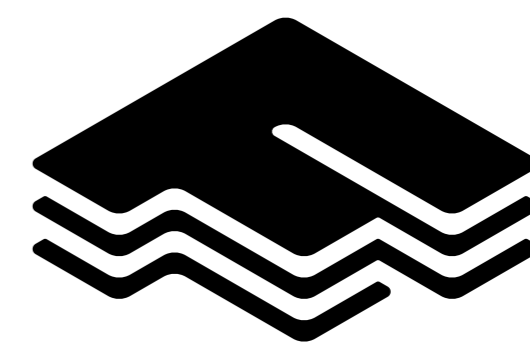


Report by the Board of Directors and Financial Statements 2023



Fintraffic



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 1,180 professionals.

How to read the report package



Annual Report 2023

Strategy, key events of 2023, and a review of responsibility and sustainability.

[Read the report here.](#)



Governance and Remuneration Report 2023

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 2023

A description of the company's operations in 2023 and a summary of its financial results and financial position.

Parent company

Traffic Management Company
Fintraffic Ltd is responsible for producing ecosystem and group services.

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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The financial statement needs to be stored at least 10 years from the end of the financial period.

The documents of the financial period needs to be stored at least 6 years forward from the end of the year, when the financial period has ended.



Report of the Board of Directors 1 January–31 December 2023

Company's operations

Established in 2018, Traffic Management Company Fintraffic Ltd is a wholly state-owned special assignment company steered by the Ministry of Transport and Communications. The parent company is domiciled in Helsinki. On 31 December 2023, the Group had operations in Helsinki, Vantaa, Tampere, Turku, Oulu and 23 other municipalities.

Traffic Management Company 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 fifth financial year.

The Fintraffic Group (hereinafter also "Fintraffic" or "the company") 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. An efficient transport and logistics system requires real-time integral data on traffic conditions and events. Fintraffic collects, manages and shares open data through its interfaces and builds traffic data infrastructure by creating applications, shared operating models and partnerships through ecosystem activities.

Operating environment and customers

Continuity management and safeguarding traffic are central to Fintraffic's operations. The impacts of the war of aggression launched by Russia in February 2022 on the company's operations have remained almost unchanged. Due to the sanctions still in force, the flight volume in the Finnish airspace has only gradually recovered from the pandemic years, reaching around 70 per cent of 2019 levels in 2023. In the previous year, the corresponding ratio was 60 per cent. Due to low flight volumes, the air navigation business continued to be loss-making.

As in the previous year, inflation was high in 2023, on average 6.2 per cent measured by the national consumer price index. For the most part, the development of the purchase prices of services

and commodities remained more moderate than the inflation rate. However, the availability and pricing of components in particular brought some challenges, affecting, for example, total costs and the progress of the company's investments. High interest rate had only minor impact on the company's financing costs, as the existing loan portfolio was hedged in accordance with the company's financial policy and the need for additional loans was limited.

During the year, transport sector operators were subjected to several cyberattacks. The impacts of cyberattacks on Fintraffic's operations were limited. As in the previous year, Fintraffic continued its work to develop information and cybersecurity. It also played an active role in supporting the work of the authorities in ensuring border security. Finland's accession to NATO had a positive impact on the operations of air navigation in particular. In addition to activities that serve military aviation, it also improved international cooperation opportunities that promote the efficiency of air navigation between, for example, Finland and Estonia.

The main theme of the Government formed after the parliamentary elections in spring 2023 was to curb national debt. Achieving a budgetary balance requires austerity measures and prioritisation also in the traffic

sector. Approximately 70 per cent of the revenue of the services provided by Fintraffic is sold to public-sector customers operating with tax income. Fintraffic supports the sustainability of general government finances by digitalising the transport sector and ensuring the efficiency of its operations over the long term. During the financial period, the largest customer of the Group was the Finnish Transport Infrastructure Agency which accounted for 68 per cent of the revenue. Other public sector customers included the Finnish Transport and Communications Agency Traficom, security authorities, cities and municipalities. Fintraffic also offered services to airlines, airports, international air navigation operators, etc.

Key events in the financial year

Safety

The continuous evolvement of safety in the transport system and traffic management is crucial for Fintraffic. Ensuring safety includes activities such as traffic management safety, incident management, risk management, preparedness, information and cybersecurity, corporate security, and the management of safety deviations.



The Group continued its long-term work related to safety management. In traffic management, the preparedness level of traffic control centres was improved in all modes of transport by developing the functional and technical back-up opportunities between the centres. Safety remained at an excellent level. There were no accidents deriving from the company's operations. Risk factors related to traffic were actively identified in the business operations, and operating methods were developed to prevent the realisation of risks. During 2023, vessel traffic services prevented 13 vessels from running aground. Traffic flows remained at a good level in all modes of transport. One major information and cybersecurity deviation was reported (1 in 2022).

Fintraffic cooperates extensively with the authorities by supporting, for instance, the activities of defence and security authorities through provision of traffic control and management services and traffic data. The impacts of information management are widely visible in society. In 2023, the information and cybersecurity acceleration programme was completed, and the construction of an ISO 27001-compliant information security management system began. The aim is to have the management system deployed in 2024. At the same time, the company aims to meet the requirements of the forthcoming Cybersecurity

Directive and the national legislation deriving from it by October 2024.

Air navigation services

The continuation of the Russian war of aggression has required air navigation to prepare for a lower level of operations. Air navigation continued its efforts to cut its operating expenses and investments while ensuring an adequate level of service as allowed by the pace of recovery in the operational volume. Personnel lay-offs ended in June. In addition to fulfilling its service obligations, air navigation continued the projects of key importance for the company. The most important of these is the FINEST programme, which aims to build joint cross-border air navigation services with Estonia. In collaboration with the airport operator Finavia, the company was also planning the Multi Remote Operating Tower (MROT) project. The aim of the project is to reduce costs and improve operational reliability at airports. Air traffic control systems produce a significant amount of data. In 2023, the company developed data analysis and utilisation.

In air navigation, the preparation of the RP4 performance plan covering the period 2025–2029 began. The performance plan is part of the European Commission's Single European Sky (SES) project, which aims to improve the performance of air

navigation services in Europe. The performance plan sets targets for four areas: safety, environment, capacity and cost-effectiveness, creating a business framework for the next five years.

Rail traffic management

After Pia Julin, Managing Director of Fintraffic Railway Ltd, moved on to the position of the CEO of the Group in June, Sanna Järvenpää was appointed the new CEO. In 2023, the automation and reliability of rail traffic control was strengthened when the remote control system for Southeast Finland was completed and the traffic control in the area was centralised to Kouvola. During the year, rail traffic management took over the responsibility for rail yard traffic control in Kotka and Kuusankoski. Significant development work was also carried out in the remote control systems of other areas. An organisational model was built for capacity management in rail traffic, which, together with other development measures, will enhance the efficiency of operations already in the short term. The development work carried out also contributes to ensuring a fair and equitable operating environment for railway operators, which is one of the prerequisites for opening the rail transport market to competition.

The development and verification phase of the Digirail project, aimed at upgrading the Finnish

train control system in accordance with the European ETCS model, began at the turn of 2022–2023 when Fintraffic and the Finnish Transport Infrastructure Agency signed an alliance agreement. The agreement extends until 2027. The project organisation was strengthened with experts in the field. The competitive tendering process for the procurement of equipment and services was also launched. The possibilities of using the commercial radio network for access control were also tested. Rail traffic control will develop strongly over the next few years. Developing the competence of experts will play a key role in the process.

Road traffic management

The Russian war of aggression in Ukraine and the general economic downturn were reflected in heavy road traffic in particular. Traffic at border crossing points on the eastern border was less than a tenth of the normal level. The temporary closure of border crossing points in November also meant the end of passenger traffic.

In road traffic management, replacement investments were made in the telecommunications network, road weather stations, and roadside traffic control devices and systems. The extensive renovation of the Revontuli tunnel in Rovaniemi that lasted over a year was completed in June. In 2023,



the company started to prepare the investments in safety and traffic management technology in the largest individual replacement investment in road traffic control, the Vuosaari road tunnel. In addition, the development of the integrated user interface for road traffic control was completed at the end of 2023.

