966	337
Total	3,791	2,411
Non-current receivables		
Receivables from group companies	6,795	7,060
Prepayments and accrued income	0	104
Total	6,795	7,164
Current receivables		
Accounts receivable	26,812	17,618
Receivables from group companies	3,636	982
Other receivables	6,745	9,910
Prepayments and accrued income	2,592	3,228
Total	39,784	31,738
Financial securities		
Other securities	72,000	37,000
Cash and cash equivalents	49,768	75,828
Total current assets	172 138	117 141
Total assets	1 588 093	1 545 447

Finavia Corporation balance sheet

Equity and liabilities

EUR 1,000	31 Dec 2022	31 Dec 2021
Equity		
Share capital	185,000	185,000
Other reserves		
Invested unrestricted equity reserve	603,785	603,785
Fair value reserve	-19,053	-21,972
Retained earnings	-154,773	-4,484
Profit/loss for the period	-69,928	-150,289
Total	545,031	612,040
Accumulated appropriations		
Depreciation difference	149,132	127,459
Provisions		
Other provisions	14,325	16,583

EUR 1,000	31 Dec 2022	31 Dec 2021
Liabilities		
Non-current		
Capital loans	32,850	32,850
Loans from financial institutions	737,064	674,401
Accrued expenses	7,823	26,838
Total	777,737	734,089
Current		
Loans from financial institutions	37,338	30,867
Advance payments received	4,378	2,203
Accounts payable	37,497	38,391
Amounts owed to other group companies	2,860	2,722
Other liabilities	2,435	2,154
Accrued expenses	17,359	15,939
Total	101,867	92,275
Total equity and liabilities	1,588,093	1,582,447

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 standards.

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 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

There were no changes in the Group structure in 2022.

Revenue 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 trans-



action date (entry of the purchase invoice in the system) and the exchange rate gain or loss arisen in connection with the payment is treated as an adjustment item of purchases.

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

Valuation principles used in preparing the financial statements

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

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

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

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

Finavia Group uses the fair value model (chapter 5:2a§) 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 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. Provisions have been recognised for these measures.

Costs of liabilities

The costs of liabilities are expensed in the financial period during which they have arisen. The interest costs and income 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 were 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 re-

ceivable has been calculated from mandatory provisions and the recorded market value of interest rate derivatives. Deferred taxes are only presented on the consolidated balance sheet and consolidated income statement.

In accordance with the prudence principle, the Group has not recognised deferred tax assets on confirmed losses or deferred depreciation.

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

The impacts of the COVID-19 pandemic and Russia's overflight ban 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.

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 4 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.

Passenger volumes turned to growth in 2022, but the Group's revenues still amounted to only 77% of the corresponding figure in 2019. In spite of the cost-saving measures, the Group's result for the financial year came to EUR -58 million (2021: EUR -144 million), but operating cash flow turned to positive at EUR 53 million (2021: EUR -37 million). At the end of the financial year, the Group's equity ratio was 41.4% (44.9% in 2021).

Although travel restrictions caused by the COVID-19 pandemic have been lifted during 2022, the Russian overflight ban that began in 2022 (as a result of Russia's invasion of Ukraine) will slow down growth in the volume of operations, as well as weaken the Group's income level in 2023 relative to the situation pre-pandemic. With the expected recovery of traffic and a strong financial position, Finavia will be able to cope with the effects of the COVID-19 pandemic and the overflight ban for at least the next 12 months.

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

Notes to the income statement

2. Revenues and operating profit by business area

EUR million	2022	2021	Change, %
Revenues			
Helsinki Airport	203.1	92.4	119.7
Airport network	54.0	34.8	55.2
Airpro	67.2	33.1	102.9
Eliminations	-25.9	-15.0	72.6
Group total	298.4	145.3	105.3
Operating profit			
Helsinki Airport	-21.5	-81.3	73.5
Airport network	-32.6	-38.4	15.1
Airpro	-0.9	-6.2	85.9
Eliminations	2.7	-4.8	156.6
Group total	-52.3	-130.7	60.0

3. Other operating income

EUR 1,000	Group	Finavia Corporation		
	2022	2021	2022	2021
Profit from the sale of land areas and properties	1,074	307	85	287
Profits from the sale of other assets	130	238	128	238
Income from forests and soil	439	504	439	504
Subsidies	83	1,370	82	70
Other earnings	5,230	3,066	5,779	2,244
Total	6,956	5,485	6,513	3,343

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

In 2022, Traficom charged EUR 2.2 million to Finavia Corporation for air traffic surveillance charges and Finavia charged airlines EUR 6.9 million. The difference of EUR 4.7 million is recognised in other operating income. In 2021, the difference between Traficom’s charges and Finavia’s charges to its customers was EUR -0.2 million, which was recognised in other operating expenses.

