



Report by the Board of Directors and financial statements 2021



Towards the world's safest, smoothest and most environmentally friendly traffic

We provide and develop traffic control and management services for all modes of transport. We help people and goods to arrive safely, smoothly and with respect for the environment. Intelligent traffic control services, digital services for businesses and consumers, and up-to-date traffic data will help Finland become a pioneer in sustainable transport and logistics.

We want to offer an excellent and attractive workplace for top experts. We employ 1,100 professionals.

Parent company

Traffic Management Company
Fintraffic Ltd

Subsidiaries

Fintraffic Air Navigation Services Ltd
is responsible for air navigation services.

Fintraffic Vessel Traffic Services Ltd
is responsible for vessel traffic services.

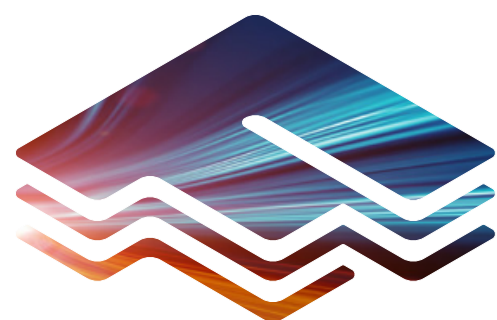
Fintraffic Railway Ltd is responsible for
rail traffic control and management.

Fintraffic Road Ltd is responsible for
road traffic control and management.

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How to read the report package



Annual Report 2021

Strategy, key events of 2021, and a review of responsibility and sustainability.

[Read the report here.](#)



Governance and Remuneration Report 2021

Information about the company's governance and steering system, and the remuneration paid to the CEO and members of the Board of Directors.

[Read the report here.](#)



Report of the Board of Directors and Financial Statements

A description of the company's operations in 2021 and a summary of its financial results and financial position.



Report of the Board of directors 1 January–31 December 2021

Fintraffic – General

Established in 2018, Traffic Management Company Fintraffic Ltd is a wholly state-owned special assignment company steered by the Ministry of Transport and Communications. Fintraffic Ltd is the Group's parent company and is responsible for providing ecosystem and Group services. The Group consists of Fintraffic Air Navigation Services Ltd (responsible for air navigation services), Fintraffic Railway Ltd (responsible for rail traffic management services), Fintraffic Vessel Traffic Services Ltd (responsible for vessel traffic services) and Fintraffic Road Ltd (responsible for road traffic management services). All of the Group's subsidiaries are wholly owned by the parent company. This is the company's third financial year.

As the owner, the State has a special interest in the company. Fintraffic provides the traffic control and management services that are required by society, the economy and the authorities to ensure safe and smooth-running traffic, and to guarantee the reliable

operation of traffic control and management under all circumstances. As part of its special assignment, it is Fintraffic's duty to provide traffic control and management services for defence and security authorities, to the extent that is justified for carrying out their statutory tasks. It is also the company's task to develop and promote the utilisation of traffic data, thereby promoting the emergence of new traffic services on a market basis.

In accordance with the Government Resolution on State-ownership Policy issued on 8 April 2020, the State is seeking the best possible overall financial and social benefit from the management of its assets. Fintraffic's overall financial result is assessed on the basis of how well and at what cost the company fulfils its social service assignment. The company aims to enhance the cost-effectiveness of its business operations and to ensure that its business is profitable as a whole. The company's social impact is manifested in a number of ways, such as more efficient travel and transport, better traffic

flow, improved traffic safety, and a reduction in traffic emissions.

The State Shareholdings and Ownership Steering Act (1368/2007) specifies the steering powers held by Parliament, the Government and the Ministry. The State's key ownership policies are laid down in the Government Resolution on State-ownership Policy (2020) and other government guidelines. Fintraffic's operations comply with the Government Resolution on State-ownership Policy (VNK/2020/48). In its remuneration, the company complies with the current Government Resolution on State-ownership Policy. The company is also subject to the guidelines for the ownership steering of limited liability companies issued by the Ministry of Transport and Communications on 1 January 2019 (Corporate Governance guidelines). The company complies with the applicable sections of the Corporate Governance Code for Finnish listed companies issued by the Securities Market Association (2020) and the OECD Principles of Corporate Governance.

Fintraffic is also committed to compliance with the UN Global Compact. The general aim with regard to the company's governance and decision-making is to develop and maintain good corporate governance. The Ministry of Transport and Communications approved Fintraffic's owner strategy guidelines on 16 October 2019.

Fintraffic works in close cooperation with a network of customers and partners. The company's traffic management services are purchased by the Finnish Transport Infrastructure Agency (road, rail and maritime), and Finavia and airlines (air navigation). Other key stakeholders include the Finnish Transport and Communications Agency (Traficom), defence and security authorities, cities, public transport operators, research institutions, and companies in a variety of sectors.

Fintraffic is responsible for traffic management on land, at sea and in the air throughout Finland. On 31 December 2021, the company had operations in Helsinki, Vantaa, Tampere, Turku, Oulu and 24 other municipalities.



Key events of the financial year

Effects of the prolonged coronavirus pandemic

As in the previous year, Fintraffic's operations were marked by the prolonged downturn in demand for air services caused by the coronavirus pandemic. The volume of traffic requiring air navigation services was 58 per cent lower than in the last pre-pandemic year (2019). As in 2020, the reduction in customer invoicing caused by the pandemic, it was necessary for Fintraffic to take major adjustment measures in the form of personnel layoffs and cost adjustments.

In spite of low invoicing, Air Navigation Services' revenue increased significantly thanks to a regulatory adjustment that forecasts expected future income. This adjustment is based on EU legislation and had an impact of EUR 16.6 million on revenue, and thereby also on the company's result. The regulatory adjustment compensates for the calculated loss of revenue during the pandemic, which can be invoiced from customers gradually over the coming years in the form of unit price increases. Although the regulatory adjustment significantly improved the company's overall result, Air Navigation Services still made an operating loss.

The pandemic has had a mild impact on other business areas. By following

the contingency plan and taking good care of partners' and personnel's health, the implementation of projects and service provision has gone almost as planned, ensuring both security of supply and safe and smooth-running traffic. The majority of the road, rail and maritime traffic management services provided to the Finnish Transport Infrastructure Agency were moderately profitable, and therefore in line with targets. In spite of the profitability challenges in air navigation services, the Group made a profit of EUR 5.4 million.

Cooperation with the Finnish Transport Infrastructure Agency

Fintraffic provides a significant proportion of its services to the Finnish Transport Infrastructure Agency. This cooperation covers the provision and development of services relating to road, rail and vessel traffic management. The partnership model launched in 2020 successfully deepened Fintraffic's cooperation with the Finnish Transport Infrastructure Agency. Service packages have been defined for this partnership, and internal financial monitoring has also been established for them. Of the 25 services that we provide to the Finnish Transport Infrastructure Agency, the most important are control and information services

for rail traffic, tunnel and open-road services for road traffic, and vessel traffic services for maritime traffic.

The partnership is based on a strong mutual desire to develop and expand these services, which means mutual commitment to multi-year investment projects. In addition to modernising traffic control, Fintraffic's investment projects aim to achieve significant improvements in service quality and reliability, and to boost the economic efficiency of service provision and transport network maintenance over the coming years. However, the framework provided by the current state budget places significant restrictions on the provision and efficiency improvement of necessary services. Investments are required not only to actively address the repair backlog in the transport system, but also to develop Fintraffic's services and their reliability in our digitalising operating environment. However, the company does not currently have sufficiently long-term visibility on the availability of this funding. In order to resolve this challenging situation, the company is engaging in close discussions with the Finnish Transport Infrastructure Agency and the Ministry of Transport and Communications in order to guarantee both funding and a mutual aim.

Over the coming years, the Digirail project will be one of Fintraffic's most significant

development and investment projects with the Finnish Transport Infrastructure Agency. This project will replace Finland's existing automatic train control system. The goal is to introduce a modern radio network-based train control system throughout the country's track network by 2040. The project is currently in the development and verification phase.

Cooperation with Traficom

The Finnish Transport and Communications Agency (Traficom) is one of Fintraffic's strategic partners. Traficom is the authority that supervises the safety of Fintraffic's services. It also purchases the development and provision of any digital services for road and maritime traffic that are required by legislation and regulations. Some of the services promoted through this cooperation in 2021 included Digitransit, NAP and NEMO. The Digitransit service provides consumers with information about routes, stops and timetables as HSL route planners in Helsinki and via comparable apps in other cities. NAP (National Access Points) is part of an international service concept that seeks to provide mobility and information services, such as route planners, across Member State borders. Fintraffic is responsible for Finland's access point. NEMO is a shipping information management system and vessel



clearing system for handling formal notifications relating to port visits and customs declarations.

Streamlining

When Fintraffic was incorporated, the Ministry of Transport and Communications set the company the target of achieving a EUR 30 million increase in operational efficiency in the provision of road, rail and maritime traffic management services by the end of 2022. The continual improvement of cost-effectiveness is therefore one of Fintraffic's strategic objectives, and was also one of the main objectives of the incorporation of traffic management. Under the cooperation model, the benefits of streamlining will be fully passed on from Fintraffic to the Finnish Transport Infrastructure Agency, which will receive the services it needs at more affordable unit costs based on transparent cost accounting.