For the first time on the Finnish road network, Fintraffic uses driving time and deviation data that combines real-time situational information from Waze to its own traffic data. The dynamic traffic information displays provide motorists with a wider range of traffic data on the pilot section on Ring Road III, where a completely reformed traffic control system was deployed in October. The road weather service was expanded with a new road condition data product that analyses data and makes forecasts. The traffic measurement service completed the R&D development of the cell positioning solution for the mobile network. In the future, nation-wide mobility data will enable analyses based on mobile data from roads.

Vessel traffic services

Maritime traffic management focused on developing the technical environment of service production and ensuring the continuity of its functional capacity. The project to develop passing areas and passing prohibition areas, launched in 2022, was completed

in autumn 2023. Based on the project, changes are proposed to permanent traffic arrangements in Finland's VTS areas. During the financial year, a new Master's Guide service for vessel traffic was deployed. It provides ships and other stakeholders arriving in Finnish ports with all important instructions for vessel traffic in a digital format in one place. It improves the route planning and situational awareness of ships arriving in Finland.

The determined development of the information management system NEMO continued. The aim of the development work is to enhance national competitiveness by improving the flow of industrial and commercial transport as part of port logistics. In 2023, the service received recognition when NEMO won, for example, the global Service Design Award 2023 and was selected as the most Sustainable Digital Act of the Year at the national level. In 2023, a calculation service for CO₂ port emissions was launched for all ports in Finland. The unique system entities have also attracted international interest.

Ecosystem services

In 2023, around 40 actors joined the traffic data ecosystem, currently involving more than 200 organisations. The community's operating principles won recognition when Fintraffic's work on the rulebook for guiding the ecosystem work was

selected on Sitra's list of The Most Interesting Data Economy Solutions. The transparency of travel and situational information was improved for passengers with the help of the Fintraffic Mobile app. The app provides drivers and train passengers with real-time information on Finnish roads and rail traffic, including traffic disruptions and warnings. Route planners were expanded with travel information from Estonia to enable smooth travel chains. Information on emissions and the occupancy rate of buses were also added to the service. In ecosystem development, the implementation of the EU eFTI Regulation on electronic freight information was launched. In addition, export cluster activities to commercialise transport data-based transport services in an international scale were launched.

Operational efficiency

When Fintraffic was established in 2018, the company committed to making its operations more efficient over the long term. The continuous improvement of cost-effectiveness is one of Fintraffic's key strategic objectives. The benefits of streamlining the rail and road traffic management and vessel traffic services will be fully passed on from Fintraffic to the Finnish Transport Infrastructure Agency, which will receive the services it needs at a lower unit cost. In air navigation services, the efforts to improve

efficiency are linked to performance plans drawn up in accordance with EU regulations, which will bring the benefits of enhanced efficiency to all air traffic operators. In all modes of transport, improvements in efficiency are verified by an external auditor.

In 2022, Fintraffic's Board of Directors decided to aim for a EUR 30 million increase in operational efficiency in the provision of road, rail and maritime traffic management services between 2023 and 2028. In 2023, the company identified an increase of EUR 5 million in efficiency, boosted by the increased level of automation, more efficient traffic control work and cost-effective procurement. Efficiency has also been improved by leveraging the economies of scale, as the company has been able to provide more extensive service packages without the costs having risen in the same proportion.

Due to the sanctions imposed because of the Russian war of aggression, the traffic volumes in air navigation fell clearly short of the RP3 performance plan forecasts and, accordingly, no savings were achieved. So, targets were not met in terms of unit cost development in 2023. However, due to the austerity measures taken, the actual costs were below the costs described in the performance plan. The future targets for enhancing efficiency in air navigation for 2025–2029 will be defined in connection with the ongoing preparation of the RP4 performance plan.



Sustainability management

At Fintraffic, sustainability culminates in the efficient provision of traffic control and management services to build and maintain a safe, smooth and environmentally sustainable traffic system for the Finnish society. In terms of impact, Fintraffic is greater than its size. It ensures the availability and further processing of open traffic data, thus supporting the competitiveness of society. Since its establishment, the company has reported on its sustainability measures as part of its annual reports. In 2023, the company started its preparations to produce sustainability reports in compliance with the updated CSRD Directive by conducting a double materiality analysis of its operations. According to the analysis, the company's key themes in sustainability management are:

- Climate change mitigation
- Prevention of air, water and soil pollution
- Working conditions: supporting health, safety and wellbeing, labour market dialogue
- Equal treatment and creating equal opportunities for all
- The economic, social and educational rights of communities through the building of comprehensive security, accessibility and the benefits of digitalisation

- Personal safety and social inclusion of the end-users of traffic services
- Ethical conduct of business and good governance

Fintraffic will provide its first report in accordance with the updated CSRD Directives about its operations in 2025.

Helsinki Metropolitan Area business premises project

In March 2022, Fintraffic signed a lease agreement for business premises that will be completed in Helsinki in 2024. The construction work progressed as planned in 2023. Both administrative functions and road and rail traffic management operations for the Helsinki Metropolitan Area will move to the new premises in Helsinki in 2024–2025. The new facilities will provide experts working in the Helsinki Metropolitan Area with workspaces that can be scaled according to future needs and opportunities for cooperation with important stakeholders.

The financial development of the Group

The Fintraffic Group's revenue for its fifth financial year totalled EUR 242.2 (228.9) million. 64 (64) per cent of the Group's revenue was generated by road, rail and maritime traffic control and management services ordered by the Finnish Transport

Infrastructure Agency. Their sales value came to EUR 153.9 (149.8) million as per the partnership agreement. Parliament determines the maximum annual value for the scope of the partnership agreement. Revenue for the financial year remained below the maximum sum of EUR 165 million determined for invoicing in 2023. In addition to the traffic control and management services offered under the partnership agreement, Fintraffic provided the Finnish Transport Infrastructure Agency with, among other things, Digirail development and verification services for EUR 10.1 (6.8) million.

Table 1: Key indicators for Fintraffic Group

	2023	2022	2021
Revenue (EUR million)	242.2	228.9	209.7
Operating result (EUR million)	6.3	7.6	6.1
Operating margin (%)	2.6	3.3	2.9
Result after taxes (EUR million)	5.0	6.9	5.4
Investments (EUR million)	45.0	38.9	60.8
Cash flow from investment activities (EUR million)	40.7	40.2	56.8
Interest-bearing liabilities (EUR million)	72.7	69.8	54.8
Equity ratio (%)	59.1	57.8	59.5
Gearing (%)	25.2	23.0	23.4
Personnel (average)	1,160	1,133	1,126

Even though, in the same way as in the previous year, the impacts of the Russian war of aggression limited demand for air navigation services, the invoiced

revenue increased by 11 per cent from the previous year to EUR 65.5 (58.8) million. The revenue also included a regulatory adjustment of EUR 8.7 (9.7) million based on the implementation of the performance plan as determined by the EU.

The Group's operating result was EUR 6.3 (7.6) million with an operating margin of 2.6 (3.3) per cent. The profit after taxes for the financial year was EUR 5.0 (6.9) million. Based on a cost-based commercial model, business with the Finnish Transport Infrastructure Agency was stable and profitable. Air navigation business remained loss-making even though austerity measures were taken while also responding to the service needs deriving from slowly increasing demand. The Group's profit before taxes was EUR 5.4 (6.9) million, 2.2 (3.0) per cent of net sales, which was below Fintraffic's long-term moderate profitability target, 3–5 per cent of net sales. Table 1 shows the key indicators for the Group. Table 2 summarises the key indicators by business function.

Parent company Traffic Management Company Fintraffic Ltd's revenue totalled EUR 166.7 (160.4) million. The parent company's revenue was generated by ecosystem services, internal Group services, and road, rail and maritime traffic management services procured from subsidiaries to the Finnish Transport Infrastructure Agency. Revenue increased by 3.9 per cent from the previous



year due to the expansion of traffic control services provided to the Finnish Transport Infrastructure Agency and investments in Group services.

The parent company's operating profit totalled EUR -0.1 (-0.0) million with an operating margin of -0.1 (-0.0) per cent. This operating profit mainly consisted of the profit margin from services provided to the Finnish Transport Infrastructure Agency. The result for the financial year was EUR 0.0 (0.0) million. The equity ratio stood at 60.1 (59.2) per cent. The company had an average of 73 (57) employees during the financial year. The growth in personnel was mainly due to resourcing for development tasks being implemented in the Group and ecosystem development. As in the previous year, in 2023, the parent company granted a group contribution of EUR 6.0 (7.7) million to Fintraffic Air Navigation Services Ltd.