4. Salaries and fees of the management

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
CEO and Deputy CEO	598	538	359	345
Board members	152	150	152	150

5. Personnel employed by Finavia Group

	Group		Finavia Corporation	
	2022	2021	2022	2021
Average number of employees (person-years)	1,817	1,398	900	819
Employees at the end of the year	2,539	2,250	1,132	1,059
permanent	1,834	1,728	826	784
temporary	705	522	306	275

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	
	2022	2021	2022	2021
KPMG Oy (starting from 2021)				
Audit fees	75	45	60	45
Statements and opinions	8	0	8	0
Other services	265	148	265	148

7. Change of provisions in the income statement

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Other operating expenses	0	-780	0	-780

The largest items included in the provisions consist of the provisions related to the airports' environmental permits. The increase in provisions in 2021 (EUR 780,000) was 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 provisions during the year amounted to EUR 2.3 million. The expenses have been entered directly (against provisions) on the balance account, which means that the change in the provisions in this respect does not show in the income statement.

8. Financial income and expenses

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Income from participating interests	-1,387	-1,155		
Other interest and financial income				
Income from Group companies			59	16
Income from associated companies	1,788	1,087	1,788	1,087
From others	482	103	463	98
Changes in the market value of derivatives	15,128	4,604	15,128	4,604
Interest expenses and other financial expenses				
To others	-13,310	-12,425	-13,306	-12,421
Financial income and expenses, total	2,701	-7,786	4,132	-6,616

9. Income taxes

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Income tax on business activities	0	-17	0	0
Change in the deferred tax receivable	-3,946	-1,379		
Change in the deferred tax liability	-4,334	-3,930		
Total income tax	-8,280	-5,326	0	0

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

Notes to the balance sheet

10. Non-current assets and depreciation

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

	Years
Intangible assets	
Intellectual property rights	5 - 10
Other non-current expenditure	5 - 20
Tangible assets	
Buildings	
Office buildings and shelters	40
Station buildings, renovation or extension	20 - 30
Machine shelters and maintenance buildings, parking buildings	20 - 30
Other buildings and structures	5 - 20
Machinery and equipment	
Machinery and equipment in buildings	10 - 20
Maintenance fleet, vehicles and equipment	10 - 15
Electrical and lighting equipment	10 - 20
Other machinery and equipment	5 - 10
Ground structures	
Runways and taxiways	20 - 40
Aprons, parking areas, other ground structures	20
Paving of runways and taxiways	10 - 15
Water and wastewater networks, district heating and cable tubing network	20 - 30
Land and water areas are not depreciated.	

The most significant deployments in 2022 were related to the new departures and arrivals hall at Helsinki Airport as well as upgrades to the baggage handling system.

Subsidies received for investments

EU funding of EUR 0.5 million (EUR 3.8 million in 2021) was received for the planning and design of the Helsinki Airport travel centre. In 2021, 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	
	2022	2021	2022	2021
Intellectual property rights				
Acquisition cost 1 January	35,481	33,897	34,038	32,589
+ Transfers between items	1,770	3,957	1,770	3,823
- Deductions during the financial period	-3,274	-2,373	-3,256	-2,373
Acquisition cost 31 December	33,977	35,481	32,552	34,038
Accumulated depreciation and amortisation according to plan 1 January	-21,979	-18,351	-21,031	-17,534
Accrued depreciation and amortisation for deductions	3,274	2,373	3,256	2,373
Depreciation and amortisation for the financial period	-6,373	-6,002	-6,219	-5,870
- Accrued depreciation and amortisation according to plan 31 December	-25,079	-21,979	-23,994	-21,031
Book value 31 December	8,899	13,502	8,558	13,007
Other non-current expenditure				
Acquisition cost 1 January	2,663	2,663	1,777	1,777
+ Transfers between items	0	0	0	0
- Deductions during the financial period	0	0	0	0
Acquisition cost 31 December	2,663	2,663	1,777	1,777

