

Fintraffic Air Navigation Services Ltd

Annual Report 2022





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

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



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Board of Directors' report and Financial statements



Year 2022



CEO'S REVIEW

CEO's Review

We have an internationally very high reputation as a provider of air navigation services and expertise. According to European Commission we are on the top of achieving the goals for safety, efficiency and emission reductions.

Safety is always our number-one priority. And we do not compromise on punctuality or environmental efficiency either. Route optimisation, continuous descent approaches and close international cooperation are just some of the means we use to reduce emissions. Continuous descent approaches are always optimised at our network airports. Thanks to the continuous descent approach procedure used at Helsinki Airport, arriving flights are some of the most energy efficient in Europe.

In 2022, our operations were characterised by adjusting service production to meet a decrease in air traffic. Although the impacts of the pandemic have already eased, the war in Ukraine has reduced overflights in 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. Overflights made by wide-body aircraft ceased almost entirely in Finland.

In terms of the year as a whole, the number of flights in Finnish airspace was about 30 per cent less than in 2019. Adjustments were implemented as planned: we achieved the performance and safety targets set by the authorities, as well as official targets for capacity maintenance and environmental efficiency. However, our result remained negative in spite of these adjustment measures. In 2022, traffic volumes for air route services (service unit) stood at about 60 per cent of the last pre-pandemic year (2019). Charter traffic picked up at the turn of the year in the north, where traffic volumes reached pre-pandemic levels.

The full-year volume of international air traffic in 2022 stood at about 69 per cent of 2019 levels,





In spite of the exceptional circumstances, we have continued working on our development projects.

although it reached 85 per cent towards the end of the year thanks to good trends in Christmas flights to Lapland. The full-year volume of domestic traffic was 66 per cent of 2019 levels, but reached almost 80 per cent towards the end of the year.

Progress in strategic projects

Environmental issues are playing an increasingly larger role in air traffic at EU level, and sustainability and energy efficiency will be significant drivers in the development of both airspace usage and our own operations. We are engaging in groundbreaking cooperation with Finnair in the Perfect Flight project. Our cooperation seeks to reduce fuel and carbon dioxide emissions by finding ways to optimise flight routes from an environmental perspective.

Fintraffic Air Navigation continued to prepare a cross-border air navigation service in collaboration with Estonian Air Navigation Services (EANS). Our original aim was to implement the programme by Spring 2022 but the cross-border operation was postponed.

The Multi Remote Operating Tower (MROT) was examined from the perspectives of concept specification and profitability with suppliers and the airport company Finavia. This preparatory

work will enable Finavia and Fintraffic to make a joint decision on whether to launch the project.

Fintraffic's Avia College won a tender issued by Avinor, Norway's air navigation service provider, and will now train more than a hundred Norwegian air navigation professionals in 2023–2025.

The increasing proliferation of drones has led to a need for new services and low-altitude air traffic control. For our part, we are preparing for the international and national U-Space regulation, which will come into force in January 2023.

In spite of the exceptional circumstances, we have 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. Also in the pipeline are an aviation situational awareness application (which Fintraffic will launch in 2023) and a digital flight preparation app for general aviation.

According to the results of our 2022 customer satisfaction survey, our strengths are: compliance with safety requirements, customer service, and a high standard of operations at the Area Control Centre and in the Airspace Management Cell (AMC). Our cooperation with the State and military aviation is also at an excellent level. In

addition to indicating the successful areas of air navigation services, the customer satisfaction survey plays an important role in the improvement of the services. The responses serve as a basis for identifying any development needs so that the air navigation services can be improved even further.

It was necessary to continue with personnel layoffs throughout the year. Personnel were supported in various ways, such as with occupational healthcare services, and we will continue to invest in job satisfaction.

I would like to thank our clients for the excellent cooperation during the whole year. Fintraffic ANS employees also deserve a special thank you for their excellent work. We ensure safety, we care, and we point the way. Together. Let's make next year better.

Raine Luojus
CEO



Year 2022 in numbers

Revenue

68.5 MEUR
(62.8 MEUR)

Operating profit

-0.6 MEUR
(-1.2 MEUR)

Personnel average

424
(427)

Overflights

53,000
(38,055)

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

Finland's Area Control Centre processed

205,500
(123,300) flights

Helsinki Airport had

137,000
operations in 2022 (2021: 72,296)

Incidents caused by
air traffic control

0
(0)

Delays

0 minutes

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

Continuous descent approaches reduced
CO₂ emissions by

14,000 tonnes
vs the EU average*

The lack of delays in Finnish airspace saved
and reduced CO₂ emissions by

224,700 flight minutes
(= 22.5 MEUR)
36,000 tonnes
vs the EU average*

* Calculations are based on Eurocontrol values



Operating Environment and Business





Air Navigation Services

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. In 2022, the area control centre processed 206,000 flights (2021: 123,300 flights), of which 53,000 were overflights (2021: 38,055).

Approach control service (APP) is responsible for the terminal manoeuvring area (TMA), extending approximately 50–70 kilometres from the airport. The most important tool of approach control is the radar.

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. In 2022, FPC processed 49,762 ATS messages (in 2021: 55,365).

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. In 2022, it prepared 16,883 NOTAM messages (2021: 16,118).

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.

In 2022, Helsinki Airport had 137,000 operations (2021: 72,296). The average number of operations per day was 400.

Before the pandemic, in 2019 there were 194,634 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

About Air Traffic Controllers' work

- Air traffic controllers work in air traffic control towers and centers and are responsible for the safety and smoothness of air traffic.
- Aircraft take-offs and landings are carried out according to the instructions given by the air traffic control.

ATSEP-persons (Air Traffic Safety electronics personnel)

Safety is ensured by requiring ATSEP qualification from everyone entitled to the technical maintenance of the systems. Obtaining it requires passing specified courses. The validity of this qualification is supervised.

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. The 1.5-year air traffic controller training is very pragmatic and focuses on learning the basic skills.

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.

Avia College has won a tender issued by the company that provides Norway's air navigation services (Avinor), and will supply them with all basic, refresher and advanced training for Avinor's assessors and on-the-job training in 2023–2025.

Read more about trainings on our website www.fintraffic.fi/aviacollege.





STRATEGY

Best air navigation service in Europe in a cost-effective, punctual and environmentally friendly manner

Air traffic ensures that both Finland as a whole and its various regions remain easily accessible. In 2022, air navigation services were provided to about 206,000 flights by the Area Control Centre and to about 137,000 operations at Helsinki-Vantaa Airport. There were 400 aircraft movements (take-offs and landings) at Helsinki-Vantaa each day, on average.

Safety is always our number-one priority. We also never compromise on our punctuality or environmental efficiency goals, in respect of which we aim to be the best in Europe. Although we operate at an extremely high level of quality, we do not claim to be the best in the world, because that would be difficult to prove. Making comparisons at the European level is easier, because

the European Commission sets goals for the providing of air navigation services.

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





Continuing development to improve competitiveness

Before the pandemic, Finland had the best international connections in northern Europe. Our customers principally expect air traffic in Finland to run smoothly and without delays and interruptions, but they also expect our services to be competitive.

Operators in air navigation services and elsewhere in the aviation industry must explore ways to improve the quality and efficiency of services in the post-pandemic environment. Our strategic projects excellently reinforce and promote our efforts in respect of these and all other goals set for us. Our solutions for improving

competitiveness include introducing Multi Remote Operating Towers (MROT), pursuing closer cooperation with other air navigation service providers (FINEST project together with the Estonian air navigation services EASN) and addressing administration of a Low Altitude Airspace Management network.

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 soonavigation services that have been available online for a while, such as aeronautical information services (ais.fi) and air traffic obstacle consultation service.

