FINNAIR GROUP INTERIM REPORT

1 JANUARY – 31 MARCH 2024

23 April 2024

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Yields and operating cash flow remained at a good level. Strikes had a negative impact on revenue and result.

January – March 2024

- Revenue decreased by 1.9% to 681.5 million euros (694.7*).
- Unit cost (CASK) decreased by 4.3 per cent and totalled 7.77 cents (8.11).
- Comparable operating result was -11.6 million euros (0.9) and operating result was -17.2 million euros (8.3).
- Earnings per share were -0.15 euros (-0.09**).
- Cash funds were 981.0 million euros (31 Dec 2023: 922.0). The equity ratio was 15.3 per cent (31 Dec 2023: 15.6).
- Net cash flow from operating activities was 138.9 million euros (206.8), and net cash flow from investing activities was -25.9 million euros (-143.7).*** Gross capital expenditure totalled 43.4 million euros (80.0).
- Number of passengers decreased by 1.9 per cent to 2.5 million (2.6).
- Available seat kilometres (ASK) increased by 4.4 per cent to 8,922.9 million kilometres (8,550.2). When wet leases are included, ASKs increased by 3.5 per cent.
- Passenger load factor (PLF) decreased to 72.1 per cent (75.1).

* *Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period, i.e., the same period last year.*

** *A rights issue was implemented in November 2023 and, thus, the comparison period figure has been restated accordingly. On 20 March 2024, Finnair executed a reverse split, i.e. the reduction of the number of shares where every 100 old shares in the company corresponds to one new share.*

*** *In Q1, net cash flow from investing activities included 6.5 million euros of redemptions (63.8 million euros on investments) in money market funds or other financial assets (maturity over three months). They are a part of the Group's liquidity management.*

Outlook

GUIDANCE ISSUED ON 14 FEBRUARY 2024:

Global air traffic is expected to continue growing in 2024. However, risks related to the impact of inflation and higher interest rates on demand and costs remain elevated, causing uncertainty in the operating environment. International conflicts and global political instability also cause uncertainty in the operating environment. These factors may affect the demand for air travel and cargo.

Finnair plans to increase its total capacity by more than 10 per cent in 2024. The capacity estimate includes the agreed wet leases. This growth will mainly focus on Asia and Europe. Finnair's revenue is expected to grow at a somewhat slower pace than capacity in 2024.

In accordance with its disclosure policy, Finnair provides full-year comparable EBIT estimate in connection with the half-year report in July.

Finnair will update its outlook and guidance in connection with the Q1 2024 interim report.

NEW GUIDANCE ON 23 APRIL 2024:

Global air traffic is expected to continue growing in 2024. However, risks related to the impact of inflation and higher interest rates on demand and costs remain elevated, causing uncertainty in the operating environment. International conflicts and global political instability also cause uncertainty in the operating environment. These factors may affect the demand for air travel and cargo.

Finnair updates its guidance and now plans to increase its total capacity, measured by ASKs, by c. 10 per cent in 2024. The capacity estimate includes the agreed wet leases. This growth will mainly focus on Asia and Europe. Finnair's revenue is now expected to grow at a slower pace than capacity in 2024. In its previous guidance, Finnair planned to increase its capacity by more than 10 per cent and its revenue was expected to grow at a somewhat slower pace than capacity in 2024.

In accordance with its disclosure policy, Finnair provides full-year comparable EBIT estimate in connection with the half-year report in July.

Finnair will update its outlook and guidance in connection with the 2024 half-year report.

Interim CEO Jaakko Schildt:

Finnair carried 2.5 million passengers in January–March and revenue for the period totalled 681.5 million euros (694.7). The revenue decrease was driven by the political strikes in Finland, normalised revenue recognition related to expired tickets and lower cargo yields, despite higher ancillary and travel services revenue. On the other hand, operating expenses remained unchanged year-on-year due to a strict cost control and a lower fuel price even though capacity increased. Comparable operating result in the seasonally weakest quarter was -11.6 million euros (0.9).

Demand remained good in the quarter and customers booked trips especially for the upcoming summer season. As a result of the successful pricing, our yields remained strong despite a slight decrease year-on-year. Also our operating cash flow was at a good level.

The strikes in Finland and in Europe negatively affected our on-time performance during the quarter. Our on-time performance was also burdened by winter weather conditions, landing at 75 per cent (82).

A new era started in our Finnair Plus loyalty programme when it became spend-based and we adopted Avios as our loyalty currency. The ticket type changes carried out last summer have yielded results that are visible in our customer satisfaction, on-time performance and ancillary revenue figures. Our Net Promoter Score (NPS) measuring customer satisfaction remained at a good level at 34.

During the first quarter, our contribution to solving the climate challenge of aviation took an important step forward as we submitted our new climate target for validation to Science Based Targets initiative (SBTi). Finnair's target is to reduce the emissions intensity from the aircraft we fly by 34.5 per cent through 2033 compared to 2023 baseline.

Finnair's Annual General Meeting resolved on a reverse split in March. After the reverse split, every 100 old shares corresponds to one new share. The aim of the reverse split was to facilitate trading conditions and improve the price formation of the shares.

At the end of March, four A320 aircraft returned from wet lease outs to British Airways. At the same time, one of our A330 aircraft moved to operate Qantas flights between Bangkok and Sydney, based on a wet lease agreement.

The entire Finnair personnel is preparing for the seasonally busiest travelling period ahead. We have recruited summer workers especially in Finnair Kitchen and in airport customer service operations. The pilot and cabin crew recruitments done in 2023 also support operations in the summer. Our network includes 15 long-haul and almost 70 European destinations, with Wroclaw in Poland as the latest addition. I believe our strong offering matches well to the needs of our customers. Our committed personnel together with our partners takes care of a safe, smooth and pleasant customer experience.

Business environment in Q1

In the review period, strikes impacted on Finnair's operations as the company was forced to cancel approximately 550 flights and reorganise refuelling operations as fuel deliveries were suspended for two weeks. Russian airspace closure to EU carriers continued to negatively impact on Finnair's Asian traffic. Finnair has continued operating to most of its Asian destinations despite routings that are up to 40 per cent longer. However, the company has limited operations especially to China. Although costs increased considerably due to longer flight times, the Asian market yields remained at a good level, thanks to demand as well as constrained capacity caused by the global labour shortage and operational challenges. Demand in intra-European and North Atlantic markets remained robust despite an increase in capacity.

Scheduled market capacity, measured in ASKs, between origin Helsinki and Finnair's European destinations increased by 5.7 per cent (30.1) year-on-year. Direct market capacity between Finnair's Asian and European destinations increased by 32.1 per cent (116.7) and between Finnair's North Atlantic and European destinations by 2.7 per cent (39.0) year-on-year.

The demand for package holidays continued to be strong during the first quarter. The strong demand was reflected in increased trip prices, which covered the increased flight and hotel costs. Sales for the summer season are at a good pace, and customers have started booking trips for the upcoming winter season well in advance. Strikes have created uncertainty in the market environment but have not had a significant impact on the production of Aurinkomatkat trips. The demand for Aurinkomatkat City Holidays continued to grow strongly. Tel Aviv City Holidays have been canceled for the time being, but the Middle East crisis has not had a significant impact on the demand for Aurinkomatkat products.

In the global air freight market, growing supply, softer demand and, thus, declining market prices resulted in lower Finnair's cargo revenue than in the comparison period. However, the softened demand for cargo has already started to level off, which has a positive impact on market prices.

The US dollar, which is the most significant expense currency for Finnair after the euro, weakened by 1.2 per cent against the euro year-on-year. The Q1 US dollar-denominated average market price of jet fuel was 3.5 per cent lower and the euro-denominated market price was 4.7 per cent lower than in the comparison period. Changes in fuel price and exchange rates are, however, not directly reflected in Finnair's result due to its hedging policy, as the company hedges its fuel purchases and key foreign currency items.

Financial performance in Q1

REVENUE IN Q1

Finnair's total revenue year-on-year mainly due to lower passenger revenue.

Revenue by product

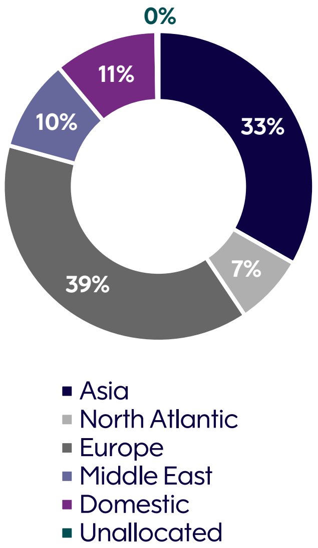
EUR million	Q1/2024	Q1/2023	Change %
Passenger revenue	539.3	553.4	-2.5
Ancillary revenue	37.3	33.0	13.2
Cargo	46.3	53.4	-13.3
Travel services	58.4	54.9	6.4
Total	**681.5**	**694.7**	**-1.9**

Unit revenue (RASK) decreased by 6.0 per cent and amounted to 7.64 cents (8.13). The RASK decrease was caused by a lower passenger load factor, normalised revenue recognition related to expired tickets, strikes and lower cargo yields.

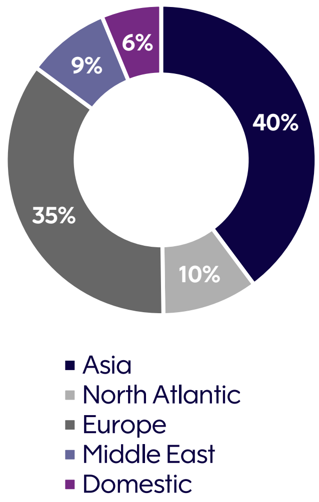
Passenger revenue and traffic data by area

	Passenger revenue		ASK		RPK		PLF	
Traffic area	Q1/2024 MEUR	Q1/2023 MEUR	Q1/2024 Mill. km	Q1/2023 Mill. km	Q1/2024 Mill. km	Q1/2023 Mill. km	%	Change %-p
Asia	179.3	180.7	3,552.8	3,159,0	2,516.8	2,417.0	70.8	-5.7
North Atlantic	39.8	42.4	888.4	981.4	594.3	636.8	66.9	2.0
Europe	208.4	211.1	3,154.5	3,036.1	2,343.1	2,346.5	74.3	-3.0
Middle East	52.0	56.3	771.5	829.4	594.7	625.6	77.1	1.7
Domestic	58.6	58.0	555.7	544.3	386.3	392.4	69.5	-2.6
Unallocated	1.2	4.9						
Total	**539.3**	**553.4**	**8,922.9**	**8,550.2**	**6,435.2**	**6,418.4**	**72.1**	**-2.9**

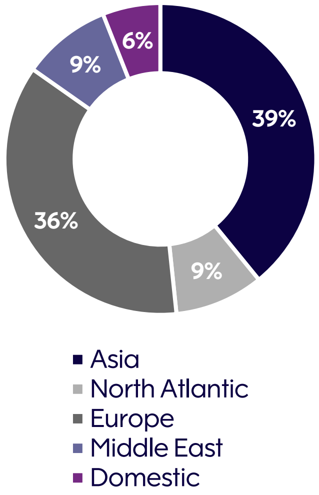
Q1 passenger revenue



Q1 capacity (ASKs)



Q1 traffic (RPKs)



Many of January—March traffic figures weakened year-on-year. Due to a political strike in Finland in February Finnair was forced to cancel c. 550 flights during the quarter. Russian airspace closure had a negative impact which was visible mainly in the Asian figures as travelling to China was still limited and as the longer routings limit Finnair's Asian capacity. Passenger revenue decreased by 2.5 per cent and traffic capacity, measured in Available Seat Kilometres (ASK), increased by 4.4 per cent overall against the comparison period. Available Seat Kilometres including wet lease out increased by 3.5 per cent. The number of passengers decreased by 1.9 per cent to 2,543,400 passengers. Traffic, measured in Revenue Passenger Kilometres (RPK), increased by 0.3 per cent and the passenger load factor declined by 2.9 percentage points to 72.1 per cent.