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Accrued depreciation and amortisation 1 January	-1,782	-1,348	-1,181	-789
Accrued depreciation and amortisation for deductions	0	0	0	0
Depreciation and amortisation for the financial period	-434	-434	-391	-391
- Accrued depreciation and amortisation according to plan 31 December	-2,216	-1,782	-1,572	-1,181
Book value 31 December	447	881	205	596
Land and water areas				
Acquisition cost 1 January	43,321	43,744	42,010	42,433
+ Increases during the financial period	1	9	1	9
- Deductions during the financial period	-2	-432	-2	-432
Acquisition cost 31 December	43,321	43,321	42,010	42,010
Utility charges for real estate				
Acquisition cost 1 January	1,006	1,006	1,006	1,006
- Deductions during the financial period	0	0	0	0
Acquisition cost 31 December	1,006	1,006	1,006	1,006
Land and water areas (total)	44,327	44,328	43,016	43,017
Buildings and structures				
Acquisition cost 1 January	1,172,240	926,050	1,173,794	927,603
+ Transfers between items	26,262	252,951	26,262	252,951
- Deductions during the financial period	-20,548	-6,760	-20,548	-6,760
Acquisition cost 31 December	1,177,955	1,172,240	1,179,508	1,173,794

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Accumulated depreciation and amortisation according to plan 1 January	-458,281	-433,378	-458,967	-434,025
Accrued depreciation and amortisation for deductions	20,548	6,093	20,548	6,093
Depreciation and amortisation for the financial period	-37,156	-30,996	-37,194	-31,035
- Accrued depreciation and amortisation according to plan 31 December	-474,889	-458,281	-475,614	-458,967
Book value 31 December	703,066	713,959	703,895	714,827
Machinery and equipment				
Acquisition cost 1 January	574,857	528,920	553,471	508,640
+ Transfers between items	55,900	59,157	54,852	57,886
- Deductions during the financial period	-9,869	-13,220	-9,800	-13,055
Acquisition cost 31 December	620,888	574,857	598,522	553,471
Accrued depreciation and amortisation 1 January	-336,412	-316,479	-327,240	-309,214
Accrued depreciation and amortisation for deductions	9,831	13,134	9,764	12,969
Depreciation and amortisation for the financial period	-37,862	-33,067	-35,704	-30,995
- Accrued depreciation and amortisation according to plan 31 December	-364,443	-336,412	-353,180	-327,240
Book value 31 December	256,445	238,444	245,342	226,230

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Ground structures				
Acquisition cost 1 January	795,142	724,739	795,049	724,646
+ Transfers between items	4,971	78,035	4,971	78,035
- Deductions during the financial period	-3,709	-7,633	-3,709	-7,633
Acquisition cost 31 December	796,403	795,142	796,310	795,049
Accrued depreciation and amortisation 1 January	-409,221	-383,812	-409,211	-383,807
Accrued depreciation and amortisation for deductions	3,709	7,633	3,709	7,633
Depreciation and amortisation for the financial period	-35,859	-33,041	-35,855	-33,036
- Accrued depreciation and amortisation according to plan 31 December	-441,371	-409,221	-441,356	-409,211
Book value 31 December	355,033	385,921	354,954	385,838
Advance payments and construction in progress				
Acquisition cost 1 January	14,396	247,205	14,357	246,938
+ Increases during the financial period	98,286	161,284	93,091	160,114
- Deductions	-174	0	-174	0
- Transfers between items	-88,903	-394,094	-87,854	-392,694
Acquisition cost 31 December	23,605	14,396	19,421	14,357

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Shares and holdings (subsidiaries and other shares)				
Acquisition cost 1 January	518	518	10,287	6,077
+ Increases during the financial period	283	5	283	4,209
+ Transfers between items	0	0	0	0
- Deductions during the financial period	0	-5	0	0
Acquisition cost 31 December	802	518	10,570	10,287
Receivables from associated companies				
Acquisition cost 1 January	11,802	3,651	20,146	10,865
+ Increases during the financial period	13,074	9,281	13,074	9,281
- Deductions during the financial period	-3,623	-1,130	-3,224	0
Acquisition cost 31 December	21,253	11,802	29,996	20,146
TOTAL				
Acquisition cost 1 January	2,651,428	2,512,395	2,645,936	2,502,575
+ Increases during the financial period	111,644	170,587	106,449	173,614
Transfers between items	0	0	0	0
- Deductions during the financial period	-41,198	-31,553	-40,713	-30,253
Acquisition cost 31 December	2,721,874	2,651,428	2,711,672	2,645,936