	Proportion of continuous descent approaches (main airport)	Air route efficiency	Unit price for air route services
Finland	64%	96.84%*	44€
Sweden	49%	98.32%	67€
Norway	59%	98.67%	56€
Denmark	50%	98.78%	64€

Source: Eurocontrol
* Air route efficiency is being affected by sanctions on Russian airlines and the use of international waters. Without Kaliningrad traffic, this figure would be 98.77%.

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,

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Due to the high standard of our air navigation services, the Finnish airspace is safe and efficient.

Latvia, Luxembourg and Bosnia-Herzegovina in addition to Finnish ones.

In fall 2022, we won a tender issued by the company that provides Norway’s air navigation services (Avinor), and will supply them with all basic, refresher and advanced training for Avinor’s assessors and on-the-job training in 2023–2025.



Most environmentally friendly airspace in Europe

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 Helsinki-Vantaa 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.

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Route optimisation, continuous descent approaches and close international cooperation are ways of reducing emissions.

CASE



Perfect Flight optimises flight paths to reduce environmental impact

In the Perfect Flight project, we are cooperating with Finnair to reduce emissions by enabling aircraft to fly a 4D route optimised for carbon dioxide emissions.

We are aiming to create a global panel of indicators with which we can challenge other

operators all around the world to make air traffic more environmentally friendly and economically more advantageous.

Environmental impacts can be influenced at various stages of a flight by, for example, making decisions on the aircraft's speed or taking wind direction into account. We designed indicators on the basis of data collected from test flights, the most important of which were the length and duration of the flight, fuel consumption and carbon dioxide emissions. During the test flights, optimising the route brought no significant saving in time, but it did cut 6 km in distance, 100 kg in fuel consumption and 300 kg in CO₂ emissions.

In Finland, a great deal of work has been done to optimise flight paths from an environmental perspective. We are now working on a way to automate the Perfect Flight model to calculate how close we can get to an optimal flight in reality. By breaking down the optimal flight process into parts, we can determine where environmental impacts arise and what stages can be improved. We will then be able to develop the required services for these stages.



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 2022 were:

- The Finnish Border Guard consultation on payments and investments on October 18, 2022.
- The Finnish Airforce consultation on payments and investments on November 30, 2022.
- Airlines consultation on payments and investments on November 24, 2022.

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.

Airline customers

Fintraffic Air Navigation Services carried out its annual customer satisfaction survey for the fifth time in 2022. The survey was targeted at those who use the air navigation services on a





Responsibilities in air transport



1. MANAGING BODY OF THE AIRPORT IS RESPONSIBLE FOR

- Airport network
- The condition of runways and other airport infrastructure
- Airport security measures and civil protection
- Airport announcements

2. FINTRAFFIC IS RESPONSIBLE FOR

- Controlling air traffic both on the ground and in the airspace, technical air navigation infrastructure, and controlling airspace usage on their designated area of responsibility in the airspace above the Finnish and international sea area
- Managing and distributing information needed for aviation
- Managing airspace reservations
- Contributing to the designing of airspace structure and flight procedures

3. AIRSPACE USERS

- Airlines are responsible for passenger services and ticket sales
- Airlines, private operators, flyers of unmanned aerial vehicles (incl. drones) are responsible for aircraft traffic

daily basis, such as pilots, airline operators, flight schools and airport operators.

Traditionally, the survey's largest group of respondents has been airline pilots. This year, Fintraffic cooperated with the Finnish Pilots' Association to reach as many pilot representatives as possible with the survey. However, the number of respondents was slightly lower than before.

This was partly due to the decline in the number of airlines operating in Finnish airspace as a result of last year's flight ban on Russian airspace.

The survey participants were asked to evaluate the success of air navigation services on a scale of 1 (very poor) to 5 (excellent). The respondents also had the opportunity to provide open feedback in the survey.

The survey results were largely similar to those of the 2021 survey, and generally the differences were some tenths of a percentage point. The respondents rated their general experiences of cooperation with Fintraffic Air Navigation Services and of the use of its services high: the average score of the responses this year was 3.9/5, which was slightly higher than the year before (2021: 3.8/5).

The results of the customer satisfaction survey were good, especially with respect to the pleasantness of customer support and customer experiences, which both received an average score

of 4.4. The customers also rated their experience of the implementation of safety standards high, with the average score of the responses being 4.5. The scores for air traffic control and, above all, for the air navigation services of regional airports were excellent. The average score of the responses for regional airports this year was 4.3, compared to last year's 4.0.

In addition to indicating the successful areas of air navigation services, the customer satisfaction survey plays an important role in the improvement of the services. The responses serve as a basis for identifying any development needs so that the air navigation services can be improved even further.

Military and state aviation

We support the mission of the Finnish Defence Forces by providing the required airspace reservations and monitor the airspace of the Gulf of Finland in cooperation with the Finnish Air Force. We are obligated to serve the Finnish state aviation also by law. Contacts with the Finnish Air Force and the Border Guard are regular and aim at continuous improvement of operations.

Personnel in a key role

In an area of special expertise such as air navigation, skilled and competent employees play a central role. Fintraffic ANS is a respon-

sible employer. The company takes care of the well-being, health, competence and safety of its employees by providing good managerial work and training and by complying with collective labour agreements and labour legislation. Good management of personnel is a key element of Fintraffic ANS strategy. Fintraffic ANS looks after the equal and fair treatment of its employees.

Interaction with employees

Fintraffic ANS uses a harmonised performance appraisal model. The development discussions pursuant to it are carried out with all employees on an annual basis. The personnel is kept up-to-date on company issues by monthly reviews via Teams, quartal reports by email and by communicating on the intranet. The company has a Cooperation Council and a Central Committee for occupational health and Safety. The organisation has prepared an occupational health and safety action plan for the company. Read more about our efforts for a better work life in the Fintraffic Group's annual report:

Governance and Remuneration Report.



INTERNATIONAL CO-OPERATION

EU objectives define operations

Air navigation services are strongly regulated, and the terms of Fintraffic ANS license come directly from the EU. This gives the company a chance to offer air navigation services anywhere in Europe. The sector is increasingly opening up to international competition, and Fintraffic ANS is also preparing for this development.

Air navigation operations are getting prepared for the changes in the operating environment caused by, for example, unmanned aerial vehicles, short-range traffic and cybersecurity requirements. The EU leads the European ATM Master Plan.

Single European Sky (SES) is an EU project. SES seeks to harmonise practices in different countries. The SES is based on binding EU regulations and complementary rules on harmonised measures. For example, airlines and aviators benefit from the free routing airspace already in use in Finland, which allows them to choose their preferred route.

EU sets prices for air navigation services and performance targets for service providers in four main areas:

- the safety management systems must meet the set criteria
- the delays allowed for air traffic must stay within the set limits
- flight routes must be as short and unrestricted as possible
- costs must be below the set maximum level

Single European Sky network performance plan (RP3 2020–2024) includes strict targets

for service providers, and states are expected to improve their air navigation performance in all areas. For Finland, the targets concerning Fintraffic ANS were drafted in addition to Fintraffic by the Ministry of Transport and Communications and the Finnish Transport and Communications Agency Traficom.

Functional airspace block NEFAB

Finland is part of the North European Functional Airspace Block (NEFAB) together with Latvia, Norway and Estonia. NEFAB is one of the nine European Functional Airspace Blocks established in connection with the SES project. Within the Airspace Blocks, states and service providers, including Fintraffic ANS, cooperate in developing operations. Eurocontrol acts as the Network Manager in Europe, appointed by the EU.