The distance-based reported traffic figures are based on the great circle distance and, thus, do not reflect the longer Asian routings caused by the closure of Russian airspace. As a result, they are not fully comparable with the figures prior to the airspace closure. During the period, the adjusted ASKs, taking into account the longer sector lengths, would be c. 15 per cent higher than the reported ASKs.

In Asian traffic, Finnair has gradually added capacity to e.g. Japan, Hong Kong and Thailand. Therefore, ASKs grew by 12.5 per cent and RPKs by 4.1 per cent. PLF declined by 5.7 percentage points to 70.8 per cent.

North Atlantic ASKs in Q1 2024 decreased by 9.5 per cent year-on-year. RPKs decreased by 6.7 per cent year-on-year. PLF increased by 2.0 percentage points to 66.9 per cent.

ASKs grew by 3.9 per cent in European traffic year-on-year. RPKs decreased by 0.1 per cent compared with the previous year. PLF declined by 3.0 percentage points to 74.3 per cent.

ASKs decreased by 7.0 per cent in Middle Eastern traffic year-on-year mainly due to cancelled flights to Israel. RPKs decreased by 4.9 per cent. The PLF increased by 1.7 percentage points to 77.1 per cent.

Domestic traffic capacity increased by 2.1 per cent, while RPKs decreased by 1.6 per cent. The PLF decreased by 2.6 percentage points to 69.5 per cent year-on-year.

Ancillary revenue increased by 13.2 per cent to 37.4 million euros (33.0) and ancillary revenue per passenger increased by 15.4 per cent to 14.70 euros (12.74). Advance seat reservations, excess baggage and flight ticket related fees were the largest ancillary categories.

Revenue cargo tonne kilometres increased by 11.6 per cent year-on-year. Even though total cargo tonnes increased by 11.9 per cent, cargo revenue decreased by 13.3 per cent year-on-year due to lower cargo yields. It should be noted that Finnair reports the cargo traffic figures related to the Qatar Airways cooperation as the operating carrier. However, revenue related to these flights is reported in full in passenger revenue.

Travel services' financial development has been positively affected by the robust demand after the COVID-19 pandemic. Even though the total number of travel services passengers decreased by 1.9 per cent year-on-year and the load factor in allotment-based capacity was 96.1 per cent, travel services revenue increased by 6.4 per cent to 58.4 million euros (54.9).

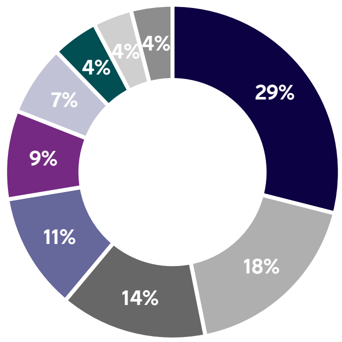
Other operating income increased by 4.4 per cent to 32.5 million euros (31.1) as a result of Qantas wet lease out flights started in Q4 2023.

OPERATING EXPENSES INCLUDED IN COMPARABLE OPERATING RESULT IN Q1

Despite increased capacity year-on-year, Finnair's operating expenses, included in the comparable operating result remained flat due to continued cost efficiency actions and a lower jet fuel price. Due to the political strike, Finnair was forced to refuel its fleet outside Finland in March, which had a negative cost impact. In addition, capacity increase in Asia increased costs as closed airspace in Russia in 2022 has increased routings up to 40 per cent.

Unit cost (CASK) decreased by 4.3 per cent and totalled 7.77 cents (8.11). CASK excluding fuel decreased by 2.4 per cent. The CASK decrease was caused by the increased capacity, lower jet fuel price, as well as the achieved cost savings.

Q1 operating expenses (€725.6 million in total) included in comparable operating result



EUR million	Q1/2024	Q1/2023	Change %
Staff and other crew related costs	129.7	129.1	0.4
Fuel costs	210.2	219.6	-4.3
Capacity rents	27.2	26.8	1.6
Aircraft materials and overhaul	49.5	49.6	-0.0
Traffic charges	62.3	55.4	12.4
Sales, marketing and distribution costs	32.3	31.1	3.8
Passenger and handling costs	103.3	103.4	-0.2
Property, IT and other expenses	29.0	28.0	3.7
Depreciation	82.1	82.0	0.2
Total	**725.6**	**725.0**	**0.1**

Operating expenses included in the comparable operating result, excluding fuel, increased by 2.0 per cent.

Fuel costs, including hedging results and emissions trading costs, decreased by 4.3 per cent despite the increased capacity (measured in ASK) as the fuel market price[1] declined year-on-year, although political strikes in March negatively impacted on fuel costs. Fuel efficiency (as measured in fuel consumption per ASK) weakened by 1.7 per cent due to e.g., added Asian capacity. Fuel consumption per RTK, which also accounts for developments in both passenger and cargo load factors, weakened by 3.0 per cent year-on-year due to a lower load factor.

Sales, marketing and distribution costs increased due to added capacity. Traffic charges increased more than capacity mainly due to price increases. Further, some costs were reallocated from passenger and handling costs to traffic charges during the period and, thus, these cost items are not fully comparable year-on-year.

[1] Fuel price impact including impact of currencies and hedging.

Capacity rents, covering purchased traffic from Norra and any wet lease ins or potential cargo rents increased slightly less than capacity. Property, IT and other expenses increased mainly due to exchange rate fluctuations.

RESULT IN Q1

EUR million	Q1/2024	Q1/2023	Change %
Comparable EBITDA	**70.5**	**82.8**	**-14.9**
Depreciation and impairment	-82.1	-82.0	-0.2
Comparable operating result	**-11.6**	**0.9**	**<-200**
Items affecting comparability	-5.6	7.4	-174.9
Operating result	**-17.2**	**8.3**	**<-200**
Financial income	11.0	12.2	-9.7
Financial expenses	-27.7	-36.7	24.3
Exchange gains and losses	-3.6	8.8	-141.3
Result before taxes	**-37.6**	**-7.4**	**<-200**
Income taxes	7.6	10.3	-26.3
Result for the period	**-29.9**	**3.0**	**<-200**

Finnair's comparable EBITDA and comparable operating result both decreased year-on-year due to lower revenue and comparable operating result turned negative. In Q1 2023, it was exceptionally positive despite being seasonally the weakest quarter.

Unrealised changes in foreign currencies relating to fleet overhaul provisions were -2.5 million euros (3.2). Finnair recognised an impairment of 0.7 million euros related to a related to lease agreements for a maintenance hangar and its land area situated in the Helsinki airport area. During Q1 2023, no impairments were made. Other items affecting comparability consist of fair value changes of derivatives for which hedge accounting is not applied, sales gains or losses and restructuring costs. These items totalled -2.3 million euros (4.3) during the quarter.

The net financial expenses were negative in Q1 because of the interest expenses and exchange losses surpassing interest income. The result for the period turned negative as well.

Financial position and capital expenditure

BALANCE SHEET

The Group's balance sheet totalled 3,815.0 million euros at the end of March (31 Dec 2023: 3,698.0). Fleet book value decreased by 14.6 million euros to 1,038.4 million euros (31 Dec 2023: 1,053.0) due to depreciation despite limited investments. The right-of-use fleet decreased by 31.7 million euros to 743.3 million euros (31 Dec 2023: 775.0) also due to depreciation.

Receivables related to revenue increased to 207.6 million euros (31 Dec 2023: 154.4) mainly due to seasonality. Net deferred tax assets declined slightly to 232.2 million euros (31 Dec 2023: 234.0). Pension assets increased to 129.0 million euros (31 Dec 2023: 128.0) mostly due to actuarial gains whereas pension obligations remained unchanged at 0.8 million euros (31 Dec 2023: 0.8).

Deferred income and advances received increased to 662.1 million euros (31 Dec 2023: 506.7). This was mainly caused by an increase in the unflown ticket liability, amounting to 545.7 million euros (31 Dec 2023: 394.8) due to normal seasonality.

Despite a negative result for the period, shareholders' equity increased to 583.9 million euros (31 Dec 2023: 577.0), or 2.86 euros per share (31 Dec 2023: 2.82[2]). Shareholders' equity includes a fair value reserve that is affected by changes in the fair values of jet fuel and currency derivatives used for hedging as well as actuarial gains and losses related to defined benefit plans. The value of the item at the end of March was 86.2 million euros after deferred taxes (31 Dec 2023: 48.6) as the increase in the fair value of hedge instruments had a positive impact on equity, especially due to the higher jet fuel price.

[2] A rights offering was implemented in November 2023. The shareholders' equity per share for the comparison period has been restated accordingly. Further, a reverse split, where every hundred old shares were combined into one new share, was executed during Q1 2024. As the total number of shares decreased accordingly, it had a hundredfold impact on equity per share.

CASH FLOW AND FINANCIAL POSITION

Cash flow

EUR million	Q1/2024	Q1/2023
Net cash flow from operating activities	**138.9**	**206.8**
Net cash flow from investing activities	**-25.9**	**-143.7**
Net cash flow from financing activities	**-61.9**	**-78.5**

During Q1 2024, net cash flow from operating activities decreased mainly due to changes in working capital. Net cash flow from investments was negative mainly due to due to fleet-related investments. Net cash flow from financing was negative due to both loan and lease liability repayments as well as share issue costs.

Capital structure

%	31 Mar 2024	31 Dec 2023
Equity ratio	**15.3**	**15.6**
Gearing	**177.0**	**192.8**

The equity ratio on 31 March 2024 remained stable compared to the year-end 2023 despite negative result for the period. Gearing declined due to increased cash funds which lowered interest-bearing net debt.

Liquidity and net debt

EUR million	31 Mar 2024	31 Dec 2023
Cash funds	981.0	922.0
Adjusted interest-bearing liabilities	2,014.6	2,034.5
Interest-bearing net debt	**1,033.6**	**1,112.5**

The company's liquidity remained strong on the back of the good net cash flow from operating activities and limited investments compared with the previous year.