Investments and R&D activities

In 2023, the Group's investments remained almost at the same level as in the previous year. The Group made investments totalling EUR 45.0 (38.9) million. The most significant investments were the development of rail traffic control and management systems, the upgrade of the operative air navigation system, upgrades in the remote control system for rail traffic and the replacement investments of road weather stations. The progress of the investments was affected by the decisions made in cooperation with the Finnish Transport Infrastructure Agency on the prioritisation of projects to be promoted and the availability and pricing of the services and components related to the investments. As the cash flow from air navigation services continued to be negative, air navigation focused on implementing the most critical investments.

In 2020–2022, most of the traffic control projects that were in progress when Fintraffic was incorporated were transferred from the Finnish Transport Infrastructure Agency to the Fintraffic Group after their completion through business transactions. In 2023, the last share of the assets was transferred as a business transaction when the Finnish Transport Infrastructure Agency sold assets related to rail traffic management to the Group's parent company Traffic Management Company Fintraffic Ltd for the value of EUR 81,000. Subsequent internal transactions immediately transferred the business operations to Fintraffic Railway Ltd. After the completed business transaction, the assets covered by Government Proposal 34/2018 have been transferred to the Fintraffic Group in their entirety with a total acquisition value of EUR 60.4 million.

Fintraffic practices small-scale R&D, focusing on supporting the automation of service production and process development. The utilisation of modern technological solutions as part of investment solutions plays a key role in the development work. In 2023, collaborating with the Finnish Transport Infrastructure Agency, the company promoted the development and verification of the Digirail project aimed at upgrading the train control system.

Cash flow, balance sheet and financial position

Fintraffic's financial position is indicated in the income statement and balance sheet. The Group's financial position is good. The result for the financial year was EUR 5.0 (6.9) million. As in the previous year, the Group's result was improved by a regulatory receivable worth EUR 8.7 (9.7) million in air navigation services. Without this regulatory adjustment, the consolidated result would have been a loss of EUR 3.7 million.

The Group's investments in 2023 were mainly financed by income financing. In the financial year, the cash flow of air navigation services was negative. However, the Group could mainly cover the financing needs of air navigation with its internal financing. The Group's cash flow after investments showed a deficit of EUR 4.7 million, which was covered by withdrawals from the commercial paper programme published at the end of 2022. As the Group's need for financing was smaller than the drawn commercial papers, the company invested the funds exceeding the need for financing in short-term instruments with a low credit risk. In accordance with Fintraffic's financing policy, the company's loan assets were 50-per-cent hedged against interest rate rises, which means that the rise of financial expenses was moderate. At the end of the financial year, net liabilities totalled about EUR 45.2 (40.4) million. As in the previous

Table 2: Key indicators for Fintraffic's business functions

	Air navigation services	Rail traffic management	Road traffic management	Vessel traffic services
Revenue (EUR million)	74.2 (68.5)	90.1 (82.5)	54.9 (55.0)	20.0 (19.5)
Operating result (EUR million)	-2.1 (-0.6)	5.1 (4.4)	3.1 (3.2)	0.7 (1.0)
Operating margin (%)	-2.8 (-0.8)	5.7 (5.3)	5.6 (5.8)	3.6 (5.2)
Personnel (average)	420 (423)	477 (468)	91 (87)	100 (99)



year, gearing remained moderate at 25.2 (23.0) per cent. The equity ratio stood at 59.1 (57.8) per cent. The Group's liquidity and solvency remained strong.

Non-economic indicators

Personnel

The Fintraffic Group had an average of 1,160 employees during 2023. 24 per cent of them were women and 76 per cent men. The average age of employees was 46 (46). In 2023, 142 new employees joined the company. Personnel turnover was 8.5 per cent, and 6.3 per cent excluding retirements. The development of key indicators for personnel is summarised in Table 3. Remuneration principles and the remuneration paid to personnel are described in the company's Corporate Governance Statement and Remuneration Report. All personnel fall within the scope of the performance incentive scheme approved by the parent company's Board of Directors.

Table 3: Key indicators for Fintraffic Group's personnel

	2023	2022	2021
Personnel (average)	1,160	1,133	1,126
Personnel at the end of the year	1,180	1,131	1,127
Salaries and bonuses (EUR million)	85.7	82.1	75.4
Personnel expenses (EUR million)	103.3	99.6	90.9
Sickness absences (%)	2.4	3.6	2.8

The overall score of the job satisfaction survey among the personnel rose from 3.8 to 3.9. Employee Net Promoter Score (eNPS) rose from satisfactory to good. The personnel's occupational health and welfare was strengthened with a diverse range of support measures and programmes. Personnel competence was developed extensively through both external and internal training programmes. Sickness absences decreased by 33.3 per cent from the previous year and stood at 2.4 per cent of working hours in 2023. Fintraffic personnel had 10 workplace accidents and 18 commuting accidents. None of the accidents at the workplace led to sick leave, so the accident frequency rate in 2023 stood at 0.

During the first half of 2023, air navigation personnel were laid off due to the business impacts of the Russian war of aggression. Lay-offs could be mainly stopped in June. In the summer, air navigation services carried out change negotiations on the possible launch of a tendering process on a remote air traffic control project. At the beginning of 2023, rail traffic management introduced a service-oriented operating model and restructured its organisation accordingly. In maritime traffic management, the Lappeenranta office was closed down in June and the vessel traffic operations for Saimaa were successfully transferred to the Western Finland Vessel Traffic Centre. In addition, change negotiations were

conducted at the beginning of 2023 on the possible move of the Helsinki Palkkatilanportti office, which did not materialise.

Environment

Fintraffic's goal is to reduce the greenhouse gas emissions from its own operations to zero in 2030 and to achieve full carbon neutrality in major procurements by 2035 in accordance with the carbon neutrality target of the Finnish government. The company switched to using 93 per cent carbon-free energy. The carbon footprint of commuting was reduced with hybrid workplace solutions and various incentives for commuting. Facility efficiency also developed positively.

In the future, sustainability issues, including environmental sustainability, will be taken into account as an essential criterion in Fintraffic's procurement process (Scope 3). In the future, the development of sustainability reporting will also extend to the reporting of the sources of direct and indirect emissions generated in the value chain. In 2023, emissions from Fintraffic's own operations (Scope 1, 2 and 3) amounted to 2,659 tonnes of CO₂.

Fintraffic has followed the policies of the European Union's classification system for sustainable economic activities, aka the EU taxonomy, which entered into force in 2020. So far,

the company has not identified any of its business areas as being taxonomy eligible. However, it is possible that rail traffic management could be considered as a potentially taxonomy-eligible activity in the future. The company is preparing to update its analysis in line with evolving legislation.

Risk management

Fintraffic seeks to maintain high standards in both its safety culture and traffic control and management services, and to safeguard business continuity under all circumstances. The company has comprehensive policies for managing key business risks. The Group's risks and their management methods are regularly reviewed twice a year.

The key factor causing uncertainty in air navigation, gradually recovering from the pandemic and the impacts of the Russian war of aggression, are the long-term changes in air traffic. They affect the company's turnover either through business volumes or pricing. During 2023–2024, air navigation is getting prepared for drafting the RP4 performance plan for the period 2025–2029 and having it approved in the EU. The operational efficiency can be improved, for example, through construction of remote air traffic control services and closer cooperation with Estonia in the FINEST project.



Russia's war of aggression in Ukraine and Finland's membership in NATO have increased the need for measures to develop preparedness. In recent years, the company has invested heavily in improving the standard of information security management methods. All modes of transport are in the process of constructing an ISO27001-compliant management system. It can also enable meeting the requirements of the NIS2 Directive. Fintraffic has been subjected to denial-of-service attacks, but their impacts have been limited thanks to information security development.

The Digirail project is unique across the whole Finnish society. It can enable achieving an improved level of safety and disruption-free traffic in rail transport and enhanced cost-effectiveness. As the project is still in its early stages, there are uncertainty factors as well as time pressures associated with its technological solutions, the required competence base and the scope of the investment. The purpose of the ongoing development and verification phase is to determine the optimal technical solution for the Finnish conditions and to eliminate risks in the forthcoming implementation phase to as comprehensive extent as possible.