Other operations

Fintraffic ANS is part of the Borealis Alliance, a consortium of nine air navigation service providers. Together the members of the Alliance make use of, for example, the free routing airspace on the same principles as in Finland. Fintraffic ANS is also an active member of the association

of air navigation service providers, Civil Air Navigation Services Organisation CANSO. CANSO seeks to improve the operating conditions of air navigation service providers and to influence the regulations governing them



Safety and responsibility

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.

The assessment of safety impacts is part of our daily processes

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.

Responsibility

The operations of Fintraffic ANS affect the day to-day lives of many Finns in one way or another. Fintraffic ANS provides en-route service and aerodrome control and approach control services for airports. In practice, the company ensures smooth take-offs and landings at Finnish airports and that crossing the Finnish airspace is smooth and safe. Air traffic enables the global citizenship of Finns. It allows tourism and business to thrive and provides employment to tens of thousands of Finnish people. Fintraffic ANS works to ensure that air traffic supports Finland's success in a comprehensive way. Air traffic allows Finland to stay active 24/7.

For Fintraffic ANS, most important customer promise is the safety of its services which also is the foundation for all its operations. Another key factor is to keep the Finnish airspace open in every day of the year, 24/7. The third success factor is the smoothness of air traffic: there were no delays in 2022 due to Fintraffic ANS en-route services. Corporate responsibility is a natural part

of the operating culture and corporate identity of Fintraffic ANS even by the nature of the company's operations.

Responsibility for the environment

Fintraffic ANS cooperates with international industry organisations and parties to reduce the negative environmental impacts of air traffic. The most important means of influence in this work include planning as short as possible flight routes, taking advantage of weather conditions, using efficient flight techniques, keeping delays to a minimum and using the entire European airspace as efficiently as possible.

Descent approach decreases CO₂ emissions

Fintraffic ANS aims to be the world's most environmentally efficient air navigation company.

Flight route optimizations and fuel-saving continuous descent approaches have an important role in decreasing CO₂ emissions. Operations are developed in cooperation with airline customers and the airport operator. In 2022, descent approaches were accounting 64 per cent of all approaches in Helsinki-Vantaa.

Read more about our sustainability work in Fintraffic Group's Annual Report.





Governance and Organisation



Board of Directors



Pertti Korhonen

b. 1961, MSc (Tech)
CEO,
Traffic Management Company Fintraffic Ltd

Professional experience and key positions of trust:
Outotec: CEO, 2010–2016. Elektrobit Oyj: CEO, 2006–2009. Nokia Corporation: member of the Executive Board, 2002–2006; CTO, 2004–2006; SVP, Nokia Mobile Software, 2001–2003; Director of production, logistics and procurement, 1996–2001; executive positions in product development and production, 1987–1995.

Corporate board positions:
Chair of the Board for Infinited Fiber Company Ltd & Enerim Ltd, Member of the Board for Fastems Ltd & Palta. Previous board positions: Chair of the Board for DNA Ltd, Ahlström Ltd & Climate Leadership Coalition. Member of the Board for Elisa PLC, Rautaruukki PLC, Granlund Ltd., EK Confederations of Finnish Industries Technology Finland. Business Finland: Chair of the Board, 2017–2021.



Jarmo Lindberg

b. 1959, General
Chief of Defence in the Finnish Defence Forces (retd)
Board professional

Professional experience and key positions of trust:
Finnish Defence Forces, Chief of Defence 2014–2019. Finnish Air Force, Commander 2008–2012. Finnish Defence Forces, Deputy Chief of Staff, Logistics and Armaments 2012–2014. Finnish Air Force, Commander of Lapland Air Command 2005; Finnish Defence Forces, Defence Command, Assistant Chief of Staff Operations 2005–2008; Deputy Director, Operations Division of Defence Command 2004. Finnish Air Force, Assistant Chief of Staff Operations 1999–2000, Chief of Operations 2001–2003. Finnish Air Force, Satakunta Air Command, Commander of Fighter Squadron 1995–1999. Finnish Air Force, Hornet training group leader 1995. Finnish Air Force, Chief of Pilot Training 1993–1994. Finnish Air Force, Karelia Air Command, Pilot Officer 1982–1989, Flight Commander 1989–1991.



Katariina Ora

b. 1966, M.L.
Associate General Counsel, Microsoft

Professional experience and key positions of trust:
Microsoft, several positions; Associate General Counsel, Western Europe 2017 -. Associate General Counsel 2015–2017. Assistant General Counsel, 2015. VP, Legal & VP, Human Resources, Operations 2014.

Nokia; VP, Human Resources, Operations, 2013–2014. Vice President, Legal & IP, 2004–2013. Various positions as a company lawyer in the divisions or units of Nokia Corporation 1995–2003.

Law firm Bützow & Co, Associate Lawyer, 1991–1995.



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
commit tees for various employers’ organisations, 2016–.



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

The Board of Directors of Fintraffic ANS sees to the administration of the company and the appropriate organisation of the company's operations. In addition, the Board of Directors ensures that the company's accounts and asset management are appropriately organised. The Board of Directors complies with the Articles of Association, governance policy, agreement on authorisations, Limited Liability Companies Act and other valid legislation.

The Board of Directors has ratified a Board Charter, specifying the key tasks of the Board of Directors and the key procedures associated with Board work. In addition to the duties set forth in the Limited Liability Companies Act, the Board of Directors' duties include approving and monitoring the longterm strategy, confirming the annual objectives and budget and monitoring their realisation, approving the essential organisation structure, approving significant investments, establishing the investment policy, approving the principles of risk management and other similar key control systems, appointing the CEO and confirming the appointment of management team members and confirming the remuneration paid to the senior management.

The Board of Directors has no separate committees. The Board of Directors assesses its operations regularly itself and, if necessary, using an external auditor.

The chairman of the Board of Directors was **Pertti Korhonen**. The other members of the Board of Directors have been **Hanna Hovi**, **Rami Metsäpelto**, **Jarmo Lindberg**, **Kaisa Olkkonen** was a member until 31.8.2022, **Katariina Ora** starting from 1.9.2022.

The Board of Directors has convened 5 times. The members of the Board of Directors have attended the meetings as follows: Pertti Korhonen 4/5 times, Jarmo Lindberg 5/5 times, Kaisa Olkkonen 3/3 times, Hanna Hovi 5/5 times, Rami Metsäpelto 5/5 times ja Katariina Ora 2/2 times. In addition to the actual meetings, two





e-mail meetings were held, in which all members have participated.

Remuneration is paid to members outside the Group at EUR 1,500 / month and in addition a meeting fee of EUR 600 / meeting. A total of EUR 42,000 in fees has been paid for the 2022 meetings.

CEO and 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, Seija Anttila** and **Tarja Hatinen**.

In 2022, the strategic management team convened 24 times. In addition to the members of the strategic management team, the company's management team comprises Director of Safety **Tom Häтинен**, Business Controller **Jarkko Luoma** and, as representative of the personnel, air traffic controller **Laura Alakoski**. The management team convened once a quarter.

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 if the Fintraffic Group company personnel fund. Fintraffic ANS employee performance bonuses of EUR 409,816.57 were paid to those covered by the common objectives, equating about EUR 1,255.48 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.



Seija Anttila

b. 1977, MBA
HR Business Partner

Professional experience and key positions of trust:
Traffic Management Company Fintraffic Ltd., HR Business Partner 2019–. Air Navigation Services Finland Ltd, HR Specialist 2017–2019. Finavia Oyj, HR Specialist, 2010–2017. Finavia Oyj, Roster Planner, 2006–2010. CAA Finland, EFES, Air Traffic Control Assistant 1997–2006.