Operational efficiency is based on the ability to provide stakeholders with a high-quality and effectively scaled service. Streamlining is being achieved by optimising Fintraffic's own operations and organising them more dynamically, by reducing manual labour with the aid of upgraded control systems, and by tendering out procurements. The company's activity level is scaling up as it builds and takes

control of traffic management technology, invests in operative systems for traffic management services, provides new services, and makes investments to raise service levels by, for example, increasing its information and cybersecurity capabilities. Thanks to this development work, the rate at which Fintraffic is able to increase the scope of its service package is currently outpacing cost development.

During 2020-2021, Fintraffic created a model for monitoring efficiency. In addition to identifying direct savings, this accounting-based model also illustrates the impact that new services and changes in activity level have on service provision costs. According to the model, Fintraffic has an excellent chance of achieving the Ministry's streamlining targets by the end of 2022. Calculations indicate that accumulated efficiency in managing operating costs had reached about EUR 25 million by the end of 2021. More efficient operations mean that Fintraffic is providing as much benefit as possible with the available resources in a controlled and cost-effective manner, in order to improve traffic safety, traffic flow and competitiveness.

Air navigation services have been streamlined for years in accordance with EU legislation. Fintraffic Air Navigation Services is one of the most efficient providers of air navigation services in Europe. The low

demand for air traffic services during the coronavirus pandemic has required Fintraffic to make adjustments. As in the previous year, the company has been forced to cut business costs and lay off personnel.

Fintraffic's strategy

Fintraffic's vision is for Finland to have the world's safest, smoothest-running and most environmentally friendly traffic. The company's mission is to provide the world's best traffic management and smart transport services. Fintraffic's strategic objectives include a safe, smooth-running and optimised transport system; high-quality, reliable and effective traffic control services; even better services for both passengers and logistics with the aid of traffic data and platform solutions; increased added value for customers and stakeholders; and an excellent and continually evolving working community. The aim is ensure that Finland provides a competitive and dynamically evolving market that will also be able to export an increasing amount of services.

Fintraffic is developing its traffic management functions to further improve the safety, flow, reliability and economic efficiency of traffic. The achievement of these targets will be supported in a number of ways, such as investing in the modernisation and digitalisation of traffic control systems, enhancing

operating processes, and developing personnel competence.

Fintraffic is the first traffic management company in the world to combine all traffic control – land, sea and air – under one roof. This gives Fintraffic the opportunity to provide transport operators and end users with digital services and open data for the entire transport system, and also to promote the transport sector's competitiveness in our networked world. The company is developing the entire transport ecosystem and its service offering for both existing customers and new customer groups. The end users of traffic management services are all transport users.

Key events of the financial year

Fintraffic Air Navigation Services

An updated Performance Plan for Air Navigation Services (RP3) was sent to the EU Commission in autumn 2021, and the plan's objectives include improved environmental efficiency through the optimisation of flight paths. The Perfect Flight 2021 project has involved groundbreaking cooperation with Finnair, and is seeking to reduce fuel and CO₂ emissions by optimising flight paths.

FINEST is another strategic project that has progressed during the year. It is being implemented in collaboration with Estonian Air Navigation Services (EANS) and is



seeking to create standardised cross-border air navigation services. The Multi-ROT (Multi Remote Operating Tower) project moved forward in early 2021 when Fintraffic signed a joint letter of intent with Finavia to begin preparatory work for the project. Multi-ROT aims to improve preparedness in air traffic control, increase airport service levels, and enable more cost-effective services for smaller network airports in particular. The beginning of the year saw the introduction of a service portal for drone operators that was created in collaboration with Traficom. The proliferation of unmanned aerial vehicles (that is, drones) in the air transport market has increased the need for new kinds of traffic management services and low-altitude air traffic control. The Ministry of Transport and Communications commissioned a report on the options for implementing a low flight network.

In 2021, Fintraffic expanded its operations to Sweden, where the company now provides technical air navigation services at five airports as a subcontractor to ACR Aviation Capacity Resources AB.

Fintraffic rail traffic management

The Digirail project is one of Fintraffic's most significant cooperation projects with the Finnish Transport Infrastructure Agency. It will replace Finland's existing train control system

with a radio network-based system, thereby enabling an increase in the number of both trains and passengers in the existing network. Thanks to the Digirail project, Finland is at the forefront of Europe in promoting digitalisation to both improve the safety and functionality of rail traffic and increase its popularity. The development and verification phase will continue until 2027. During this time, the Digirail system package will be specified, the first section of track will be deployed, and Fintraffic will participate in European development work.

In its other projects, Fintraffic has primarily been seeking to increase automation in traffic management, enable dynamic and location-independent traffic management, and harness data in ecosystem development. The first phase of the dynamic traffic management project was launched in 2021 and progressed to the first trial. Also under development is the SAAGA capacity management system, which aims to promote traffic management by taking the needs of multi-operator rail yard environments into account in traffic management and providing operators with a real-time situational picture. SAAGA has already been introduced to manage capacity at rail yards in Helsinki and Ilmala, and a pilot was launched at rail yards in Kouvola and Kuusankoski in late 2021.

The South-East Finland centralised traffic control system has been expanded and will be deployed in 2022. Construction of the Northern Finland centralised traffic control system has begun and is scheduled for completion in 2025. The fault tolerance of CTC systems was improved by, for example, implementing technical redundancy in the Southern Finland track network.

With the help of Fintraffic's Situation Coordinator service, expert assistance in the event of accidents or other incidents is now available 24/7. A new passenger information system was introduced throughout Finland in 2021. 2021 also saw the creation of an application that sends data to the machine-learning DAS system used by train drivers, as information about track profiles and speed limits helps to promote a smoother and more energy-efficient driving style.

Fintraffic road traffic management

The most significant developments in road traffic management during 2021 were in the productisation and standardisation of software and interfaces for open-road and tunnel systems. This development work will enable both a standardised and high-quality service experience for road users and a more cost-effective way of operating. The reliability of operative equipment was enhanced by

transferring critical information systems to the company's own datacentre and renewing ICT user and support services.

These developments seek to provide a more comprehensive real-time picture of road infrastructure, weather conditions, maintenance and actual traffic. They will enable industry operators to create new services and even completely new business models. The updated interface for road weather became the primary user interface for maintenance and stakeholders. Fintraffic launched a mobility data R&D project that seeks to utilise anonymised public mobility data from the mobile phone network in order to enrich Fintraffic's real-time situational picture and carry out next-generation road traffic volume calculations.

The company received new areas to operate at its Traffic Management Centre. The most significant of these was integrating the heavily trafficked Mestari Tunnel on Ring Road I into the traffic control system. The section of road Ring Road III–Munkkivuori on Highway 1 was also linked to the system.

Fintraffic vessel traffic services

The digitalisation and automation of shipping is being promoted in several sectors. An agreement signed with Traficom provides a framework in which to implement and provide a national



service for giving maritime notifications (NEMO project). The goal is to standardise the notifications given by ships during port visits within the EU and enable data to be reused. It will replace the existing Portnet service, and will be widely deployed in summer 2025.

The quality of eVäylä's service content was improved and it became firmly established in production as planned. This service creates a platform for the digital management of maritime traffic, while also providing the required information exchange interfaces between vessel traffic services and shore-based pilotage.

A port call schedule service launched in December 2021 calculates estimated arrival times and monitors actual arrival and departure times. In the spring, Fintraffic launched an open digitalisation platform for Finnish ports and port operators. This service, called Fintraffic Port Activity App, provides an up-to-date situational picture and visibility into the port's processes and timetables, thereby streamlining port logistics as a whole. It has already been adopted by sixteen ports in Finland.

A transport data ecosystem and productised digital ecosystem services

Together with key transport operators, Fintraffic has established the Traffic Data Ecosystem cooperation group, which includes

transport-sector service operators and other companies, service developers and operators for whom the sector's development is important. Fintraffic is coordinating collaborative work, and is one of the parties that is providing data and developing services that will enable smooth and efficient mobility and logistics and pave the way for new market-based business. The group started up in early 2021 and more than 120 operators had joined by the end of its first year of operation.

Digitraffic, Fintraffic's traffic data marketplace, connects traffic data providers and users. It enables them to collect, combine, share and, if necessary, charge for traffic data. During the second half of the year, 30 per cent more data was distributed than in the corresponding period of 2020. The number of pageviews for the Traffic Situation service for consumers doubled to more than four million pageviews per year.

Fintraffic's cooperation with Traficom seeks to enable travel chains, especially in public transport services. During the year, investments were made in improving Digitransit's user experience (a service that provides route, stop and timetable data).

Fintraffic has also been preparing for a project in which the company will become Finland's digital cargo information operator.

A key project involves the introduction of digital consignment notes in logistics. The goal is to make logistics smoother and more efficient by introducing standardised infrastructure for digital information exchange and data reuse in goods transport and logistics, at both national and EU level.

One of the most important objectives in Fintraffic's international cooperation is to enhance the compatibility of National Access Points (NAP). The goal is to enable cross-border transport, mobility and information services among Member States by obligating traffic data and mobility service providers to supply data about their services and interfaces. Fintraffic is responsible for operating the national access points for real-time traffic data, data relating to traffic safety, and multimodal travel information service data. The pan-European NAPCORE project was launched in 2021, and Fintraffic is both participating in the project and acting as Finland's national coordinator.

The company is also involved in the EU's Gaia-X project, which aims to create European travel services and a collaboration model for them, and in ODIN (Open Mobility Data in the Nordics), a smart transport cooperation project that is seeking to develop public transport services across the Nordic countries.