The tightening of the labour market situation may affect the company's operating conditions.

The majority of Fintraffic's employees are covered by collective agreements. The company prepares for possible labour market challenges, but at worst, industrial action can stop traffic management in different modes of transport, causing disruptions to traffic.

Ensuring operational efficiency and prioritising service provision tasks within the limits of the State budget and demand for air traffic play an important role in managing financial risks. In 2023, the effects of inflation on Fintraffic's operations were smaller than expected. Although inflation is falling, the company is still preparing to respond to the pressures caused by inflation, collective agreement negotiations and high interest rates of financing. There are also challenges in the availability of certain commodities and strong foresight is needed in procurement due to long delivery times. Fintraffic will take out a moderate amount of loan to implement its investments. The company has acquired loans from several financial institutions. The loan portfolio has been diversified over time. Interest rate derivatives have been used to provide a 50-per-cent hedge against interest rate rises. The unhedged component and any additional loans are exposed to interest rate risks. Although the indebtedness and the increase in interest rates will increase the company's interest costs, the terms of the drawn loans are reasonable

due to Fintraffic's good financial position and ownership base.

In its ownership strategy, the State has given Fintraffic a special assignment as a provider and developer of the essential traffic control and management services required by society, the economy and the authorities, and also as an enabler of Finnish competitiveness in data-based service operations. In order for Fintraffic to be able to carry out this special assignment, further amendments need to be made to the legislation governing the company and funding must also be allocated to this work.

Board of Directors and Committees of the Board of Directors

At the beginning of 2023, the Board of Directors of Traffic Management Company Fintraffic Ltd consisted of Tero Ojanperä as Chair and Kirsi Nuotto, Kaisa Olkkonen, Teemu Penttilä, Mari Puoskari, Karri Salminen and Seija Turunen as members. The Annual General Meeting of 29 March 2023 elected Tero Ojanperä as Chair and Minna Björkman, Kirsi Nuotto, Kaisa Olkkonen, Teemu Penttilä, Mari Puoskari, Karri Salminen and Seija Turunen as members. Karri Salminen resigned from the Board on 28 June 2023.

The Board of Directors has two committees: the Audit Committee and the Personnel Committee.

Kaisa Olkkonen chaired the 2023 Audit Committee. The members of the Audit Committee were Tero Ojanperä, Teemu Penttilä and Seija Turunen and Karri Salminen until 28 June 2023. The Personnel Committee was chaired by Kirsi Nuotto, and the members were Tero Ojanperä and Mari Puoskari and Minna Björkman as of 29 March 2023. During the financial period, Pertti Korhonen acted as Group CEO until 13 June 2023, after which Pia Julin was appointed Group CEO.

All four subsidiaries of Traffic Management Company Fintraffic Ltd have Boards of Directors, each of which is chaired by the Group CEO. In the 2023 Annual General meeting, the subsidiaries' Board of Directors were converted to internal bodies staffed by the directors of the Group.

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

Events after the end of the financial year

Some of the loans in Fintraffic's current loan portfolio will be due for payment in 2024. In spring 2024, the company will renew its loan portfolio to meet the need of financing for the growing investments in the next few years. In other respects, there have been no material changes in the company's operations since the end of the financial year.



Outlook for the future

Fintraffic will continue to develop the digitalisation of traffic management and traffic in accordance with its current strategy. State budgetary challenges may have impacts on the demand for the company's services and their development. However, the state as an owner has a strong will to promote the reduction of the repair backlog of the transport infrastructure, the modernisation of the traffic system and digitalisation.

The impacts of the Russian war of aggression will continue to be visible in the company's operations. The business environment of air navigation will remain challenging, which will affect the level of activity in air navigation. Based on the EU regulation mechanism, the unit charges of en route services and Helsinki Airport will increase by about 30 per cent compared to the previous year, thus normalising business profitability. FINEST and NATO cooperation will also create new business opportunities. In other modes of transport, profitability is expected to remain stable. So far, funding allocated for traffic management work will enable the continuation of this work in the long term.

In 2024, Fintraffic invests over EUR 70 million, which is significantly more than in previous years. The company will continue the projects that were already under way in 2023 in such areas as

the development of rail traffic management systems, the upgrade of the remote control system of rail traffic, the modernisation of roadside technology and the further development of the NEMO information management system for vessel traffic services.

In addition, the business premises in the Helsinki Metropolitan Area will be ready for the move at the end of the year. Road traffic management is preparing for an extensive lifecycle upgrade of tunnel technology, with the Vuosaari tunnel being the first in line in 2025. The investments of the development and verification phase of Digirail will start with the safety equipment investments on the first commercial track (EKA). The company partially finances the investments with an additional loan.

In 2024, Fintraffic will continue to create opportunities for utilising digitalisation and data analytics in collaboration with stakeholders who utilise traffic data both in Finland and internationally. In rail, road and maritime transport as well as in air navigation, investments are made in the productisation of digital services and the construction of data-based services across modes of transport, while taking into account the legal framework for competitive activities. For the time being, Fintraffic will be able to fund the development of a data ecosystem without additional funding from the State. However, unless funding can be arranged,

this will slow down the rate of development of the data ecosystem over the longer term.

The company's profitability in 2024 is estimated to be better than in 2023. Despite larger investments, indebtedness remains moderate, and the balance sheet remains strong. Digirail investments will increase significantly in the years ahead and, depending on the project financing model, may require the company to strengthen its capital structure in the long term.

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 per cent. 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 profits

In the financial statements dated 31 December 2023, the distributable assets of Traffic Management Company Fintraffic Ltd totalled EUR 155,519,053.94 (155,507,048.62). The Board of Directors proposes that no dividends be distributed and that the profit for the financial year, EUR 12,005.32 (37,782.11), 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.



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**Group income statement**

EUR million	1.1.2023–31.12.2023	1.1.2022–31.12.2022
REVENUE	242.2	228.9
Production for own use	1.2	1.1
Other operating income	0.4	3.7
Materials and services		
Purchases	-3.0	-3.2
External services	-56.8	-52.9
	-59.8	-56.1
Personnel expenses		
Wages and salaries	-85.7	-82.1
Social security expenses		
Pension expenses	-14.6	-14.7
Other social security expenses	-3.0	-2.8
	-103.3	-99.6
Depreciation, amortisation and impairment		
Depreciation according to plan	-41.3	-39.5
	-41.3	-39.5
Other operating expenses	-33.2	-30.8
OPERATING PROFIT (LOSS)	6.3	7.6
Financial income and expenses		
Other interest and financial income		
From others	2.3	0.1
Interest and other financial expenses		
To others	-3.2	-0.8
	-0.8	-0.7
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	5.4	6.9
Income taxes		
Taxes for the financial period	-0.4	0.0
	-0.4	0.0
PROFIT (LOSS) FOR THE FINANCIAL PERIOD	5.0	6.9



Group balance sheet

EUR million	31.12.2023	31.12.2022
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	2.2	2.7
Intangible rights	43.7	40.4
Other intangible assets	27.8	3.6
Advance payments	17.6	13.5
	91.2	60.2
Tangible assets		
Land and water areas	0.0	0.0
Buildings and constructions	40.7	47.5
Machinery and equipment	62.1	58.6
Other tangible assets	1.4	22.1
Advance payments and construction in progress	9.3	12.7
	113.6	140.9
Total non-current assets	204.8	201.1
Current assets		
Long-term receivables		
Derivative receivables	1.7	2.8
Prepayments and accrued income	15.3	22.4
	17.0	25.3
Short-term receivables		
Accounts receivable	27.0	24.4
Other receivables	0.5	0.9
Prepayments and accrued income	31.9	24.2
	59.4	49.5
Financial securities	3.0	10.0
Cash and cash equivalents	24.5	19.4
Total current assets	103.9	104.1
TOTAL ASSETS	308.7	305.3