Adjusted interest-bearing liabilities decreased from year-end 2023 due to repayments of lease liabilities and loan repayments. The share of lease liabilities totalled 1,108.4 million euros (31 Dec 2023: 1,115.0).

CAPITAL EXPENDITURE

Gross capital expenditure, excluding advance payments, totalled 43.4 million euros during Q1 2024 (80.0) and was primarily related to fleet investments.

Cash flow from investments (including fixed asset investments and divestments, sublease payments received, advance payments and change in other non-current assets) totalled -32.4 million euros (-79.9).

Change in other current financial assets (maturity over three months) totalled 6.5 million euros (-63.8) also forming a part of the total net cash flow from investments, which amounted to -25.9 million euros (-143.7).

Cash flow from investments (including only fixed asset investments and advance payments) for the financial year 2024 relates mainly to the fleet and is expected to total -232 million euros. Investment cash flow includes both committed investments as well as estimates for planned, but not yet committed, investments.

The company has 42 unencumbered aircraft, which account for approximately 38.3 per cent of the balance sheet value of the entire fleet of 1,781.7 million euros.[3]

Fleet

FINNAIR'S OPERATING FLEET

Finnair's fleet is managed by Finnair Aircraft Finance Oy, a wholly-owned subsidiary of Finnair Plc. At the end of March, Finnair itself operated 55 aircraft, of which 25 were wide-body and 30 narrow-body aircraft. The average age of the fleet operated by Finnair was 12.7 years.

[3] Fleet value includes right of use assets as well as prepayments of future aircraft deliveries.

Fleet operated by Finnair* 31.3.2024	Seats	#	Change from 31.12.2023	Own**	Leased	Average age 31.3.2024	Ordered
Narrow-body fleet							
Airbus A319	144	5		5		22.8	
Airbus A320	174	10		10		21.6	
Airbus A321	209	15		7	8	9.7	
Wide-body fleet							
Airbus A330	289/263	8		4	4	14.4	
Airbus A350	297/336	17		5	12	6.4	2
Total		**55**	**0**	**31**	**24**	**12.7**	**2**

* Finnair's Air Operator Certificate (AOC).
** Includes JOLCO-financed (Japanese Operating Lease with Call Option) and ECA (Export Credit Agency) financed aircraft.

FLEET RENEWAL

At the end of March, Finnair had seventeen A350 aircraft, which have been delivered between 2015–2021, and two A350 aircraft on order from Airbus. The first aircraft on order is scheduled to be delivered to Finnair in Q4 2024 and the second in Q2 2026.

Finnair's investment commitments for property, plant and equipment, totalling 300.1 million euros, include the upcoming investments in the wide-body fleet.

FLEET OPERATED BY NORRA (PURCHASED TRAFFIC)

Nordic Regional Airlines (Norra) operates a fleet of 24 aircraft for Finnair on a contract flying basis. All the aircraft operated by Norra are leased from Finnair Aircraft Finance Oy.

Fleet operated by Norra* 31.3.2024	Seats	#	Change from 31.12.2023	Own	Leased	Average age 31.3.2024	Ordered
ATR	68–70	12		6	6	14.7	
Embraer E190	100	12		9	3	15.8	
Total		**24**	**0**	**15**	**9**	**15.2**	**0**

* Nordic Regional Airlines Oy's Air Operator Certificate (AOC).

Strategy implementation

In Q2 2023, Finnair set a new financial target, which is a comparable operating profit margin of 6% by the end of 2025. The strategy themes to achieve this target are:

- Customer-centric commercial and operational excellence
- Balanced growth supported by optimised fleet
- Continuous cost efficiency to ensure competitiveness
- Among industry sustainability leaders
- Building a sustainable balance sheet
- Adaptable Finnair culture driven by engaged people

In the last quarter of 2023, Finnair carried out a rights issue of 570 million euros. At the same time, the company supplemented its key long-term financial targets. In addition to the previously announced comparable EBIT margin target of 6%, Finnair aims to achieve a net debt of 1–2 times the comparable EBITDA by the end of 2025 and to restore the company's ability for shareholder distributions from 2025 onwards. Further, Finnair maintained its goal to be carbon neutral by 2045.

Finnair's long-term financial targets are based on the following key assumptions: the company's overall capacity, measured in Available Seat Kilometres (ASK), would increase by more than 15 per cent from 2023 to 2025; the company's maintenance capex would be 80–100 million euros annually; the company would be able to utilise 190 million euros of the recognised deferred tax assets, which would limit the corporate tax payable over the medium term; and the company would maintain a cash to sales ratio of 30 per cent over time.

CUSTOMER-CENTRIC COMMERCIAL AND OPERATIONAL EXCELLENCE

Finnair aims to be a modern Nordic airline, providing customers with the ability to tailor their journey at each step of the process as well as to remain relevant outside of the air travel experience. The first step has been to significantly increase the share of direct distribution, improve digital sales capability, and develop revenue optimisation and partner utilisation. The next step is to smooth the process from the customer's perspective by shifting to customer-centric and data-driven sales, strengthening customer relationships by providing the right product at the right time and increasing customer engagement with more targeted sales communications. Safety as well as excellent on-time performance and regularity remain at the core of Finnair's operational quality, and the company invests in the use of analytics and data to provide a smooth and timely travel experience.

The role of digital services is a key part of Finnair's strategy, and its importance will continue to grow. The average monthly number of unique and verified Finnair website visitors in Q1 increased from the comparison period level and totalled 3.0 million (2.2). The number of active users of the Finnair mobile application increased by 33.7 per cent to 1,064,000 year-on-year, as customers were able to effect more changes and purchase more ancillaries directly from the app. Share of passengers in Finnair's modern channels[4] grew to 69.0 per cent (64.6) driven by the increasing NDC (New Distribution Capability) share in all customer segments.

The updated strategy still emphasises the utilisation of joint businesses with airline partnerships (Atlantic Joint Business or AJB, Siberian Joint Business or SJB and joint business with Juneyao Air). This highlights the role of oneworld partners such as American Airlines and Alaska Airlines in North America, Qatar Airways in the Middle East, Japan Airlines on routes to Japan and Qantas on the new routes connecting Australia and Asia, which Finnair operates. Finnair's partnerships provide Finnair customers with an extensive global network and, on the other hand, significantly strengthen Finnair's distribution power.

Product and service quality are still differentiating factors for Finnair, in which operative quality plays an important role. Finnair's long-haul traffic emphasises a high-quality, differentiating travel experience, while smoothness, simplicity and efficiency are key to intra-European traffic. Finnair's Net Promoter Score (NPS) measuring customer satisfaction was still at a good level of 34 (42) in Q1. In addition to the refurbished wide-body aircraft cabin, which has received very positive feedback from Finnair customers, NPS has been positively impacted by Finnair's fair on-time performance of 75.1 per cent (81.9) despite the capacity challenges that have impacted the European aviation system as well as the severe weather conditions.

During the period, Finnair adopted a new loyalty currency, Avios, and updated the Finnair Plus programme so that it is now spend-based. Further, Finnair added some new loyalty benefits. As Avios is used by multiple airlines, the new currency opens up new opportunities for collecting and spending beyond current options. The company also introduced a new ticket type PrioFlex for corporate customers. Beyond flexibility, PrioFlex encompasses the most sought-after priority services.

BALANCED GROWTH SUPPORTED BY OPTIMISED FLEET

Due to the closure of Russian airspace, Finnair's hub lost its unique geographic advantage, as flying around Russia lengthens the routings between Helsinki and the mega cities in Japan, South Korea and China by up to 40 per cent, depending on the destination. Finnair has therefore re-balanced its network with an emphasis on the West and the Middle East and optimised its European network and traffic structure to increase efficiency.

Through the Qantas wet and dry lease agreements and the cooperation with Qatar Airways, Finnair will be able to productively deploy its A330 fleet despite the closure of Russian airspace, while maintaining flexibility in the near term to restore connectivity between Asia and Europe.

Faster, standardised turnarounds at airports, improved aircraft utilisation and aircraft returned from British Airways wet lease outs as well as the next A350 delivery in Q4 2024 enable Finnair to grow in line with the market and increase capacity at a competitive cost level despite the capacity constraints prevailing in the aircraft market.

CONTINUOUS COST EFFICIENCY TO ENSURE COMPETITIVENESS

Maintaining profitable and competitive operations require Finnair to continuously review its cost levels with a view to containing cost increases. However, the company has moved from programme-based cost reductions towards continuous cost efficiency improvement to ensure its competitiveness and to protect the opportunity to maintain investments in the customer experience also in the future.

[4] The modern sales channels include direct as well as modern, digital indirect channels.

During the period, Finnair continued to advance existing savings projects and developed new projects that, among other things, utilise the opportunities offered by artificial intelligence.

AMONG INDUSTRY SUSTAINABILITY LEADERS

Finnair is committed to continuously and systematically developing its operations in every relevant aspect of sustainability. The company aims to be among the most sustainable airlines in the world. To achieve this, the company must perform visible and effective acts of social and environmental sustainability, as well as cooperate closely with its partners and its supply chain. In order to invest more sustainably, the company must also ensure that the economic development of its business supports such investments.

At the end of the quarter, Finnair's contribution to solving the climate challenge took an important step forward as the company submitted a new climate target for validation to Science Based Targets initiative (SBTi). In line with the Paris agreement and the requirements provided by SBTi, Finnair's target is to reduce the emissions intensity from the aircraft we fly by 34.5% through 2033 compared to 2023 baseline. Finnair chose 2023 as the baseline year, as that was the first year of what can be considered normal after the pandemic and reflects the company's current business operations structure the best. In line with SBTi's requirements, Finnair focuses on reducing the direct emissions of its aircraft. This requires significant measures to modernise Finnair's aircraft, improve operational efficiency and increase the use of sustainable aviation fuels.

The company's long-term sustainability target is to be carbon neutral by 2045.

Social responsibility is a key component of the company's sustainability work. This means taking care of the safety and health of its employees and customers in all circumstances, promoting human rights, equality, nondiscrimination, and diversity in workplace and in its value chain, and offering accessible services.

BUILDING A SUSTAINABLE BALANCE SHEET

In building a sustainable balance sheet, it is essential to maintain the achieved business profitability. This strengthens equity and improves cash flows, which enables debt repayment and – together with continuous cost efficiency – builds a sustainable balance sheet. This strategy theme is also incorporated into other strategy themes.

After the period, S&P Global Ratings has assigned a long-term issuer credit rating of BB+ to Finnair Plc, with a stable outlook. It is the first credit rating for Finnair. A public rating enables deeper funding sources from the debt capital markets and increases the execution certainty of financing transactions. In addition, Finnair has after the period signed a binding secured revolving credit facility of 200 million euros for general corporate purposes.

ADAPTABLE FINNAIR CULTURE DRIVEN BY ENGAGED PEOPLE

Throughout Finnair's 100-year history, the company and its employees have demonstrated a remarkable ability to adapt to changing circumstances and find new, previously untapped opportunities. This has been particularly highlighted during and after the twin crises caused by the pandemic and Russia's attack on Ukraine followed by the closure of Russian airspace. Going forward, the company will focus even more on nurturing and developing this cultural strength and will invest in its people to further improve employee competence, employee and customer experience, and business results.