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Accrued depreciation and amortisation 1 January	-1,227,676	-1,153,368	-1,217,630	-1,145,370
Accrued depreciation and amortisation for deductions	37,361	29,232	37,277	29,068
Depreciation and amortisation for the financial period	-117,684	-103,541	-115,364	-101,328
- Accumulated depreciation and amortisation according to plan 31 December	-1,307,998	-1,227,676	-1,295,717	-1,217,630
Book value 31 December	1,413,876	1,423,752	1,415,955	1,428,306

11. Other shares and holdings

	Shares /group companies	Shares /associated companies	Other shares and holdings	Others investments
Group				
Acquisition cost 1 January		8	510	0
+ Increases during the financial period			283	
- Deductions during the financial period		0	0	0
Acquisition cost 31 December	0	8	793	0
Parent company				
Acquisition cost 1 January	6,357	3,420	510	0
+ Increases during the financial period	0	0	283	
- Deductions during the financial period				0
Acquisition cost 31 December	6,357	3,420	793	0

12. Group companies

	Group holding (%)	Parent company holding (%)
Airpro Oy, Vantaa	100,0	100,0
RTG Ground Handling Oy, Vantaa	100,0	0,0
Airpro Academy Oy, Vantaa	100,0	0,0
Koy Aviatontti I, Vantaa	100,0	100,0
Koy Aviatontti II, Vantaa	100,0	100,0
Koy Aviatontti III, Vantaa	100,0	100,0

	Balance sheet total in euros	Equity 31 December 2022 in euros	Revenue in euros	Financial period profit/loss in euros
Airpro Oy, Vantaa	40,349,558,73	18,380,474,41	27,331,884,40	-712,584,97
RTG Ground Handling Oy, Vantaa	15,413,796,45	4,086,625,87	40,093,266,02	-277,453,88
Airpro Academy Oy, Vantaa	309,090,29	99,536,25	440,071,92	1,28
Koy Aviatontti I, Vantaa	605,506,82	317,503,89	34,000,00	-65,081,08
Koy Aviatontti II, Vantaa	1,437,635,74	1,424,784,82	0,00	-3,337,51
Koy Aviatontti III, Vantaa	1,334,018,31	1,326,889,24	0,00	-900,72

	Group holding (%)	Parent company holding (%)	Equity 31 December 2022 in euros	Financial period profit/loss in euros
Holdings in associated companies				
AVIA Real Estate Oy, Vantaa	49,00	49,00	33,295,226	5,350,920
APC Properties 1 Oy, Vantaa	49,00	49,00	-1,608,887	-1,471,686
SB A Properties Oy, Vantaa	49,00	49,00	121,885	-12,383
SB B Properties Oy, Vantaa	49,00	49,00	1,958,908	-10,357
SB C Properties Oy, Vantaa	49,00	49,00	1,420,829	-11,364
SB D Properties Oy, Vantaa	49,00	49,00	11,593,548	-18,911
SB G Properties Oy, Vantaa	49,00	49,00	4,195,577	-11,491

	Group holding (%)	Parent company holding (%)	31 December 2022 Equity in euros	Financial period profit/loss in euros
SB H1 Properties Oy, Vantaa	49.00	49.00	1,778,146	-12,095
SB H2 Properties Oy, Vantaa	49.00	49.00	2,404,854	-11,972
SB I Properties Oy, Vantaa	49.00	49.00	3,300,218	-11,729
SB J Properties Oy, Vantaa	49.00	49.00	6,801,602	-163,932
Taxi Point Oy, Vantaa	25.00	0.00	1,508,700	189,065

13. Holdings in associated companies

	Group		Finavia Corporation	
	2022	2021	2022	2021
Holdings in associated companies				
Holdings in associated companies	3,428	3,428	3,420	3,420
Allocations of Group items	-12,162	-11,764		
Transfers between items	8,742	8,344		
Total	8	8	3,420	3,420
Receivables from associated companies				
Loan receivables from associated companies	22,806	15,293	22,806	15,293
Subordinated loan receivable from associated companies	6,830	4,781	6,830	4,781
Interest receivables from associated companies	360	72	360	72
Transfers between items	-8,742	-8,344		
Total	21,253	11,802	29,996	20,146

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 7.7 million), EUR 3,699,500 has been 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 19.6 million), EUR 3,038,000 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 2021–2022 has been capitalised in the loan principal; the capital loan receivable, including interest, amounts to EUR 3,130,681.22.