Organisation 31.12.2022

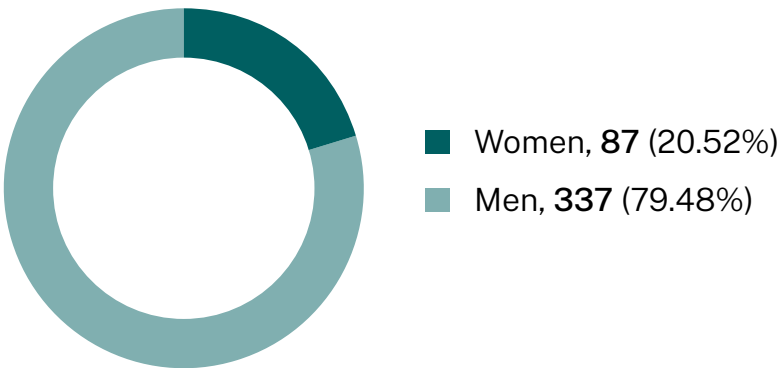




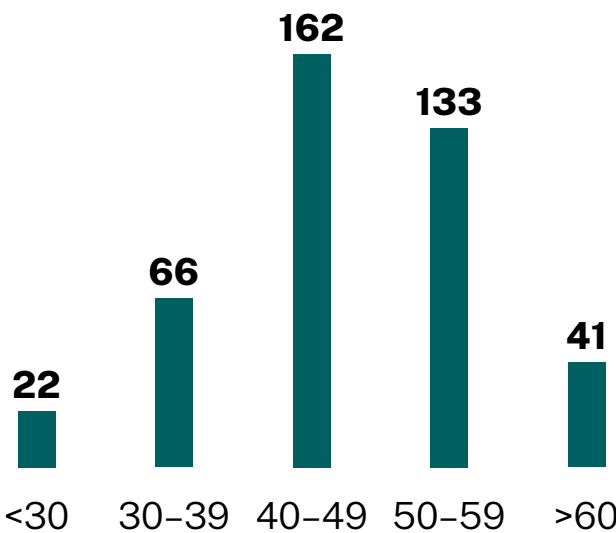
EMPLOYEES

424
(427)

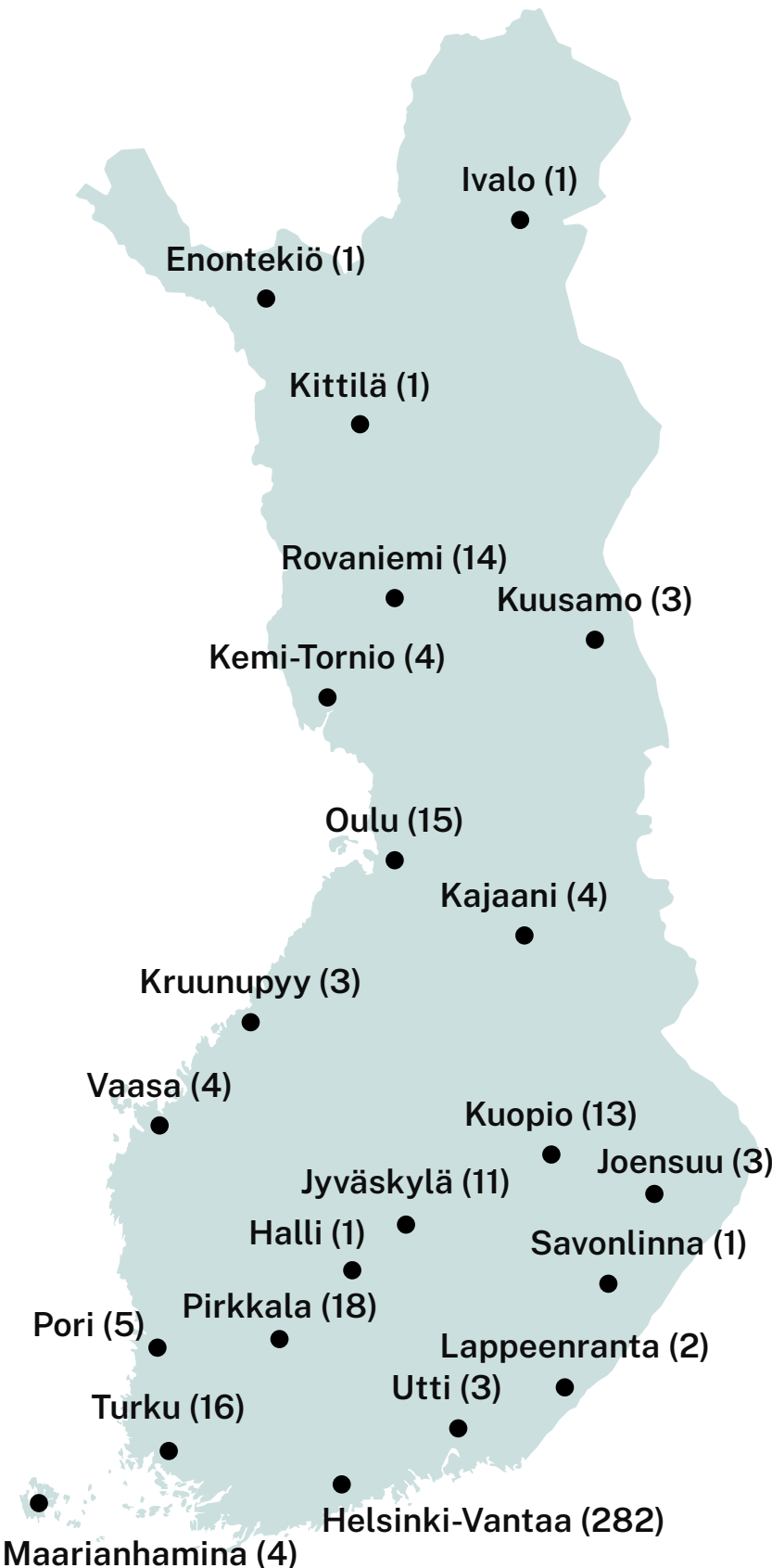
PROPORTION OF MEN AND WOMEN



AGE DISTRIBUTION OF PERSONNEL



GEOGRAPHICAL DISTRIBUTION OF PERSONNEL





Board of Directors' report and Financial statements





Board of Directors’ report and Financial statements

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Fintraffic Air Navigation Services Ltd

Board of Directors' report 2022

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 also 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.

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 2022, the aviation sector was recovering from the COVID-19 pandemic. By the end of 2022, 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.

Russia started a war against Ukraine on 24 February 2022. As a result of the attack, western countries imposed sanctions against Russia; as far as aviation is concerned, Russian airlines were banned from flying through Europe. Russia, on the other hand, imposed retaliatory sanctions on Western airlines, banning them from flying in the Russian airspace. As a result of the sanctions, virtually all overflights ended in the Finnish airspace, except for some Chinese and Middle Eastern airlines, causing significant losses of revenue for the company. Due to the sanctions,

traffic volumes in Finland were only about 60% of the volume compared to 2019. Therefore, Fintraffic Air Navigation Services Ltd's result for 2022 showed a substantial loss. The company's action plan expects the current poor traffic situation caused by the war to continue for several years. For this reason, the company continued to try to cut operating expenditure and investments, but not as drastically as in 2021. Personnel lay-offs continued throughout the year, especially in those air traffic control units where there were more staff than needed for air traffic management.

Due to the Russian war of aggression, the largest airline customer, Finnair, also had to revise its strategy. Geographically, Finnair's goal is a more balanced network connecting Europe to Asia, India and the Middle East and North America, via Helsinki-Vantaa. The company also mentions strong domestic connections.

