

Fintraffic Air Navigation Services Ltd Annual Report 2023





Fintraffic Air Navigation Services Ltd

Fintraffic ANS provides safe, accurate and competitive air navigation services in Finland, the most environmentally friendly airspace in the world. The aim is for air traffic to support Finland's success in a comprehensive way.

We are responsible for managing Finland's airspace and providing en-route and air navigation services at 22 airports in Finland. We do not only control and direct air traffic in the Finnish airspace and in the airports, but we are also responsible for the necessary infrastructure, system design and system maintenance in accordance with international standards.

Technical air navigation also encompasses the maintenance of radar, navigation equipment and radio equipment in the airport environment in Finland and technical maintenance services at five airports in Sweden. We also provide training and consulting services and services for drone pilots.

In addition, we are in charge of special tasks relating to air rescue coordination and territorial surveillance.

Fintraffic Group Air Navigation Services Finland Ltd, (Fintraffic ANS) is part of the Fintraffic Group.



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Year 2023





CEO'S REVIEW

CEO's Review

We are at the forefront of Europe in achieving the safety, efficiency and emission-reduction targets set by the EU Commission.

In 2023, our operations were characterised by adjusting our service production to meet the decrease in air traffic. In the summer of 2023, the layoffs of personnel ended almost completely. The war in Ukraine continued to reduce overflights in the Finnish airspace. Sanctions prevent Russian and Western airlines from overflying each other's airspace, and air traffic between Europe and Asia is forced to circumvent Russia. Wide-body aircraft flying over Finland are mainly operated by Chinese airlines.

Compared to 2019, there was about one fifth less flights in the Finnish airspace. The traffic volumes fell clearly short of the RP3 performance plan forecasts and, accordingly, no savings were achieved. So, targets were not met in terms of unit cost development in 2023. However, due to the austerity measures taken, the actual costs were below the costs described in the performance plan. In 2023, traffic volumes for air route services (service unit) stood at about 65 per cent of the last

pre-pandemic year (2019). Charter traffic picked up at the turn of the year in the north, where earlier records in traffic volumes were broken.

The full-year volume of international air traffic in 2023 stood at 79 per cent of the 2019 levels, although it reached 96 per cent towards the end of the year thanks to, for instance, favourable trends in Christmas flights to Lapland. In 2023, the full-year volume of domestic traffic was 66 per cent of the 2019 levels but reached almost 80 per cent towards the end of the year. In overflight traffic, the traffic volume for the whole year was 54 per cent and in December 62 per cent of the corresponding levels in 2019.

Progress in strategic projects

We design and maintain air navigation infrastructure and systems in accordance with international requirements. Cooperation at EU level reduces the environmental impact of aviation and increases safety and cost-effectiveness. Single





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Safety is always our number-one priority. And we do not compromise on punctuality or environmental efficiency either.

European Sky (SES) – that is, a joint European airspace – aims to digitalise air navigation services in order to centrally manage and share aeronautical information. Fintraffic continued to prepare a cross-border air navigation service in collaboration with Estonian Air Navigation Services (EANS). To enable the project, a new FINEST treaty is being drafted between Finland and Estonia.

Introducing Multi Remote Operating Tower (MROT) could be a way to promote cost-efficiency, more flexible air navigation services and safety in the air navigation sector. It would enable a flexible provision of air traffic control services for several airports from a single workstation. This would improve both airport service levels and preparedness in air traffic control. It would also enable us to provide air traffic services at a lower cost. Fintraffic Air Navigation Services launched the change negotiations concerning the MROT project in June. It decided to continue planning the MROT project and to start preparing the tendering process. The decision to start the tendering process was made in December.

Training activities remained lively and services were developed

The air navigation training provider Avia College won the tender for training Georgian air traffic controller students. The training will begin in January 2024. Fintraffic Air Navigation Services will also be responsible for testing the applicants and selecting the students. The basic and refresher courses in on-the-job training and basic and refresher courses in competence assessment for Norwegian Avinor continued throughout the year. In spring 2023, 33 local control air traffic controllers from Luxembourg attended refresher training. In August 2023, 8 new air traffic controllers graduated from the air controller course, and 10 new students began the course.

The Aviation Act regulation concerning the U-space entered into force in February 2023. As a result, the Finnish Transport and Communications Agency Traficom can establish a U-space airspace in which unmanned aircraft systems (UAS), or drones, could be operated more safely. However, the Ministry of Transport and Communications outlined that no Common Information Service (CIS) implementation model will be selected for U-space airspaces in Finland at this stage.

In the pipeline are an aviation situational awareness application, which Fintraffic will launch in 2024, and a digital flight preparation app for general aviation. We continued to develop our digital situational picture for air navigation and our other services by, for example, doing preparatory work for aeronautical information services for airspace users.

According to the results of our 2023 customer satisfaction survey, our strengths are: compliance with safety requirements, the experience of a high overall standard of services, the operations of the Airspace Management Cell (AMC) and high-quality air control services. Our cooperation with the State and military aviation is also at an excellent level. Despite the challenging years, our overall score has remained at a good level. To improve the standard of our operations, we also consult our customers on the areas that could be improved.

I would like to thank our customers and partners for their excellent cooperation. I would also like to thank all Fintraffic's air navigation employees for their committed and high-quality work during the past year.

Raine Luojus
CEO



Year 2023 in numbers

Revenue EUR

74.2 million

(68.5 million)

Operating profit

EUR -2.1

million (-0.6 M €)

Average number of personnel

420

(423)

FPC processed

48,500

ATS messages (49,762)

Overflights

59,000 (53,000)

Numbers are affected by sanctions on Russian airlines and the use of international waters.

Finland's Area Control Centre processed

225,000

(205,500) flights

Helsinki Airport had

144,000

(137,000) operations

NOTAM office prepared

17,900

NOTAM messages (16,883)

Incidents caused by air traffic control

0 (0)

Delays

0 minutes

There were no traffic restrictions caused by the air navigation services.

The lack of delays in Finnish airspace reduced emissions by

58,500 saved
350,000 flight minutes
= 35 million



Operating environment and business



Air Navigation Services

Area Control manages the entire Finland's Flight Information region (EFIN). Area control centre service is provided from 13 sectors, managed from 1–5 air traffic control workstations, depending on the traffic situation.

Approach control service (APP) is responsible for the terminal manoeuvring area (TMA), extending approximately 50–70 kilometres from the airport.

Aerodrome control (TWR) is also referred to as "Tower". It manages air traffic in the controlled traffic region (CTR) of the airport, extending approximately 15 kilometres from the airport. The Tower also manages aircraft taxiing on ground and using runways, as well as vehicles using the traffic area.

Flight Planning Centre (FPC) includes the Air Traffic Services Reporting Office (ARO), International NOTAM office (NOF) Aeronautical telecommunication services (COM) as well as the operational tasks of Helsinki Airport air traffic

control and regional air traffic control centre. FPC receives reports concerning air traffic services and flight plans submitted before departure. The international NOTAM Office (NOF) is located at the Flight Planning Centre. Unit. It is responsible for the drafting and publication of national and international NOTAMs concerning the territory of Finland.

Airspace Management Cell (AMC) coordinates daily airspace reservations.

Finland's Flow Management Position (FMP) is to regulate how much and where air traffic is permitted in case of military exercises, for example. Flow management is international co-operation.

Finland's Air Rescue Coordination Centre (ARCC) takes care of aviation search and rescue services in Finland's Search and rescue region. This service refers to measures to assist aircraft in an emergency or accident and locate missing aircraft. In addition, the Air Rescue Coordination





Centre provides contractual support services to safety authorities. The centre maintains 24-hour readiness for launching operations. Every year, there are approximately 400 aviation search and rescue alerts, of which on average 5% are emergencies, 35% alarms and 60% uncertainty situations.

Aeronautical Information Service (AIS) takes care of the operation of the international aeronautical information system in Finland. Information system ensures the necessary flow of information for the safe, regular and economic operation of international and domestic air traffic. The aeronautical information service is regulated by national and international regulations and agreements. The publication system (Aeronautical information products) produced by the aeronautical information service includes e.g. Finnish Aviation Handbook (AIP Finland), AIP Supplements (AIP SUP), AIC A (Aeronautical Information Circular) and ANC 1: 500,000 map. The functions are certified in accordance with the ISO 9001: 2015 quality management system.

Fintraffic ANS provides Air Navigation Services for 22 airports in Finland

Helsinki Airport air traffic control: Air traffic control at Helsinki Airport includes both aerodrome and approach control. The hourly maximum operation volumes at Helsinki Airport are 48 arriving and 42 departing aircraft per hour, however without exceeding the total hourly limit of 80 operations.

The network's ATS services: Fintraffic ANS provides aerodrome control and approach control services for 21 airports in Finland.

Technical Air Navigation

Technical air navigation comprises equipment, systems and tools used in air traffic service. These include information, radio and radar systems located across the country as well as equipment used by aircraft for navigation and landing.

The most important task of technical air navigation is to maintain the equipment and systems so that operations are safe and efficient and comply with the agreed response times.

The maintenance of equipment and systems takes place as specified in advance, and safety is ensured in many ways. Safety assessments are made of intended changes to air navigation systems, and they are approved by the authority (Traficom) before they can be implemented. Traficom also conducts its own safety assessment on the most significant changes.

Technology develops continuously, and the employees' professional skills are kept up-to-date through training. Subcontractors are used in addition to Fintraffic ANS inhouse personnel, and factory maintenance contracts have been concluded with the equipment suppliers for the most important systems.

In air navigation, safety is always our first priority. Therefore, the technology to be adopted must always be tried and tested in practice.

Traficom audits the operations of technical air navigation on an annual basis and tackles the possible shortcomings when needed. Fintraffic ANS is responsible, on a contractual basis, for civil aviation flight measurements in Finland as well as in Estonia.

From the beginning of 2021, we have provided COM & NAV maintenance services for five airports in Sweden: Kalmar, Karlstad, Jönköping, Norrköping, Skellefteå.

Avia College

Avia College is a vocational special education institution owned and maintained by Fintraffic ANS providing air navigation training services meeting international standards and requirements.

Avia College provides vocational air traffic controller training. In addition, it offers refresher, conversion, follow-up and specialisation training in various fields of air navigation.

Working as air traffic controller is attractive so there is a lot of interest towards the training. The selection is rigorous and includes several phases. The selection process includes, in addition to written tests, also interviews by the training provider and a psychologist.

Over the past few years Avia College has trained air navigation professionals from various countries in Europe; including Norway, Sweden, Estonia and Bosnia-Herzegovina, and gained a strong reputation as a high-quality provider of air navigation training services.



Operating Environment

Safety is always our number-one priority. And we do not compromise on punctuality or environmental efficiency either.

The European Commission sets goals for safety, cost-efficiency, punctuality and environmental efficiency. How Fintraffic Air Navigation Services performs in respect of these parameters is measured against its peer group, i.e. the national air navigation services in Ireland, Sweden, Norway and Denmark.