Finnair employed an average of 5,335 (5,150) people in Q1 2024, which is 3.6 per cent more than in the comparison period. The number of employees increased by 164 or 3.1 per cent more during Q1, totalling 5,387 at the end of March (5,150). Altogether 257 new people were hired to Finnair during Q1 2024. The increase in personnel was mostly due to a growth in the number of Helsinki Airport service guides, Finnair cabin crew members and Finnair Kitchen employees. The attrition rate for the period was 3.4[5] per cent. The number of absences due to illness was lower than in the comparison period and was 4.2 per cent (4.6).

Sustainability and corporate responsibility

Economic, social and environmental aspects have for a long time been integral to Finnair's overall business strategy and operations. Finnair is a responsible global citizen and responds to its stakeholders' needs, including those concerned with corporate sustainability. The strength in sustainability is important in order to stay relevant and to be able to run a long-lasting and successful business. As certain global challenges become more difficult to

[5] The formula for attrition rate calculation was changed starting from the beginning of 2024 as it is now calculated from the total number of employees instead of number of employees who are actively employed.

address, companies need to step up and actively contribute to the United Nations Sustainable Development Goals (SDG).

The company has identified six SDGs where it is expected to act and can make a significant impact.

SDG 5: Gender equality
SDG 9: Industry, innovation and infrastructure
SDG 12: Responsible consumption and production
SDG 13: Climate action
SDG 16: Peace, justice and strong institutions
SDG 17: Partnerships for the goals

The biggest expectations towards Finnair are with respect to reducing the CO2 emissions of its flights. Finnair is committed to the sector's common goal of carbon-neutral growth from 2020 onwards but sees this commitment as only a starting point. Based on its strategy, Finnair commits to becoming carbon neutral by 2045.

Finnair's sustainability is reflected in its strategy and vision, as well as its values of commitment to care, simplicity, courage and working together. Its sustainability strategy is embedded into the group strategy, brand, operations and product development. The strategy measures contribute to cost containment and risk mitigation as well as value creation.

Finnair's ethical business principles are outlined in its Code of Conduct. The Code applies to all Finnair personnel and all locations. Finnair requires that its suppliers comply with ethical standards essentially similar to those with which Finnair complies in its own operations. Finnair's Supplier Code of Conduct provides principles to ensure ethical purchasing, including zero tolerance for corruption.

Safety has the highest priority in Finnair operations. Finnair is committed to implementing, maintaining and constantly developing strategies and processes to ensure that all its aviation activities take place with an appropriate allocation of organisational resources. This is to achieve the highest level of safety performance and compliance with the regulatory requirements while delivering our services.

The key performance indicators for corporate sustainability are presented in the Key Performance Indicators table of this interim report.

Changes in company management

On 11 January 2024, Finnair announced that it has appointed Turkka Kuusisto as CEO of Finnair and he will start in this role on 24 April 2024. Kuusisto joins Finnair from Posti Group Corporation, where he has served as the CEO since 2020. Prior to his CEO role in Posti Group Corporation, Kuusisto served in senior leadership positions in Posti Group Corporation and in Lindorff Group. Finnair's previous CEO Topi Manner left the company on 15 January 2024 to later take on the role of CEO at Elisa Corporation. Jaakko Schildt, Chief Operating Officer of Finnair, acts as an interim CEO between 15 January and the start of the new CEO.

Share price development and trading

Finnair Plc's market capitalisation was 600.5 million euros (720.6) at the end of March and the closing price of the share was 2.93 euros (5.10). During January-March, the highest price for the Finnair Plc share on the Nasdaq Helsinki was 4.04 euros (10.03), the lowest price 2.86 euros (6.57) and the average price 3.28 euros (8.70). Share prices have been restated due to the reverse split executed on 20 March 2024 to make them comparable. Some 1,441 million company shares, with a total value of 52.0 million euros, were traded on the Nasdaq Helsinki exchange.

The number of Finnair Plc shares recorded in the Trade Register was 204,811,392 at the end of the period (1,408,726,198). The Finnish state owned 55.7 per cent (55.8) of Finnair's shares, while 8.6 per cent (9.6) were held by foreign investors or in the name of a nominee at the end of the period.

Own shares

On 31 December 2023, Finnair held 49,565,650 treasury shares.

On 4 March 2024, Finnair transferred a total of 9,419,258 own shares to participants of the Employee Share Savings Plan FlyShare.

Finnair’s Annual General Meeting resolved on 18 March 2024 on a reverse split and on a related redemption of shares so that after carrying out the reverse split, every 100 shares corresponds to one share. Concurrently with the execution of the reverse split, Finnair implemented a directed share issue without consideration resolved by the Annual General Meeting in which the company issued a total of 4,714,922 treasury shares held by the company to make the number of shares in each book-entry account holding Finnair’s shares divisible by 100.

On 31 March 2024, Finnair held 354,315 treasury shares, representing 0.2 per cent of the total number of shares and votes.

Decisions made by and authorisations granted by the Annual General Meeting 2024

Finnair's Annual General Meeting was held in Helsinki on 18 March 2024.

Altogether 266 shareholders representing 13,041,146,965 shares and votes were represented at the meeting. The AGM approved the company’s annual accounts including the consolidated annual accounts for the financial year 2023, discharged the members of the Board of Directors and CEO of the company from liability and decided to approve the remuneration report for governing bodies.

In accordance with the proposal of the Board of Directors, the AGM decided that the profit for the financial year, EUR 231,458,763.52, be recorded in the company’s retained earnings/losses and that no dividend is distributed.

Tiina Alahuhta-Kasko, Montie Brewer, Jukka Erlund, Hannele Jakosuo-Jansson, Henrik Kjellberg, Simon Large and Sanna Suvanto-Harsaae were re-elected to the Board of Directors, and Jussi Siitonen was elected as a new member to the Board of Directors. Sanna Suvanto-Harsaae was elected as the Chair of the Board.

The AGM decided that KPMG Oy Ab, a firm of authorised public accountants, be elected as the auditor and sustainability reporting assurance provider of the company for the term of office ending at the end of the next Annual General Meeting. Kirsi Jantunen, APA, ASA, will act as principal auditor and the key sustainability partner.

The AGM authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company’s own shares as follows. The number of own shares to be repurchased and/or accepted as pledge based on the authorisation shall not exceed 730,000,000 shares, or 7,300,000 shares after the reverse split, which corresponds to approximately 3.6 per cent of all the shares in the company. The authorisation is effective for a period of 18 months from the resolution of the AGM. Due to the resolution by the Annual General Meeting on the reverse split, the number of own shares to be repurchased and/or accepted as pledge based on the authorisation shall not exceed 7,300,000 shares after the reverse split.

The AGM authorised the Board of Directors to decide on the issuance of shares as follows. The number of shares to be issued based on the authorisation shall not exceed 120,000,000 shares, or 1,200,000 shares after the reverse split, which corresponds to approximately 0.6 per cent of all the shares in the company. The authorisation is effective for a period of 18 months from the resolution of the AGM and cancels the authorisation given by the Extraordinary General Meeting on 27 October 2023 to decide on issuance of shares.

The AGM authorised the Board of Directors to decide on donations up to an aggregate maximum of EUR 250,000 for public-benefit or corresponding purposes and on the recipients, purposes and other terms and conditions of the donations. The donations can be made in one or multiple instalments. The authorisation is effective until the next Annual General Meeting.

The AGM decided on a reverse split, i.e. the reduction of the number of shares in the company and on a related directed share issue and redemption of shares. The reverse split was executed in the book-entry system on 20 March 2024. The arrangement was implemented by issuing treasury shares without consideration and redeeming shares in the company without consideration so that after carrying out the reverse split, every current 100 shares of the company would correspond to one (1) share of the company.

The resolutions of the AGM are available in full on the company’s website https://investors.finnair.com/en/governance/general-meetings/agm-2024.

Significant risks and uncertainties

In the implementation of its strategy and business, Finnair is faced with various risks and opportunities. Finnair has a comprehensive risk management process to ensure that risks are identified and mitigated as much as possible, although many risks are not within the company's full control. The risks and uncertainties described below are considered as potentially having a significant impact on Finnair's business, financial result and future outlook at least for the next 12 months. This list is not intended to be exhaustive.

Factors such as geopolitical uncertainty, the threat of trade wars, the threat of terrorism and cyber-attacks as well as other potential external disruptions may, if they materialise, significantly affect Finnair's operations. Geopolitical tensions may have an adverse effect on the global economic environment, and on Finnair's network and profitability. The war in Ukraine has already significantly impacted the global trade in the form of sanctions and countersanctions, and as regards to civil aviation, closures of the airspace. A possible escalation of the war and unrest in conflict areas in the Middle East may have adverse effects on, e.g., the demand for air travel, fuel prices, availability and pricing of insurances, the flight network and the use of airspace. Their negative impact on Finnair's operating result and financial position depends on the company's ability to adjust its route network, costs, revenue generating sources and financing in the new operating environment.

Macroeconomic factors continue to be a key driver of air transportation demand, as there has historically been a strong correlation between air travel and the development of macroeconomic factors such as GDP. Due to this correlation, aviation is an industry that is highly sensitive to global economic cycles and reacts quickly to external disruptions, seasonal variations and economic trends, as the global COVID-19 pandemic and the war in Ukraine have demonstrated. The recovery of business travel to pre-COVID-19 levels is likely to be affected by the adoption of virtual and teleconferencing tools.

Factors beyond Finnair's control are related to the duration of the Russian airspace closure, resource challenges in the European aviation system caused by the pandemic as well as the recovery of demand for air travel. In addition, other general risk factors in the industry and business, such as the fluctuation of jet fuel prices and its weakened supply, fluctuation in demand for air travel in general, and fluctuations in currency exchange rates, as well as regulatory and tax changes are also beyond Finnair's control. Other general macroeconomic conditions, such as deterioration in business or consumer confidence, changing customer preferences or employment levels, lower availability of credit, rising interest rates, rise in prevailing high inflation, recession, or changes in taxation may have an adverse impact on private consumption, and consequently on the demand for air travel. The key factors affecting revenue and operating result, which Finnair can partially affect, are operating costs and the volume of production.

As jet fuel costs are the largest variable expense item, the jet fuel price development has a material effect on profitability. Fuel price fluctuations may result in increased uncertainty around Finnair's financial performance and cash flow. Jet fuel prices have historically fluctuated significantly, and fluctuations are expected to continue in the future e.g., due to the impacts of the war in Ukraine. Finnair's ability to pass on the increased costs of jet fuel to its customers by increasing fares is limited by the fierce competition in the airline industry. Finnair's jet fuel costs are also subject to foreign exchange rate risk as international prices for jet fuel are denominated in U.S. dollars. The residual effect of jet fuel price fluctuations is determined by the hedges in use at a given point in time. Increasing jet fuel costs, disruptions in fuel supplies and ineffective hedging in relation to changes in market prices may result in increased expenses, which may have a material adverse effect on Finnair's business, financial result and future outlook. Derivatives used to hedge against adverse price movements in jet fuel may prove to be inefficient, resulting in an increased jet fuel price in relation to market prices. The volatile market impacts the pricing and availability of hedging instruments. Finnair manages risks related to fuel costs in accordance with the current risk management policy.