Business transactions

In late 2021, a business transaction with a fair value of EUR 26.3 million was made between the Group's parent company Traffic Management Company Fintraffic Ltd and the Finnish State and its representative, the Finnish Transport Infrastructure Agency. It was a follow-up to a similar transaction made in late 2020. The transaction was required in order to transfer traffic management projects that had been incomplete at the time of the Finnish Transport Infrastructure Agency's incorporation. Assets from completed projects were transferred from the Finnish Transport Infrastructure Agency to Fintraffic in accordance with Government Proposal 34/2018. During the incorporation process, it was agreed that the company would have a pre-purchase right on any of the Finnish Transport Infrastructure Agency's traffic management assets that were incomplete on 1 January 2019, and this right could be exercised on completion of the asset. A government plenary session in November authorised the Finnish Transport Infrastructure Agency to divest these business operations to the company. Subsequent internal transactions immediately transferred the business operations to the subsidiaries responsible for each of the operations in question. Assets of EUR 24.9 million were



transferred to Fintraffic Road Ltd, and assets of EUR 1.4 million to Fintraffic Railway Ltd. The largest of the transferred assets was a traffic control and management for tunnels on the Highway 12 Lahti Southern Ring Road, with estimated value of EUR 18.8 million.

Consolidated revenue and result 2021

The Fintraffic Group's revenue for its third financial year totalled EUR 209.7 (182.4) million. The majority of the Group's revenue was generated by road, rail and maritime traffic management services ordered by the Finnish Transport Infrastructure Agency, which had a sales value of EUR 142.6 (131.8) million as per the service agreement. As in 2020, invoicing for air navigation services was low as a result of the coronavirus pandemic. However, revenue rose by EUR 13.5 million on the previous year to EUR 62.8 million (49.3), primarily due to a higher regulatory adjustment.

The operating result was a profit of EUR 6.1 million (a loss of EUR 8.0 million in 2020), with an operating margin of 2.9 (-4.4) per cent. The profit after taxes for the financial year was EUR 5.4 (-9.4) million. The Group's result was strongly impacted by reduced demand for air navigation services, but also by the inclusion of a higher-than-average regulatory adjustment.

The Group's key indicators for 2021

	2021	2020	2019
Revenue (EUR million)	209.7	182.4	221.9
Operating result (EUR million)	6.1	-8.0	21.3
Operating margin (%)	2.9	-4.4	9.6
Result after taxes (EUR million)	5.4	-9.4	14.7
Investments (EUR million)	60.8	63.0	26.2
Cash flow from investment activities (EUR million)	56.8	61.7	22.8
Interest-bearing liabilities (EUR million)	54.8	15.0	0.0
Equity ratio (%)	59.5	69.8	71.6
Gearing (%)	23.4	-1.4	-40.8
Personnel (average)	1,126	1,125	1,091

Consolidated balance sheet and financing

The consolidated balance sheet remained strong, even though cash flow was weakened by significant investments, a business transaction with the Finnish Transport Infrastructure Agency, and the operating loss in air navigation services. During the financial year, the company made EUR 60.8 million in investments (EUR 63.0 million in 2020), of which the most significant was a business transaction with the Finnish Transport Infrastructure Agency worth EUR 26.3 million. Other notable investments included

the development of the T-LOIK road traffic control system, the development of a rail traffic information system, and an upgrade of the operative air navigation system.

Although the profitability of air navigation services improved, cash flow was weak. The profitability of road, rail and vessel traffic management was moderate, as planned. However, these systems have a considerable repair backlog that will require investments in modernisation in the near future. Finland's road traffic management infrastructure also requires significant repair and development investments. The company has therefore

arranged financing and taken out loans to finance investments. At the end of the year, Fintraffic had withdrawn EUR 55 million in long-term loans. Of this, EUR 15 million was used to finance existing long-term loans and EUR 40 million to finance investments. In accordance with Fintraffic's revised financing policy, the company acquired interest rate hedges to protect its loan portfolio from rising interest rates. The company's net indebtedness has remained low in spite of these additional loans. Net debt totalled about EUR 38.8 million at the end of the financial year. The company's indebtedness is expected to increase to some extent during 2022. This will depend on the business situation of air navigation services and the scheduling of the company's investment projects.

The financial development of business functions in 2021

Air navigation services

As in the previous year, traffic volumes were clearly lower than usual in 2021 as a result of the coronavirus pandemic. Invoiced revenue totalled EUR 46.2 (44.3) million, which constitutes a rise of 4.2 per cent on the previous year. However, total revenue increased by 27.4 per cent on 2020, mainly due to a regulatory adjustment worth EUR 16.6 million (5.0 million in 2020).

**Key indicators for business functions 2021 (2020)**

	Air navigation services	Rail traffic management	Road traffic management	Maritime traffic management
Revenue (EUR million)	62.8 (49.3)	76.3 (69.6)	49.4 (43.5)	18.9 (18.1)
Operating result (EUR million)	-1.2 (-16.1)	4.0 (4.4)	2.6 (2.8)	0.9 (1.0)
Operating result (%)	-2.0 (-32.6)	5.2 (6.3)	5.3 (6.5)	4.9 (5.5)
Personnel (average)	427 (443)	470 (465)	87 (80)	101 (101)

The pricing of Fintraffic's air navigation services is based on EU legislation that seeks to ensure a reasonable price level for all parties and stable development in the sector. The pricing of traffic charges is determined on the basis of a performance plan approved by the EU Commission. In the performance plan's pricing tables, the unit prices for air navigation services are calculated on the basis of specified costs, projected trends in traffic, and a variety of regulatory adjustments based on legislation. If EU regulatory adjustments generate trade receivables or debts during the review period, this will either raise or lower future unit prices. As a result of the coronavirus pandemic, Fintraffic's revenue during 2020–2021 was lower than in the performance plan. The resulting deficit entitled the company to a regulatory receivable

that can be invoiced from customers gradually over the coming years in the form of increased unit prices. This regulatory receivable has been entered into the balance sheet with prudence, as the under-invoicing for the pandemic period will only be confirmed by the EU in May 2022.

Fintraffic continued to implement adjustment measures in 2021. Although the most significant savings were made in personnel costs as a result of lay-offs, additional savings were also made in the purchase of other goods and services. Operating expenditure was 2.5 per cent less than in 2020 and 10.4 per cent less than in 2019 (the last pre-pandemic year). However, these savings measures were only partially able to cover the loss of income from air navigation services. An adequate service level must be maintained under all circumstances in

air navigation to ensure safe air traffic. Fintraffic must also ensure that air navigation services can be restored to a sufficient level when air traffic recovers after the pandemic. This is why the company made an operating loss.

Road, rail and maritime traffic management

The Finnish Transport Infrastructure Agency orders road, rail and maritime traffic management services, customer services and information services from Fintraffic. Invoicing from the partnership agreement between the Finnish Transport Infrastructure Agency and Fintraffic totalled EUR 142.6 (131.8) million. Revenue increased thanks to the introduction of new service concepts and growth in service volumes. The agreement's commercial model and invoicing were based on a margin of 5 per cent added to transparent service costs, which corresponds to the moderate profitability required by the company's owner. The result for service provision companies was therefore moderate as planned.

In addition to the partnership agreement with the Finnish Transport Infrastructure Agency, Fintraffic's road, rail and maritime traffic management business functions also provided small-scale services to other parties, such as Traficom, major cities, ports and ELY centres.

The parent company, Traffic Management Company Fintraffic Ltd, in 2021

Traffic Management Company Fintraffic Ltd is the Group's parent company, and wholly owns its subsidiaries. The parent company's tasks include partnership management for the Group's key customers and the provision of shared services to Group companies. The company also acts as a key development and coordination organisation in Fintraffic's mission to create a common digital ecosystem for mobility that will cover all modes of transport and serve the needs of residents, companies and the authorities.

Fintraffic continued to restructure its Group service organisation in 2021. Subsidiaries transferred some personnel to the parent company's Safety, Quality and Environment (SQE) organisation to meet the needs of the Group as a whole. Fintraffic also strengthened its expertise through recruitment in areas such as HR, data security, cybersecurity and ICT architecture.

Traffic Management Company Fintraffic Ltd's revenue totalled EUR 153.7 (140.1) million. The parent company's revenue was generated by customer and information services, intragroup services, and road,



rail and maritime traffic management services ordered by the Finnish Transport Infrastructure Agency.

Revenue increased by 9.7 per cent on the previous year thanks to growth in both the content and volume of the traffic management services provided to the Finnish Transport Infrastructure Agency.

The company's operating profit totalled EUR 0.3 (0.3) million with an operating margin of 0.2 (0.2) per cent. This revenue mainly consists of the profit margin from providing customer and information services to the Finnish Transport Infrastructure Agency. The company's result for the financial year was EUR 0.3 (0.0) million. The equity ratio was 63.3 (76.8) per cent. The company had an average of 41 (36) employees during the financial year. This growth in personnel was mainly a result of centralising Group services on the parent company and resourcing for ecosystem development.

The parent company made a business transaction with the Finnish State at the end of 2021. This transaction was of a similar nature to the transaction made at the end of 2020, and assets with a fair value of EUR 26.3 million were transferred to the company from the State's representative, the Finnish Transport Infrastructure Agency. These assets consisted of incomplete traffic

management projects that had remained in the agency's possession at the time of the Fintraffic incorporation. Internal transactions were then made to immediately transfer these assets to Fintraffic Road Ltd (which is responsible for operative road traffic management) and Fintraffic Railway Ltd (which is responsible for operative rail traffic management). Future transactions to transfer assets between the Finnish Transport Infrastructure Agency and Fintraffic are expected to be smaller in size.