In 2021, Fintraffic prepared a new strategy for 2022–2026 and updated it in autumn 2022. The strategy update did not bring any major

changes. Projects that are important with a view to the company's future will continue. The most important of these is the FINEST programme, which builds joint cross-border air navigation services with Estonia. In 2022, the company did not reach the implementation phase of the cross-border air traffic control system between Estonia and Finland as planned due to the requirements set by the Finnish Ministry of Defence.

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. No decisions have been made on the launch of the project.

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 2022, Fintraffic Air Navigation Services



received a significant new training agreement with Avinor from Norway. In accordance with the agreement, in the coming years Avinor will bring its air traffic control instructors to refresher training at Fintraffic's Avia College.

The new strategy recognised the need for a new strategic programme called “productised digital services”. 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. The model does not support centralised data analysis and use for developing the company's own operations, and it does not enable the provision of large-scale external services. The aim is for Fintraffic to develop into a traffic data centre that provides real-time and proactive traffic information to support decision-making. To achieve these objectives, the company defined several objectives and programmes.

In 2019, the company began developing lower airspace services; this will continue throughout the strategy period. 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.

One of the strategic programmes for 2022 included focusing on management, compe-

tence 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 achieve our mission and goals. 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.

Last year, the Finnish Transport and Communications Agency Traficom updated the network performance plan for the reference period 2020–2024 (RP3). The performance plan was updated due to the decrease in traffic volume caused by the COVID-19 pandemic. 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, the environment, capacity and cost-effectiveness. The Ministry of Transport and Communications adopted the new performance plan in June 2022.

Revenue and profit

The company’s revenue in 2022 was EUR 68.5 (62.8) million. Revenue grew by 9.1% year-on-year. The increase was mainly due to increased traffic at Helsinki-Vantaa and in the en-route service after the pandemic restrictions were lifted, but also due to increased air navigation charges at Helsinki-Vantaa Airport and improved air navigation revenue at network airports. Traffic volumes still remained below the pre-pandemic period.

The net receivables entry from regulatory adjustment decreased by EUR 6.9 million in 2022 compared to 2021. The entry for 2022 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 58.8 (46.2) million, which is 27.4 % higher than in the previous year. The unit price of the en-route service (EUR 43.93/service unit) was 2.4%

higher than in the previous year. The unit price of Helsinki Airport’s air navigation service (EUR 146.87/tn-unit) was 15.0% higher than in the previous year. Other operating income includes state support for Eurocontrol’s membership fee and subsidies from the European Union for deployment projects of the Trans-European Transport Network in the aviation sector.

The adjustment measures continued in 2022 but, due to growth in traffic volumes, to a lesser extent than in 2021. Operating costs exceeded the level of 2021 by 10.7% but were still lower than before the pandemic in 2019.

Personnel expenses increased by 16.8% as the amount of lay-offs decreased. Other operating expenses increased by 2.8%. This was due to, for example, increases in intragroup service charges, membership fees, premises rents, voluntary personnel costs, marketing fees and travel expenses. Depreciation decreased significantly

Key indicators

	2022	2021	2020	2019	2018
Revenue (EUR million)	68.5	62.8	49.3	80.2	81.5
Operating profit (EUR million)	-0.6	-1.2	-16.1	5.9	6.8
Operating profit/revenue (%)	-0.8	-2.0	-32.6	7.3	8.4
Investments (EUR million)	3.7	6.2	1.9	5.3	2.1
Return on equity (%)	-2.8	-8.7	-107.6	14.5	31.2
Equity ratio (%)	46.0	45.1	22.6	36.1	37.0
Personnel on average (FTE)	371	326	355	405	408



because the depreciation period for several large fixed assets ended, and no new deployments were made in 2022 due to, for example, the savings measures taken.

The company's operating result in 2022 showed a loss of EUR 0.6 (1.2 million) mainly due to the impact the sanctions imposed because of Russia's war of aggression had on traffic volumes. Furthermore, restrictions imposed due to the COVID-19 pandemic also continued to weight down the result for their part.

Group contribution turned the result for the financial year EUR 7.0 (3.4) million positive.

Traffic

In 2022, the service units in the en-route service were approximately 60% 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 from the end of February. The sanctions were particularly visible in overflight traffic, which only amounted to slightly over 40% 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 traffic, the volume of traffic in 2022 was 69% of the 2019 level, whereas towards the end of

the year it rose to as high as 85% of the said level due to, for example, the positive development of Christmas flights to Lapland. In domestic traffic, the annual volume was 66% of the 2019 level, already rising to almost 80% of the said level towards the end of the year.

In 2022, the traffic volumes of Helsinki Airport (TN units) were approximately 65% of the pre-pandemic volumes of 2019. Compared to the previous year, traffic increased by almost 100%, even though sanctions concerning the Russian airspace reduced traffic between Finland and Asian destinations. At the end of the year, the volume of traffic at Helsinki-Vantaa was already more than 70% 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 to which the company addresses other risk management matters relating to financial, IT, investment, cash flow, income and insurance risks, for example. The company's key risks are reported in the Group-level risk review, which also includes a review of information and cyber security risks.

The most significant financial risk is related to the low volume of air traffic in the next few years.

Personnel, training and salaries

At the end of 2022, the company employed a total of 424 (427) professionals from different fields, of whom approximately 280 work 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 34.4 (29.8) million.

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

In 2022, negotiations about renewing the collective agreements applied in Fintraffic Air Navigation Services Ltd were conducted with Ilmailutietekniset (ILTT), but results were not yet achieved by the end of 2022.

Fintraffic Air Navigation Services carried out a personnel survey in the early autumn of 2022. At 83%, the response rate to the survey reached a record level. The company's overall performance in areas of key importance for operations

increased significantly from the previous year. Positive development took place especially in the workplace atmosphere, managerial work, the impact of colleagues on one's own work and cooperation between units and teams. The managerial index for the whole company rose to a record level of 4.1, when the maximum score is 5.0. High-quality managerial work and management are included in the Fintraffic ANS's strategy and, despite the good results, developing them still remains part of the development measures in accordance with the company strategy.

In 2022, as the COVID-19 situation eased during the spring, the company transitioned from remote work to hybrid work in tasks where it is appropriate.

In May, the company introduced bicycles as an employee benefit, and this was met with enthusiasm among air navigation personnel. At the end of the year, 72 of the employees in air navigation had taken advantage of the offer to acquire an employee benefit bicycle, thus increasing the amount of their incidental exercise and reducing the emission impacts of their mobility.

During 2022, the entire air navigation staff went through training organised by Prevenia on how to change their own habits and improve their life through the "Piirun verran parempi arki"



programme (a health coaching programme aimed at improving everyday life).

During 2022, the company held two change negotiation rounds due to the weakened demand for services caused by the COVID-19 pandemic and the war of aggression launched by Russia. So far, it has still been possible to implement the adjustment measures through lay-offs and no redundancies were negotiated.

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.

The Avia College simulators were used to implement the refresher training transferred from previous years for the network's collaborative airports and units providing combined ADI/ APS services as well as to provide refresher and conversion training to air traffic control personnel at the Finnish Air Traffic Control Centre.

ATSEP Basic and Qualification trainings required by technical air navigation regulation have 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.

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 2022, the focus in developing occupational safety and well-being was shifted more to managing psychosocial stress factors in the work community, which is reflected, for example, in the work community development projects that have been initiated.

The active implementation of occupational health and safety measures also continued during the third year of COVID-19. No work-related COVID-19 infections occurred at the air navigation company's workplaces.