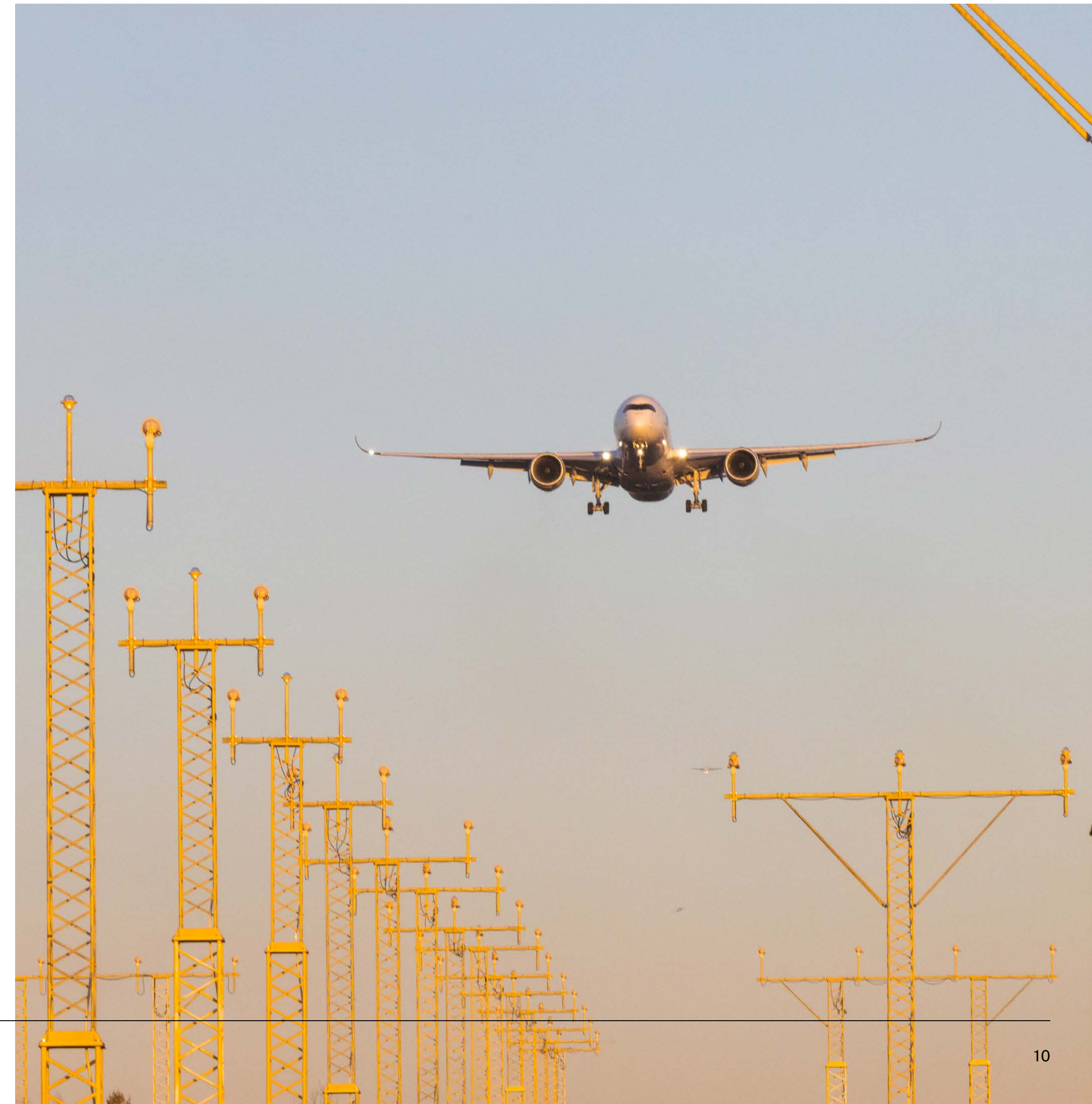
Due to the high standard of our air navigation services, the Finnish airspace is safe and efficient, its air routes are direct, and planes landing at Helsinki Airport use continuous descent approaches significantly more often than on average in the EU – which substantially reduces both noise pollution and climate emissions. In 2023, descent approaches were accounting 63 per cent of all approaches in Helsinki-Vantaa.

Our strategic projects excellently strengthen and promote the quality and efficiency of our

services and all other goals set for us. Our solutions for improving competitiveness include introducing Multi Remote Operating Towers (MROT) and pursuing closer cooperation with other air navigation service providers (FINEST project together with the Estonian air navigation services EANS).

Investments in digital service development in air navigation services are increasing year on year. Although digital data has long been available in the aviation industry, it has so far not been structured and centralised. There are aviation services that have been available online for a while, such as aeronautical information services (ais.fi) and air traffic obstacle consultation service.

For drone pilots, we offer registration services, guidance and processing of flying permits. The aim is to create a one-stop shop for services for





pilots or other operators. We will soon increase our range of digital airspace use services, with a situational picture of the airspace and flight preparation services becoming available. Then, real-time information, such as weather data, airport services and opening hours, and any airport maintenance work or exceptional circumstances that may affect flying, can be found in one place. Pilots will also be able to check airspace reservations with the aid of a digital map. This will enable them to choose a safe route.

We also intend to further process the data we produce and process in accordance with the mandate given to Fintraffic as a whole by the government in order to further develop digital

services in the transport sector. Air navigation services are also sold commercially in Europe. We handle technical COM and NAV maintenance services at five aerodromes in Sweden: Kalmar, Karlstad, Jönköping, Norrköping, Skellefteå.

We have an internationally very high reputation as a provider of air traffic control training services. In recent years, we have trained air traffic controllers from Sweden, Estonia, Latvia, Luxembourg and Bosnia-Herzegovina in addition to Finnish ones. In fall 2023, we won a tender for the training of Georgian air traffic controller students.

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We intend to process the data we produce to further develop digital services in the transport sector.

	Proportion of continuous descent approaches (main airport)	Air route efficiency	Unit price for air route services
Finland	63%	96.68%*	€44
Sweden	46%	98.26%	€74
Norway	58%	98.70%	€46
Denmark	46%	98.55%	€60

Source: Eurocontrol
* Air route efficiency is being affected by sanctions on Russian airlines and the use of international waters





Most environmentally friendly airspace in the world

We do many things in our day-to-day work to make air traffic in Finland as environmentally friendly as possible. One of our basic duties is to ensure compliance with the environmental permit requirements for aircraft noise. Route optimisation, continuous descent approaches and close international cooperation are ways of reducing emissions. Aerodromes in our network always optimise approaches, and our continuous descent approaches at HelsinkiVantaa are among the best in Europe (source: CANSO).

In addition to the above, we have entered into a unique collaboration with Finnair, the national airline, to leverage data integration to perform analyses to foster improved environmental efficiency in air traffic.

Read more about our sustainability work in [Fintraffic Group's Annual Report](#).

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One of our basic duties is to ensure compliance with the environmental permit requirements for aircraft noise.

CASE

Ivalo's radar-based air traffic control service saves fuel and reduces emissions

The upgraded air traffic control service also meets the growing needs of seasonal traffic in Lapland.

At the beginning of October, the air traffic control at Ivalo Airport transitioned from a procedural Air Traffic Service (ATS) system to a radar-based ATS system. The transition ensures a smoother air control service for airlines and other airspace users.

It modernises the working methods used for ATS at Ivalo airport. Now all the information required about a flight can be verified on the air traffic control tower's radar screen without separate verification by radio. Thanks to the radar-based ATS, the airport is now better equipped to enable continuous descents and take-offs. This will bring airlines savings in fuel costs and reduce environmental emissions.

In the future, air navigation will be able to respond better to the growing needs of seasonal traffic in Lapland. Outside the high season, Ivalo Airport operates between 50 and 100 flights per month, but during the winter season, like in December, there may be more than 500 flights per month. During the winter season, air traffic controllers are kept busy not only by more frequent flight traffic but also by challenging winter conditions. They require the full attention of air traffic controllers to ensure that anti-skid and winter maintenance operators can move safely in the airfield area and on the runways.

The transition was completed in cooperation between various parties, including Fintraffic Air Navigation's Technology and Development Units, Aeronautical Information Unit and the vocational special education institution Avia College.



Safety

Safety is for Fintraffic ANS first and foremost value which we will not compromise under any circumstances. Fintraffic ANS continuously develops the safety of its operations and related quality assurance activities.

Fintraffic ANS has a licence for providing air navigation service issued by the Finnish Transport and Communications Agency Traficom. This means that the company continuously proves that it has a well-functioning and effective safety management system (SMS) meeting the common European requirements of the SES regulation. The system's compliance is controlled by inspections, information requests and audits, among others. The authority regularly controls our safety management operations. The SMS is an integral part of Fintraffic ANS management system. This ensures the priority of safety also at the practical level.

Good safety and quality management also includes internal audits and an encouraging reporting culture. In accordance with the audit plan, we audit our own units at least once per three years and larger units once a year. One of the indicators of an encouraging reporting culture and good safety culture is the number of observations. The number of observations and audits have been reported in the Board of Directors Report.

Performance goals and safety

The performance Scheme set by the European Commission sets stringent goals for Finland regarding the punctuality, safety, environmental efficiency and charges collected in air traffic. The performance Scheme of air navigation prepared as part of European airspace development is binding on the state of Finland and the air navigation service provided by Fintraffic ANS, and it steers the development of air navigation services.

The obligations under the performance Scheme have been set by the Finnish Transport and Communications Agency Traficom. In addition, safety goals are set in the Finnish Aviation Safety programme (FASP). It requires aviation organisations to conduct a survey of risk factors and set separate target levels for the risks and regularly monitor them. More information on objectives and implementation on page [31](#).