The Group's financial position and result

Fintraffic's financial position is presented in the income statement and balance sheet. The Group's financial position is good. The operating result for the financial year was a profit of EUR 5.4 million (a loss of EUR 9.4 million in 2020). The Group's result was significantly improved by a regulatory receivable worth EUR 16.6 million. Without this regulatory adjustment, the consolidated result would have been a loss of EUR 11.2 million. The equity ratio was 59.5 (69.8) per cent.

Assessment of significant operational risks and uncertainties

The identification and management of risks is part of Group companies' management

systems. Methods for eliminating risks are being developed on a long-term basis with involvement from all personnel. The Boards of Directors of both the Group and its subsidiaries handle the most significant risks and uncertainty factors associated with their operations. The company seeks to maintain high standards in both its safety culture and traffic control and management services, and to safeguard business continuity under all circumstances. It pays particular attention to the security of trade secrets and any information that has been classified as confidential by the authorities. Fintraffic is responsible for the reliability and data security of the hardware, software and information systems that it uses. It prepares for cyber threats in a number of ways, such as enhancing its data asset management and enabling extensive and adequate investments in improved information security. The main operational risks relate to serious accidents and threats to information and cybersecurity. At worst, a pandemic like the coronavirus may lead to sickness absences among personnel and thereby reduce the company's capacity to provide traffic control services and, in the worst-case scenario, temporarily halt rail or air traffic. There is always the potential for human error as well.

A major financial uncertainty concerns how much additional funding the Finnish

Transport Infrastructure Agency will receive in the State budget to purchase traffic management services in light of the challenging economic situation caused by the coronavirus pandemic. Unless the company can be assured of stable income, it may be forced to reassess its strategic targets, scale back development programmes, take adjustment measures, and lower its target levels for safety, smoothness or cost-effectiveness in traffic management.

From a financial perspective, a significant risk in 2022 is the further prolongation of the coronavirus pandemic and its impact on air traffic volume recovery, income from air navigation services and the profitability of air navigation. The prolonged pandemic may have permanently changed consumers' travel habits and the financial stability of airlines.

If the geopolitical crisis in Eastern Europe is prolonged, this will impact on air navigation services. The conflict between Ukraine and Russia is impacting the usability of European and Russian airspace, and thereby income from air routes. The closure of Russian airspace effectively put an end to overflights in Finland and significantly reduced revenue from air navigation.

In addition to the challenging market environment, Fintraffic Air Navigation Services is currently obliged to provide the



State with services and include the costs of their provision in en route charges. However, as income from en route charges has fallen significantly as a result of the pandemic, the costs of providing these services have mainly been borne by the company itself. These services include Aeronautical Information Circular, airspace management, air rescue services, and services for the State's aviation operations at combined civil and military airports. The company has held discussions with the Ministry of Transport and Communications as to the possibility of government purchases relating to these services.

Personnel, salaries and competence

Fintraffic had an average of 1,126 (1,125) employees during 2021. The number of personnel totalled 1,127 (1,129) at the end of the year. At the end of December, 98 per cent of employment contracts were permanent and 2 per cent were fixed-term. The average age of the Group's employees was 45. Men accounted for 78 per cent and women for 22 per cent of employees. Overall personnel turnover stood at approximately 6.5 per cent, and at 3.0 per cent for those who resigned.

Salaries and bonuses paid during the financial year amounted to EUR 75.4 (72.0) million. Personnel expenses totalled

EUR 90.9 (85.8) million (44 per cent of all expenses). All personnel fall within the scope of the performance incentive scheme approved by the parent company's Board of Directors.

A personnel fund has been established for personnel, and personnel may transfer the bonus payable to them into this fund, either wholly or in part.

The incentive scheme rewards personnel for achieving targets and good performance that benefits the company. Remuneration principles and the remuneration paid to personnel is described in the company's Corporate Governance Statement and Remuneration Report.

A job satisfaction survey covering all personnel and all modes of transport was conducted in autumn 2021. The overall response rate was 71 per cent and the results were at a good level. On the basis of the survey results, personnel are satisfied with their working atmosphere, their colleagues, and supervisory work. The responses also highlighted the fact that personnel found their work meaningful. On a scale of 1–5, the average score of the responses was 4.0.

Once again, the company successfully managed to take precautions against the coronavirus. A preparedness team met approximately every second week depending

on the current coronavirus situation. This team consisted of health and safety delegates and representatives from companies and group services. Operating procedures and instructions were regularly updated to reflect the current state of the epidemic in Finland, and the pandemic at no point threatened the company's supervisory or control function. None of the coronavirus infections detected in the company were work-related. During the active phases of the pandemic, remote working was recommended for location-independent tasks. In the autumn, Fintraffic launched a hybrid work model that will continue to be of use after the pandemic.

The sickness absence rate in proportion to theoretical working hours was low throughout the Group (2.8%). Absences typically related to musculoskeletal disorders and mental health, although the number of absences related to mental health fell somewhat on the previous year. The safety of employees is important to the company and a great deal of attention is paid to factors such as ergonomics. In 2021, there were three accidents at work and three commuting accidents that resulted in sick leaves lasting at least one day.

One of Fintraffic's strategic spearhead themes involves harnessing and developing competence, good leadership, and a common

corporate culture that supports renewal. In addition to this strategic update, personnel came up with a set of shared values: "We ensure safety, we care, and we point the way. Together." Combined with the company's strategic guidelines, these values will support Fintraffic's desire to provide residents and companies with seamless service throughout the transport system.

Personnel are provided with a diverse range of support for competence development. Personnel regularly attend development, target and performance discussions that assess the type of competence development support that each person needs in order to achieve their goals. Training is organised to develop supervisory skills in areas such as leadership, employment law and other practices that support good supervisory work. Other important training packages focused on areas such as information and cybersecurity and procurement. Operative personnel received training specific to their mode of transport, such as air navigation training, simulation exercises, training for on-the-job trainers and work coaches, traffic control training, and traffic safety training.

Co-determination negotiations concerning the renewal of control centre operations in



rail traffic management were launched at the end of 2020 and concluded in February 2021. Although a merger of the Kouvola and Helsinki centres had been planned as part of the company's updated operating model, this eventually proved unfeasible. However, in line with its strategy, Fintraffic will continue to develop its traffic control operations and control centre structure by investing in traffic control system upgrades, developing operating processes and personnel competence, and providing working conditions that are appropriate for the personnel and operations of control centres.

Co-determination negotiations were also launched in rail traffic management in autumn 2021. The negotiations concerned the restructuring of operations in Imatra, Inkeroinen and Kotka, and resulted in a decision to merge these operations. Traffic control work at these locations will be gradually wound down during 2022–2023. The plan is to provide everyone with a position at Fintraffic's control centre in Kouvola.

Demand for Fintraffic's air navigation services remained low throughout the year due to low air traffic volumes. Several rounds of co-determination negotiations were held as part of adjustment measures within the company, which was forced to resort to personnel lay-offs.

In autumn 2021, the landlord terminated the lease for Fintraffic Road's traffic control centre in Oulu. This launched co-determination negotiations that resulted in a decision to transfer the Oulu centre's operations to the Tampere centre in June 2022.

The Group continued to develop its organisation and operating processes. The centralisation of Group services continued as in the previous year, with the aim of achieving a better service level and greater efficiency. During the year, more resources were acquired in legal services, procurement services, and information and cybersecurity.

Safety

Fintraffic's line of business is particularly safety-critical: a potential accident may cause severe losses to people, the environment, property and the wider economy. Ensuring safety includes activities such as incident management, risk management, preparedness, information and cybersecurity, corporate security, and the management of safety deviations. Safety work is based on solid operational expertise and the continuous development of the required capabilities, working methods, systems and processes supported by performance assessment.

Extensive safety efforts are undertaken in traffic control, and the company develops

safety systematically and ambitiously across all modes of transport. Traffic control plays a significant role in guaranteeing the safety of air and rail traffic in particular: Fintraffic is, with respect to its own services, responsible for planes and trains reaching their destinations safely. Road and maritime traffic control actively monitors traffic flow, provides situational information, and addresses any incidents or threats to safety, either proactively or by resolving them in close cooperation with the authorities.

The safety level of traffic control remained good throughout the year across all modes of transport. There were no serious accidents resulting from traffic control. Targets for significant deviations in safety were achieved in all modes of transport except rail traffic control. The number of serious dangerous incidents also decreased significantly in rail traffic control. One significant deviation or breach in information or cybersecurity was reported during the year. Maritime traffic control prevented nine vessels from running aground.

Fintraffic's safety efforts are steered by the policies for safety, risk management, and information and cybersecurity that have been approved by the Board of Directors of the parent company. Considerable investments were made in information and cybersecurity by drawing up a five-year, Group-wide

development strategy for information and cybersecurity. This has led to performance and development targets for different modes of traffic, both mode-specific and at Group level. The company also launched a comprehensive development programme for information and cybersecurity that covers both corporate security and personnel safety. The company's existing information and cybersecurity management system was updated in line with the revised information security policy. The Group also launched new key indicators for safety and security that will be used to monitor each mode of transport on a monthly basis. Each of Fintraffic's subsidiaries is responsible for its own safety through appropriate procedures. These practices have been synchronised via the Group's joint security management system. Safety and security work is coordinated by the Safety Management Team, which consists of representatives from each mode of transport and representatives from information and cybersecurity, and by the Information and Cybersecurity Management Team, which has representatives from modes of transport and Ecosystem services.