One workplace accident occurred among the company's personnel in 2022, resulting in five days of sick leave. A total of 11 accidents happened on the way to and from work during the year, but they did not result in more than one day of sick leave. A total of seven occupational accidents were reported. The highest risk for work-related

accidents at Fintraffic ANS workplaces appears to be caused by minor slipping and tripping at work or on the way to or from work.

In 2022, the sick leave rate among the company's personnel was 2.74% and the frequency of workplace accidents was 1.97 (the annual number of accidents per one million hours worked).

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 in accordance with the requirements of safety management, even during the long-running exceptional circumstances of air traffic.

Adjustment measures continued in 2022 due to the strong decline in air traffic. Regardless of the exceptional circumstances, it must be possible to ensure the safety of operations even

in situations where services need to be restricted even in situations where the company's financial situation is challenging. Transparent and active communication with the personnel has been monitored, especially in matters related to the exceptional circumstances, and efforts have been made to identify the related causes and factors.

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

As part of the change management process, in 2022, a total of 35 extensive safety impact assessments related to the changes were carried out. In addition, 561 preliminary safety impact assessments were carried out on the changes. This number reflects the strong commitment to ensuring safety of all employees as well as the effectiveness of the process. All such changes that have or may have an impact on the safety of the operations are assessed. Changes made by our partners in the shared airport environment,

Reporting activity, internal control and safety assurance of changes in 2022

	pcs
Incident and observation reports by the personnel	2,007
Technical notifications related to the operation of equipment or technical systems	2,030
Change risk assessments	35
Preliminary assessments of the safety impacts of changes	561
Internal audits	10



Performance targets set

TARGET	IMPLEMENTATION IN 2022
Safety	
Efficiency of the safety management system	The target was achieved (see note 1)

Please note! 1) With regard to the effectiveness of the safety management system, the final result for 2022 will be confirmed later, but it is our preliminary understanding that we will achieve the 2022 maturity targets. The target level set for 2024 has not yet been reached for two factors.

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 2022
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 23 factors. The target was reached for 21 factors. Two incidents exceeded the reaction level.
4. Incidents related to airspace reservations No serious airspace reservation management incidents	The target was achieved. There were no serious airspace reservation incidents.

which 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).

In 2022, more runway incursions caused by vehicles were experienced in the runway

environment than in previous years. When the average for the previous four years was about 13 incursions per year, a total of 22 runway incursions caused by vehicles occurred in 2022. These incursions are not primarily caused by air navigation services, but they nevertheless affect the safety of the runway environment. As a result, we have actively cooperated and exchanged safety information with the airport operator and sought to influence the development of the working

environment and to improve safety. Our own operations caused or contributed to a total of four runway incursions.

The joint FINEST project between Finnish and Estonian air navigation service providers was interrupted, but the prerequisites 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 10 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 observations 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.

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.

With regard to the targets under the Finnish Aviation Safety Programme, there were two losses of required minimum separation between aircraft, where the target was not achieved. The incidents did not pose an immediate risk of collision. However, the incidents exceeded the reaction level set by the company. Cases exceeding the reaction level always require an assessment of the need for corrective measures. So far, there are no known factors that would have required immediate corrective actions. Both cases were processed by the operational unit.



In addition to the above-mentioned deviations, there was one deviation related to the qualifications of the technical organisation personnel, which was considered to exceed the reaction level according to the risk classification. The incident was reported appropriately, and the technical organisation conducted a careful root cause analysis. Corrective measures were taken regarding the incident to prevent such an incident from recurring.

Environment

The company's environmental strategy was adopted. 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

On 16 February 2023, the President of the Republic approved the amendments to the Aviation Act. When the Act enters into force in October 2023, the responsibilities and operating models will change substantially. The amendment will no longer require a statement from the air traffic service provider concerned when applying for a permission to set up an obstacle to air navigation. The responsibility for maintaining the Obstacle Register is transferred to Traficom, but the Aviation Act enables Traficom to obtain it from Fintraffic. In the case of air navigation services, the change may have a significant economic impact. In the current model, Fintraffic Air Navigation Services Ltd has financed the personnel, investment and development costs arising from the processing of obstacles to air navigation statements with a fee charged to the applicant for the statement. The new act does not enable the current operating model, but it has not yet been defined by the state to whom the costs of statements and expert assessments will be allocated.

Estimate of probable future development

The year 2023 will be financially difficult for Fintraffic Air Navigation Services Ltd in the same way as the past few years. In summer 2022, Finland decided not to open the ANS performance plan for reference period 3 (RP3). Because of the decision, Fintraffic cannot update the traffic forecasts that have already been approved, and the company cannot raise traffic charges in any significant amount before 2024. The net loss in 2023 without regulatory adjustment is expected to be EUR -16.6 million due to low traffic volumes. Revenue (without regulatory adjustment) is expected to be EUR 64.9 million, or approximately EUR 6 million higher than in 2022. The level of planned investments for 2023 is EUR 8.5 million. The company will incur a significant debt due to negative cash flow.

According to the latest STATFOR Base forecast (October 2022), Finland's traffic volumes will begin to grow slowly in 2023. Traffic is expected to grow by 8.8% in the en-route service and by 13.3% in Helsinki Airport compared to 2022.

Management and auditing

Pertti Korhonen acted as the Chairperson of the Board of Fintraffic Air Navigation Services Ltd and

Jarmo Lindberg, Hanna Hovi and Rami Metsäpelto as members of the Board of Directors. In September, Katariina Ora replaced Kaisa Olkkonen, who resigned from the Board of Directors.

The Board convened seven times during the financial year. A total of EUR 43,200 was paid as remuneration to the members of the Board of Directors who are not employees of the Group.

The company's auditor was Ernst & Young Oy, with APA Mikko Ryttilahti 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 2022 amounted to EUR 26,820,765.93. The Board of Directors proposes that no dividends be distributed and that the result for the financial year, EUR 7,040,462.34, be carried over in retained earnings.



Fintraffic Air Navigation Services Ltd Financial statements

Income statement

EUR	1.1.–31.12.2022		1.1.–31.12.2021	
REVENUE	68,546,921.65		62,812,914.08	
Other operating income	3,636,186.80		3,825,855.85	
Materials and services				
Materials and supplies				
Purchases during the financial year	628,745.53		596,546.46	
External services	8,938,929.40	9,567,674.93	8,108,519.75	8,705,066.21
Staff expenses				
Salaries and bonuses	34,436,883.76		29,788,466.52	
Indirect staff expenses				
Pension expenses	6,059,298.17		5,061,780.58	
Other indirect staff expenses	1,182,151.40	41,678,333.33	834,484.79	35,684,731.89
Depreciation, amortisation and impairment				
According to plan	2,255,824.30		4,173,109.98	
Other operating expenses	19,233,873.53		19,301,244.67	
OPERATING PROFIT/LOSS	-552,597.64		-1,225,382.82	
Financial income and expenses				
Other interest and financial income	11,381.60		15,527.55	
Interest expenses and other financial expenses				
To other Group companies	-164,407.02			
To others	-5,202.65	-158,228.07	-13,749.40	1,778.15
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	-710,825.71		-1,223,604.67	
Appropriations				
Increase (–) or decrease (+) in cumulative accelerated depreciation	0.00		446,012.63	
Group contribution	7,690,000.00		4,220,000.00	
Income taxes	61,288.05		0.00	
PROFIT/LOSS FOR THE FINANCIAL YEAR	7,040,462.34		3,442,407.96	