Air Navigation Strategy

Productised digital services and open data for the transport ecosystem

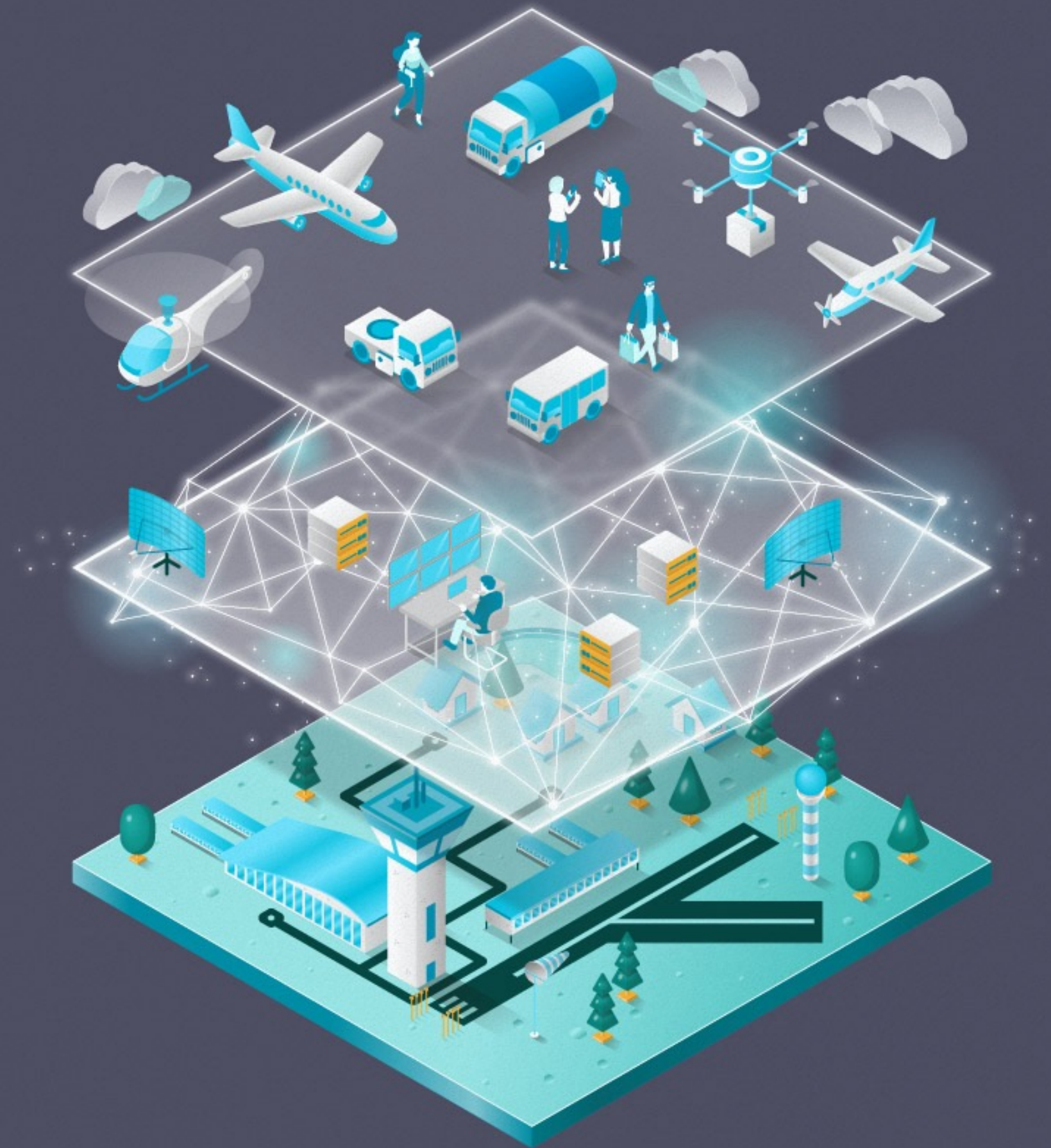
We are Finland's Network Manager partner for ecosystem services in the EU network. We are a key ecosystem operator for airspace users.

Towards the world's best air navigation

- We are the best in Europe in terms of the punctuality and environmental performance of air traffic. Air travel is the safest mode of transport.
- Our services are among the most cost-effective in Europe.
- We have introduced remote air traffic control.
- We control airspace in collaboration with Estonia.
- Fintraffic Air Navigation Services controls Finland's low altitude airspace management network
- We sell a lot of commercial services related to air navigation in separately agreed market areas.

World-class expertise

In order to provide the world's best air navigation services, we need the world's best expertise at all levels – in our operations, corporate culture and leadership.





Stakeholders

Fintraffic ANS key stakeholders include airlines, Finavia, Lappeenranta and Enontekiö airports, military and state aviation, employees and shareholder. The responsibility for stakeholders is manifested in Fintraffic ANS goals and values.

Customer hearings

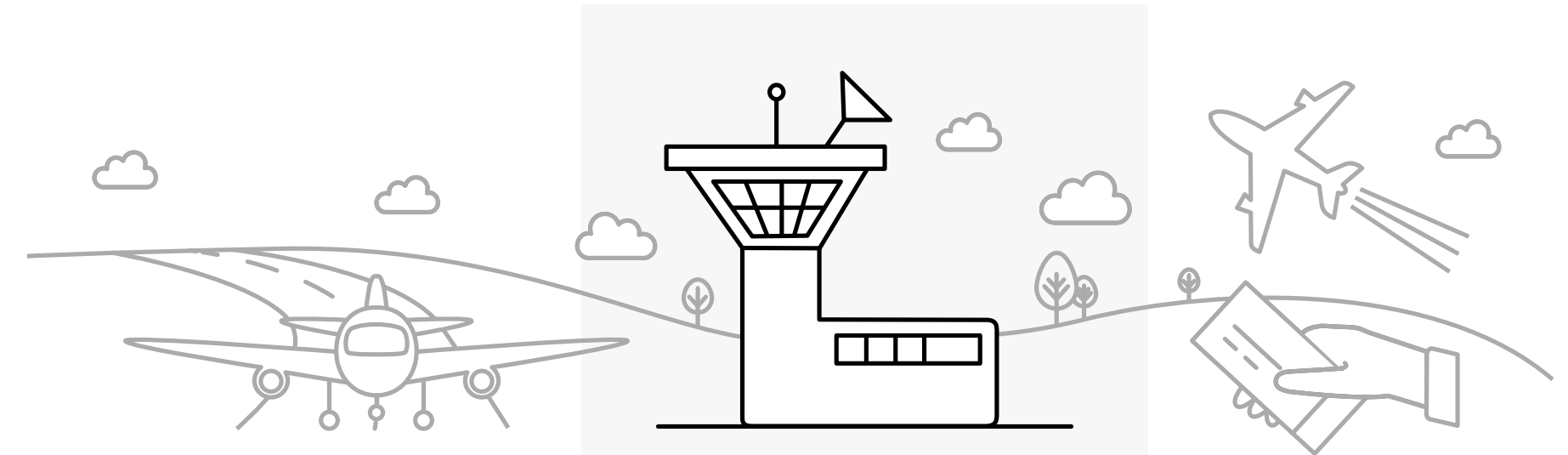
In 2022 Fintraffic ANS has consulted its customers in several joint and customer-specific meetings.

The official customer consultations of 2023 were:

- The Finnish Border Guard consultation on payments and investments on June 13, 2023.
- The Finnish Airforce consultation on payments and investments on December 7, 2023.
- Airlines consultation on payments and investments on June 13, 2023.

Fintraffic ANS is engaged in continuous and open dialogue with its stakeholders to develop its operations and the entire industry in an increasingly sustainable direction. Fintraffic ANS is engaged in continuous and open dialogue with its stakeholders to develop its operations and the entire industry in an increasingly sustainable direction. Fintraffic ANS operates with an emphasis on safety, in a customer-oriented way and in accordance with the Code of Ethics. Finavia, the company operating Finnish airports, is a significant customer for Fintraffic ANS. Fintraffic ANS provides both air traffic control services and technical services, such as system servicing, maintenance and flight measurements, for it.

Responsibilities in air traffic



AIRPORT OPERATOR

- Airport network
- The condition of runways and other airport infrastructure
- Airport security and rescue services
- Announcements at airports

FINTRAFFIC

- Air traffic control on land in the traffic area and in airspace, technical air navigation infrastructure and airspace management in its designated area of responsibility in airspace above Finland and over international waters
- Management and distribution of information needed by air traffic
- Airspace reservation management
- Part of the design of the airspace structure and flight procedures

AIRSPACE USERS

- Airlines are responsible for passenger services and ticket sales
- Airlines, private aviators, operators of model aircraft (incl. drones) are responsible for aircraft movements

Read about our International co-operation from our website <https://www.fintraffic.fi/en/ans>



Governance and organisation



Board of Directors 31 December 2023



Pia Julin

b. 1969, DI

CEO (as of 14 June 2023)

Traffic Management Company Fintraffic Ltd

Professional experience and key positions of trust:

Traffic Management Company Fintraffic Ltd: CEO, 2023–.

Fintraffic Railway Ltd: CEO, 2022–2023.

Palmia Oy: Business Director, Foods (and Sustainability Director), 2019–2022. HKScan Corporation: Senior/Executive Vice President, Primary production and Animal sourcing 2016–2019, Quality and Corporate responsibility, 2013–2016. ITAB Shop Concept Finland Oy: Operations Director, 2011–2013. Fiskars Oyj: Director, Arabia and Hackman factories, 2006–2011. Sako Ltd: Production Director / Director, Business Process Development, 2003–2006. Several quality-related positions in 1994–2002.

Jatsi Oy: Member of the Board, 2021. Finnpig Oy: Chairman and Member of the Board, Länsi-Kalkkuna Oy: Vice Chairman of the Board; Dan Hatch Finland Oy: Member of the Board 2016–2019. Sport Research and Development SRD Oy: Chairman and Member of the Board, 2011–2016. Kunto ja Virkestys Oy: Vice Chairman of the Board 2015–2016. Art and Design City Helsinki Oy, Member of the Board, 2009–2011. Helsinki Chamber of Commerce: Industry Committee, Vice Chairman and member of the Board, 2011–2018.



Hanna Hovi

b. 1981, LLM

Chief Human Resources Officer

Traffic Management Company Fintraffic Ltd

Professional experience and key positions of trust:

Traffic Management Company Fintraffic Ltd: Chief Human Resources Officer, 2020–. N-Clean: Chief Human Resources Officer, 2018–2020. YIT/Lemminkäinen: Head of HR Operational Services and Employee Relations, 2017–2018. Orion, Human Resources Manager, 2013–2017. The Federation of Finnish Technology Industries: Labour market expert, 2007–2013.

Fintraffic Air Navigation Services Ltd, Fintraffic Vessel Traffic Services Ltd, Fintraffic Railway Ltd & Fintraffic Road Ltd: Member of the Board, 2021–. Farmania: Member of the Board, 2017–. A member of labour market committees for various employers' organisations, 2016–.



Minna Kahri

b. 1970, MSc (Tech), MBA

CFO

Traffic Management Company Fintraffic Ltd

Professional experience and key positions of trust:

Traffic Management Company Fintraffic Ltd: CFO, 2021–. Rototec Group: CFO, 2019–2021. Onvest Group & Conficap Oy: CFO, 2015–2019. Lindström Group: CFO and SVP Corporate Finances, 2006–2015; expert and controller positions, 1994–2006.



Rami Metsäpelto

b. 1968, Master of Laws (Trained on the bench)

CEO, Fintraffic Vessel Services Ltd

Deputy CEO, Traffic Management Company Fintraffic Ltd

Professional experience and key positions of trust:

Fintraffic Vessel Traffic Services Ltd: CEO, 2019–. Traffic Management Company Fintraffic Ltd: Executive Vice President, 2021- & Director, legal services, 2019–2021. Finnish Transport Agency: Director General (Traffic Management and Control, Planning and Projects, and Operations Management) and Director, legal services, 2010–2018. Several positions at the Ministry of Transport and Communications, Finnish Rail Administration and Helsinki District Court. Fintraffic Air Navigation Services Ltd, Fintraffic Railway Ltd and Fintraffic Road Ltd: Member of the Board, 2021–. Hansel Oy: Member of the Board, 2014–2019. Liikenneturva: Member of the Board, 2017–2018.



Governance

Board of Directors

During the 2023 Annual General Meeting, the subsidiaries' Boards of Directors became internal boards of directors of the Group.

After the Annual General Meeting, the members included the Group's HR Director Hanna Hovi, CFO Minna Kahri and the Deputy CEO Rami Metsäpelto. See details <https://www.fintraffic.fi/en/fintraffic/governance>.