The environment

Traffic has a major impact on climate change. Traffic accounts for approximately 20 per cent of Finland's carbon dioxide emissions, and road traffic accounts for 90 per cent of these emissions. Through its traffic management operations and by sharing traffic data, Fintraffic can influence the smoothness of the transport system and thereby emissions from various modes of transport. The company seeks to be an active influencer and advocate of more environmentally friendly transport. Preventing all kinds of environmental damage and accidents is one of Fintraffic's basic tasks. All state-owned companies must be carbon neutral by 2035. Fintraffic wants to achieve this target earlier, by 2023.

In 2021, Fintraffic updated its environmental policy and action plan for achieving carbon neutrality. The company started building an environmental management system based on the ISO 14001 environmental management system. This system will be introduced in early 2022, and will enable systematic environmental management and standardised practices throughout the company, as well as more efficient data collection and reporting.

Fintraffic's procurement processes were renewed to take greater account of environmental perspectives. Thanks to an electricity

procurement contract tendered in late 2021, the company now uses renewable energy. In addition to developing environmental management work, carbon footprint calculations were made more transparent and also highlighted indirect emissions generated in the value chain.

The European Union's classification system for sustainable economic activities, aka the EU taxonomy, came into force in 2020 under the Taxonomy Regulation (EU) 2020/852. This taxonomy will help the EU to create a clear definition of the type of activity that can be considered environmentally sustainable. The aim is to steer economic activity and channel capital towards achieving the EU's ambitious climate and environmental objectives. The specification of economic activities and their assessment criteria has begun with respect to preparing for and mitigating climate change. The specifications of economic activities will be expanded and revised over the coming years.

As a state-owned company, Fintraffic wants to keep abreast of the latest developments in sustainability reporting and has voluntarily launched investigations into the taxonomy eligibility of its operations. As current climate change regulations primarily focus on carbon-intensive sectors, there is no clear-cut taxonomy category for Fintraffic's activities

at present. The company sees rail traffic management as a potentially taxonomy-eligible activity in the future, as it focuses on railway infrastructure and systems to manage rail traffic and its safety. As taxonomy categories and their interpretations are not yet sufficiently established, and still need clarifying in terms of both legislation and practices, the company is preparing to update its analysis during 2022 in line with evolving legislation.

Regardless of its taxonomy classification, the services provided by Fintraffic offer significant impact benefits that enable the creation of smooth travel chains for consumers and logistics, and the development of sustainable mobility innovations and services based on traffic data. The flight path optimisations and continuous descent approaches made possible by air navigation services also reduce emissions from air traffic. As an operator in the transport system, Fintraffic plays an undeniable role in climate change mitigation.

Outlook for the future

Fintraffic's strategy was updated in 2021, and provides clear targets for the coming years. The company will continue to implement its strategic spearhead projects in all modes of transport, thereby increasing its positive impact on the ecological, social and economic sustainability

of Finnish society. The company's strategic programmes are: A value-creating transport ecosystem, Productised digital ecosystem services, Traffic control development, Capable ICT architecture, Efficient and reliable processes and Competence, management and corporate culture.

The coronavirus pandemic will continue to impact the company's operations in 2022, and especially in air navigation services. The recovery in operations and profitability is also prolonged by the geopolitical conflict in Eastern Europe. Air navigation is expecting to suffer from decreased overflights and reduction in revenues caused by Russia's aggression in Ukraine. Due to the economic situation, air navigation will continue to adjust its operations at least in the first half of 2022. The profitability of road, rail and maritime traffic management is expected to remain stable. In the coming years, Fintraffic's business development will be strongly affected by how much additional funding the Finnish Transport Infrastructure Agency will receive in the State budget to purchase traffic management services in light of the challenging economic situation caused by the coronavirus pandemic. Unless the company can be assured of stable income, it may be forced to reassess its strategic targets, scale back development programmes, take



adjustment measures, and lower its target levels for safety, smoothness or cost-effectiveness in traffic management.

In the near future, major projects will include technology upgrade work on road tunnels and open-road sections, as well as a major upgrade to train control in the Finnish railway network through Digirail and automation projects. Traffic ecosystem cooperation is laying the foundations for new partnerships with, for example, cities and the private sector. However, the company is not seeking to compete with open-sector operators, but rather to focus its ecosystem services on filling any potential gaps in the market. The company will continue its systematic efforts to harness synergies and streamline its processes. Although investments in the near future will be partially funded by loans, indebtedness will remain moderate and the balance sheet strong. Digirail investments will increase significantly in the medium and long term, and may require the company to strengthen its capital structure in the coming years.

Events after the end of the financial year

In early 2022, Fintraffic's Board of Directors decided to implement a business premises project in the capital city region. Both

administrative operations and road and rail traffic management operations for the capital region will move to a new location in Helsinki. The new premises, which are scheduled for completion in 2024, will ensure compliance with safety regulations for traffic control premises, and will also provide a more affordable and functional space solution than renovating existing premises.

The conflict between Ukraine and Russia, which began in February 2022, is impacting the usability of European and Russian airspace, and thereby income from air routes. The closure of Russian airspace effectively put an end to overflights in Finland and significantly reduced revenue from air navigation.

The defence administration informed Fintraffic in March 2022 that the implementation of the FINEST cooperation project with the Estonian Air Navigation Services (EANS) is not feasible in the near future.

Management and auditing

At the beginning of 2021, Traffic Management Company Fintraffic Ltd's Board of Directors consisted of Seija Turunen as Chair and Sauli Eloranta, Juha Majanen, Kirsi Nuotto, Teemu Penttilä and Katriina Vainio as members.

The Annual General Meeting of 25 March 2021 elected Tero Ojanperä as Chair

and Juha Majanen, Kirsi Nuotto, Teemu Penttilä, Mari Puoskari, Karri Salminen and Seija Turunen as members. The Board of Directors has two committees: the Audit Committee and the Personnel Committee. Traffic Management Company Fintraffic Ltd's Board and its Committees convened 23 (22) times during the financial year. The members of the Board of Directors were paid fees totalling EUR 244,800 (224,400) for Board and Committee work. Pertti Korhonen was the company's CEO during the financial year.

All four subsidiaries of Traffic Management Company Fintraffic Ltd have Boards of Directors that are chaired by the Group CEO and whose members comprise the Group's HR Director, the Group's Legal Counsel and two external members. The Group's CFO also acts as an expert member of the Board of Directors.

The auditor for the Group's companies was Ernst & Young Oy, Authorised Public Accountants, with Mikko Rytilahti (APA, CPFA) as Chief Auditor.

Company shares

The State holds all 6,210,388 shares and 6,210,388 votes in Traffic Management Company Fintraffic, that is, a holding of 100%. The company has one series of shares.

The Ministry of Transport and Communications is responsible for ownership steering.

Board of Directors' proposal for the distribution of profit

In the financial statements dated 31 December 2021, the distributable assets of Traffic Management Company Fintraffic Ltd totalled EUR 155,455,156.56 (155,207,757.11). The Board of Directors proposes that no dividends be distributed and that the profit for the financial year, EUR 261,509.40 (7,420.76), be transferred to retained earnings.

Separate reports

The Annual Report is aimed at the Group's stakeholders and contains several separate reports, namely the Report of the Board of Directors and Financial Statements, an annual review that includes the CEO's review, a review of the Group's strategy and changes in the operating environment, information about the Group's business functions, and a corporate social responsibility report. The Group also publishes a Governance and Remuneration Report.



Financial statements

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**Group income statement**

EUR mill.	1.1.2021 – 31.12.2021	1.1.2020 – 31.12.2020
Revenue	209.7	182.4
Other operating income	4.1	3.9
Materials and services		
Purchases	-2.6	-2.1
External services	-46.4	-44.8
	-49.0	-46.9
Personnel expenses		
Wages and salaries	-75.4	-72.0
Social security expenses		
Pension expenses	-13.0	-11.5
Other social security expenses	-2.6	-2.4
	-90.9	-85.8
Depreciation and amortisation		
Depreciation according to plan	-37.6	-30.4
	-37.6	-30.4
Other operating expenses	-30.1	-31.3
Operating profit (loss)	6.1	-8.0
Financial income and expenses		
Other interest and financial income		
From others	0.0	0.0
Interest and other financial expenses		
To others	-0.4	-0.4
	-0.4	-0.4
Profit (loss) before appropriations and taxes	5.8	-8.4
Income taxes		
Taxes for the financial period	-0.4	-1.0
	-0.4	-1.0
Profit (loss) for the financial period	5.4	-9.4

**Group balance sheet**

EUR mill.	31.12.2021	31.12.2020
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	3.3	3.9
Intangible rights	37.1	37.8
Other intangible assets	4.3	6.0
Advance payments	12.3	6.8
	57.0	54.5
Tangible assets		
Land and water areas	0.0	0.0
Buildings and constructions	59.9	42.9
Machinery and equipment	54.4	57.0
Other tangible assets	16.3	13.9
Advance payments and construction in progress	14.0	11.1
	144.7	124.9
Total non-current assets	201.7	179.4
Current assets		
Long-term receivables		
Accrued income	16.0	3.1
	16.0	3.1
Short-term receivables		
Accounts receivable	22.0	7.5
Loans receivable	0.0	0.0
Other receivables	2.2	2.0
Accrued income	21.0	20.9
	45.2	30.4
Cash and cash equivalents	16.0	17.3
Total current assets	77.2	50.8
Total assets	278.9	230.1