Balance sheet

EUR	31.12.2022		31.12.2021	
Assets				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	2,725,689.76		2,930,233.06	
Other long-term expenditure	793,319.12	3,519,008.88	1,068,154.94	3,998,388.00
Tangible assets				
Machinery and equipment		5,418,366.69		4,841,307.84
Advance payments and construction in progress				
Purchases of machinery and equipment in progress	3,892,345.25		5,145,981.73	
Licence and software acquisitions in progress	2,806,278.55	6,698,623.80	1,262,528.19	6,408,509.92
CURRENT ASSETS				
Receivables				
Non-current receivables				
Accruals		22,417,436.94		16,010,380.00
Current receivables				
Trade debtors	4,567,000.82		3,948,652.32	
Receivables from Group companies	8,019,056.26		4,380,865.12	
Other receivables	412,573.37		701,139.92	
Accruals	7,269,143.61	20,267,774.06	3,281,402.00	12,312,059.36
Cash and cash equivalents		14,403.99		319,632.71
Total assets		58,335,614.36		43,890,277.83



Balance sheet

EUR	31.12.2022		31.12.2021	
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	3,480,303.59		37,895.63	
Profit/loss for the financial year	7,040,462.34	26,824,065.93	3,442,407.96	19,783,603.59
LIABILITIES				
Current liabilities				
Trade creditors	3,867,234.62		2,887,075.95	
Amounts owed to Group companies	7,020,054.72		1,256,975.17	
Other liabilities	1,343,968.80		1,452,802.16	
Accrued liabilities	19,280,290.29	31,511,548.43	18,509,820.96	24,106,674.24
Total equity and liabilities	58,335,614.36		43,890,277.83	



Cash flow statement

EUR	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-710,825.71	-1,223,604.67
Adjustments:		
According to plan	2,255,824.30	4,173,109.98
Other income and expenses without payment	-10,037,591.19	-17,104,083.45
Total financial income and expenses	158,228.07	-1,778.15
Cash flow from operating activities before working capital change	-8,334,364.53	-14,156,356.29
Working capital change:		
Increase(-)/decrease(+) in short-term non-interest bearing trade receivables	307,123.68	5,554,670.73
Increase(+)/decrease(-) in short-term non-interest bearing liabilities	1,055,807.58	465,538.59
Cash flow from operating activities before financial items and taxes	-6,971,433.27	-8,136,146.97
Interest paid and payments for other financial expenses	-92,477.60	-8,107.01
Interest received relating to operating activities	11,381.60	15,527.55
Other financial items from operating activities	6,083,787.36	461,962.78
Income taxes paid	0.00	0.00
Net cash flow from operating activities	-968,741.91	-7,666,763.65
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible items	-3,663,437.81	-6,218,526.31
Proceeds from sale of tangible and intangible assets	0.00	117,648.01
Investing aid received	106,951.00	3,917,274.66
Cash flow from investment activities	-3,556,486.81	-2,183,603.64
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue/reserve for invested non-restricted equity	0.00	8,000,000.00
Group contribution received	4,220,000.00	2,170,000.00
Cash flow from financing activities	4,220,000.00	10,170,000.00
NET INCREASE (+)/ DECREASE (-) IN CASH AND CASH EQUIVALENTS	-305,228.72	319,632.71
Cash and cash equivalents 1 January	319,632.71	0.00
Cash and cash equivalents 31 December	14,403.99	319,632.71
	-305,228.72	319,632.71



Notes to the income statement and balance sheet

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

Revenue

The revenue for the financial year 2022 is improved by a regulation adjustment of EUR 9,701,446.

The regulation adjustment includes receivables and debts based on EU legislation concerning the en-route service and the air navigation service of Helsinki Airport. In the financial year 2021, the regulation adjustment increased revenue by EUR 16,616,920.

For 2022, a new regulatory receivable of EUR 7,326,566 was recognised relating to the traffic risk mechanism and inflation adjustment.

Debt accrued in previous periods was repaid in 2022 as a lower unit price charged to airspace users for the service, totalling EUR 6,837,709. With traffic significantly lower than predicted in 2022, the regulation debt of the previous planning period was further transferred to future years.

In 2022, EUR 4,393,987 of new regulation debt was incurred, mainly on the basis of the state’s contribution to Eurocontrol’s membership fee and the EU subsidies received for investment and current operating expenditure projects.

At the end of 2022, the company’s balance sheet included a net receivable of EUR 13,595,407 related to regulation adjustments.

Regulation adjustment

EUR	Reversal	Increase	Net change	Balance at the end of the year
Inflation adjustment	0	1,443,743	1,443,743	1,443,744
Traffic risk sharing adjustment	0	5,882,822	5,882,822	5,883,580
Difference in revenue from temporary application of unit rate	0	0	0	27,674,453
Costs excluded from the cost risk mechanism	887,978	0	887,978	0
Other revenue (subsidies from EU and the Finnish state)	2,907,289	-4,393,987	-1,486,698	-16,697,870
Traffic adjustments	3,042,442	-68,842	2,973,600	-4,708,499
Total	6,837,709	2,863,737	9,701,446	13,595,407
Receivables	0	7,326,566	7,326,566	35,001,777
Liabilities	6,837,709	-4,462,829	2,374,881	-21,406,369
Net	6,837,709	2,863,737	9,701,446	13,595,407

The liabilities arising from the regulatory adjustment have been recognised in full. In accordance with the principle of prudence, receivables have not been taken into account in full.

Valuation of receivables

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

Accounting principles of the financial statement

The financial statement has been prepared as a cash flow statement in accordance with the Finnish Accounting Board’s (KILA) general instructions. Net cash flow from operating activities is presented in an indirect manner. The Group bank accounts with balances of

EUR 6,083,787.36 are presented in financial items of the operating activities.

Consolidation principles

Group data

Fintraffic Air Navigation Services Ltd is part of the Fintraffic Group, 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 statement is available from the company's head office Palkkatilaportti 1, 00240 Helsinki.

Loans and receivables from group companies

EUR	2022	2021
Trade debtors	329,056.26	137,416.08
Accruals	0.00	23,449.04
Other receivables	7,690,000.00	4,220,000.00
Trade creditors	51,885.36	0.00
Accrued liabilities	884,382.00	795,012.39
Consolidated cash pool debt	6,083,787.36	461,962.78



Notes to the income statement and balance sheet

EUR	2022	2021
Staff expenses		
Salaries and bonuses	34,436,883.76	29,788,466.52
Fringe benefits	286,561.73	272,887.69
Total	34,723,445.49	30,061,354.21
Indirect staff expenses		
Pension expenses	6,059,298.17	5,061,780.58
Other indirect staff expenses	1,182,151.40	834,484.79
Total	7,241,449.57	5,896,265.37
Average number of employees during the financial year (man-years)	371	326
Personnel at the end of the year		
Permanent	403	418
Fixed-term	21	9
Total	424	427
Salaries and bonuses of the CEO and Board of Directors		
CEO	277,193.54	235,814.87
Members of the Board of Directors	43,200.00	43,200.00
	320,393.54	279,014.87
Depreciation, amortisation and impairment		
According to plan		
Computer software	1,197,193.37	3,051,929.19
Other long-term expenditure	274,835.82	265,973.03
Machinery and equipment	783,795.11	855,207.76
	2,255,824.30	4,173,109.98
Other operating expenses		
Other staff expenses	1,225,481.24	858,014.31
Travel expenses	491,330.94	224,025.97
Rents	6,462,796.54	6,569,109.99
Supplies and fixtures	1,026,849.20	450,963.82
Other operating expenses	10,027,415.61	11,199,130.58
	19,233,873.53	19,301,244.67

EUR	2022	2021
Auditor's fees		
Auditing	34,730.00	46,873.00
Financial income and expenses		
Interest income	11,381.60	15,527.55
Interest expenses	-169,609.67	-13,749.40
Total financial income and expenses	-158,228.07	1,778.15
Income taxes		
Tax refunds/residual taxes for previous financial periods	61,288.05	0.00
	61,288.05	0.00