CEO and the management team

The CEO sees to the day-to-day management of the company in accordance with the instructions and orders issued by the Board of Directors. The CEO is appointed and the CEO's remuneration and other terms of employment are confirmed by the Board of Directors.

The company's CEO has been **Raine Luojus**. In addition to the CEO (chair), the strategic management team of Fintraffic ANS **Karri Hannula, Tapio Nurmela, Jani Suomela, Kari**

Kerke, Pasi Nikama, Matts-Anders Nyberg, Antti Ruhanen, Tarja Hatinen and Anna-Maija Kostiainen. In 2023, the strategic management team convened 21 times. In addition to the members of the strategic management team, the company's management team comprises Director of Safety **Tom Hätinén**, Business Controller **Jarkko Luoma** and, as representative of the personnel, air traffic controller **Laura Alakoski**. The management team convened 11 times.

Remuneration schemes

The guidelines on remuneration in state-owned companies ratified by the government are complied with in terms of remuneration. The performance bonus scheme confirmed by the Group company Board of Directors specifies its key provisions, such as the grounds of determination and measurement of objectives.

The Group company Board of Directors can amend the rules of the system or decide not

to pay performance bonuses. The objectives are based on the company's strategic themes: safety, improving operational efficiency, growth, customer satisfaction, management of personnel and management of operations/ implementation of projects.

Fintraffic ANS personnel is part of the Fintraffic Group company personnel fund. Fintraffic ANS employee performance bonuses were paid to those covered by the common objectives, equating about EUR 1,347.79 per person in 2022.

You can read more about Fintraffic Group's remuneration policy in [Governance and Remuneration Report](#).

Risk Management

The company's risk management comprises two parts. In addition to Safety and Compliance, the company addresses risk management relating to financial, IT, investment, cash flow, income and insurance risks, for example. A risk management

plan was prepared when the company began operations, and it is updated on a regular basis. Risk management is an integral part of the internal control system and safety and quality management. The company aims to analyse and identify predictively the impacts of diverse changes on en-route service and area traffic control operations.

Auditing

The company's auditor is Ernst & Young Oy.



Strategic Management Team



Raine Luojus

b. 1966

CEO

Professional experience and key positions of trust:

Fintraffic Air Navigation Services Ltd: CEO, 2017–. Finavia Corporation: Director, Air Navigation Business, 2011–2017. Finavia Corporation: COO, Air Navigation Business, 2008–2011. Finnish Civil Aviation Administration/Finavia: Deputy and operational manager for air traffic control at Helsinki Airport, 2002–2008. Finnish Civil Aviation Administration: managerial positions and chief instructor of air traffic control at Helsinki Airport, 1999–2002; air traffic controller, 1991–. Member of the Board in several projects and organisations, including Finnish Meteorological Institute: Member of the Advisory Board, 2018–. Vice Chair of the FINEST Management Board, 2019–. North European Functional Airspace Block (NEFAB) CEO Board: Chair, 2015–2017. NEFAB CEO Board: Member, 2012–. CANSO; Chair of the Europe region management group (EC3), 2020–2022 & Vice Chair, 2018–2020.



Karri Hannula

b. 1968

SVP, ATCC Finland

Professional experience and key positions of trust:

Air Navigation Services Finland Oy, SVP, ATCC Finland 2017–. Finavia Oyj, Director, ATCC Finland 2015–2017. Ilmailulaitos/Finavia, Helsinki Airport, Chief of ATC 2008–2015, Chief of ATC Training 2004–2008. CAA Finland/Finavia, Air Traffic Controller, Helsinki Airport 1995–2015. CAA Finland, Pori Airport, Air Traffic Controller, 1992–1995.



Tapio Nurmela

b. 1975

SVP, Network Airports

Professional experience and key positions of trust:

Air Navigation Services Finland Oy, SVP, Network Airports, 2019–. Finavia Oyj/ANS Finland Ltd, Area Manager in Northern Finland 2013–4/2019. Finavia Oyj/ANS Finland Ltd, Rovaniemi Airport, Chief of ATC 2010–2/2019. CAA Finland/Finavia, Air Traffic Controller, Rovaniemi 2001–2009.



Kari Kerke

b. 1965

SVP, Development and Quality

Professional experience and key positions of trust:

Air Navigation Services Finland Oy, SVP, Development and Quality 2018–. Air Navigation Services Finland Oy, PMO, Manager 2017–. Finavia Oyj, Air Navigation Business, PMO, Manager 2016. Finavia Oyj, Air Navigation Business, Specialist 2012–2016. CAA Finland/Finavia, Air Navigation Business, Project Manager/Systems Specialist 2005–2012. CAA Finland, EFES, Air Traffic Controller 1988–2005.



Pasi Nikama

b. 1968
SVP, Marketing and Customer Relations

Professional experience and key positions of trust:

Air Navigation Services Finland Oy, SVP, Marketing and Customer Relations, 2017–. Finavia, Air Navigation Business, VP, Marketing and Customer Relations 2015–2017. Finavia, Chief of Area Control Centre Finland, Southern Finland Air Navigation Centre 2010–2015. Finavia, Oulu Airport, Traffic Manager, 2007–2010. Finavia, Avia College, Instructor and Chief Instructor, 2002–2007. CAA Finland, Southern Finland Air Navigation Centre, Air Traffic Controller, 1997–2002. CAA Finland, Ivalo and Halli airport, Air Traffic Controller, 1995–1997. CAA Finland, Tampere-Pirkkala Airport, Southern Finland Air Navigation Centre, Air Traffic Controller Assistant, summer 1994, 1991–1992.



Matts-Anders Nyberg

b. 1961
SVP, Support Services, Commercial & Contracts

Professional experience and key positions of trust:

Fintraffic Air Navigation Services Ltd, Chief Admin Officer, 2022–. Independent Business Group, Qatar, Senior Advisor, 2021–2022. Air Navigation Services Finland Oy, Chief Administrative Officer, 2017–. Finavia, Air Navigation Business, Head of Business Innovations, 2012–2017. Finavia, NEAP Programme Office Manager, 2009–2012. CAA Finland/ Finavia, Air Navigation Business, Planning Director, 2008. CAA Finland/Finavia, Deputy Department Manager 2001–2008. CAA Finland, Deputy Director 1994–2001. CAA Finland, Air Traffic Control Inspector 1992–1994. CAA Finland, Northern Finland Air Navigation Centre & Rovaniemi Airport, Air Traffic Controller 1983–1993.



Jani Suomela

b. 1979, Master of Science (M.Sc.)
SVP, CTO

Professional experience and key positions of trust:

Fintraffic Air Navigation Services, SVP, CTO 2020–. Air Navigation Services Finland Ltd., VP, Head of System Management 2019–2020. Air Navigation Services Finland Ltd., Head of ANS Systems Management 2017–2019. Finavia Oyj, Head of ANS Systems Management 2016–2017. Finavia Oyj, Head of CNS maintenance 2015–2016. Finavia Oyj, Surveillance systems manager 2008–2015. Finavia Oyj, Project manager/System engineer 2006–2008. Helsinki University of Technology, Research scientist, Master's thesis worker and Research assistant 2002–2006.



Antti Ruhanen

b. 1979
VP, Avia College

Professional experience and key positions of trust:

Fintraffic Air Navigation Services Ltd, Vice President, Avia College; 2019–. Air Navigation Services Finland Oy, Head of Training, Avia College 2017–2019. Finavia Oyj, Chief Instructor, Avia College 2012–2016. Finavia Oyj, Instructor, Avia College 2011–2012. Finavia Oyj, Air Traffic Controller, Helsinki Airport 2006–2011. CAA Finland, Air Traffic Controller, Helsinki-Malmi Airport 2005. CAA Finland, Flight Data Controller, 2001–2002.



Tarja Hatinen

b. 1966, MBA
Chief Financial Officer

Professional experience and key positions of trust:

Fintraffic Air Navigation Services Ltd, Chief Financial Officer 2020–. Fintraffic, Group Financial Controller 2019–. Air Navigation Services Finland Ltd, Business Controller 2017–2019. Finavia Corp, Business Controller, Helsinki Airport / Investment Process 2012–2017. Finavia Corp, Finance Manager, Helsinki Airport 2009–2012. Sanitec, Head of Finance / Financial Controller 2006–2009. KONE, Controller 1997–2006. OP Helsinki, Controller / assistant controller 1990–1997.



Anna-Maija Kostinen

b. 1976, VTM
HR Business Partner

Professional experience and key positions of trust:

Traffic Management Company Fintraffic Ltd, HR Business Partner, March 2023–. Prime Minister's Office, Senior Specialist, Team Leader (HR), 2019–2023. University of Helsinki, HR Specialist/HR Partner, 2018–2019. Staffpoint Ltd/Digital and Population Data Services Agency, HR Consultant, 2017–2018. Opteam Ltd/Semantix Ltd, HR Consultant/HR Business Partner, 2016–2017. Aalto University, HR Partner, 2015–2016. Ministry for Foreign Affairs of Finland, Counsellor, Diplomat, 2002–2014. Nordea Bank Abp, Investment Assistant, 1999–2001.