Capacity increases, product improvements or more aggressive pricing among Finnair's existing or new competitors may have an effect on the demand for, and yield of, Finnair's services. Competition in the airline industry is intense, and the market situation is continuously changing as new entrants and/or alliances expand, industry participants consolidate and airlines form marketing or operational alliances, which might gain competitive advantage over Finnair's oneworld alliance or its joint businesses.

Finnair, like other airlines, strives to distribute its services in increasingly versatile and flexible ways and at a lower cost by adopting and utilising new distribution technologies and channels, including the transition towards the differentiation of fare content and availability between channels. The ability to capitalise on the commercial possibilities provided by these technologies is dependent on, among others, Finnair's partners to develop and implement such applications as well as Finnair's ability to generate products and services that best correspond to customer needs. Hence, the introduction of new digital distribution technologies and channels involves implementation, as well as commercial, risks.

The aviation industry is affected by a number of regulatory trends. Estimating the exact impacts of the regulatory changes on airlines' operational activities and/or costs in advance is difficult. Examples of such regulatory trends include regulation related to emissions trading, noise regulation and other environmental regulation, as well as regulations on privacy and consumer protection.

Finnair is exposed to the risk of operating losses from natural events, pandemics or health epidemics and weather-related events, influencing operating costs and revenue. Outbreaks of epidemics or pandemics can adversely affect the demand for air travel and have a significant effect on Finnair's operations. Further, natural hazards arising from climate change, such as increased extreme weather conditions, including substantial snowfall, atmospheric turbulence, earthquakes, hurricanes, typhoons, or severe thunderstorms, may result in substantial additional costs to Finnair. Such weather conditions may, for example, lead to flight cancellations, increased waiting times, increased fuel consumption as well as costs associated with aircraft de-icing, which could lead to additional costs to Finnair and thus, have an adverse effect on Finnair's results of operations and financial condition.

In a changing aviation business environment, it is difficult to predict the impact and the potential changes in the geopolitical situation may have on airline market access and traffic right opportunities in general. Potentially increasing protectionism in the political environment may have an adverse impact on the market access required for the implementation of Finnair's strategy. At the same time, it is possible that connectivity needs may increase in some countries, leading to increasing market access opportunities and new traffic rights.

General labour market tensions in Finland are higher than normal, which increases the risk of indirect strikes and other industrial action. Depending on their timing, duration and scope, strikes and other industrial action in Finland and elsewhere may have a significant adverse impact on Finnair's operations and result.

Seasonal variation and sensitivities in business operations

Due to the seasonality of the airline business, the Group's revenue and result are generally at their lowest in the first quarter and at their highest in the third quarter of the year.

In addition to operational activities and market conditions, the fuel price development has a key impact on Finnair's result, as fuel costs are the company's most significant variable expense item. Finnair's foreign exchange risk arises primarily from fuel and aircraft purchases, aircraft divestments, aircraft lease payments, aircraft maintenance and foreign currency revenue. Significant dollar-denominated expense items are e.g. fuel costs and aircraft lease payments. The largest investments, namely the acquisition of aircraft and related spare parts, are also mainly denominated in US dollars. The most significant income currencies after the euro are the US dollar, the Japanese yen, the South Korean won, the Swedish krona, the UK pound, and the Norwegian krona.

The company hedges its currency, interest rate and jet fuel exposure using a variety of derivative instruments, such as forward contracts, swaps and options, in compliance with the risk management policy approved annually by the Board of Directors. Finnair's risk management policy was updated during Q4 2023. Before the update, Finnair hedged its fuel purchases 12 months forward on a rolling basis. The update extends the time horizon to 18 months on a rolling basis. Also, the hedging ratios were increased slightly throughout the hedging horizon. After the update, the maximum hedging ratio for the first 3-month period is 93 per cent and the lower limit is 68 per cent, while average hedging ratio is approximately 80 per cent. The hedging ratio decreases towards the end of the 18-month hedging period.

Sensitivities in business operations, impact on comparable operating profit (rolling 12 months from date of financial statements)		**1 percentage point change**
Passenger load factor (PLF, %)		EUR 35 million
Average yield of passenger traffic		EUR 24 million
Unit cost (CASK excl. fuel)		EUR 21 million
Fuel sensitivities (rolling 12 months from date of financial statements)	**10% change without hedging**	**10% change, taking hedging into account**
Fuel	EUR 81 million	EUR 47 million

Fuel hedging and average hedged price (rolling 18 months from date of financial statements)	**Hedged fuel, tonnes***	**Average hedge price, USD/ton* ****
Q2 2024	213,000	874
Q3 2024	183,000	883
Q4 2024	129,000	844
Q1 2025	90,000	820
Q2 2025	57,000	815
Q3 2025	18,000	818
Total	**690,000**	**862**

* Based on the hedged period, i.e., not hedging related cash flow.
** Average of swaps and bought call options strikes.

Currency distribution, %	**Q1 2024**	**Q1 2023**	**2023**	**Currency sensitivities USD and JPY** (rolling 12 months from date of financial statements for operational cash flows)		**Hedging ratio for operational cash flows** (rolling next 12 months)
Sales currencies				10% change without hedging	10% change taking hedging into account	
EUR	61	65	59	-	-	-
USD*	9	4	9	see below	see below	see below
JPY	4	3	4	EUR 12 million	EUR 4 million	51%
SEK	4	4	3	-	-	-
GBP	4	4	4	-	-	-
NOK	3	3	3	-	-	-
KRW	2	3	3	-	-	-
Other	13	14	14	-	-	-
Purchase currencies						
EUR	58	62	60	-	-	-
USD*	35	31	34	EUR 64 million	EUR 31 million	57%
Other	7	7	6	-	-	-

* Hedging ratio and sensitivity analysis for USD basket, which consists of net cash flows in USD and HKD. The sensitivity analysis assumes that the correlation of the Hong Kong dollar with the US dollar is strong.

HEDGING OF FOREIGN CURRENCY EXPOSURE IN BALANCE SHEET

Finnair's balance sheet includes asset-related foreign currency exposure due to the recognition of the present value of qualifying operating lease liabilities in the balance sheet as right-of-use assets. Unrealised foreign exchange losses/gains caused by the translation of the USD denominated liability will have an impact on Finnair's net result. In the future, the effect and amount of the foreign currency exchange could be positive or negative, depending on the USD-rate at the closing date. Finnair has mitigated the foreign exchange volatility introduced by this difference by using derivatives as well as by partly investing liquidity in foreign currency money market funds or other financial assets where possible. The annual effect in net result going forward is dependent on the size of the qualifying operating lease portfolio, the duration of the leases and hedging ratio. At the end of March, the hedging ratio of USD denominated interest-bearing liabilities (including IFRS 16) was approximately 90 per cent.

Events after the period

On 23 April 2024, S&P Global Ratings has assigned a long-term issuer credit rating of BB+ to Finnair Plc, with a stable outlook. It is the first credit rating for Finnair.

In addition, Finnair has on 23 April 2024 signed a binding secured revolving credit facility of 200 million euros for general corporate purposes. The new arrangement carries a three-year tenor with a one-year extension option. The financial covenant of the loan is a net debt to EBITDA ratio of 3.75 or less.

Financial reporting in 2024

The publication dates of Finnair's financial reports in 2024 are the following:

- Half-year Report for January–June 2024 on Friday 19 July 2024
- Interim Report for January–September 2024 on Tuesday 29 October 2024

FINNAIR PLC
Board of Directors

Briefings

Finnair will hold a results press conference (in Finnish) on 23 April 2024 at 11:00 a.m. at its office at Tietotie 9 in Vantaa. It is also possible to participate in the press conference via a live webcast at https://finnairgroup.videosync.fi/2024-04-23-media.

An English-language telephone conference and webcast will begin on 23 April 2024 at 1:00 p.m. Finnish time. To access the conference, kindly first register at https://palvelu.flik.fi/teleconference/?id=50048501. After the registration, you will be provided with phone numbers and a conference ID. To join the live webcast, please register at https://finnairgroup.videosync.fi/q1-2024.

For further information, please contact:

Chief Financial Officer **Kristian Pullola**, tel. +358 9 818 4960, kristian.pullola@finnair.com

Head of Investor Relations **Erkka Salonen**, tel. +358 9 818 5101, erkka.salonen@finnair.com

Key performance indicators

EUR in millions, unless otherwise indicated	Q1 2024	Q1 2023	Change %	2023
Revenue and profitability				
Revenue	681.5	694.7	-1.9	2,988.5
Comparable operating result	-11.6	0.9	<-200	184.0
Comparable operating result, % of revenue	-1.7	0.1	-1.8 %-p	6.2
Operating result	-17.2	8.3	<-200	191.4
Comparable EBITDA, % of revenue	10.3	11.9	-1.6 %-p	17.3
Earnings per share (EPS), basic, EUR	-0.15	-0.09	-56.1	2.25
Earnings per share (EPS), diluted, EUR	-0.15	-0.09	-55.1	2.19
Unit revenue per available seat kilometre (RASK), cents/ASK	7.64	8.13	-6.0	8.27
Unit revenue per revenue passenger kilometre (yield), cents/RPK	8.38	8.62	-2.8	8.73
Unit cost per available seat kilometre (CASK), cents/ASK	7.77	8.11	-4.3	7.76
CASK excluding fuel, cents/ASK	5.41	5.55	-2.4	5.27
Capital structure				
Equity ratio, %	15.3	9.6	5.8 %-p	15.6
Gearing, %	177.0	238.4	-61.4 %-p	192.8
Interest-bearing net debt	1,033.6	957.5	7.9	1,112.5
Interest-bearing net debt / Comparable EBITDA, LTM	2.0	3.3	-1.3 %-p	2.2
Gross capital expenditure	43.4	80.0	-45.8	484.2
Return on capital employed (ROCE), LTM, %	8.0	-0.3	8.3 %-p	8.8
Cash to sales, LTM, %	33.0	59.1	-26.2 %-p	30.9
Traffic				
Passengers, 1,000	2,543	2,593	-1.9	10,983
Flights, number	25,635	24,638	4.0	101,201
Available seat kilometres (ASK), million	8,923	8,550	4.4	36,154
Revenue passenger kilometres (RPK), million	6,435	6,418	0.3	27,626
Passenger load factor (PLF), %	72.1	75.1	-2.9 %-p	76.4
Available seat kilometres incl. wet lease out, million	9,540	9,220	3.5	38,230
Customer-centric commercial and operational excellence				
Net Promoter Score (NPS)	34	42	-19.1	35
On-time performance, %	75.1	81.9	-6.8 %-p	80.9
Share of passengers in modern channels, %	69.0	64.6	4.4 %-p	67.8
Average number of monthly visitors at finnair.com, millions	3.0	2.2	38.1	2.1
Active users for Finnair mobile app, thousands	1,064	796	33.7	860
Ancillary revenue	37.4	33.0	13.2	147.8
Ancillary revenue per passenger, EUR	14.70	12.74	15.4	13.46
Among industry sustainability leaders				
Jet fuel consumption, tonnes	241,153	227,213	6.1	960,357
Flight CO_2 emissions, tonnes	759,632	715,721	6.1	3,025,124
Flight CO_2 emissions, g/ASK	85.1	83.7	1.7	83.7
Flight CO_2 emissions, g/RTK	967.8	939.9	3.0	920.5
Adaptable Finnair culture driven by engaged people				
Average number of employees	5,335	5,150	3.6	5,195
Absences due to illness, %	4.2	4.6	-0.3 %-p	4.6
Lost-time injury frequency (LTIF)	5.6	7.9	-29.1	5.5
Attrition rate, LTM, %	3.4	6.6	-3.2 %-p	3.7

PERFORMANCE INDICATORS CLASSIFIED AS ALTERNATIVE PERFORMANCE MEASURES

Finnair uses alternative performance measures (APM) referred to in the European Securities Markets Authority (ESMA) guidelines to describe its operational and financial performance in order to enhance comparability between financial periods and to enable better comparability relative to its industry peers. The alternative performance measures do not replace IFRS indicators.