Group balance sheet

EUR mill.	31.12.2021	31.12.2020
EQUITY AND LIABILITIES		
Equity		
Share capital	0.5	0.5
Fair value reserve	0.0	0.0
Reserve for invested unrestricted equity	154.8	154.8
Retained earnings	5.3	14.7
Result for the period	5.4	-9.4
Total equity	166.0	160.6
Provisions		
Other provisions	0.0	0.0
Other provisions total	0.0	0.0
Liabilities		
Non-current liabilities		
Loans from financial institutions	54.8	15.0
Deferred tax liabilities	2.7	2.4
Accruals and deferred income	0.0	4.2
Total non-current liabilities	57.5	21.5
Current liabilities		
Accounts payable	20.6	16.0
Other liabilities	4.0	3.7
Accruals and deferred income	30.8	28.3
Total current liabilities	55.4	48.0
Total equity and liabilities	278.9	230.1



Group cash flow statement

EUR mill.	1.1.2021—31.12.2021	1.1.2020—31.12.2020
Cash flow from operating activities		
Result before extraordinary items	5.8	-8.4
Adjustments for		
Depreciation according to plan	37.6	30.4
Other non-cash transactions	0.0	-0.1
Financial income and expenses	0.4	0.4
Operating profit before changes in working capital	43.7	22.2
Changes in working capital		
Change in trade and other receivables	-29.4	-14.2
Change in short-term liabilities	1.4	-11.8
Cash flow from operating activities before financial items and taxes	15.7	-3.8
Interest and financial expenses paid for operating activities	-0.6	-0.4
Interest received from operating activities	0.0	0.0
Income taxes paid	0.4	-2.2
Cash flow before extra ordinary items	15.5	-6.4
Cash flow from operating activities	15.5	-6.4
Cash flow from investing activities		
Investments in tangible and intangible assets	-61.0	-61.7
Investments subsidies received	4.1	0.0
Proceeds from sale of tangible and intangible assets	0.1	0.0
Investments in subsidiaries less acquired cash	0.0	0.9
Cash flow from investing activities	-56.8	-60.8
Cash flow from financing activities		
Drawdowns of long-term loans	55.0	15.0
Repayment of long-term loans	-15.0	0.0
Cash flow from financing activities	40.0	15.0
Change in cash and cash equivalents	-1.3	-52.2
Cash and cash equivalents at beginning of period	17.3	69.5
Change in cash and cash equivalents	-1.3	-52.2
Cash and cash equivalents at end of period	16.0	17.3

**Parent company income statement**

EUR mill.	1.1.2021 – 31.12.2021	1.1.2020 – 31.12.2020
Revenue	153.7	140.1
Other operating income	0.0	0.0
Materials and services		
External services	-143.1	-131.2
	-143.1	-131.2
Personnel expenses		
Wages and salaries	-4.4	-3.3
Social security expenses		
Pension expenses	-0.7	-0.5
Other social security expenses	-0.1	-0.1
	-5.2	-3.9
Depreciation and amortisation		
Depreciation according to plan	-0.5	-0.3
	-0.5	-0.3
Other operating expenses	-4.6	-4.4
Operating profit (loss)	0.3	0.3
Financial income and expenses		
Other interest and financial income		
From others	0.0	0.0
Interest and other financial expenses		
To others	-0.2	-0.2
	-0.2	-0.2
Profit (loss) before appropriations and taxes	0.1	0.1
Appropriations		
Change in depreciation difference	0.0	0.0
Group contribution	0.2	-0.1
Income taxes		
Taxes for the financial period	0.0	0.0
	0.0	0.0
Profit (loss) for the financial period	0.3	0.0

**Parent company balance sheet**

EUR mill.	31.12.2021	31.12.2020
ASSETS		
Non-current assets		
Intangible assets		
Intangible rights	1.6	1.2
Advance payments	0.4	0.2
	2.0	1.4
Tangible assets		
Machinery and equipment	0.0	0.0
	0.0	0.0
Investments		
Holdings in Group companies	165.3	157.3
	165.3	157.3
Total non-current assets	167.3	158.7
Current assets		
Short-term receivables		
Accounts receivable	16.0	0.3
Receivables from Group companies	30.2	12.1
Other receivables	0.4	0.0
Accrued income	16.8	14.3
	63.5	26.7
Cash and cash equivalents	15.6	17.2
Total current assets	79.2	44.0
Total assets	246.5	202.7



Parent company balance sheet

EUR mill.	31.12.2021	31.12.2020
EQUITY AND LIABILITIES		
Equity		
Share capital	0.5	0.5
Fair value reserve	0.0	0.0
Reserve for invested unrestricted equity	154.8	154.8
Retained earnings	0.4	0.4
Result for the period	0.3	0.0
Total equity	156.0	155.7
Accumulated appropriations		
Accumulated depreciation difference	0.0	0.0
Total accumulated appropriations	0.0	0.0
Liabilities		
Non-current liabilities		
Loans from financial institutions	54.8	15.0
Total non-current liabilities	54.8	15.0
Current liabilities		
Accounts payable	1.8	1.4
Liabilities to Group companies	32.2	29.5
Other liabilities	0.1	0.1
Accruals and deferred income	1.6	0.9
Total current liabilities	35.7	32.0
Total equity and liabilities	246.5	202.7

**Parent company cash flow statement**

EUR mill.	1.1.2021—31.12.2021	1.1.2020—31.12.2020
Cash flow from operating activities		
Result before extraordinary items	0.1	0.1
Adjustments for		
Depreciation according to plan	0.5	0.3
Financial income and expenses	0.2	0.2
Operating profit before changes in working capital	0.8	0.6
Changes in working capital		
Change in trade and other receivables	-18.6	-9.8
Change in short-term liabilities	2.8	13.0
Cash flow from operating activities before financial items and taxes	-15.1	3.8
Interest and financial expenses paid for operating activities	-0.4	-0.4
Interest received from operating activities	0.0	0.0
Other financial items from operating activities	-17.0	-66.2
Income taxes paid	0.0	-0.1
Cash flow before extraordinary items	-32.5	-62.9
Cash flow from operating activities	-32.5	-62.9
Cash flow from investing activities		
Investments in tangible and intangible assets	-1.0	-1.2
Investments in subsidiaries	-8.0	-1.0
Payments made in connection with business acquisitions	26.3	29.6
Proceeds from business sales	-26.3	-29.6
Cash flow from investing activities	-9.0	-2.1
Cash flow from financing activities		
Drawdowns of long-term loans	55.0	15.0
Repayments of long-term loans	-15.0	0.0
Repayments of short term group internal loans	0.0	-1.5
Received group contributions	2.1	0.0
Paid group contributions	-2.2	0.0
Cash flow from financing activities	39.9	13.5
Change in cash and cash equivalents	-1.6	-51.5
Cash and cash equivalents at beginning of period	17.2	68.7
Change in cash and cash equivalents	-1.6	-51.5
Cash and cash equivalents at end of period	15.6	17.2



Notes to the financial statements

Valuation principles and methods of valuation

Non-current assets are valued at the acquisition cost less depreciation according to plan.

Current assets are valued at nominal value or at a lower probable value.

Liabilities are valued at nominal value.

The arrangement fees of the loan facilities have been deferred over the duration of the maturity of the loan facilities using the effective interest method. Fintraffic uses the fair value model in accounting the derivatives (chapter 5, section 2a of the Accounting Act, Accounting Board 2963/2016). The derivatives used are interest rate swaps. More information of the derivatives can be found from the notes to the financials statements section hedging instruments and hedge accounting.

Depreciation according to plan – principles and changes

The acquisition cost of the intangible and tangible assets has been decreased

by depreciation according to plan. The depreciation according to plan has been calculated on a straight-line basis over the economic lifetimes of the assets. Depreciation starts at the month of deployment of the asset. The depreciation month of deployment of the asset. The depreciation time of the assets are:

Goodwill	8–10 years
Intangible rights	5–15 years
Other intangible assets	5–15 years
Buildings and constructions	10–40 years
Machinery and equipment	3–15 years
Other tangible assets	15–30 years

The goodwill on consolidation is amortized in 10 years due to the long-term nature of business contracts, the economic life of the fixed assets and the licensing practices of the operations. The goodwill that arose through the transfer of assets on 1 January 2019 is amortized in eight years based on existing business agreements.

Pensions

The mandatory pension cover of the employees has been arranged through a pension insurance company.

Calculation principles of the cash flow statement

The cash flow statement is based on the guidelines of the Accounting Board (KILA). The statement of cash flows is presented using the indirect method. The reduction of EUR -17.0 million in the cash pool accounts of the group (2020 an addition of EUR -66.2 million) has been presented in the cash flow statement in Other financial items from operating activities. The parent company's cash pool accounts of the group debt to other group subsidiaries are distributed as follows:

	2021	2020
Fintraffic Road Ltd	-21.0	-6.5
Fintraffic Vessel Traffic Services Ltd	5.4	4.5
Fintraffic Railway Ltd	5.3	5.5
Fintraffic Air Navigation Services Ltd	-0.5	2.8
	-10.8	6.3

Consolidation principles

The consolidated financial statements include all the subsidiaries. The consolidated financial statements are prepared based on the acquisition calculation method. The difference between acquisition cost of subsidiaries and the acquired share of the equity is presented as goodwill on consolidation. The goodwill on consolidation is depreciated in 10 years.

The group internal transactions, receivables and liabilities have been eliminated. The depreciation difference less deferred tax liability, a total of EUR 1.9 million is included in the equity.