Organisation 31 December 2023



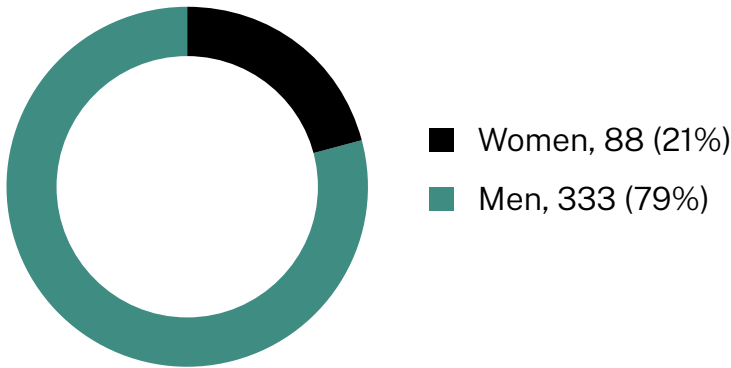


Employees

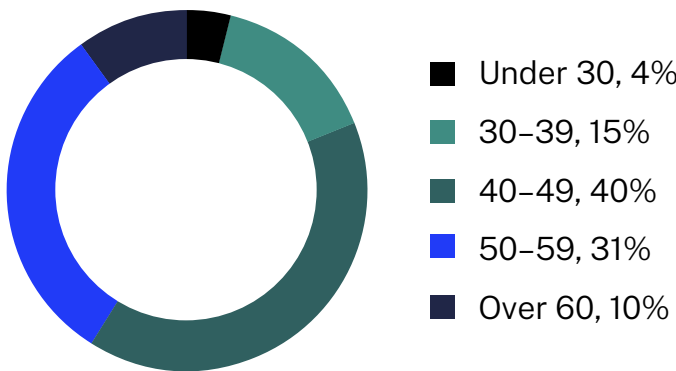
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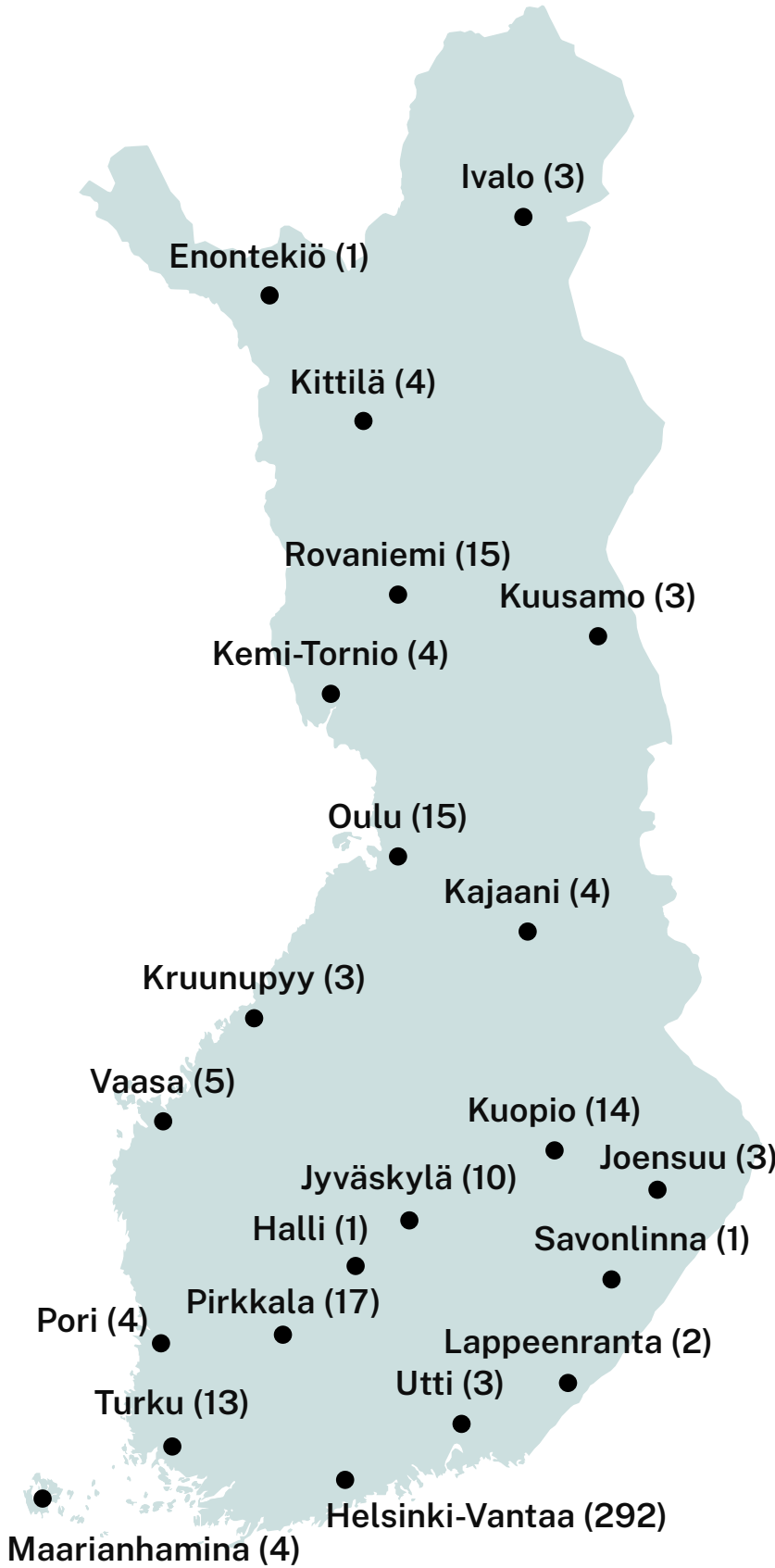
Proportion of men and women



Age distribution of personnel



Geographical distribution of personnel (31.12.2023)





Board of directors' report and financial statements



Board of director’s report and financial statements

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Fintraffic Air Navigation Services Ltd

Board of Directors' report 2023

Mission and Group relationship

Fintraffic Air Navigation Services Ltd is responsible for special tasks relating to air navigation, such as airspace management, area control, services for the state's aviation, and aeronautical rescue services. In addition, the company is responsible for en-route services in the Finnish airspace and air navigation services at Finavia-owned airports and the Enontekiö and Lappeenranta airports. The company is responsible for the technical air navigation services of five airports in Sweden as a subcontractor of ACR Aviation Capacity Resources AB. Fintraffic Air Navigation Services Ltd is also responsible for the design and maintenance of the infrastructure and systems required for air navigation in compliance with international requirements. In addition, the company's vocational special education institution Avia College is training air navigation professionals from various countries.

Fintraffic Air Navigation Services Ltd's customers include commercial aviation operators,

airports, the Finnish state's aviation operations including military aviation, general aviation and pilot training schools.

Fintraffic Air Navigation Services Ltd is part of the Fintraffic Group.

Key events in the financial year

In 2023, the aviation sector was recovering from the COVID-19 pandemic worldwide. By the end of 2023, traffic volumes in Europe had almost returned to the 2019 level. However, there were major variations in how the transport situation developed in each country.

The traffic volumes in Finland continued to be low in 2023 due to the sanctions imposed against Russia because of the Russian war of aggression, which began in 2022, and retaliatory sanctions. As a result of the sanctions, virtually all overflights ended in the Finnish airspace, except for some Chinese and Middle Eastern airlines. Due to the sanctions, traffic volumes in Finland were only about 70% of the volume compared to 2019.

Therefore, Fintraffic Air Navigation Services Ltd's result for 2023 continued to show a substantial loss. The company's action plan expects the current poor traffic situation caused by the war to continue for several years ('new normal'). For this reason, the company continued to try to cut operating expenditure and investments, but less severely than in 2022. In practice, personnel lay-offs ended in June, as the current personnel are able to manage the company's service obligations.

Fintraffic updated its strategy in 2023. The strategy update did not bring any significant changes to air navigation. Projects that are important with a view to the company's future will continue. One of the most important of these is the FINEST programme, which builds joint cross-border air navigation services with Estonia. Finland's accession to NATO removes some obstacles to the implementation of the project. Therefore, Finland and Estonia decided to examine whether the new treaty to be drawn up between the countries in 2024 would enable the implementation of the project in the coming years.

The company was also planning a remote air traffic control project in cooperation with the airport operator Finavia. The aim of the project is to reduce costs and improve operational reliability at airports. In relation to the project, the company conducted change negotiations with its personnel in the summer of 2023. The remote air traffic control project would apply to Ivalo, Kuusamo, Oulu, Vaasa, Turku and Maarianhamina airports. At the end of December, Fintraffic and Finavia decided to launch the procurement process for the remote air traffic control system. The contract notice was published on 30 December 2023.

The company continued to actively market and sell air navigation and training services, especially to other European air navigation service companies. Through the activities, the company aims to generate additional revenue by means of service sales and to improve the company's profitability. In 2023, Fintraffic Air Navigation Services received a significant new training agreement with the provider of air navigation services in Georgia. In accordance



with the agreement, Fintraffic’s Avia College will train at least 15 air traffic controllers at its training centre in Vantaa.

The updated strategy continues the “productised digital services” programme. In the current situation, the company’s different air traffic control systems produce a significant amount of data, the storage and management of which is fragmented. During 2023, the company developed centralised data analysis and use for developing the company’s own operations with an aim to enable the provision of large-scale external services. The aim is for Fintraffic to develop into a traffic data centre that provides proactive real-time traffic information to support decision-making.

In 2019, the company began developing lower airspace services. New services and special measures are being planned for the lower airspace to support safe and efficient drone operations and conventional traffic in a reliable manner. The Aviation Act regulation concerning the U-space entered into force in February 2023. As a result, the Finnish Transport and Communications Agency Traficom can establish a U-space airspace in which unmanned aircraft systems (UAS), or drones, could be operated more safely. However, the Ministry of Transport and Communications outlined in June that no Common Information

Service (CIS) implementation model will be selected for U-space airspaces in Finland at this stage.

One of the strategic programmes for 2023 included focusing on management, competence management and the development of corporate culture. High-standard expertise and management skills are needed to complement the company’s value-based corporate culture to reach the mission and goals set by the company. The purpose of competence management is to examine the competences the personnel have and to put them to better use when developing current and future competence needs. The strategic plan also aims to ensure that the company is managed in a professional, human-centred and fair manner, to improve the overall atmosphere within the company and to enable better working conditions for the whole staff. According to the 2023 personnel satisfaction survey, personnel satisfaction has improved significantly in almost all areas.

In 2023, the company started preparing the next performance plan for air navigation for the reference period 2025–2029 (RP4). The performance plan is part of the European Commission’s Single European Sky (SES) project, which aims to improve the performance of air

navigation services in Europe. The performance plan has objectives in four areas: safety, environment, capacity and cost-effectiveness.

Revenue and profit

The company’s revenue in 2023 was EUR 74.2 (68.5) million. Revenue grew by 8.3% year-on-year. The increase was due to an increase in scheduled air transport and increased traffic at Helsinki Airport as well as the 14.9% increase in the TN charge for Helsinki Airport. ANS revenues from network airports also increased as a result of the renewal of the service contract on air navigation services technology. Other income remained at the previous year’s level.

On the other hand, the entry for regulatory adjustment was EUR 1.0 million lower than in

the previous year. The regulatory adjustment is based on the comparison of the traffic volumes of Fintraffic Air Navigation Services Ltd and the actual costs with the performance plan approved by the EU Commission and the pricing criteria for traffic charges. The regulatory adjustment entry takes into account the increases in unit prices in the coming years enabled by EU legislation, following the principle of prudence.

Revenue based on invoicing amounted to EUR 65.5 (58.8) million, which is 11.3 % higher than in the previous year. The unit price of the en-route service (EUR 43.83/service unit) was 0.2% lower than in the previous year. The unit price of Helsinki Airport’s air navigation service (EUR 168.79/ TN unit) was 14.9% higher than in the previous year. Other operating income decreased by EUR

Key indicators	2023	2022	2021	2020	2019
Revenue (EUR million)	74.2	68.5	62.8	49.3	80.2
Operating result (EUR million)	-2.1	-0.6	-1.2	-16.1	5.9
Operating result (%)	-2.8	-0.8	-2.0	-32.6	7.3
Investments (EUR million)	6.2	3.7	6.2	1.9	5.3
Return on equity (%)	-7.9	-2.8	-8.7	-107.6	14.5
Equity ratio (%)	52.1	46.0	45.1	22.6	36.1
Personnel on average (FTE)	379	371	326	355	405



3.4 million from the previous year. This derived from the state no longer providing support for Eurocontrol's membership fee. Other operating income includes subsidies from the European Union for deployment projects of the Trans-European Transport Network in the aviation sector.

The adjustment measures continued in 2023 but, due to growth in traffic volumes, to a lesser extent than in 2022. Personnel expenses exceeded the level of 2022 by 0.9% but were still 5.7% lower than before the pandemic in 2019.

Other operating expenses increased by 13.1% (EUR +3.8 million) from the previous year due to, for example, an increase in flight inspection costs and weather service costs. Intragroup service charges, Eurocontrol's membership fee and costs of business premises also increased.