Alternative performance measures	Calculation	Reason to use the measure
Items affecting comparability	Unrealised changes in foreign currencies of fleet overhaul provisions + Fair value changes of derivatives where hedge accounting is not applied + Sales gains and losses on aircraft and other transactions + Impairment + Restructuring costs	Component used in calculating comparable operating result.
Comparable operating result	Operating result - Items affecting comparability	Comparable operating result is presented to better reflect the Group's business performance when comparing results to previous periods.
Comparable operating result, % of revenue	Comparable operating result / Revenue x 100	Comparable operating result is presented to better reflect the Group's business performance when comparing results to previous periods.
Comparable EBITDA	Comparable operating result + Depreciation	Comparable EBITDA is presented to better reflect the Group's business performance when comparing results to previous periods. Comparable EBITDA is a common measure in airline business which aims to reflect comparable operating result excluding capital cost.
Comparable EBITDA, % of revenue	Comparable EBITDA / Revenue x 100	Comparable EBITDA is presented to better reflect the Group's business performance when comparing results to previous periods. Comparable EBITDA is a common measure in airline business which aims to reflect comparable operating result excluding capital cost.
Equity ratio, %	Equity total / Equity and liabilities total x 100	Equity ratio provides information on the financial leverage used by the Group to fund its assets.
Adjusted interest-bearing liabilities	Lease liabilities + Other interest-bearing liabilities + Cross currency interest rate swaps in derivative financial instruments	Component used in calculating gearing.
Cash funds	Cash and cash equivalents + Other financial assets	Component used in calculating gearing. Cash funds represent the total amount of financial assets that are available for use within short notice. Therefore, cash funds provide the true and fair view of the Group's financial position.
Interest-bearing net debt	Adjusted interest-bearing liabilities - Cash funds	Interest-bearing net debt provides view of the Group's total external debt financing.
Gearing, %	Interest-bearing net debt / Equity total x 100	Gearing provides view of the level of the Group's indebtedness.
Interest-bearing net debt / Comparable EBITDA, LTM	Interest-bearing net debt / Comparable EBITDA, for the last twelve months	The ratio provides information on the Group's leverage by comparing the Group's net debt to the amount of income generated before covering interest, taxes and depreciation.
Gross capital expenditure	Additions in fixed assets + New contracts in right-of-use assets + Reassessments and modifications in right-of-use assets	Gross capital expenditure provides information on the Group's capitalised investments and lease modifications.
Return on capital employed (ROCE), LTM, %	(Result before taxes + Financial expenses + Exchange rate gains and losses, for the last twelve months) / (Equity total + Lease liabilities + Other interest-bearing liabilities, average of reporting period and comparison period)	The ratio provides a view to monitor the return of capital employed.
Cash to sales, LTM, %	Cash funds / Revenue for the last twelve months x 100	The ratio provides information about the Group's liquidity in terms of available cash as a percentage of its sales.

RECONCILIATION OF PERFORMANCE INDICATORS CLASSIFIED AS ALTERNATIVE PERFORMANCE MEASURES

Items affecting comparability **EUR in millions**	**Q1 2024**	**Q1 2023**	**Change %**	**2023**
Operating result	**-17.2**	**8.3**	**<-200**	**191.4**
Unrealized changes in foreign currencies of fleet overhaul provisions	2.5	-3.2	178.2	-7.1
Fair value changes of derivatives where hedge accounting is not applied	1.4	-1.6	187.9	-0.7
Sales gains and losses on aircraft and other transactions	-0.0	-2.8	99.9	-13.3
Impairment	0.7	-	-	13.7
Restructuring costs	1.0	0.1	> 200	-0.1
Comparable operating result	**-11.6**	**0.9**	**<-200**	**184.0**
Depreciation	82.1	82.0	0.2	332.6
Comparable EBITDA	**70.5**	**82.8**	**-14.9**	**516.5**

Equity ratio **EUR in millions, unless otherwise indicated**	**31 Mar 2024**	**31 Mar 2023**	**Change %**	**31 Dec 2023**
Equity total	583.9	401.6	45.4	577.0
Equity and liabilities total	3,815.0	4,204.4	-9.3	3,698.0
Equity ratio, %	**15.3**	**9.6**	**5.8 %-p**	**15.6**

Gearing, interest-bearing net debt and interest-bearing net debt / Comparable EBITDA, LTM **EUR in millions, unless otherwise indicated**	**31 Mar 2024**	**31 Mar 2023**	**Change %**	**31 Dec 2023**
Lease liabilities	1,108.4	1,261.7	-12.2	1,115.0
Other interest-bearing liabilities	903.9	1,265.5	-28.6	910.6
Cross currency interest rate swaps*	2.3	-2.0	> 200	8.9
Adjusted interest-bearing liabilities	**2,014.6**	**2,525.3**	**-20.2**	**2,034.5**
Other financial assets	-823.0	-880.7	6.6	-776.8
Cash and cash equivalents	-158.0	-687.0	77.0	-145.1
Cash funds	**-981.0**	**-1,567.8**	**37.4**	**-922.0**
Interest-bearing net debt	**1,033.6**	**957.5**	**7.9**	**1,112.5**
Equity total	583.9	401.6	45.4	577.0
Gearing, %	**177.0**	**238.4**	**-61.4 %-p**	**192.8**
Comparable EBITDA, LTM	504.2	290.1	73.8	516.5
Interest-bearing net debt / Comparable EBITDA, LTM	**2.0**	**3.3**	**-1.3 %-p**	**2.2**

* Cross-currency interest rate swaps are used for hedging the currency and interest rate risk of interest-bearing loans, but hedge accounting is not applied. Changes in fair net value correlate with changes in the fair value of interest-bearing liabilities. Therefore, the fair net value of cross-currency interest rate swaps recognised in derivative assets/liabilities and reported in notes 10 and 11, is considered an interest-bearing liability in the net debt calculation.

Gross capital expenditure **EUR in millions**	**Q1 2024**	**Q1 2023**	**Change %**	**2023**
Additions in fixed assets	29.4	66.9	-56.1	409.4
New contracts in right-of-use assets	9.3	1.0	> 200	24.3
Reassessments and modifications in right-of-use assets	4.7	12.1	-61.3	50.5
Gross capital expenditure	**43.4**	**80.0**	**-45.8**	**484.2**

Return on capital employed (ROCE), LTM **EUR in millions, unless otherwise indicated**	**31 Mar 2024**	**31 Mar 2023**	**Change %**	**31 Dec 2023**
Result before taxes, LTM	88.9	-166.1	153.5	119.1
Financial expenses, LTM	133.3	141.3	-5.6	142.2
Exchange rate gains and losses, LTM	-1.3	16.6	-107.6	-13.7
Return, LTM	**220.9**	**-8.2**	**> 200**	**247.6**
Equity total	583.9	401.6	45.4	577.0
Lease liabilities	1,108.4	1,261.7	-12.2	1,115.0
Other interest-bearing liabilities	903.9	1,265.5	-28.6	910.6
Capital employed	**2,596.3**	**2,928.9**	**-11.4**	**2,602.5**
Capital employed, average of reporting period and comparison period	**2,762.6**	**2,955.9***	**-6.5**	**2,821.2***
Return on capital employed (ROCE), LTM, %	**8.0**	**-0.3**	**8.3 %-p**	**8.8**

* Capital employed accounted was EUR 2,983.0 million as at 31 Mar 2022 and EUR 3,039.8 million as at 31 Dec 2022.

Cash to sales, LTM EUR in millions, unless otherwise indicated	31 Mar 2024	31 Mar 2023	Change %	31 Dec 2023
Other financial assets	823.0	880.7	-6.6	776.8
Cash and cash equivalents	158.0	687.0	-77.0	145.1
Cash funds	**981.0**	**1,567.8**	**-37.4**	**922.0**
Revenue, LTM	2,975.2	2,651.5	12.2	2,988.5
Cash to sales, LTM, %	**33.0**	**59.1**	**-26.2 %-p**	**30.9**

OTHER PERFORMANCE INDICATORS

Revenue and profitability	
Earnings per share (EPS), basic	(Result for the period - Hybrid bond and capital loan expenses net of tax) / Average number of outstanding shares during the period
Earnings per share (EPS), diluted	(Result for the period - Hybrid bond and capital loan expenses net of tax) / Average number of outstanding shares during the period taking into account the diluting effect resulting from changing into shares all potentially diluting shares
Unit revenue per available seat kilometre (RASK)	Unit revenue (RASK) represents the Group's revenue divided by available seat kilometres (ASK).
Unit revenue per revenue passenger kilometre (yield)	Passenger revenue by product divided by Revenue passenger kilometres (RPK).
Unit cost per available seat kilometre (CASK)	Unit cost (CASK) represents the Group's operational costs divided by available seat kilometres. Other operating income is deducted from operational costs.
CASK excluding fuel	(Comparable operating result - Revenue - Fuel costs) / ASK x 100

Traffic	
Available seat kilometres (ASK)	Total number of seats available × great circle distance in kilometres
Revenue passenger kilometres (RPK)	Number of revenue passengers × great circle distance in kilometres
Passenger load factor (PLF)	Share of revenue passenger kilometres of available seat kilometres

Customer-centric commercial and operational excellence	
Net Promoter Score (NPS)	Net Promoter Score is based on a question: "Thinking about all aspects of this journey, how likely would you be to recommend Finnair to a relative, friend or colleague?" Scale is 0-10: The share of detractors (ratings 0-6) is deducted from the share of promoters (ratings 9-10). Result is between +100 and -100.
On-time performance	The share of flights arrived less than 15 minutes late
Share of passengers in modern channels	Share of passengers in Finnair's own direct channels and modern, digital indirect channels in relation to total passengers for the period based on departure date. These channels include Finnair.com, Finnair mobile app, New Distribution Capability (NDC) solutions, Finnair call centers, Aurinkomatkat sales and group tool sales.