EUR million	31.12.2023	31.12.2022
EQUITY AND LIABILITIES		
Equity		
Share capital	0.5	0.5
Fair value reserve	1.7	2.8
Reserve for invested unrestricted equity	154.8	154.8
Retained earnings (loss)	17.6	10.7
Profit (loss) for the financial period	5.0	6.9
Total equity	179.6	175.8
Liabilities		
Non-current liabilities		
Loans from financial institutions	29.9	54.8
Deferred tax liabilities	3.1	2.7
Advances received	4.0	1.0
Total non-current liabilities	37.0	58.6
Current liabilities		
Loans from financial institutions	25.0	0.0
Commercial papers	17.8	14.9
Advances received	0.5	0.1
Accounts payable	19.5	19.8
Other liabilities	4.3	3.9
Accruals and deferred income	24.8	32.2
Total current liabilities	92.0	70.9
TOTAL EQUITY AND LIABILITIES	308.7	305.3



Group cash flow statement

EUR million	1.1.2023–31.12.2023	1.1.2022–31.12.2022
Cash flow from operating activities		
Profit (loss) before appropriations and taxes	5.4	6.9
Adjustments for		
Depreciation, amortisation and impairment according to plan	41.3	39.5
Other non-cash transactions	-8.8	0.0
Financial income and expenses	0.8	0.7
Gains (-) and losses (+) on the disposal of non-current assets	0.0	0.0
Cash flow before changes in working capital	38.7	47.1
Changes in working capital:		
Increase (-) / decrease (+) in current trade receivables	-4.7	-10.2
Increase (+) / decrease (-) in short-term liabilities	3.2	2.3
Cash flow from operating activities before financial items and taxes	37.2	39.2
Interest and financial expenses paid for operating activities	-2.1	-0.6
Interest received from operating activities	0.9	0.1
Income taxes paid	-0.1	0.0
Cash flow before extraordinary items	36.0	38.6
Cash flow from operating activities	36.0	38.6
Cash flow from investing activities		
Investments in tangible and intangible assets	-46.5	-40.4
Investment subsidies received	5.8	0.1
Proceeds from sale of tangible and intangible assets	0.0	0.1
Cash flow from investing activities	-40.7	-40.2
Cash flow from financing activities		
Drawdowns of short-term loans	80.3	14.9
Repayments of short-term loans	-77.4	0.0
Cash flow from financing activities	2.9	14.9
Increase (+) / decrease (-) in cash and cash equivalents	-1.9	13.3
Cash at the beginning of the financial period	19.4	16.0
Cash at the end of the financial period	24.5	19.4
Cash equivalents at the beginning of the financial period	10.0	0.0
Cash equivalents at the end of the financial period	3.0	10.0
Cash and cash equivalents at the end of the financial period	27.5	29.3

**Parent company income statement**

EUR million	1.1.2023–31.12.2023	1.1.2022–31.12.2022
REVENUE	166.7	160.4
Production for own use	0.2	0.1
Other operating income	0.1	0.0
Materials and services		
External services	-153.6	-149.5
	-153.6	-149.5
Personnel expenses		
Wages and salaries	-6.3	-5.3
Social security expenses		
Pension expenses	-1.1	-0.9
Other social security expenses	-0.2	-0.2
	-7.6	-6.4
Depreciation, amortisation and impairment		
Depreciation according to plan	-0.9	-0.7
	-0.9	-0.7
Other operating expenses	-4.9	-4.0
OPERATING PROFIT (LOSS)	-0.1	0.0
Financial income and expenses		
Other interest and financial income		
From Group companies	0.9	0.8
From others	2.3	0.0
Interest and other financial expenses		
To other Group companies	-0.1	-0.1
To others	-3.1	-0.8
	0.0	0.0
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-0.1	0.0
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	0.0	0.0

**Parent company balance sheet**

EUR million	31.12.2023	31.12.2022
ASSETS		
Non-current assets		
Intangible assets		
Intangible rights	3.2	1.6
Advance payments	2.4	1.3
	5.6	3.0
Tangible assets		
Machinery and equipment	0.0	0.0
Advance payments	0.0	0.0
	0.0	0.0
Investments		
Holdings in Group companies	165.3	165.3
	165.3	165.3
Total non-current assets	170.9	168.3
Current assets		
Long-term receivables		
Derivative receivables	1.7	2.8
	1.7	2.8
Short-term receivables		
Accounts receivable	17.0	16.8
Receivables from Group companies	28.8	34.6
Other receivables	0.0	0.0
Prepayments and accrued income	17.5	16.3
	63.3	67.8
Financial securities	3.0	10.0
Cash and cash equivalents	24.3	19.3
Total current assets	92.2	99.9
TOTAL ASSETS	263.1	268.2

EUR million	31.12.2023	31.12.2022
EQUITY AND LIABILITIES		
Equity		
Share capital	0.5	0.5
Fair value reserve	1.7	2.8
Reserve for invested unrestricted equity	154.8	154.8
Retained earnings (loss)	0.7	0.6
Profit (loss) for the financial period	0.0	0.0
Total equity	157.7	158.9
Accumulated appropriations		
Accumulated depreciation difference	0.0	0.0
Accumulated appropriations total	0.0	0.0
Liabilities		
Non-current liabilities		
Loans from financial institutions	29.9	54.8
Total non-current liabilities	29.9	54.8
Current liabilities		
Loans from financial institutions	25.0	0.0
Commercial papers	17.8	14.9
Advances received	0.5	0.1
Accounts payable	1.3	0.9
Liabilities to Group companies	28.5	36.3
Other liabilities	0.2	0.2
Accruals and deferred income	2.1	2.2
Total current liabilities	75.5	54.5
TOTAL EQUITY AND LIABILITIES	263.1	268.2



Parent company cash flow statement

EUR million	1.1.2023–31.12.2023	1.1.2022–31.12.2022
Cash flow from operating activities		
Profit (loss) before appropriations and taxes	-0.1	0.0
Adjustments for		
Depreciation, amortisation and impairment according to plan	0.9	0.7
Financial income and expenses	0.0	0.0
Cash flow before changes in working capital	0.8	0.6
Changes in working capital		
Increase (-) / decrease (+) in current trade receivables	-1.3	0.5
Increase (+) / decrease (-) in short-term liabilities	-6.1	6.7
Cash flow from operating activities before financial items and taxes	-6.6	7.8
Interest and financial expenses paid for operating activities	-2.2	-0.6
Interest received from operating activities	2.2	0.7
Other financial items from operating activities	5.0	-7.9
Income taxes paid	0.0	0.0
Cash flow before extraordinary items	-1.6	0.0
Cash flow from operating activities	-1.6	0.0
Cash flow from investing activities		
Investments in tangible and intangible assets	-3.4	-1.5
Payments made in connection with business acquisitions	0.1	4.5
Proceeds from business sales	-0.1	-4.5
Cash flow from investing activities	-3.4	-1.5
Cash flow from financing activities		
Drawdowns of short-term loans	80.3	14.9
Repayments of short-term loans	-77.4	0.0
Group contributions received	7.8	4.4
Group contributions paid	-7.7	-4.2
Cash flow from financing activities	3.0	15.1
Increase (+) / decrease (-) in cash and cash equivalents	-2.0	13.6
Cash at the beginning of the financial period	19.3	15.6
Cash at the end of the financial period	24.3	19.3
Cash equivalents at the beginning of the financial period	10.0	0.0
Cash equivalents at the end of the financial period	3.0	10.0
Cash and cash equivalents at end of the financial period	27.3	29.3

**Notes to the financial statements****Valuation principles and methods of valuation**

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

Receivables are valued at their nominal value or at a lower probable value. The company's financial securities are valued at their nominal value or at a lower probable realisable value.

Liabilities are valued at nominal value.

The arrangement fees for 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 to measure derivatives (Chapter 5, Section 2a of the Accounting Act, Accounting Board 2963/2016). The derivatives used are interest rate swaps. More information about derivatives can be found in the Notes to the financial statements in the section "Hedging instruments and hedge accounting".

Depreciation according to plan – principles and changes

The acquisition cost of 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 begins in the month during which the asset is deployed.

The depreciation periods are:

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

The goodwill on consolidation is amortised 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 subsidiaries on 1 January 2019 is amortised in eight years based on existing business agreements.

Pension expenses

Mandatory pension cover for 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 Finnish Accounting Board's (Kirjanpitolaautakunta, KILA) general instructions. Cash flow from operating activities is presented using the indirect method. The increase of EUR 5.0 million in the Group's cash pool accounts (2022: EUR -7.9 million) has been presented in the parent company cash flow statement under

"Other financial items from operating activities".