Depreciation continued to decrease in 2023, as the depreciation periods for several fixed assets ended, and no new depreciation was accumulated from new deployments.

The company's operating result in 2023 showed a loss of EUR 2.1 (0.6) mainly due to the low level of traffic charges and the impact of the sanctions imposed because of Russia's war of aggression on the traffic volumes. Traffic charges were brought

down by too high traffic volume forecasts in the performance plan.

The Group contribution of EUR 6.0 million (EUR 7.7 million) turned the result for the financial year into a profit of EUR 3.7 million.

Traffic

The service units in the en-route service grew by 10.2% from the previous year but were still only about 65% of the level of the pre-pandemic period in 2019. The traffic volumes were reduced by sanctions imposed on the use of airspace due to the Russian war of aggression. The sanctions were particularly visible in overflight traffic, which only amounted to 54 per cent of the 2019 level. The developments in international and domestic traffic were more positive as the restrictions due to the COVID-19 pandemic decreased. In international transport, the annual volume of traffic in 2023 was 79% of the 2019 level, whereas towards the end of the year it rose to as high as 96% of the said level. This was due to, for example, the positive development of Christmas flights to Lapland. In domestic traffic, the annual volume was 67% of the 2019 level, already rising to almost 80% of the said level towards the end of the year.

In 2023, the traffic volumes of Helsinki Airport (TN units) were 71% of the pre-pandemic volumes of 2019. Compared to the previous year, traffic increased by 9.6%, even though sanctions concerning the Russian airspace continued to reduce traffic between Finland and Asian destinations. At the end of the year, the volume at Helsinki Airport was 73% of the 2019 level.

Operational uncertainties and assessment of key risks

The company's risk management comprises two parts. The risk management unit deals with cases relating to the safety of air traffic. In addition, the company updates its key risk assessments in accordance with the Group's annual schedule. The latest key risk review identified risks in the following categories:

Strategic risks: Transformation of air transport and changed market conditions

Economic risks: a) International geopolitical risk, including the impacts of the Russian war of aggression; b) Risks associated with commercial services sold to external operators

Operational risks: a) Runway safety risk; b) Personnel impacts; c) Information security risks; d) Energy risk

Legal and compliance risks: Impacts of financial adjustment measures

The key risk review presented the means to control risks and assessed the level of control they provide. The most significant risk is the traffic risk that derives from the impacts of the Russian war of aggression on air traffic and the company's finances. As far as other risks are concerned, the means of controlling them were at a reasonable or good level.

Personnel, training and salaries

At the end of 2023, the Fintraffic Air Navigation Services Ltd employed a total of 421 (424) professionals from different fields, of whom 273 worked in air traffic control duties. In addition to air traffic control personnel, the company employed technical air navigation, administration, safety and risk management professionals in 22 production units across Finland. The salaries paid to the personnel during the financial year totalled EUR 35.0 (34.4) million.

The average age of employees was 46.8 years, and the average duration of employment relationships was 18.1 years. Of the employment relationships, 95% are permanent and 5% are



fixed-term. During 2023, 31 employees started in new duties at Fintraffic Air Navigation Services. The exit turnover was 5.7% and without retirements 1.7%.

In 2023, the company's operating environment remained uncertain due to the period of pandemic in previous years and the war that still continues in Ukraine. During 2023, the company conducted three change negotiations, two of which were related to weakened demand for services. These resulted in fixed-term lay-offs, but redundancies were avoided. Change negotiations were also carried out regarding the Multiple Remote Operated Tower (MROT) programme. This project of Fintraffic Air Navigation Services Ltd and Finavia is currently in the tendering process.

In the previous year, Fintraffic Air Navigation Services launched a work community development project under the direction of Prevenia Health. The project called “Better everyday life” continued last year. In 2023, the project focused on putting jointly agreed rules for everyday work into practice in work communities.

Fintraffic Air Navigation Services Ltd carried out an annual personnel survey in autumn 2023. The results of the survey improved in all areas, even though the response rate (78%) decreased slightly from the previous year. The

most significant increase in job satisfaction was measured in the areas of the perceived workplace atmosphere and future direction. Experience of the meaningfulness of one’s own work also increased significantly in the personnel’s responses. Satisfaction with the managerial activities continued to rise from the previous year, reaching a record high of 4.3 (maximum 5.0).

Refresher training to maintain the professional skills of operational personnel was carried out in accordance with the annual plan as either local training, remote training or as refresher or conversion training at Avia College. The plan included the training of the personnel of the Air Traffic Control Centre Finland and air traffic control units elsewhere in Finland.

ATSEP Basic and Qualification training required by technical air navigation regulation has been purchased from an external foreign service provider. Device and system training, and refresher training were provided as separate training courses and by system vendors.

Fintraffic Air Navigation Services personnel also actively attended training courses provided by the Fintraffic Group’s joint services.

With regard to occupational health and safety in the workplace, the company focused on measures that promote safe and healthy

working environments and working conditions, as well as activities maintaining and enhancing the personnel’s physical and mental ability to work. The aim was to minimise occupational health and safety hazards by actively mapping hazards and risks. In 2023, the focus in developing occupational safety and well-being was shifted more to managing psychosocial stress factors in the work community. At the beginning of the year, Fintraffic organised occupational safety and health days, the theme of which was managing psychosocial stress and the Wellbeing at Work Card training (Centre for Occupational Safety).

The company’s personnel had two workplace accidents and two commuting accidents in 2023. The accidents were minor and did not result in any sick leave days.

In 2023, the sick leave rate among the company’s personnel was 2.3%. The company’s employees have access to Terveystalo’s comprehensive occupational health services.

Air traffic safety

Safety is the company’s first and foremost value. The company continuously strives to improve the safety of its operations and the related quality assurance, ensuring operation in accordance with

the requirements of safety management in all circumstances and market situations.

Measured by safety indicators, 2023 was an excellent year as a whole. No high-risk deviations or accidents or serious incidents occurred in the company’s operations. To improve the quality of deviation analyses and to target corrective measures to the underlying factors, the personnel that processes deviations have been provided training in root cause methodologies. In addition, the company commissioned a safety culture assessment and has communicated its results in the organisation and management forums.

Risk assessment is part of the company’s day-to-day operations.

In 2023, as part of the change management process, a total of 40 extensive safety impact assessments related to the changes were carried out. In addition, 555 preliminary safety impact assessments were carried out on the changes. This number reflects the strong commitment all employees have to ensuring safety. Any changes that have or may have an impact on the safety of the company’s operations are assessed. Any changes made by our partners in the shared airport environment that may have an impact on the air navigation operations are also assessed in



terms of their safety impacts. In addition, a process is used to provide partners (including other air traffic service providers) with timely information on changes that have or may have an impact on their operations (so-called Safety Support Assessment and Multi-Actor-Change procedures).

Runway safety is one of the key areas of safety that the company actively monitors and develops. For years, the company has been engaged in fruitful cooperation with the largest airport operator, Finavia, to ensure and develop runway safety, both through information sharing and security cooperation forums. As a result of this work, several measures have been taken to improve the situational picture of runway safety. These measures have, for example, enabled providing airport maintenance and ground transport operators with a better up-to-date situational picture of the opening hours status of air traffic control at the airports with short operating hours.

In 2023, our own operations caused or contributed to a total of four runway incursions. These incidents posed only a low risk and did not cause a risk of collision. All cases were reported in a timely manner complying with a good safety culture and practice.

One of the safety indicators for air navigation is the number of losses of required minimum separation. In 2023, the company’s own actions led to a total of 24 incidents where a slight loss of the required minimum separation occurred. All the losses of required minimum separation that occurred were of a low-risk nature and such that they did not cause or would not have caused a risk of collision. The situations were observed immediately, and both the corrective measures and situational awareness were at a good level.

It is still under investigation whether the cooperation project between the Finnish and Estonian providers of air navigation services will

continue. The preconditions for continuing the project in the safety sector still exist. The previously created cooperation processes remain valid.

Good safety and quality management also includes internal control and an encouraging reporting culture. During the year, the company carried out 13 internal audits. No serious incidents were recorded. One of the indicators of an encouraging reporting culture and good safety culture is also the number of observation and incident reports filed. The persistence of high reporting rates signals that issues are reported transparently and actively.

Performance goals and safety

The Performance Scheme imposed by the European Commission sets stringent goals for Finland regarding the punctuality, safety, environmental efficiency and charges collected in air traffic.

The Performance Scheme of air navigation services prepared as part of the European airspace development is binding on the state of Finland and the air navigation service provided by the company, and it steers the development of air navigation services.

In addition, safety goals are set in the Finnish Aviation Safety Programme (FASP). The programme requires aviation organisations to conduct a survey of risk factors and set reaction and acceptability levels for the risks and regularly monitor them.

In addition to the Performance Scheme, Fintraffic Air Navigation Services Ltd has specified its own safety targets in its Safety and Business Plan (including the targets of the Finnish Aviation Safety Programme FASP).

Reporting activity, internal control and safety assurance of changes in 2023

Incident and observation reports by the personnel	2,176 pcs
Technical notifications related to the operation of equipment or technical systems	2,087 pcs
Change risk assessments	40 pcs
Preliminary assessments of the safety impacts of changes	555 pcs
Internal audits	13 pcs

Performance targets set

Target	Implementation in 2023
Safety	
Efficiency of the safety management system	The target was achieved (see note 1)



In addition to the Performance Scheme, Fintraffic Air Navigation Services Ltd has specified its own safety targets in its Safety and Business Plan (including the targets of the Finnish Aviation Safety Programme FASP):

Target	Implementation in 2023
1. No accidents caused by the operations of Fintraffic Air Navigation Services Ltd	The target was achieved. No accidents.
2. No serious incidents caused by the operations of Fintraffic Air Navigation Services Ltd	The target was achieved. No serious incidents.
3. Targets under the Finnish Aviation Safety Programme (FASP)	The security programme sets targets for 15 factors. The targets were achieved.
4. Incidents related to airspace reservations No serious airspace reservation management incidents	The target was achieved. There were no serious airspace reservation incidents.

Please note! 1) With regard to the effectiveness of the safety management system, the final result for 2023 will be confirmed later, but it is our preliminary understanding that the maturity targets will be achieved. The target level set for 2024 has not yet been reached for two factors.

Deviation from the targets and related measures

The safety targets set by the company for itself are an important part of continuous improvement of operations. In order to ensure development, it is also justified to set targets that can be challenging to achieve, and it is not always self-evident that they will be achieved.

For 2023, the primary targets were achieved and there was no need to implement any corrective measures regarding them. However, safety is an issue in which it is not wise to let oneself be lulled into false sense of confidence based on the performance in the past period. Safety must be re-earned every day. Accordingly, the company is

making continuous efforts to maintain a good level of safety and to improve its operations regardless of the good performance in the previous period. The company also constantly challenges its own indicators. For example, measures have been taken to reduce the number of losses of required minimum separations, even though the risk level of the incidents has been low. Despite a good overview, all deviations should be responded to.