Current assets

14. Deferred tax assets

	Group		Finavia Corporation	
EUR 1,000	2022	2021	2022	2021
Non-current				
For accrual differences and temporary differences	4,430	8,375		

A deferred tax asset has been recognised on mandatory provisions and the measurement of interest rate derivatives at market value. The Group has not recognised tax assets on confirmed losses or deferred depreciation. Confirmed losses and deferred depreciation totalled EUR 326.6 million at the end of 2022.

15. Receivables from Group subsidiaries

EUR 1,000	Finavia Corporation 2022	Finavia Corporation 2021
Non-current		
Loan receivables	6,795	7,060
Current		
Accounts receivable	1,055	732
Loan receivables	2,265	0
Prepayments and accrued income	316	250
Current, total	3,636	982
At the end of the financial period	10,431	8,042

16. Material items contained in accrued income

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Receivables from occupational health care (KELA)	526	519	248	227
Accrual of licence and maintenance expenses for IT Systems	1,727	1,496	1,727	1,496
Health security expenses (COVID-19, paid by the City of Vantaa/the Finnish Ministry of Social Affairs and Health)	0	345	0	345
Other	911	1,849	616	1,160
At the end of the financial period	3,164	4,209	2,592	3,228

17. Increases and decreases in equity items

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Share capital				
At the beginning of the financial period	185,000	185,000	185,000	185,000
At the end of the financial period	185,000	185,000	185,000	185,000
Other reserves				
Invested unrestricted equity reserve	603,785	286,635	603,785	286,635
- changes	0	317,150	0	317,150
At the end of the financial period	603,785	603,785	603,785	603,785
Fair value reserve	-21,972	-24,891	21,972	-24,891
- changes	2,919	2,919	2,919	2,919
At the end of the financial period	-19,053	-21,972	-19,053	-21,972
Retained earnings/losses	-54,494	89,314	-154,773	-4,484
Distribution of dividend	0	0	0	0
	-54,494	89,314	-154,773	-4,484
Profit (+)/loss (-) for the financial period	-57,876	-143,808	-69,928	-150,289
Total equity	657,363	712,320	545,031	612,040

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 123,644,537.43 is recognised in the Group's equity (EUR 106,305,696.78 in 2021).

EUR 1,000	Finavia Corporation 2022	Finavia Corporation 2021
Distributable unrestricted equity:		
Invested unrestricted equity reserve	603,785	603,785
Fair value reserve	-19,053	-21,972
Retained earnings	-224,701	-154,773
Total	360,031	427,040

18. Provisions

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Other provisions	14,325	16,583	14,325	16,583

The major items in provisions on 31 December 2022:

- An environmental provision of EUR 11.8 million (EUR 13.8 million in 2021) is associated with the pending environmental permit processes at different airports.
- A provision of EUR 1.8 million has been recognised for expanding the safety zones of runways in compliance with EASA's new aviation regulations.

19. Non-current liabilities

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Capital loan	32,850	32,850	32,850	32,850
Loans from financial institutions	737,064	674,401	737,064	674,401

Loans maturing after five years or more.

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Capital loan	0	32,850	0	32,850
Loans from financial institutions	564,142	510,282	564,142	510,282

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 rose to 3% when 12 months had passed from the date of signing the loan (September 2021) and the margin will subsequently rise to 4% in September 2024. The capital loan will mature in September 2027 at the latest, provided that the conditions set out in the Limited Liability Companies Act are met. The loan capital may only be returned if the sum total of the company's unrestricted equity and 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. Waiver agreements have been negotiated with financing providers for 2022 and 2023.

20. Material items for accrued expenses

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Non-current				
Negative market value of hedging derivatives	7,823	25,294	7,823	25,294
Personnel incentive bonus	0	1,544	0	1,544
At the end of the financial period	7,823	26,838	7,823	26,838

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. On that basis, the fair value of hedging contracts was also recorded on the balance sheet.

A total of EUR 1.5 million in incentive bonuses for personnel were accrued in 2021. As the bonuses will be paid into Finavia's personnel fund in 2023, the incentive bonus has been transferred to current liabilities in 2022.

21. Deferred tax liability

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
For appropriations	30,911	26,576		
At the end of the financial period	30,911	26,576		

Current liabilities

22. Loans from financial institutions

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Loans from financial institutions	37,338	30,867	37,338	30,867

Repayments of principal on non-current loans from financial institutions.

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 2022. Finavia also has a EUR 250 million commercial paper programme, which had not been used by the end of the financial year.