The parent company's cash pool accounts of Group liabilities to other Group companies are distributed as follows ("+" indicates parent company's liability, "-" its receivables):

	2023	2022
Fintraffic Road Ltd	0.7	-9.7
Fintraffic Vessel Traffic Services Ltd	5.2	5.1
Fintraffic Railway Ltd	-7.5	-7.9
Fintraffic Air Navigation Services Ltd	-12.1	-6.1
	-13.7	-18.7

Consolidation principles

The consolidated financial statements include all subsidiaries. The consolidated financial statements have been drawn up using the acquisition calculation method. The difference between the acquisition cost of subsidiaries and the acquired share of their equity is presented as goodwill on consolidation. The goodwill on consolidation is depreciated over 10 years.

The group internal transactions, receivables and liabilities have been eliminated. The depreciation difference less deferred tax liability, a total of EUR 1.5 million, is included in the equity.

Notes to the income statement**Revenue**

The revenue for the financial year 2023 is improved by a regulation adjustment of EUR 8.7. The regulation adjustment includes receivables and

debts based on EU regulation concerning the en route service and the air navigation service of Helsinki Airport. The regulatory adjustment increased revenue by EUR 9.7 million in the 2022 financial year.

New regulation receivables amounting to EUR 12.3 million were recognised in 2023 in relation to the traffic risk sharing mechanism and inflation adjustments.

Liabilities accrued from previous periods were repaid in the amount of EUR 1.9 million during the 2023 financial year, as airspace users were charged a lower unit price. Due to traffic volumes being substantially lower than expected in 2023, regulation debt from the previous period was transferred to forthcoming years.

In 2023, new regulation debt was borne by EUR 5.4 million of the estimated items excluded from the cost risk mechanism and based on the EU subsidies received for investment and operating expenditure projects. Items excluded from the cost risk mechanism include: the difference between determined and actual investment costs, pension contributions and Eurocontrol costs.

At the end of the 2023 financial year, the company's balance sheet included net receivables totalling EUR 22.3 million related to regulation adjustments.

Liabilities arising from the regulation adjustment have been recognised in full. In accordance with the principle of prudence, receivables have not been recognised in their full amounts.



Regulation adjustment, EUR million	Reversal	Increase	Net change	Balance at year-end
Inflation adjustments	0.0	2.4	2.4	3.8
Traffic risk sharing adjustment	-0.9	8.5	7.6	13.5
Difference in revenue from temporary application of unit rate	-5.5	0.0	-5.5	22.1
Costs excluded from the cost risk mechanism	0.0	-4.2	-4.2	-4.2
Other revenue (subsidies from EU and the Finnish state)	3.6	-1.3	2.3	-14.4
Capacity incentives	0.0	0.0	0.0	0.0
Traffic adjustments	4.7	1.4	6.1	1.4
Total	1.9	6.8	8.7	22.3
Receivables	-6.4	12.3	5.9	40.9
Liabilities	8.3	-5.4	2.8	-18.6
Net	1.9	6.8	8.7	22.3

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

Business in accordance with section 30d of the Competition Act

During the financial year, the company had business activities in accordance with section 30d of the Competition Act. Revenue from said business activities was EUR 1.4 million. The pricing of the operations was based on market pricing and an assessment of the cost price.

Production for own use

During the financial year, the company capitalised expenses for construction in progress in the balance sheet.

EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Production for own use	1.2	1.1	0.2	0.1
External services	56.8	52.9	153.6	149.5
Capitalisation	-0.2	-0.1	-0.2	-0.1
	56.6	52.8	153.4	149.4
Wages and salaries	85.7	82.1	6.3	5.3
Capitalisation	-0.8	-0.9	-0.1	0.0
	84.9	81.3	6.3	5.3
Pension expenses	14.6	14.7	1.1	0.9
Capitalisation	-0.2	-0.2	0.0	0.0
	14.4	14.6	1.1	0.9
Other social security expenses	3.0	2.8	0.2	0.2

EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Capitalisation	0.0	0.0	0.0	0.0
	3.0	2.7	0.2	0.2

Personnel expenses

Management salaries and fees				
Chief Executive Officers	1.5	1.3	0.6	0.4
Members of the Board of Directors	0.3	0.4	0.2	0.2
Total	1.9	1.7	0.8	0.6

Personnel (average)

During the financial year, the company had on average				
Personnel	1 160	1 133	73	57

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment according to plan:				
Goodwill	0.5	0.6	0.0	0.0
Intangible rights	14.1	14.8	0.9	0.7
Other intangible assets	2.4	1.8	0.0	0.0
Buildings and constructions	10.2	7.5	0.0	0.0
Machinery and equipment	14.1	13.8	0.0	0.0
Other tangible assets	0.0	1.0	0.0	0.0
Total	41.3	39.5	0.9	0.7

Auditor's fees

Ernst & Young Oy				
Statutory audit fees	0.1	0.1	0.0	0.0
Tax consultancy	0.0	0.0	0.0	0.0
Other services	0.0	0.0	0.0	0.0
Total	0.2	0.2	0.1	0.1

Group contributions

Group contributions received			6.2	7.8
Group contributions paid			-6.0	-7.7
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	-0.1	0.0	0.0
Change in deferred tax liability	0.4	0.0	0.0	0.0
Total	0.4	-0.0	0.0	0.0



Notes to the assets

Intangible assets, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Goodwill				
Acquisition costs at the beginning of the financial period				
Goodwill	0.7	0.7	0.0	0.0
Goodwill on consolidation	4.5	4.5	0.0	0.0
Accumulated depreciations at the beginning of the financial period	-2.6	-2.0	0.0	0.0
Depreciation 1.1.-31.12. goodwill	0.0	-0.2	0.0	0.0
Depreciation 1.1.-31.12. goodwill on consolidation	-0.4	-0.4	0.0	0.0
Book value 31.12.	2.2	2.7	0.0	0.0
Intangible rights				
Acquisition costs at the beginning of the financial period	85.3	67.1	3.0	2.3
Additions during the financial period	17.3	18.2	2.5	0.7
Deductions during the financial period	-0.3	0.0	-0.3	0.0
Acquisition cost 31.12.	102.3	85.3	5.2	3.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-44.9	-30.0	-1.4	-0.8
Depreciation 1.1.-31.12.	-14.1	-14.8	-0.9	-0.7
Accumulated depreciation of deductions	0.3	0.0	0.3	0.0
Accumulated depreciation and reduction in value 31.12.	-58.6	-44.9	-2.0	-1.4
Book value 31.12.	43.7	40.4	3.2	1.6
Other intangible assets				
Acquisition costs at the beginning of the financial period	18.3	17.3	0.0	0.0
Transfers between items	21.3	0.0	0.0	0.0
Additions during the financial period	5.3	1.0	0.0	0.0
Acquisition cost 31.12.	44.9	18.3	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-14.7	-13.0	0.0	0.0
Depreciation 1.1.-31.12.	-2.4	-1.8	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-17.1	-14.7	0.0	0.0
Book value 31.12.	27.8	3.6	0.0	0.0
Advance payments for intangible assets				
Acquisition costs at the beginning of the financial period	13.5	12.3	1.3	0.4
Additions/deductions during the financial period	3.6	1.2	1.1	0.9
Transfers between items	0.4	0.0	0.0	0.0
Book value 31.12.	17.6	13.5	2.4	1.3
Total intangible assets	91.2	60.2	5.6	3.0

Tangible assets, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Land and water areas				
Acquisition costs at the beginning of 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	75.4	80.3	0.0	0.0
Additions during the financial period	3.4	2.8	0.0	0.0
Deductions during the financial period	-0.7	-7.7	0.0	0.0
Acquisition cost 31.12.	78.1	75.4	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-27.9	-20.4	0.0	0.0
Depreciation 1.1.-31.12.	-10.2	-7.5	0.0	0.0
Accumulated depreciation of deductions	0.7	0.0	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-37.4	-27.9	0.0	0.0
Book value 31.12.	40.7	47.5	0.0	0.0
Machinery and equipment				
Acquisition costs at the beginning of the financial period	104.4	86.4	0.0	0.0
Transfers between items	0.6	0.0	0.0	0.0
Additions during the financial period	17.0	18.0	0.0	0.0
Deductions during the financial period	0.0	0.0	0.0	0.0
Acquisition cost 31.12.	122.0	104.4	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-45.8	-32.0	0.0	0.0
Depreciation 1.1.-31.12.	-14.1	-13.8	0.0	0.0
Accumulated depreciation of deductions	0.0	0.0	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-59.9	-45.8	0.0	0.0
Book value 31.12.	62.1	58.6	0.0	0.0
Other tangible assets				
Acquisition costs at the beginning of the financial period	24.6	17.7	0.0	0.0
Additions during the financial period	1.2	6.8	0.0	0.0
Transfers between items	-21.9	0.0	0.0	0.0
Acquisition cost 31.12.	3.8	24.6	0.0	0.0
Accumulated depreciation and reduction in value at the beginning of the financial period	-2.4	-1.4	0.0	0.0
Depreciation 1.1.-31.12.	0.0	-1.0	0.0	0.0
Accumulated depreciation and reduction in value 31.12.	-2.5	-2.4	0.0	0.0
Book value 31.12.	1.4	22.1	0.0	0.0