Revenue

The turnover of financial year 2021 is increased by regulation-adjustment worth EUR 16.6 million. Regulation adjustment includes receivables and debts based on EU-regulation concerning en route service and terminal navigation service of Helsinki-Vantaa airport. In financial year 2020 regulation adjustment increased turnover by EUR 5 million. In 2021 adjustment includes debts and receivables concerning the financial years 2020 and 2021. In financial year 2020 the net regulation debt from previous reference period was partly paid off. In 2020 new regulation receivables and debts were not taken into account due to uncertainty of the application of EU-regulation. In financial year 2021 new receivables was recorded by EUR 27.7 million according to commission implementing regulation 2020/167 from 2020 and 2021.

The performance plan proposal of reference period 3 that Finland send to EU-commission, the regulation receivables was over EUR 52 million. According to principle of prudence smaller amount of receivables was recorded.



EU-Commission will take a stance on states performance plans during the spring of 2021. In financial year 2021 regulation debt from previous reference period was paid off by EUR 7.7 million. Regulation debt was paid off to airspace users by charging the lower unit rate. Regulation debt was related to traffic risk sharing mechanism and inflation adjustment, but also to EU-funding and capacity incentives. Because traffic volumes were substantially lower than planned in 2020 and 2021, EUR 7.7 million of this regulation debt was transferred to forthcoming years. In 2020 and 2021 new regulation debt was borne by EUR 11.1 million. Debt is related to EU-funding of projects and state funding of Eurocontrol membership fee. In the end of 2021 balance sheet included net receivables worth EUR 3.9 million related to regulation adjustments.

EUR mill.	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Personnel expenses				
Management salaries and fees				
Chief Executive Officers	1.1	1.2	0.3	0.3
Members of the Board of Directors	0.4	0.4	0.2	0.2
Total	1.5	1.6	0.6	0.5
Average number of personnel				
During the financial year the company had on average				
Personnel	1.126	1.125	41	36
Depreciation, amortisation and reduction in value				
Depreciation and amortisation according to plan:				
Goodwill	0.6	0.7		
Intangible rights	12.3	9.8	0.5	0.3
Other intangible assets	4.1	3.9	0.0	0.0
Buildings and constructions	7.4	6.4	0.0	0.0
Machinery and equipment	12.0	9.3	0.0	0.0
Other tangible assets	1.1	0.3	0.0	0.0
Total	37.6	30.4	0.5	0.3
Auditor's fees				
Ernst & Young Oy				
Audit fees	0.1	0.1	0.0	0.0
Tax consultancy	0.0	0.0	0.0	0.0
Other services	0.0	0.1	0.0	0.1
Total	0.2	0.2	0.0	0.1
Group contribution				
Group contributions received			4.4	2.1
Group contributions made			-4.2	-2.2
Total			0.2	-0.1
Income taxes				
Income taxes on operations	0.0	0.0	0.0	0.0
Income taxes from previous years	0.0	0.0	0.0	0.0
Change in deferred tax liability	0.4	1.0	0.0	0.0
Total	0.4	1.0	0.0	0.0



Notes to the assets

Intangible assets, EUR mill.	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Goodwill				
Acquisition costs at the beginning of the financial period	0.7	0.7	0.0	0.0
Goodwill on consolidation	4.5	5.5	0.0	0.0
Additions / reductions:				
Goodwill on consolidation	0.0	-0.9	0.0	0.0
Accumulated depreciations at the beginning of the financial period	-1.4	-0.7	0.0	0.0
Depreciation 01.01.-31.12. goodwill	-0.2	-0.2	0.0	0.0
Depreciation 01.01.-31.12. goodwill on consolidation	-0.4	-0.5	0.0	0.0
Book value 31.12.	3.3	3.9	0.0	0.0
Intangible rights				
Acquisition costs at the beginning of the financial period	55.5	40.9	1.5	0.4
Additions during the financial period	12.5	14.6	0.8	1.1
Reduction during the period	-0.9	0.0	0.0	0.0
Acquisition cost 31.12.	67.1	55.5	2.3	1.5
Accumulated depreciation and reduction in value at the beginning of the financial period	-17.7	-7.9	-0.3	0.0
Depreciation 01.01.-31.12	-12.3	-9.8	-0.5	-0.3
Accumulated depreciation and reduction in value 31.12.	-30.0	-17.7	-0.8	-0.3
Book value 31.12	37.1	37.8	1.6	1.2
Other intangible assets				
Acquisition costs at the beginning of the financial period	14.9	14.4	0.0	0.0
Additions during the financial period	2.4	0.5	0.0	0.0
Reduction during the period	0.0	0.0	0.0	0.0
Acquisition cost 31.12.	17.3	14.9	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-8.9	-5.0	0.0	0.0
Depreciation 01.01.-31.12.	-4.1	-3.9	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-13.0	-8.9	0.0	0.0
Book value 31.12.	4.3	6.0	0.0	0.0
Advance payments for intangible assets				
Acquisition costs at the beginning of the financial period	6.8	3.5	0.2	0.2
Additions / deductions during the financial period	5.5	3.3	0.3	0.0
Book value 31.12.	12.3	6.8	0.4	0.2
Intangible assets total	57.0	54.5	2.0	1.4

The table continues on the next page.



Board of Directors' report

Financial statements

Signatures of the financial statements

Auditor's report

Tangible assets, EUR mill.	Board of Directors' report		Financial statements	
	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Land and water areas				
Acquisition costs at the beginning of the financial period	0.0	0.0	0.0	0.0
Additions during the financial period	0.0	0.0	0.0	0.0
Book value 31.12.	0.0	0.0	0.0	0.0
Buildings and constructions				
Acquisition costs at the beginning of the financial period	55.8	46.8	0.0	0.0
Additions during the financial period	24.5	9.0	0.0	0.0
Acquisition cost 31.12.	80.3	55.8	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-12.9	-6.5	0.0	0.0
Depreciation 01.01.-31.12.	-7.4	-6.4	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-20.4	-12.9	0.0	0.0
Book value 31.12.	59.9	42.9	0.0	0.0
Machinery and equipment				
Acquisition costs at the beginning of the financial period	76.9	54.2	0.0	0.0
Additions during the financial period	9.5	22.8	0.0	0.0
Acquisition cost 31.12.	86.4	76.9	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-19.9	-10.6	0.0	0.0
Depreciation 01.01.-31.12.	-12.0	-9.3	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-32.0	-19.9	0.0	0.0
Book value 31.12.	54.4	57.0	0.0	0.0
Other tangible assets				
Acquisition costs at the beginning of the financial period	14.2	1.9	0.0	0.0
Additions during the financial period	3.5	12.3	0.0	0.0
Acquisition cost 31.12	17.7	14.2	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-0.3	0.0	0.0	0.0
Depreciation 01.01.-31.12.	-1.1	-0.3	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-1.4	-0.3	0.0	0.0
Book value 31.12.	16.3	13.9	0.0	0.0
Advance payments and construction in progress				
Acquisition costs at the beginning of the financial period	11.1	11.6	0.0	0.0
Additions / deductions during the financial period	3.0	-0.6	0.0	0.0
Book value 31.12.	14.0	11.1	0.0	0.0
Tangible assets total	144.7	124.9	0.0	0.0


Investments, EUR mill.
Shares in Group companies

	Parent company 31.12.2021	Parent company 31.12.2020
Acquisition costs at the beginning of the financial period	157.3	158.2
Additions / deductions	8.0	-0.9
Acquisition costs at the end of the financial period	165.3	157.3
Book value 31.12.	165.3	157.3

Ownership in other companies
Group Companies

	Group share of ownership %	Parent company share of ownership %
Fintraffic Air Navigation Services Ltd, Vantaa	100	100
Fintraffic Road Ltd, Helsinki	100	100
Fintraffic Vessel Traffic Services Ltd, Helsinki	100	100
Fintraffic Railway Ltd, Helsinki	100	100
Finlogic Oy, Helsinki	100	0

Assets specification, EUR mill.

	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Non current receivables				
Receivables from others				
Prepaid expenses and accrued income	16.0	3.1	0.0	0.0
Non current receivables total	16.0	3.1	0.0	0.0
Short-term receivables				
Receivables from group companies				
Accounts receivable			1.6	1.8
Other receivables			28.7	10.3
			30.2	12.1

The Group other receivables include the balance of the group's cash pool accounts of EUR 21.5 million.

Receivables from others, EUR mill.

	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Accounts receivable	22.0	7.5	16.0	0.3
Other receivables	2.2	2.0	0.4	0.0
Prepayments and accrued income	21.0	20.9	16.8	14.3
Total	45.2	30.4	33.3	14.6
Short-term receivables total	45.2	30.4	63.5	26.7

The table continues on the next page.



Accrued income, EUR mill.	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Accrued income from net sales	19.0	15.6	16.2	14.3
Contributions and subsidies	4.7	6.8	0.0	0.0
Receivables from occupational health care	0.2	0.4	0.0	0.0
Taxes	0.0	0.0	0.0	0.0
Other	1.5	1.1	0.6	0.0
Regulation adjustment, long-term receivables	11.5	0.0	0.0	0.0
Totalt	37.0	24.0	16.8	14.3

Regulation adjustment includes receivables worth EUR 27.7 million and debt worth EUR 23.8 million.