Notes to the income statement and balance sheet

EUR	2022	2021
Intangible assets		
Computer software		
Acquisition cost on 1 January	16,044,370.55	13,831,878.50
Increase during the financial year	992,650.07	2,231,867.14
Decrease during the financial year	0.00	-19,375.09
Acquisition cost on 31 December	17,037,020.62	16,044,370.55
Accumulated depreciation on 1 January	-13,114,137.48	-10,081,583.38
Accumulated depreciation on decrease	0.00	19,375.09
Depreciation for the financial year	-1,197,193.37	-3,051,929.19
Book value 31 December	2,725,689.77	2,930,233.07
Other long-term expenditure		
Other long-term expenditure		
Acquisition cost on 1 January	2,307,519.25	2,154,871.01
Increase during the financial year	0.00	152,648.24
Acquisition cost on 31 December	2,307,519.25	2,307,519.25
Accumulated depreciation on 1 January	-1,239,364.31	-973,391.28
Depreciation for the financial year	-274,835.82	-265,973.03
Book value 31 December	793,319.12	1,068,154.94

EUR	2022	2021
Tangible assets		
Machinery and equipment		
Acquisition cost on 1 January	8,248,279.10	6,903,370.48
Increase during the financial year	1,360,853.96	1,344,908.62
Acquisition cost on 31 December	9,609,133.06	8,248,279.10
Accumulated depreciation on 1 January	-3,406,971.26	-2,551,763.50
Depreciation for the financial year	-783,795.11	-855,207.76
Book value 31 December	5,418,366.69	4,841,307.84
Advance payments and construction in progress		
Other work and purchases in progress		
Acquisition cost on 1 January	6,408,509.92	6,549,422.48
Increase during the financial year	2,643,617.91	3,588,511.44
Decrease during the financial year	-2,353,504.03	-3,729,424.00
Acquisition cost on 31 December	6,698,623.80	6,408,509.92
Current receivables		
Receivables from Group companies		
Trade debtors	329,056.26	137,416.08
Other receivables	7,690,000.00	4,243,449.04
	8,019,056.26	4,380,865.12
Receivables from others		
VAT receivables	409,930.45	701,529.93



Notes to the income statement and balance sheet

EUR	2022	2021
Material accrual items		
Accruals from Eurocontrol	2,304,021.00	2,730,962.00
Regulation adjustment	21,501,053.20	11,519,961.35
EU projects, periodisation of grants	5,499,525.29	4,490,418.65
Other accruals	277,256.36	458,419.32
Income tax	0.00	0.00
Occupational health care receivables	104,724.70	92,028.68
Total accruals	29,686,580.55	19,291,790.00
Accruals, long-term	22,417,436.94	16,010,380.00
Accruals, short-term	7,269,143.61	3,281,410.00
Total accruals	29,686,580.55	19,291,790.00

The regulation adjustment includes receivables of EUR 35,001,777 and liabilities of EUR 21,406,369.

EUR	0–1 years	1–5 years	Over 5 years	Total
Maturity of the regulation receivable/liability				
Receivables	0.00	35,001,776.91	0.00	35,001,776.91
Liabilities	-7,905,645.64	-6,407,424.29	-7,093,299.42	-21,406,369.35
Net balance	-7,905,645.64	28,594,352.62	-7,093,299.42	13,595,407.55

EUR	2022	2021
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	8,300,000.00
Increase during the financial year	0.00	8,000,000.00
Reserve for invested unrestricted equity 31 December	16,300,000.00	16,300,000.00
Retained earnings 1 January	3,480,303.59	37,895.63
Retained earnings 31 December	3,480,303.59	37,895.63
Profit/loss for the financial year	7,040,462.34	3,442,407.96
Unrestricted equity total	26,820,765.93	19,780,303.59
Total equity	26,824,065.93	19,783,603.59
Distributable assets on 31 December		
Retained earnings	3,480,303.59	37,895.63
Profit (loss) for the financial year	7,040,462.34	3,442,407.96
Reserve for invested unrestricted equity	16,300,000.00	16,300,000.00
	26,820,765.93	19,780,303.59
Deferred taxes		
Deferred tax asset for unused tax losses	6,283,614.98	3,608,820.10
Deferred tax liability on regulation receivables	2,719,081.35	778,775.04
Net deferred tax assets	3,564,533.64	2,830,045.06

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



Notes to the income statement and balance sheet

EUR	2022	2021
Loans maturing later than within five years		
Accruals from the regulation adjustment	7,093,299.42	4,105,763.00
The share of the regulation adjustment due after five years has been netted against long-term accruals for 2022.		
Current liabilities		
Other liabilities		
Amounts owed to Group companies		
Trade creditors	51,885.36	0.00
Accrued liabilities	6,968,169.36	1,256,975.17
	7,020,054.72	1,256,975.17
The company's balance in the cash pool accounts of the Group EUR 6,083,787.36 is presented in Other liabilities to Group companies.		
To others		
VAT liability	311,155.76	145,535.20
Withholding tax liability	958,984.67	806,387.67
Health insurance contribution liability	38,833.37	40,459.02
Other liabilities	34,995.00	460,420.27
	1,343,968.80	1,452,802.16
Material accrued liability items		
Salary and social security expense allocations	2,416,353.11	2,098,046.49
Holiday pay liabilities with social security expenses	8,111,432.62	7,517,248.48
Regulation debt	7,905,645.64	7,626,000.00
Other accrued liabilities	846,858.92	1,268,525.99
	19,280,290.29	18,509,820.96
Commitments and contingent liabilities		

EUR	2022	2021
Lease liabilities		
Due during the next financial year	410,199.79	392,538.78
Due during subsequent financial years	373,313.46	296,619.73
Total	783,513.24	689,158.50
Other contingent liabilities		
Due during the next financial year	4,173,574.75	4,814,327.38
Due during subsequent financial years	779,779.92	5,035,213.58
Total	4,953,354.67	9,849,540.95
Responsibilities for business premises leases		
Due during the next financial year	1,706,844.54	1,679,684.10
Due during subsequent financial years	8,152,105.20	8,833,801.56
Total	9,858,949.74	10,513,485.66
Total commitments and contingent liabilities	15,595,817.65	21,052,185.11

The company has a long-term lease agreement for its premises, which expires on 30 June 2032. The lease liability arising from this agreement in the financial statements 31 December 2022 totals EUR 8,455,676.40.

All amounts relating to liabilities are recorded at 0% VAT rate amounts.

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. In addition, the company is the defendant in a smaller dispute that the company has won but that is still pending due to an application for a leave to appeal, but its outcome is 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.



Signature of the financial statements and Board of Directors' report

Vantaa, February 28, 2023

Pertti Korhonen
Chairman of the Board of Directors

Jarmo Lindberg
Member of the Board of Directors

Katariina Ora
Member of the Board of Directors

Hanna Hovi
Member of the Board of Directors

Rami Metsäpelto
Member of the Board of Directors

Raine Luojus
CEO

Auditor's note:
A statement on the audit performed has been issued today.

Helsinki, March 13, 2023

Ernst & Young Oy
Authorised Public Accountants

Mikko Rytilahti
Authorized Public Accountant, Chartered Public Finance Auditor



Auditor's report

(Translation of the Finnish original)

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, 2022. 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 signif-

icant 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 that we have obtained prior to the date of this auditor's report is 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. With respect to the report of the Board of Directors, 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, 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 is in compliance with the Limited Liability Companies Act. We support that the members of the Board of Directors and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki 13.3.2023

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