Tangible assets, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Advance payments and construction in progress				
Acquisition costs at the beginning of the financial period	12.7	14.0	0.0	0.0
Additions/deductions during the financial period	-2.9	-1.3	0.0	0.0
Transfers between items	-0.4	0.0	0.0	0.0
Book value 31.12.	9.3	12.7	0.0	0.0
Total tangible assets	113.6	140.9	0.0	0.0

During the financial year 2023, assets from Fintraffic Railway Ltd's tangible assets were transferred to intangible assets and machinery and equipment. The transfer was made due to a review of the fixed asset category for remote control systems and assigning them to a more suitable category. The values of the transferred items are described above under changes in fixed assets.

Investments, EUR million	Parent company	
	31.12.2023	31.12.2022
Shares in Group companies		
Acquisition costs at the beginning of the financial period	165.3	165.3
Acquisition costs at the end of the financial period	165.3	165.3
Book value 31.12.	165.3	165.3

Ownership in other companies	Group ownership %	Parent company ownership %
Group companies		
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

Asset specification, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Long-term receivables				
Receivables from others				
Derivative receivables	1.7	2.8	1.7	2.8
Prepayments and accrued income	15.3	22.4	0.0	0.0
Total long-term receivables	17.0	25.3	1.7	2.8

On 31 December 2023, receivables from interest rate swaps totalled EUR 1.7 million. The figures and accounting practices used are presented under "Hedging instruments and hedge accounting" and "Liabilities, Non-current liabilities".

Asset specification, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Short-term receivables				
Receivables from Group companies				
Accounts receivable			0.7	0.9
Other receivables			25.7	33.8
Prepayments and accrued income			2.3	0.0
Total			28.8	34.6

The Group's "Other receivables" include the balance of the Group's cash pool accounts, EUR 19.6 million.

Receivables from others	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Accounts receivable	27.0	24.4	17.0	16.8
Loan receivables	0.0	0.0	0.0	0.0
Other receivables	0.5	0.9	0.0	0.0
Prepayments and accrued income	31.9	24.2	17.5	16.3
Total	59.4	49.5	34.5	33.2
Total short-term receivables	59.4	49.5	63.3	67.8

Essential items in accrued income	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Accrued income from net sales	20.4	18.1	16.6	15.8
Contributions and subsidies	2.5	5.5	0.0	0.0
Receivables from occupational healthcare	0.2	0.2	0.0	0.0
Taxes	0.4	0.0	0.0	0.0
Interest	0.5	0.0	0.4	0.0
Other	0.9	1.3	0.5	0.5
Regulation adjustment, short-term receivables	9.2	0.0	0.0	0.0
Regulation adjustment, long-term receivables	13.1	21.5	0.0	0.0
Total	47.2	46.6	17.5	16.3

The regulation adjustment includes EUR 40.9 million in receivables and EUR 18.6 million in liabilities.

Regulation adjustment, EUR million	0-1 years	1-5 years	Over 5 years	Total
Receivables	12.9	28.0	0.0	40.9
Liabilities	-3.7	-8.5	-6.4	-18.6
Net balance	9.2	19.6	-6.4	22.3

Deferred unbooked tax assets, EUR million	Group	
	31.12.2023	31.12.2022
Deferred tax receivables on confirmed losses	6.8	6.3
Deferred tax liabilities on regulatory receivables	-4.5	-2.7
Total deferred unbooked tax assets	2.4	3.6



Financial assets, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Financial securities				
Investments in commercial papers (less than 1 year)	3.0	10.0	3.0	10.0
Cash and cash equivalents	24.5	19.4	24.3	19.3
Total financial assets	27.5	29.3	27.3	29.3

The company's financial securities are valued at nominal value or at a lower probable realisable value.

Notes to equity and liabilities

Equity, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
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 swaps 1–4 years, fair value 31.12.	1.2	0.8	1.2	0.8
Interest rate swaps 4+ years, fair value 31.12.	0.5	2.0	0.5	2.0
Retained earnings (loss)	17.6	10.7	0.7	0.6
Profit (loss) for the financial period	5.0	6.9	0.0	0.0
Retained earnings at the end of the financial period	22.6	17.6	0.7	0.7
Total equity	179.6	175.8	157.7	158.9

Fintraffic complies with Chapter 5, Section 2a of the Accounting Act (Accounting Board 2963/2016) by recognising the fair value of effective interest rate swaps in the fair value reserve. The fair value of ineffective interest rate swaps is recognised through profit or loss in financial items. Interest rate swaps are assumed to be effective when interest rates are expected (based on the interest rate curve) to be positive for more than 50% of the contract's duration. On 31 December 2023, all interest rate swaps were effective and their fair value, about EUR 1.7 million, was entered into the fair value reserve in full.

Distributable equity, EUR million	Parent company	
	31.12.2023	31.12.2022
Retained earnings	0.7	0.6
Profit for the financial period	0.0	0.0
Reserve for invested unrestricted equity	154.8	154.8
Total	155.5	155.5

The number of company shares by share class and the main orders of the by-laws concerning each share

	2023	2022
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 grant an equal right to dividends and company assets.

Liability specification, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Non-current liabilities				
Payables to others				
Loans from financial institutions	30.0	55.0	30.0	55.0
Effective interest	-0.1	-0.2	-0.1	-0.2
Advances received	4.0	1.0	0.0	0.0
Total	33.9	55.8	29.9	54.8

Fintraffic complies with Chapter 5, Section 2a of the Accounting Act by entering the fair values of ineffective interest rate swaps under financial items. Similarly, the fair value of effective interest rate swaps is recorded in the balance sheet in the fair value reserve. The fair values of interest rate swaps are recognised in the balance sheet as derivative liabilities and receivables. At the end of 2023, receivables from interest rate swaps totalled EUR 1.7 million, presented under "Long-term receivables, receivables from others". The company defers the arrangement fees for loan facilities over the duration of the maturity of the loan facilities using the effective interest method for the loan period.

Payables falling due after more than five years, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Loans from financial institutions	0.0	10.0	0.0	10.0
Accruals and deferred income from regulation adjustment	6.4	7.1	0.0	0.0
Total	6.4	17.1	0.0	10.0

The share of the regulation adjustment due after five years has been netted against long-term accruals.



Deferred tax liabilities, EUR million	Group	
	31.12.2023	31.12.2022
From appropriations	3.2	2.8
Unused tax depreciation	-0.1	-0.1
Total	3.1	2.7

The appropriations consist of accumulated depreciation difference.

Current liabilities, EUR million	Group		Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Payables to others				
Loans from financial institutions	25.0	0.0	25.0	0.0
Commercial papers	17.8	14.9	17.8	14.9
Advances received	0.5	0.1	0.5	0.1
Accounts payable	19.5	19.8	1.3	0.9
Other liabilities	4.3	3.9	0.2	0.2
Accruals and deferred income	24.8	32.2	2.1	2.2
Total	92.0	70.9	47.0	18.2
Liabilities to Group companies				
Accounts payable			0.1	7.6
Accruals and deferred income			16.5	15.9
Other liabilities			11.9	12.8
Total			28.5	36.3

The Group's "Other liabilities" include the balance of the Group's cash pool accounts, EUR 5.9 million.