	0-1 years	1-5 years	Over 5 years	Total
Receivables	0.0	22.1	5.5	27.7
Liabilities	-7.6	-12.0	-4.1	-23.8
Net balance	-7.6	10.1	1.4	3.9

Deferred unbooked tax assets, EUR mill.a	Group 31.12.2021	Group 31.12.2020
Tax losses	18.0	0.0
Deferred unbooked tax assets	3.6	0.0

**Notes to the equity and liabilities**

Equity, EUR mill.	Group 31.12.2021	Group 31.12.2020	Moder Parent company bolag 31.12.2021	Parent company 31.12.2020
Restricted equity				
Share capital at the beginning of the financial period	0.5	0.5	0.5	0.5
Share capital at the end of the financial period	0.5	0.5	0.5	0.5
Unrestricted equity				
Reserve for invested unrestricted equity at the beginning of the financial period	154.8	154.8	154.8	154.8
Reserve for invested unrestricted equity at the end of the financial period	154.8	154.8	154.8	154.8
Fair value reserve				
Interest rate swap 5 year 10 MEUR, fair value 31.12.	0.0	0.0	0.0	0.0
Interest rate swap 7 year 5 MEUR, fair value 31.12.	0.0	0.0	0.0	0.0
Retained earnings	5.3	14.7	0.4	0.4
Profit (loss) for the financial period	5.4	-9.4	0.3	0.0
Retained earnings at the end of the financial period	10.7	5.3	0.6	0.4
Equity total	166.0	160.6	156.0	155.7

Fintraffic uses the fair value model in accounting the derivatives (chapter 5, section 2a of the Accounting Act, Accounting Board 2963/2016). The fair value of the effective interest rate swaps is recognized in the fair value reserve. The fair value of ineffective interest rate swaps is recognized as financial income for the financial period. The interest rate swaps are assumed to be effective when the interest rates are expected (based on the interest rate curve) to be positive longer than 50% of the duration of the contract.

Distributable equity, EUR mill.	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Retained earnings	5.3	14.7	0.4	0.4
Profit (loss) for the financial period	5.4	-9.4	0.3	0.0
Reserve for invested unrestricted equity	154.8	154.8	154.8	154.8
Fair value reserve	0.0	0.0	0.0	0.0
Total	165.5	160.1	155.5	155.2

**The amount of company shares by share class and the main orders of the bye-laws concerning each share**

	2021	2020
The share capital is divided by share class as follows:		
Shares (1 vote/share)	6.210.388	6.210.388
Total	6.210.388	6.210.388

Shares have an equal right to dividends and company assets.

Provisions, EUR mill.	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Provisions				
Other provisions	0.0	0.0	0.0	0.0

A EUR 0,0 million reservation relating to a business acquisition was included in a subsidiary at the beginning of the financial period. During the financial period, this amount has been decreased by EUR 0,0 million.

Non-current liabilities, EUR mill.	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Non-current liabilities				
Payables to others				
Loans from financial institutions	55.0	15.0	55.0	15.0
Liabilities relating to derivatives	0.0	0.0	0.0	0.0
Effective interest	-0.2	0.0	-0.2	0.0
Accrued expenses	0.0	4.2	0.0	0.0
Total	54.8	19.2	54.8	15.0

Fintraffic uses the fair value model in accounting the derivatives (chapter 5, section 2a of the Accounting Act, Accounting Board 2963/2016). The fair value of ineffective interest rate swaps is recognized as financial income for the financial period. The fair value of the effective interest rate swaps are recognized in the balance sheets fair value reserve. The fair values of the interest rate swaps are recognized as assets and liabilities in the balance sheet. The arrangement fees of the loan facilities have been deferred over the duration of the maturity of the loan facilities using the effective interest method.

Payables falling due after more than five years	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Loans from financial institutions	10.0	0.0	10.0	0.0
Accruals and deferred income -regulation adjustment	4.1	4.2	0.0	0.0
	14.1	4.2	10.0	0.0

Regulation adjustment liabilities due after 5 years have been netted against long-term accrued income.

Deferred tax liabilities, EUR mill.	Group 31.12.2021	Group 31.12.2020		
From appropriations	2.8	2.4		
Unused tax depreciation	-0.1	0.0		
Total	2.7	2.4		

The appropriations consist of accumulated depreciation difference.



Current liabilities, EUR mill.	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Payables to others				
Accounts payable	20.6	16.0	1.8	1.4
Other liabilities	4.0	3.7	0.1	0.1
Accrued expenses and deferred income	30.8	28.3	1.6	0.9
Total	55.4	48.0	3.5	2.5

Amounts owed to group companies			Parent company 31.12.2021	Parent company 31.12.2020
Accounts payable			0.2	0.0
Accrued expenses			17.2	14.5
Other liabilities			14.9	15.0
Total			32.2	29.5

The balance of the group's cash pool accounts EUR 10.7 million is presented in Other liabilities.

Essential items in accrued expenses and deferred income:	Group 31.12.2021	Group 31.12.2020	Parent company 31.12.2021	Parent company 31.12.2020
Wages and social security expenses	21.1	16.9	1.4	0.8
Interests	0.0	0.0	0.0	0.0
Taxes	0.0	0.0	0.0	0.0
Regulation liability	7.6	8.6	0.0	0.0
Other	2.0	2.8	0.1	0.2
Total	30.8	28.3	1.6	0.9



Commitments and contingencies, EUR mill.	Group 2021	Group 2020	Parent company 2021	Parent company 2020
Leasing contracts				
Payables from leasing contracts				
Payables next financial year	0.5	0.6	0.0	0.0
Payables later	0.5	1.1	0.1	0.1
Total	1.0	1.7	0.1	0.1
Other contingent liabilities				
Payables next financial year	25.4	25.0	0.0	0.0
Payables in further financial years	12.7	15.7	0.0	0.0
Total	38.1	40.7	0.0	0.0
Fixed-term rental agreements				
Payables next financial year	3.1	2.8	0.0	0.0
Payables later	10.8	11.3	0.0	0.0
Total	13.8	14.1	0.0	0.0
Pension obligations				
Obligations to supplementary pensions	0.3	0.3	0.0	0.0
Total	0.3	0.3	0.0	0.0
Rental commitments, deposits and other guarantees				
Guarantee deposits	0.2	0.0	0.0	0.0
Rental guarantees	0.1	0.1	0.0	0.0
Bank guarantees	1.3	1.2	1.3	1.2
Total	1.6	1.4	1.3	1.2



Financial arrangements

At year end the amount of bank loans outstanding were 55 million euros. For investment and working capital financing purposes the group has in total 160 million euros of finance limits. All of these are long term and committed. In December 2021 55 million euros worth of bank loans were drawn down. Funds were partly used to prepay 15 million worth of old loans. The loans drawn were primarily used to fund 26,3 million euros acquisition. In addition to the above Fintraffic has also 20 million overdraft facilities as well as 4 million euros leasing limits.

Hedging instruments and hedge accounting

Interest rate risks

According to the Fintraffic finance policy 50% of the loan portfolio is hedged to stabilize financial cost fluctuations caused by the interest rates. This is done by using interest rate swaps to convert the floating rate loans

effectively into fixed rate loans. The terms of the hedges are in relevant parts equivalent to the terms of the floating rate loans. Interest rate swaps are effective when the interest rates are positive as the value changes symmetrically with the interest of the floating rate loans. Thus they convert effectively the loans to fixed rate loans. The interest rate swaps are assumed to be effective when the interest rates are expected (based on the interest rate curve) to be positive longer than 50% of the duration of the contract. Fintraffic uses the fair value model in accounting the derivatives (chapter 5, section 2a of the Accounting Act). The fair value of ineffective interest rate swaps are recognized as financial income for the financial period. The fair value of the effective interest rate swaps is recognized in the balance sheets fair value reserve. Only parent company Traffic Management Company Fintraffic Oy had financial derivatives in Financial statements 2021.

Currency risks

Fintraffic's payments are mainly in euros and therefore currency risks are rather small. The objective of currency risk management is to minimize the currency risks. Currency risks are primarily hedged by contractual terms and netting of currency denominated cash flows. Net risks will be hedged by using financial instruments and primarily by using currency forward instruments. There were no currency forward contracts at the end of the year 2021.

Transactions with related parties

The majority of the group's turnover consists of invoicing of Finnish Transport Infrastructure Agency.

Transactions between group companies and the group's related parties have similar terms to transactions with other parties.

Hedge agreements	Nominal value	Fair value
Interest swap agreements, due within 5 years	12.5	0.0
Interest swap agreements, due after 5 years	15.0	0.0
	27.5	0.0



Signatures for the Financial statements 31.12.2021

Helsinki, 4 March 2022

Tero Ojanperä
Chairman of the Board of Directors

Juha Majanen
Member of the Board of
Directors

Kirsi Nuotto
Member of the Board of
Directors

Teemu Penttilä
Member of the Board of
Directors

Mari Puoskari
Member of the Board of
Directors

Karri Salminen
Member of the Board of
Directors

Seija Turunen
Member of the Board of
Directors

Pertti Korhonen
CEO

The Auditor's note

A report on the audit has been issued today.

Helsinki, 4 March 2022

Ernst & Young Oy, Authorized Public Accountant Firm
Mikko Rytilahti, APA, CPFA



Auditor's report

(Translation of the Finnish original)

TO THE ANNUAL GENERAL MEETING OF TRAFFIC MANAGEMENT COMPANY FINTRAFFIC LTD

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Traffic Management Company Fintraffic Ltd (business identity code 2942108-7) for the year ended 31 December, 2021. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

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

Basis for Opinion

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

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

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

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

free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Other reporting requirements

Other information

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

Helsinki 4.3.2022

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Rytilahti
Authorized Public Accountant, Chartered
Public Finance Auditor



Traffic Management Company Fintraffic Ltd, Palkkatilanportti 1, 00240 Helsinki, Finland