23. Advance payments received

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Advance payments received	6,067	3,681	4,378	2,203

24. Debt to Group subsidiaries

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Accounts payable			1,006	2,505
Accrued expenses			1,854	217
At the end of the financial period			2,860	2,722

25. Material items for accrued expenses

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Current				
Holiday bonuses with social security contributions	13,749	12,317	8,489	8,279
Periodic salaries with social security contributions	3,544	2,339	2,043	863
Personnel incentive bonuses (payable to the personnel fund)	2,706	0	2,706	0
Interest rate liabilities	2,918	1,531	2,918	1,531
Property tax liabilities	22	3,859	-21	3,859
Other	1,870	1,896	1,224	1,407
At the end of the financial period	24,809	21,942	17,359	15,939

26. Guarantees, pledges and liabilities

EUR 1,000	Group		Finavia Corporation	
	2022	2021	2022	2021
Other guarantees given for subsidiaries				
Special guarantee given for lease liabilities	0	5	0	5
Other guarantee liabilities	298	185	138	74
Lease liabilities				
To be paid during the financial period 2023	5,131	4,449	5,005	4,280
To be paid later	30,951	34,204	30,855	34,082

Other liabilities

On 31 December 2022, the procurement commitments associated with investments totalled EUR 19.4 million. The biggest single item is the Helsinki Airport development programme, which involves commitments totalling EUR 15.6 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 3.2 million was unpaid on 31 December 2022.

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

Finavia 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's liability may be realised at its earliest in March 2025 or earlier if Finavia Corporation is no longer subject to the EU Commission's terms and conditions pertaining to the capitalisation (state aid) it received in 2021.

Finavia Corporation has an obligation to review the VAT deductions it has made for the real estate investments completed during 2014–2022 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 149,772,616.48, and the last adjustment year was 2031.

Year	Real estate investments	VAT of the real estate investment	Revision liability 31/12/2022	Annual amount subject to revision
2014	37,361	8,967	897	897
2015	50,285	12,069	2,414	1,207
2016	119,608	28,706	8,612	2,871
2017	122,724	29,422	11,769	2,942
2018	77,046	18,491	9,245	1,849
2019	256,555	61,573	36,944	6,157
2020	79,985	19,196	13,437	1,920
2021	322,161	77,310	61,848	7,731
2022	21,330	5,119	4,607	512
Total		260,852	149,773	26,085

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, the changes of which result in 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 2022, the company had EUR 300 million in variable interest loans and EUR 507 million in fixed-interest loans.

All derivative contracts have been concluded for protection purposes in line with Finavia's financial policy to hedge against the interest rate risk of variable rate loans. 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 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 2022.

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 an annually decreasing hedging level. The electricity forward contracts are euro-denominated and will mature in 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 2022, 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 2022.

Derivative contracts	Nominal value, EUR	Finavia Corporation	
		Fair value, EUR	
		Contracts that mature during the next 5 years	Contracts that mature after the next 5 years
Interest rate swaps	87,000,000	0	-7,823,269
Electricity forward contracts	1,671,184	1,671,184	0

Equity/Fair value reserve 31 December 2022	
The fair value of interest rate swaps, accrued in financial items in the income	-19,052,969

Signatures to the financial statements and Board of Directors' report

Helsinki 2 March 2023

Kati Levoranta
Chairman of the Board of Directors

Johanna Kara

Esko Pyykkönen

Erkka Valkila

Kaisa Vuorio

Pekka Vähähyyppä

Stefan Wentjärvi

Kimmo Mäki
CEO

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

Helsinki, 2 March 2023

KPMG Oy Ab
Firm of APA Auditors

Ari Eskelinen
Authorised public accountant



Calculation of key figures

Return on investment, %	<div>Profit (loss) before appropriations and taxes + interest and other financial expenses</div> <div>Equity + interest-bearing financial loans (average)</div>
Return on equity, %	<div>Profit (loss) before appropriations and taxes - income tax on business activities</div> <div>Equity + minority share (average)</div>
Return on equity, %	<div>Equity + minority share</div> <div>Balance sheet total - advances received</div>

Auditor's Report

To the Annual General Meeting of Finavia Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Finavia Corporation (business identity code 2302570-2) for the year ended 31 December, 2022. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

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

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the

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

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

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

In preparing the financial statements, the Board of Directors and the Managing Director

are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities wi-

thin the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

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

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

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

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

Other Opinions

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

Helsinki, 2 March 2023
KPMG OY AB

Ari Eskelinen

Authorised Public Accountant, KHT



Finavia Corporation
Lentäjätie 3, FI-01530 Vantaa, Finland
www.finavia.fi