Among industry sustainability leaders	
Flight CO_2 emissions	CO_2 emissions from jet fuel consumption

Adaptable Finnair culture driven by engaged people	
Absences due to illness	Share of sickness absence hours relating to planned working hours
Lost-time injury frequency (LTIF)	The number of workplace accidents per million working hours
Attrition rate, LTM	Number of leavers on own request during the last twelve months compared to employments on average during the last twelve months

Consolidated interim financial report 1 Jan – 31 Mar 2024

CONSOLIDATED INCOME STATEMENT

EUR in millions	Note	Q1 2024	Q1 2023	2023
Revenue	**4**	**681.5**	**694.7**	**2,988.5**
Other operating income	5	32.5	33.9	130.5
Operating expenses				
Staff and other crew related costs	6	-130.7	-129.2	-498.1
Fuel costs		-211.5	-218.0	-898.9
Capacity rents		-27.2	-26.8	-107.2
Aircraft materials and overhaul		-52.0	-46.4	-200.1
Traffic charges		-62.3	-55.4	-233.8
Sales, marketing and distribution costs		-32.3	-31.1	-117.1
Passenger and handling services		-103.3	-103.4	-414.1
Depreciation and impairment	7	-82.8	-82.0	-346.2
Property, IT and other expenses		-29.0	-28.1	-112.1
Operating result		**-17.2**	**8.3**	**191.4**
Financial income		11.0	12.2	56.2
Financial expenses		-27.7	-36.7	-142.2
Exchange rate gains and losses		-3.6	8.8	13.7
Result before taxes		**-37.6**	**-7.4**	**119.1**
Income taxes	11	7.6	10.3	135.2
Result for the period		**-29.9**	**3.0**	**254.3**
Attributable to				
Owners of the parent company		-29.9	3.0	254.3
Earnings per share attributable to shareholders of the parent company, EUR				
Basic earnings per share		-0.15	-0.09	2.25
Diluted earnings per share		-0.15	-0.09	2.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in millions	Q1 2024	Q1 2023	2023
Result for the period	**-29.9**	**3.0**	**254.3**
Other comprehensive income items			
Items that may be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	43.5	-27.5	-7.7
Tax effect	-8.7	8.2	4.2
Items that will not be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses from defined benefit plans	3.5	7.8	11.6
Tax effect	-0.7	-1.6	-2.3
Other comprehensive income items total	**37.6**	**-13.0**	**5.8**
Comprehensive income for the period	**7.7**	**-10.1**	**260.0**
Attributable to			
Owners of the parent company	7.7	-10.1	260.0

CONSOLIDATED BALANCE SHEET

EUR in millions	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS				
Non-current assets				
Fleet	12	1,038.4	910.8	1,053.0
Right-of-use fleet	13	743.3	894.9	775.0
Fleet total		1,781.7	1,805.7	1,828.0
Other fixed assets	12	140.4	147.6	141.8
Right-of-use other fixed assets	13	148.1	144.0	140.4
Other fixed assets total		288.5	291.6	282.2
Pension assets		129.0	126.2	128.0
Other non-current assets		3.0	3.3	3.1
Deferred tax assets	11	232.2	97.6	234.0
Non-current assets total		**2,434.5**	**2,324.4**	**2,475.2**
Current assets				
Receivables related to revenue		207.6	161.3	154.4
Inventories and other current assets		155.5	138.1	134.6
Derivative financial instruments	9, 10	36.3	12.9	11.8
Other financial assets	10	823.0	880.7	776.8
Cash and cash equivalents		158.0	687.0	145.1
Current assets total		**1,380.5**	**1,880.1**	**1,222.8**
Assets total		**3,815.0**	**4,204.4**	**3,698.0**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		75.4	75.4	75.4
Other equity		508.5	326.2	501.5
Equity total		**583.9**	**401.6**	**577.0**
Non-current liabilities				
Lease liabilities	14	937.8	1,067.3	951.0
Other interest-bearing liabilities	14	741.3	1,025.7	790.2
Pension obligations		0.8	0.7	0.8
Provisions and other liabilities	15	125.7	164.3	125.9
Non-current liabilities total		**1,805.7**	**2,258.0**	**1,868.0**
Current liabilities				
Lease liabilities	14	170.6	194.4	164.0
Other interest-bearing liabilities	14	162.5	239.8	120.3
Provisions	15	32.1	51.6	28.1
Trade payables		95.3	91.5	107.0
Derivative financial instruments	9, 10	12.9	66.3	43.4
Deferred income and advances received	16	662.1	619.0	506.7
Liabilities related to employee benefits		115.7	128.5	116.5
Other liabilities		174.1	153.6	167.1
Current liabilities total		**1,425.4**	**1,544.9**	**1,253.1**
Liabilities total		**3,231.0**	**3,802.8**	**3,121.0**
Equity and liabilities total		**3,815.0**	**4,204.4**	**3,698.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR in millions	Share capital	Other restricted funds	Hedging reserve and other OCI items	Unrestricted equity funds	Retained earnings	Hybrid bond	Capital loan	Equity total
Equity 1 Jan 2024	**75.4**	**168.1**	**48.6**	**1,325.0**	**-1,040.2**	**-**	**-**	**577.0**
Result for the period	**-**	**-**	**-**	**-**	**-29.9**	**-**	**-**	**-29.9**
Change in fair value of hedging instruments	-	-	34.8	-	-	-	-	34.8
Actuarial gains and losses from defined benefit plans	-	-	2.8	-	-	-	-	2.8
Other comprehensive income items total	**-**	**-**	**37.6**	**-**	**-**	**-**	**-**	**37.6**
Comprehensive income for the period	**-**	**-**	**37.6**	**-**	**-29.9**	**-**	**-**	**7.7**
Share issue costs	-	-	-	-0.1	-	-	-	-0.1
Share-based payments	-	-	-	-0.7	-	-	-	-0.7
Equity 31 Mar 2024	**75.4**	**168.1**	**86.2**	**1,324.3**	**-1,070.1**	**-**	**-**	**583.9**

EUR in millions	Share capital	Other restricted funds	Hedging reserve and other OCI items	Unrestricted equity funds	Retained earnings	Hybrid bond	Capital loan	Equity total
Equity 1 Jan 2023	**75.4**	**168.1**	**42.8**	**763.3**	**-1,237.0**	**198.0**	**400.0**	**410.7**
Result for the period	**-**	**-**	**-**	**-**	**3.0**	**-**	**-**	**3.0**
Change in fair value of hedging instruments	-	-	-19.3	-	-	-	-	-19.3
Actuarial gains and losses from defined benefit plans	-	-	6.3	-	-	-	-	6.3
Other comprehensive income items total	**-**	**-**	**-13.0**	**-**	**-**	**-**	**-**	**-13.0**
Comprehensive income for the period	**-**	**-**	**-13.0**	**-**	**3.0**	**-**	**-**	**-10.1**
Share-based payments	-	-	-	1.0	-	-	-	1.0
Equity 31 Mar 2023	**75.4**	**168.1**	**29.8**	**764.3**	**-1,234.1**	**198.0**	**400.0**	**401.6**

EUR in millions	Share capital	Other restricted funds	Hedging reserve and other OCI items	Unrestricted equity funds	Retained earnings	Hybrid bond	Capital loan	Equity total
Equity 1 Jan 2023	**75.4**	**168.1**	**42.8**	**763.3**	**-1,237.0**	**198.0**	**400.0**	**410.7**
Result for the period	**-**	**-**	**-**	**-**	**254.3**	**-**	**-**	**254.3**
Change in fair value of hedging instruments	-	-	-3.5	-	-	-	-	-3.5
Actuarial gains and losses from defined benefit plans	-	-	9.3	-	-	-	-	9.3
Other comprehensive income items total	**-**	**-**	**5.8**	**-**	**-**	**-**	**-**	**5.8**
Comprehensive income for the period	**-**	**-**	**5.8**	**-**	**254.3**	**-**	**-**	**260.0**
Share issue	-	-	-	570.4	-	-	-	570.4
Share issue costs	-	-	-	-9.5	-	-	-	-9.5
Capital loan repayments	-	-	-	-	-	-	-400.0	-400.0
Capital loan interests and expenses	-	-	-	-	-39.1	-	-	-39.1
Hybrid bond repayments	-	-	-	-	-	-200.0	-	-200.0
Hybrid bond interests and expenses	-	-	-	-	-18.3	2.0	-	-16.3
Share-based payments	-	-	-	0.7	-	-	-	0.7
Equity 31 Dec 2023	**75.4**	**168.1**	**48.6**	**1,325.0**	**-1,040.2**	**-**	**-**	**577.0**

CONSOLIDATED CASH FLOW STATEMENT

EUR in millions	Q1 2024	Q1 2023	2023
Cash flow from operating activities			
Result before taxes	-37.6	-7.4	119.1
Depreciation and impairment	82.8	82.0	346.2
Financial income and expenses	20.4	15.7	72.3
Sales gains and losses on aircraft and other transactions	-0.0	-2.8	-13.3
Change in provisions	2.2	-10.4	-21.4
Employee benefits	2.8	3.8	8.9
Other adjustments	-0.4	0.8	1.0
Non-cash transactions	4.6	-5.9	-11.5
Changes in trade and other receivables	-71.5	-36.9	-30.2
Changes in inventories	-1.0	-0.7	-1.1
Changes in trade and other payables	153.5	186.3	89.4
Changes in working capital	81.0	148.7	58.1
Financial expenses paid, net	-12.4	-23.6	-98.7
Income taxes paid	-0.1	-	-
Net cash flow from operating activities	**138.9**	**206.8**	**472.3**
Cash flow from investing activities			
Investments in fleet	-30.9	-79.7	-400.6
Investments in other fixed assets	-1.4	-0.7	-3.6
Divestments of fleet, other fixed assets and shares	0.0	0.4	0.4
Lease and lease interest payments received	0.1	0.1	0.4
Change in other current financial assets (maturity over 3 months)	6.5	-63.8	-60.7
Change in other non-current assets	-0.1	0.0	0.0
Net cash flow from investing activities	**-25.9**	**-143.7**	**-464.0**
Cash flow from financing activities			
Loan repayments	-10.2	-27.3	-377.4
Repayments of lease liabilities	-41.9	-51.2	-198.1
Share issue **	-	-	570.4
Share issue costs	-9.8	-	-2.1
Hybrid bond repayments	-	-	-200.0
Hybrid bond interests and expenses	-	-	-20.4
Capital loan repayments **	-	-	-400.0
Capital loan interests and expenses	-	-	-48.9
Net cash flow from financing activities	**-61.9**	**-78.5**	**-676.4**
Change in cash flows	**51.1**	**-15.5**	**-668.1**
Liquid funds, at beginning	707.5	1,375.6	1,375.6
Change in cash flows	51.1	-15.5	-668.1
Liquid funds, at end *	**758.6**	**1,360.1**	**707.5**
*** Liquid funds**			
Other financial assets	823.0	880.7	776.8
Cash and cash equivalents	158.0	687.0	145.1
Cash funds	**981.0**	**1,567.8**	**922.0**
Other current financial assets (maturity over 3 months)	-222.4	-207.6	-214.4
Liquid funds	**758.6**	**1,360.1**	**707.5**

** The participation of the State of Finland to the rights issue was paid by offsetting the aggregate subscription price against a corresponding amount of the principal of the capital loan. The overall offset amount was 318.6 million euros and net proceeds from the rights issue amounted to 251.8 million euros before share issue costs. After the completion of the rights issue Finnair repaid the remainder of the capital loan of approximately 81.4 million euros, to the State of Finland.