Essential items in accruals and deferred income, EUR million	Group	Parent company
	31.12.2023	31.12.2022
Salaries and social security expenses	23.0	22.8
Interests	0.1	0.1
Taxes	0.0	0.0
Regulation liability	0.0	7.9
Other	1.8	1.4
Total	24.8	32.2

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

Commitments and contingencies, EUR million	Group		Parent company	
	2023	2022	2023	2022
Leasing contracts				
Payables from leasing contracts				
Payable in the next financial period	1.3	0.9	0.4	0.2
Payable later	1.5	1.1	0.4	0.4
Total	2.8	1.9	0.8	0.6
Other contingent liabilities				
Payable in the next financial period	19.7	22.4	0.9	0.0
Payable later	12.8	8.3	0.0	0.0
Total	32.6	30.7	0.9	0.0
Liabilities from rental agreements				
Payable in the next financial period	4.5	3.2	1.4	0.0
Payable later	47.4	47.9	38.8	38.7
Total	51.9	51.1	40.2	38.7
Pension obligations				
Supplementary pension obligations	0.3	0.3	0.0	0.0
Total	0.3	0.3	0.0	0.0
Guarantees and deposits				
Guarantee deposits	0.2	0.2	0.0	0.0
Rental guarantees	0.0	0.1	0.0	0.0
Guarantees on behalf of Group companies	0.0	0.0	0.0	0.0
Bank guarantees	1.2	1.1	1.2	1.1
Total	1.5	1.5	1.3	1.1

Liabilities are presented without VAT.

On 29 December 2023, the Helsinki District Court dismissed the case against Fintraffic Vessel Traffic Control Ltd concerning the annual leaves of VTS operators. The claimant will appeal the case to the Helsinki Court of Appeal. The defendant has contested the case and is of the opinion that the claims should be dismissed as unfounded. For this reason, no provision has been entered into the accounts.

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



Financial arrangements

At the end of 2023, the Group had interest-bearing loans totalling about EUR 72.7 million. Of these, EUR 54.9 million were long-term bank loans drawn from a revolving credit facility, of which EUR 25 million will fall due for payment in 2024. No new long-term bank loans were drawn or repaid during the year. On 31 December 2023, approximately EUR 17.8 million worth of short-term commercial papers, with a maturity of less than a year, had been drawn from the commercial paper programme of EUR 100 million, launched in 2022. The programme was actively used in 2023, and commercial papers were issued to investors as proposed at the amount of EUR 80.3 million. At the end of 2023 the Group had a total of EUR 100 million in committed long-term revolving credit facilities for the purpose of financing investments and working capital. In addition the Group has EUR 20 million in account limits and a commercial paper programme with a nominal value of EUR 100 million.

The Group's net debt stood at EUR 45.2 million at the end of the year. Gearing was about 25 per cent and the equity ratio approximately 59 per cent.

Hedging instruments and hedge accounting

Interest rate risks

In accordance with Fintraffic's financing policy, 50 per cent of its floating-rate loan portfolio has been converted into fixed-rate loans with the aim of stabilising fluctuations in interest expenses. The loan portfolio also includes the estimated long-term portion of short-term loans. Hedges are mainly made through interest rate swaps with similar terms to the floating rate loans in the company's loan portfolio. Interest rate swaps are effective when market interest rates are positive, as they react symmetrically. They therefore effectively convert floating-rate loans to fixed-rate loans. Interest rate swaps are assumed to be effective when interest rates are expected (based on the interest rate curve) to be positive for more than 50% of the maturity of the contracts. The company complies with Chapter 5, Section 2a of the Accounting Act by entering the fair values of ineffective interest rate swaps under financial items. Similarly, the fair value of effective interest rate swaps is recorded in the balance sheet in the fair value reserve. At the end of 2023, all interest rate swaps were effective.

Fair values are categorised into the following levels:

Level 1. Quoted unadjusted prices at reporting date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market data provider, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price.

Level 2. The fair value of financial instruments is determined using valuation techniques. As input data, these techniques utilise observable market prices readily and regularly available from an exchange, dealer, broker, market data provider, pricing service or regulatory agency.

Level 2 financial instruments include over-the-counter (OTC) derivatives classified as financial assets and liabilities at fair value through profit or loss or derivatives qualified for hedge accounting and

are entered into the fair value reserve, and all other financial assets and liabilities.

Level 3. A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. Level 3 financial instruments include equity investments classified as financial assets at fair value through profit or loss.

All interest derivatives are categorised at Level 2 of the fair value hierarchy. The fair values of Level 2 instruments are largely based on input data other than the quoted prices applied to Level 1 instruments, but still on data that can be determined for the asset or liability in question either directly (i.e., as a price) or indirectly (i.e., derived from prices).

In the financial statements of 31 December 2023, only the Group's parent company had any derivative contracts.

Hedge agreements, EUR million	Nominal value 31.12.2023	Nominal value 31.12.2022	Fair value 31.12.2023	Fair value 31.12.2022
Interest rate swaps 1–4 years, fair value 31.12.	27.5	17.5	1.2	0.8
Interest rate swaps 4+ years, fair value 31.12.	5.0	15.0	0.5	2.0
	32.5	32.5	1.7	2.8



On 31 December 2023, all interest rate swaps were effective, and their fair value was recognised in full in the fair value reserve in the balance sheet.

Currency risks

As Fintraffic primarily makes transactions in euros, its currency risks are fairly minor. The company's currency risk management aims to minimise its currency risks. Currency risks are primarily hedged using contractual terms and by netting cash flows. Net risks are hedged using financial instruments, and mainly with currency-forward instruments. The company had no currency forward contracts at the end of 2023.

Investments in interest instruments

Fintraffic's investment principles are defined in its financial policy, and investment limits have been set on a case-by-case basis. Cash and cash equivalents are invested appropriately with regard to liquidity management, taking into account the liquidity of investments, creditworthiness and yield. Investments are mainly less than three months in duration. According to the investment limit approved by the Board of Directors, investments must have a good creditworthiness rating, that is, they must be of an "investment grade" (such as S&P BBB- or better), or they must be a public

sector organisation or company with an equivalent credit risk in which a municipality or the State has a majority holding. Investments are made only in interest-based instruments such as commercial papers and certificates of deposit. At the end of 2023, the company's investments had a value of about EUR 3 million. The investments were made in commercial papers and their term to maturity was under three months.

Credit risks

Fintraffic actively monitors credit risks. Receivables are valued at nominal value or at a lower probable value.

In the financial statements of 31 December 2023, only Fintraffic Air Navigation Services Ltd incurred any credit losses.

Transactions with related parties

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 153.9 million. The commercial model and invoicing for the agreement were based on a five per cent margin added to the transparent costs of service provision. Traffic

Management Company Fintraffic Ltd subcontracts road, rail and vessel traffic management services from its subsidiaries. These services amounted to a total of EUR 152 million in the 2023 financial year.

As in the three previous years, in late 2023 a business transaction was concluded between the Group's parent company Traffic Management Company Fintraffic Ltd and the Finnish State, represented by the Finnish Transport Infrastructure Agency. In the transaction, assets from projects completed by the Finnish Transport Infrastructure Agency were transferred for the total amount of EUR 0,1 million. On 31 December 2023, the business operations were then transferred from the parent company to the subsidiaries responsible for the business in question.

The material intra-group balance sheet items are presented under "Liabilities and receivables from Group companies" in the notes to the financial statements. Funding between the Group companies has been arranged through group cash pool accounts. A Group service agreement has been concluded between the parent company and subsidiaries in which the parent company's expenses are allocated to subsidiaries using allocation keys.

Transactions between Group companies and related parties use equivalent terms and conditions to those with other parties.



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

Helsinki, 11 March 2024

Tero Ojanperä

Chair of the Board of Directors

Minna Björkman

Member of the Board of Directors

Kirsi Nuotto

Member of the Board of Directors

Kaisa Olkkonen

Member of the Board of Directors

Teemu Penttilä

Member of the Board of Directors

Mari Puoskari

Member of the Board of Directors

Seija Turunen

Member of the Board of Directors

Pia Julin

CEO

Auditor's Report

A report on the audit has been issued today.

Helsinki, 11 March 2024

Ernst & Young Oy, Authorised Public Accountant Firm

Mikko Ryttilähti

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, 2023. 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 11.3.2024

Ernst & Young Oy

Authorized Public Accountant Firm

Mikko Ryttilähti

Authorized Public Accountant,

Chartered Public Finance Auditor



FINTRAFFIC, PALKKATILANPORTTI 1, 00240 HELSINKI, FINLAND