Environment

Implementation of the company’s environmental strategy continued in 2023. The priorities defined by the strategy are environmentally friendly airspace, improving the flow of travel chains,

efficient achievement of regulatory environmental objectives and an environmentally oriented company. Cooperation was carried out with national and international stakeholders, including airlines, airport operators, public authorities, Eurocontrol, ICAO and other air traffic service providers. Environmental and responsibility issues are still evolving in the company's operating environment, and efforts are being made to take them into account in all operations.

More information on corporate responsibility management and operating principles can be found in the corporate responsibility report published by Fintraffic.

Key events after the end of the financial year

There have been no key events in the company after the end of the financial year.

Estimate of probable future development

The year 2024 will be financially more profitable for Fintraffic Air Navigation Services Ltd than the previous four years. The pricing regulation made it possible to increase the unit charges of en-route services and Helsinki Airport by approximately 30 per cent for 2024. Due to traffic volumes and price increases, the company’s cash flow before investments will probably turn positive, and the

company’s operating result is expected to be positive in 2024. Revenue (without regulatory adjustment) is expected to exceed EUR 79 million, or to be approximately EUR 14 million higher than in 2023. The level of planned investments for 2024 is approximately EUR 6 million.

According to the latest STATFOR Base forecast (October 2023), Finland's traffic volumes will grow slowly in 2024. Traffic is expected to grow by 9.3% in the en-route services and by 13% in Helsinki Airport compared to 2023. However, in accordance with the principle of prudence, the company’s revenue forecast is based on the STATFOR Low forecast (en-route service +1.5%, Helsinki Airport +10% compared to 2023).

Management and auditing

Pertti Korhonen acted as the Chairperson of the Board of Fintraffic Air Navigation Services Ltd until 5 July 2023, after which Pia Julin was appointed Chairperson. Jarmo Lindberg, Katariina Ora, Hanna Hovi and Rami Metsäpelto acted as members of the Board of Directors. On the meeting of 17 March 2023, the Board of Directors appointed Hanna Hovi, Minna Kahri and Rami Metsäpelto as members of the Board of Directors.

The Board convened three times during the financial year. A total of EUR 8,845.16 was paid



as remuneration to the members of the Board of Directors who are not employees of the Group.

Raine Luojus acted as CEO during the financial year.

The company's auditor was Ernst & Young Oy, with APA Mikko Rytilahti as the auditor in charge.

Shares and share capital

The company's share capital is comprised of 330 shares of equal value. The share capital amounts to EUR 3,300. The entire stock is owned by Traffic Management Company Fintraffic Ltd. The Ministry of Transport and Communications is responsible for the Group's ownership steering.

Board of Directors' proposal for the distribution of profits

The company's distributable assets in the financial statements of 31 December 2023 amounted to EUR 30,550,529.68. The Board of Directors proposes that no dividends be distributed and that the result for the financial year, EUR 3,729,763.75, be carried over in retained earnings.



Income statement

EUR	1.1.2023–31.12.2023		1.1.2022–31.12.2022	
REVENUE	74,232,645.47		68,546,921.65	
Other operating income	215,001.11		3,636,186.80	
Materials and services				
Materials and supplies				
Purchases during the financial year	561,703.32		628,745.53	
External services	11,230,088.60	11,791,791.92	8,938,929.40	9,567,674.93
Personnel expenses				
Wages and salaries	35,037,028.54		34,436,883.76	
Social security expenses				
Pension expenses	5,868,181.36		6,059,298.17	
Other social security expenses	1,160,863.45	42,066,073.35	1,182,151.40	41,678,333.33
Depreciation, amortisation and impairment				
Depreciation according to plan		1,911,201.72		2,255,824.30
Other operating expenses		20,771,433.84		19,233,873.53
OPERATING PROFIT/LOSS		-2,092,854.25	-552,597.64	
Financial income and expenses				
Other interest and financial income				
From Group companies	10,641.78			
From others	29,558.37	40,200.15	11,381.60	
Interest and other financial expenses				
To other Group companies	-214,341.78		-164,407.02	
To others	-3,240.37	-217,582.15	-5,202.65	-158,228.07
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		-2,270,236.25	-710,825.71	
Appropriations				
Group contribution		6,000,000.00		7,690,000.00
Income taxes		0.00		61,288.05
PROFIT/LOSS FOR THE FINANCIAL YEAR		3,729,763.75	7,040,462.34	



Balance sheet

EUR	31.12.2023		31.12.2022	
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	2,109,573.86		2,725,689.76	
Other long-term expenditure	518,483.29		793,319.12	
Advance payments and construction in progress	1,116,097.10	3,744,154.25	2,806,278.55	6,325,287.43
Tangible assets				
Machinery and equipment	13,942,222.29		5,418,366.69	
Advance payments and construction in progress	961,653.16	14,903,875.45	3,892,345.25	9,310,711.94
CURRENT ASSETS				
Receivables				
Long-term receivables				
Prepayments and accrued income		15,297,215.44		22,417,436.94
Current receivables				
Accounts receivable	5,514,370.86		4,567,000.82	
Receivables from Group companies	6,059,086.91		8,019,056.26	
Other receivables	241,444.57		412,573.37	
Loan receivables	896.07			
Prepayments and accrued income	12,697,116.26	24,512,914.67	7,269,143.61	20 267,774.06
Cash and cash equivalents		162,463.93		14,403.99
Total assets	58,620,623.74		58,335,614.36	



Balance sheet

EUR	31.12.2023		31.12.2022	
EQUITY AND LIABILITIES				
EQUITY				
Share capital	3,300.00		3,300.00	
Reserve for invested unrestricted equity	16,300,000.00		16,300,000.00	
Retained earnings	10,520,765.93		3,480,303.59	
Profit/loss for the financial year	3,729,763.75	30,553,829.68	7,040,462.34	26,824,065.93
LIABILITIES				
Current liabilities				
Accounts payable	3,191,096.12		3,867,234.62	
Liabilities to Group companies	12,905,825.13		7,020,054.72	
Other liabilities	1,059,804.86		1,343,968.80	
Accruals and deferred income	10,910,067.95	28,066,794.06	19,280,290.29	31,511,548.43
Total equity and liabilities		58,620,623.74	58,335,614.36	



Cash flow statement

EUR	1.1.2023–31.12.2023	1.1.2022–31.12.2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before appropriations and taxes	-2,270,236.25	-710,825.71
Adjustments:		
Depreciation according to plan	1,911,201.72	2,255,824.30
Other non-cash transactions	-8,825,818.92	-10,037,591.19
Total financial income and expenses	177,382.00	158,228.07
Gains (-) and losses (+) on the disposal of non-current assets	-6,267.74	0.00
Cash flow before changes in working capital	-9,013,739.19	-8,334,364.53
Changes in working capital:		
Increase(-)/decrease(+) in short-term non-interest bearing trade receivables	-1,359,844.50	307,123.68
Increase(+)/decrease(-) in short-term non-interest bearing liabilities	-1,549,457.94	1,517,773.36
Cash flow from operating activities before financial items and taxes	-11,923,041.63	-6,509,467.49
Interest and financial expenses paid for operating activities	-242,023.84	-92,477.60
Interest received from operating activities	40,200.15	11,381.60
Other financial items from operating activities	5,980,172.30	5,621,821.58
Income taxes paid	0.00	0.00
Cash flow from operating activities	-6,144,693.02	-968,741.91
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets		
Investments in tangible and intangible assets	-6,165,312.02	-3,663,437.81
Proceeds from sale of tangible and intangible assets	6,267.74	0.00
Investment subsidies received	4,761,797.24	106,951.00
Cash flow from investing activities	-1,397,247.04	-3,556,486.81
CASH FLOW FROM FINANCING ACTIVITIES		
Group contributions received	7,690,000.00	4,220,000.00
Cash flow from financing activities	7,690,000.00	4,220,000.00
NET INCREASE (+)/ DECREASE (-) IN CASH AND CASH EQUIVALENTS	148,059.94	-305,228.72
Cash and cash equivalents 1 January	14,403.99	319,632.71
Cash and cash equivalents 31 December	162,463.93	14,403.99
	148,059.94	-305,228.72



NOTES TO THE FINANCIAL STATEMENTS

Valuation principles

Valuation of fixed assets

Fixed assets are measured at cost less planned depreciation.

Depreciation according to plan is calculated on the basis of the economic life of the fixed assets as follows:

Computer software	Straight-line depreciation	5 years
Other long-term expenditure	Straight-line depreciation	5–10 years
Machinery and equipment	Straight-line depreciation	5–15 years

Valuation of receivables

Receivables are valued at nominal value or at a lower probable value.

Calculation principles of the cash flow statement

The cash flow statement is based on the guidelines of the Finnish Accounting Board’s (Kirjanpitolautakunta, KILA) general instructions. Cash flow from operating activities is presented using the indirect method. The Group bank accounts with balances of EUR 12,063,959.66 are presented under Other financial items from operating activities.

Notes concerning the Group reporting entity

Group data

Fintraffic Air Navigation Services Ltd is part of the Traffic Management Company Fintraffic Ltd, whose parent company is Traffic Management Company Fintraffic Ltd, Business ID 2942108-7, place of domicile Helsinki.

Fintraffic Air Navigation Services Ltd’s financial statements have been consolidated with the consolidated financial statement of Traffic Management Company Fintraffic Ltd.

A copy of the consolidated financial statements is available from the company’s head office Palkkatilaportti 1, 00240 Helsinki.

Notes to the income statement and balance sheet

Revenue

Revenue for the 2023 financial year was improved by a EUR 8,710,060 regulatory adjustment. The regulatory adjustment includes receivables and debts based on EU regulation concerning the en-route service and the air navigation service of Helsinki Airport. In the financial year 2022, the regulatory adjustment increased revenue by EUR 9,701,446.

For 2023, a new regulatory receivable of EUR 12,282,226 was recognised relating to the the traffic risk mechanism, inflation adjustment and traffic adjustment.

Debt accrued in previous periods was repaid in 2023 as a lower unit price charged to airspace users for the service, totalling EUR 1,876,346. With traffic significantly lower than predicted in 2023, part of the regulation debt of the previous planning period was further transferred to future years.

In 2023, EUR 5,448,511 of new regulation debt was incurred from the estimated items excluded from the cost risk mechanism and based on the EU subsidies received for investment and current

operating expenditure projects. Items excluded from the cost risk mechanism include: the difference between determined and actual investment costs, pension contributions and Eurocontrol costs.

At the end of 2023, the company’s balance sheet included a net receivable of EUR 22,305,467 related to regulatory adjustments.

Liabilities arising from the regulatory adjustment have been recognised in full. In accordance with the principle of prudence, receivables have not been recognised in their full amounts. Receivables and liabilities within traffic adjustments for adjustment items have been processed on a net basis.

Regulatory adjustment

EUR	Reversal	Increase	Net change	Balance at year-end
Inflation adjustments	0	2,395,776	2,395,776	3,839,519
Traffic risk sharing adjustment	-860,718	8,456,012	7,595,294	13,478,383
Emergency legislation items, 2020–2021	-5,534,891	0	-5,534,891	22,139,562
Items excluded from the cost risk mechanism	0	-4,191,342	-4,191,342	-4,191,342
Subsidies (EU and State)	3,563,947	-1,257,169	2,306,778	-14,391,093
Capacity incentives	0	0	0	0
Traffic adjustments for adjustment items	4,708,008	1,430,438	6,138,446	1,430,438
Total	1,876,346	6,833,714	8,710,060	22,305,467
Receivables	-6,395,609	12,282,226	5,886,617	40,887,902
Liabilities	8,271,955	-5,448,511	2,823,444	-18,582,435
Net	1,876,346	6,833,714	8,710,060	22,305,467



Notes to the income statement and balance sheet

EUR	2023	2022
Personnel expenses		
Wages and salaries	35,037,028.54	34,436,883.76
Fringe benefits	298,647.41	286,561.73
Total	35,335,675.95	34,723,445.49
Social security expenses		
Pension expenses	5,868,181.36	6,059,298.17
Other social security expenses	1,160,863.45	1,182,151.40
Total	7,029,044.81	7,241,449.57
Average number of employees during the financial year (FTE)	379	371
Personnel at the end of the year		
Permanent	399	403
Fixed-term	22	21
Total	421	424
Salaries and bonuses of the CEO and Board of Directors		
CEO	287,304.30	277,193.54
Members of the Board of Directors	8,845.16	43,200.00
Total	296,149.46	320,393.54
Depreciation, amortisation and impairment		
Depreciation according to plan		
Computer software	685,935.65	1,197,193.37
Other long-term expenditure	274,835.83	274,835.82
Machinery and equipment	950,430.24	783,795.11
Total	1,911,201.72	2,255,824.30

EUR	2023	2022
Other operating expenses		
Other personnel expenses	809,844.02	1,225,481.24
Travel expenses	590,798.80	491,330.94
Rents	6,904,561.39	6,462,796.54
Supplies and fixtures	1,244,383.88	1,026,849.20
Other operating expenses	11,221,845.75	10,027,415.61
Total	20,771,433.84	19,233,873.53
Auditor's fees		
Statutory audit fees	34,926.00	34,730.00
Financial income and expenses		
Interest income	40,200.15	11,381.60
Interest expenses	-165,822.30	-169,609.67
Other financial expenses	-51,759.85	0.00
Total financial income and expenses	-177,382.00	-158,228.07
Income taxes		
Tax refunds/residual taxes for previous financial periods	0,00	61,288.05
Total	0,00	61,288.05

Business in accordance with section 30d of the Competition Act

During the financial year, the company had business activities in accordance with section 30d of the Competition Act. Revenue from said business activities was EUR 1,389,465. The pricing of the operations was based on market pricing and an assessment of the cost price.



Notes to the income statement and balance sheet

EUR	2023	2022
Intangible assets		
Computer software		
Acquisition cost on 1 January	17,037,020.62	16,044,370.55
Increase during the financial year	69,819.75	992,650.07
Decrease during the financial year	-65,973.00	0.00
Acquisition cost 31 December	17,040,867.37	17,037,020.62
Accumulated depreciation on 1 January	-14,311,330.85	-13,114,137.48
Accumulated depreciation of deductions	65,973.00	0.00
Depreciation for the financial year	-685,935.65	-1,197,193.37
Book value 31 December	2,109,573.87	2,725,689.77
Other long-term expenditure		
Other long-term expenditure		
Acquisition cost on 1 January	2,307,519.25	2,307,519.25
Increase during the financial year	0.00	0.00
Acquisition cost 31 December	2,307,519.25	2,307,519.25
Accumulated depreciation on 1 January	-1,514,200.13	-1,239,364.31
Depreciation for the financial year	-274,835.83	-274,835.82
Book value 31 December	518,483.29	793,319.12
Tangible assets		
Machinery and equipment		
Acquisition cost on 1 January	9,609,133.06	8,248,279.10
Increase during the financial year	9,474,285.85	1,360,853.96
Decrease during the financial year	-65,973.00	0.00
Acquisition cost 31 December	19,017,445.91	9,609,133.06
Accumulated depreciation on 1 January	-4,190,766.37	-3,406,971.26
Accumulated depreciation of deductions	65,973.00	0.00
Depreciation for the financial year	-950,430.24	-783,795.11
Book value 31 December	13,942,222.30	5,418,366.69
Advance payments and construction in progress		
Other work and purchases in progress		
Acquisition cost on 1 January	6,698,623.80	6,408,509.92
Increase during the financial year	4,923,232.06	2,643,617.91
Decrease during the financial year	-9,544,105.60	-2,353,504.03
Acquisition cost 31 December	2,077,750.26	6,698,623.80

EUR	2023	2022
Non-current material accrual items		
Regulatory adjustment	13,138,010.91	21,501,053.20
EU projects, periodisation of grants	2,159,204.53	916,383.74
Non-current accruals total	15,297,215.44	22,417,436.94
Current material accrual items		
	2023	2022
Regulatory adjustment	9,167,456.20	0.00
EU projects, periodisation of grants	0.00	4,583,141.55
Accruals from Eurocontrol	3,016,081.59	2,304,021.00
Other accruals	406,868.06	277,256.36
Receivables from occupational healthcare	106,710.41	104,724.70
Current accruals total	12,697,116.26	7,269,143.61

The regulatory adjustment includes receivables of EUR 40,887,902 and liabilities of EUR 18,582,435.

EUR	0–1 years	1–5 years	Over 5 years	Total
Maturity of the regulation receivable/liability				
Receivables	12,861,456.07	28,026,446.08	0,00	40,887,902.15
Liabilities	-3,693,999.87	-8,470,179.53	-6,418,255.64	-18,582,435.04
Net balance	9,167,456.20	19,556,266.55	-6,418,255.64	22,305,467.11

EUR	2023	2022
Current receivables		
Receivables from Group companies		
Accounts receivable	34,435.96	329,056.26
Other receivables	6,000,000.00	7,690,000.00
Prepayments and accrued income	24,650.95	0.00
Receivables from Group companies total	6,059,086.91	8,019,056.26



Notes to the income statement and balance sheet

EUR	2023	2022
Restricted equity		
Share capital 1 January	3,300.00	3,300.00
Share capital 31 December	3,300.00	3,300.00
Restricted equity total	3,300.00	3,300.00
Unrestricted equity		
Reserve for invested unrestricted equity 1 January	16,300,000.00	16,300,000.00
Reserve for invested unrestricted equity 31 December	16,300,000.00	16,300,000.00
Retained earnings	10,520,765.93	3,480,303.59
Profit/loss for the financial year	3,729,763.75	7,040,462.34
Unrestricted equity total	30,550,529.68	26,820,765.93
Equity total	30,553,829.68	26,824,065.93
Distributable assets on 31 December		
Retained earnings	10,520,765.93	3,480,303.59
Profit for the period	3,729,763.75	7,040,462.34
Reserve for invested unrestricted equity	16,300,000.00	16,300,000.00
Distributable equity total	30,550,529.68	26,820,765.93
Deferred taxes		
Deferred tax asset for unused tax losses	6,839,996.95	6,283,614.98
Deferred tax liabilities on regulatory receivables	4,461,093.42	2,719,081.35
Net deferred tax assets	2,378,903.53	3,564,533.64

According to the principle of prudence, deferred tax assets are not recorded in the accounts.

EUR	2023	2022
Loans maturing later than within five years		
Accruals and deferred income from regulatory adjustment	6,418,256.00	7,093,299.00
The share of the regulatory adjustment due after five years has been netted against long-term accruals.		
Current liabilities		
Other liabilities		
Liabilities to Group companies		
Accounts payable	157,577.96	51,885.36
Accruals and deferred income	684,287.51	884,382.00
Other liabilities	12,063,959.66	6,083,787.36
Liabilities to Group companies total	12,905,825.13	7,020,054.72
The company's balance in the cash pool accounts of the Group EUR -12,063,959.66 is presented in Liabilities to Group companies.		
Payables to others		
VAT liability	28,647.42	311,155.76
Withholding tax liability	953,741.29	958,984.67
Health insurance contribution liability	42,293.40	38,833.37
Other payables to others	35,122.75	34,995.00
Payables to others total	1,059,804.86	1,343,968.80
Material items in accruals and deferred income		
Salary and social security expense allocations	1,971,659.02	2,416,353.11
EU projects, periodisation of grants	63,616.88	0.00
Holiday pay liabilities with social security expenses	8,313,267.16	8,111,432.62
Regulation liability	0.00	7,905,645.64
Other accrued liabilities	561,524.89	846,858.92
Accruals and deferred income total	10,910,067.95	19,280,290.29

The short-term share of the accruals and deferred income of the regulatory adjustment has been netted against short-term receivables for 2023.



EUR	2023	2022
Commitments and contingencies		
Lease liabilities		
Payable in the next financial period	695,510.55	410,199.79
Payable later	828,325.30	373,313.46
Total	1,523,835.85	783,513.24
Other contingent liabilities		
Payable in the next financial period	2,180,004.10	4,173,574.75
Payable later	2,423,299.50	779,779.92
Total	4,603,303.60	4,953,354.67
Responsibilities for business premises leases		
Payable in the next financial period	1,850,009.93	1,706,844.54
Payable later	7,475,063.81	8,152,105.20
Total	9,325,073.74	9,858,949.74
Total commitments and contingent liabilities	15,452,213.19	15,595,817.65

The company has a long-term lease agreement for its premises, which expires on 30 June 2032. The lease liability arising from this agreement at the end of the financial year totals EUR 8,110,155.66 (EUR 8 455 676,40).

Liabilities are presented without VAT.

The company is the defendant in a dispute related to the company's operations, which may have an impact on the company's financial position. The company is also the defendant in one smaller dispute, which the company won in a lower court of justice. The claimant has appealed the decision, and the matter is pending. There is also one case pending in the Labour Court. The last-mentioned matters are not considered to have a material impact on the company’s financial position.

Insider transactions

The terms and conditions applied to transactions between group companies and related parties are identical to those applied to transactions with other parties.

Funding between group companies has been arranged through a cash-pool arrangement. A group service agreement has been concluded between the parent company and subsidiaries in which the parent company's expenses are allocated to subsidiaries using allocation keys.



Signatures of the Financial Statements and Report of the Board of Directors

Vantaa, 6 March 2024

Pia Julin

Chair of the Board of Directors

Minna Kahri

Member of the Board of Directors

Rami Metsäpelto

Member of the Board of Directors

Hanna Hovi

Member of the Board of Directors

Raine Luojus

CEO

Auditor's note:

A report on the audit has been issued today.

Helsinki, 11 March 2024

Ernst & Young Oy, Authorized Public Accountant Firm

Mikko Rytilahti

Authorized Public Accountant, Chartered Public Finance Auditor



Auditor's Report

To the Annual General Meeting of Fintraffic Air Navigation Services Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fintraffic Air Navigation Services Ltd (business identity code 2767840-1) for the year ended 31 December, 2023. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of 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 company 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 company's ability to continue as 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 company 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 on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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.

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 distributable equity shown in the balance

sheet for the company is in compliance with the Limited Liability Companies Act. We support that the members of the Board of Directors and the Managing Director of the company should be discharged from liability for the financial period audited by us.

Helsinki 11.3.2024

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Ryttilähti

Authorized Public Accountant,
Chartered Public Finance Auditor