Notes to the consolidated interim financial report 1 Jan – 31 Mar 2024

1. BASIS OF PREPARATION

This consolidated interim financial report has been prepared in accordance with the Interim Financial Reporting standard IAS 34 and its figures are unaudited. The consolidated interim financial report has been authorised for publication on 22 April 2024.

2. ACCOUNTING PRINCIPLES

The accounting principles applied in the consolidated interim financial report correspond to the principles disclosed in the Consolidated Financial Statements 2023. The figures presented in the interim financial report are rounded and consequently the sum of individual figures may not precisely add up to the corresponding totals stated herein. The reported key figures have been calculated using exact figures.

3. CRITICAL ACCOUNTING ESTIMATES AND SOURCES OF UNCERTAINTY

The preparation of IFRS interim financial report requires management to make various judgements in applying the accounting principles that affect the reported amounts of assets and liabilities as well as income and expenses. The application of the accounting policies prescribed by IFRS require making estimates and assumptions relating to the future where the actual outcome may differ from the earlier estimates and assumptions made. The identified items that require the most management estimates and assumptions, or where those estimates involve most uncertainties, include valuation of the fleet and other fixed assets, leasing arrangements, pension obligations, maintenance reserves of the fleet, Finnair Plus - customer loyalty programme, derivates and hedge accounting as well as deferred tax assets. When preparing the consolidated interim financial report, the management has also considered the impacts of climate related matters in the estimates used in this interim financial report.

The risks related to the effects of inflation and rising interest rates on demand and costs remain elevated. Also, a potential escalation of the conflict in the Middle East as well as the elevated tensions in the Finnish labour markets cause uncertainty in Finnair's operating environment. In addition, changes in the price of jet fuel or foreign currency rates can have a material impact on the company's financial result, balance sheet and cash flow. Finnair's management is continuously monitoring the changes in its operating environment and updates its estimates and assumptions based on the latest available information. Information on main critical accounting estimates and sources of uncertainty as well as the climate related impacts are disclosed in more detail in the 2023 financial statements.

4. SEGMENT INFORMATION AND REVENUE

Finnair Executive Board, defined as the chief operative decision maker according to IFRS 8: Segment reporting, considers the business as one operating segment. Therefore, separate segment information is not reported.

Finnair's first quarter revenue slightly decreased compared to the corresponding quarter of 2023 mainly due to decrease in passenger and cargo revenue. Travel services´ revenue increased somewhat from the comparable period of the previous year.

Q1 2024, EUR in millions	Asia	North Atlantic	Europe	Middle East	Domestic	Un-allocated	Total	Share %
Passenger revenue	179.3	39.8	208.4	52.0	58.6	1.2	**539.3**	79.1
Ancillary revenue	9.9	2.1	11.4	0.7	2.6	10.7	**37.4**	5.5
Cargo	32.0	5.9	6.5	0.7	0.1	1.1	**46.3**	6.8
Travel services	19.6	0.4	36.5	2.0	-0.0	-0.1	**58.4**	8.6
Total	**240.9**	**48.2**	**262.7**	**55.4**	**61.3**	**12.9**	**681.5**	**100.0**
Share %	35.3	7.1	38.6	8.1	9.0	1.9	100.0	-

Q1 2023, EUR in millions	Asia	North Atlantic	Europe	Middle East	Domestic	Un-allocated	Total	Share %
Passenger revenue	180.7	42.4	211.1	56.3	58.0	4.9	**553.4**	79.7
Ancillary revenue	7.5	1.9	9.9	0.8	2.0	11.0	**33.0**	4.8
Cargo	35.3	8.7	8.6	0.9	0.1	-0.2	**53.4**	7.7
Travel services	15.8	0.4	34.2	4.6	-0.0	0.0	**54.9**	7.9
Total	**239.3**	**53.3**	**263.8**	**62.5**	**60.1**	**15.7**	**694.7**	**100.0**
Share %	34.4	7.7	38.0	9.0	8.6	2.3	100.0	-

2023, EUR in millions	Asia	North Atlantic	Europe	Middle East	Domestic	Un-allocated	Total	Share %
Passenger revenue	763.2	214.9	1,045.3	206.3	172.7	9.3	**2,411.6**	80.7
Ancillary revenue	30.6	9.9	50.7	1.9	5.8	48.9	**147.8**	4.9
Cargo	133.6	28.5	26.5	1.4	0.4	1.6	**192.0**	6.4
Travel services	23.8	1.3	205.8	6.0	0.0	0.1	**237.1**	7.9
Total	**951.3**	**254.6**	**1,328.3**	**215.6**	**178.9**	**59.9**	**2,988.5**	**100.0**
Share %	31.8	8.5	44.4	7.2	6.0	2.0	100.0	-

Key figures quarterly, last 24 months	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Revenue	**681.5**	**727.2**	**817.3**	**749.2**	**694.7**	**687.3**	**719.2**	**550.3**
Passenger revenue	539.3	573.1	673.1	612.1	553.4	535.5	553.9	393.6
Ancillary revenue	37.4	43.8	37.9	33.1	33.0	32.4	36.3	27.7
Cargo	46.3	50.5	40.8	47.3	53.4	68.6	73.4	89.8
Travel services	58.4	59.8	65.6	56.8	54.9	50.8	55.5	39.1
Comparable EBITDA	**70.5**	**106.9**	**177.7**	**149.1**	**82.8**	**99.1**	**114.1**	**-6.0**
Comparable operating result	**-11.6**	**22.5**	**94.3**	**66.2**	**0.9**	**17.9**	**35.2**	**-84.2**
Operating result	**-17.2**	**27.3**	**90.0**	**65.8**	**8.3**	**38.0**	**19.2**	**-92.9**

5. OTHER OPERATING INCOME

EUR in millions	Q1 2024	Q1 2023	Change %	2023
Lease income	27.6	25.5	8.3	95.3
Sales gains on fixed assets	0.0	2.8	-99.8	13.4
Other income	4.9	5.6	-13.0	21.8
Total	**32.5**	**33.9**	**-4.1**	**130.5**

Lease income increased when compared to the first quarter of 2023 mainly due to starting of the wet lease arrangements with Qantas in Q4 2023.

6. STAFF AND OTHER CREW RELATED COSTS

EUR in millions	Q1 2024	Q1 2023	Change %	2023
Wages and salaries	-91.8	-90.2	-1.7	-348.6
Defined contribution schemes	-15.8	-14.7	-7.7	-61.7
Defined benefit schemes	-3.5	-2.8	-23.9	-8.3
Pension expenses total	-19.3	-17.5	-10.3	-70.0
Other social expenses	-1.7	-4.5	61.6	-16.3
Salaries, pension and social costs	**-112.9**	**-112.2**	**-0.5**	**-435.0**
Operative staff related costs	-8.3	-8.7	4.3	-30.5
Leased and outsourced crew	-8.0	-6.1	-31.4	-26.0
Other personnel related costs	-1.5	-2.2	29.8	-6.5
Total	**-130.7**	**-129.2**	**-1.2**	**-498.1**

7. DEPRECIATION AND IMPAIRMENT

EUR in millions	Q1 2024	Q1 2023	Change %	2023
Depreciation of owned fleet	-41.1	-32.0	-28.3	-139.5
Depreciation of other fixed assets	-3.8	-3.9	0.4	-15.3
Depreciation of right-of-use fleet	-32.0	-40.7	21.4	-156.9
Depreciation of right-of-use other assets	-5.2	-5.4	3.8	-20.9
Depreciation	**-82.1**	**-82.0**	**-0.2**	**-332.6**
Impairment	-0.7	-	-	-13.7
Total	**-82.8**	**-82.0**	**-1.1**	**-346.2**

Fleet and other non-current assets subject to depreciation, including the right-of-use assets, are stated at historical cost less accumulated depreciation and impairment loss, when applicable.

8. ITEMS AFFECTING COMPARABILITY

Finnair uses alternative performance measures in its internal reporting to the chief operative decision maker, or Finnair Executive Board. The figures are referred to in the European Securities Markets Authority (ESMA) Guidelines on Alternative Performance Measures, which Finnair uses to describe its business and financial performance development between periods. The alternative performance measures do not replace IFRS indicators but shall be read in conjunction with key figures in accordance with IFRS financial statements.

Unrealised exchange rate differences of mainly in US dollars denominated aircraft maintenance provisions and unrealised fair value changes of derivatives where hedge accounting is not applied are excluded from comparable operating result. These exchange rate and fair value effects are included in the comparable operating result only when they will realise. In addition, gains and losses on aircraft and other transactions, impairment as well as restructuring costs are not included in the comparable operating result.

EUR in millions	Q1 2024 Reported	Q1 2024 Items affecting compa-rability	Q1 2024 Compa-rable	Q1 2023 Reported	Q1 2023 Items affecting compa-rability	Q1 2023 Compa-rable	2023 Reported	2023 Items affecting compa-rability	2023 Compa-rable
Revenue	**681.5**	**-**	**681.5**	**694.7**	**-**	**694.7**	**2,988.5**	**-**	**2,988.5**
Other operating income	32.5	-0.0	32.5	33.9	-2.8	31.1	130.5	-13.5	117.0
Operating expenses									
Staff and other crew related costs	-130.7	1.0	-129.7	-129.2	0.0	-129.1	-498.1	-	-498.1
Fuel costs	-211.5	1.4	-210.2	-218.0	-1.6	-219.6	-898.9	-0.7	-899.6
Capacity rents	-27.2	-	-27.2	-26.8	-	-26.8	-107.2	-	-107.2
Aircraft materials and overhaul	-52.0	2.5	-49.5	-46.4	-3.2	-49.6	-200.1	-7.1	-207.2
Traffic charges	-62.3	-	-62.3	-55.4	-	-55.4	-233.8	-	-233.8
Sales, marketing and distribution costs	-32.3	-	-32.3	-31.1	-	-31.1	-117.1	-	-117.1
Passenger and handling services	-103.3	-	-103.3	-103.4	-	-103.4	-414.1	-	-414.1
Property, IT and other expenses	-29.0	0.0	-29.0	-28.1	0.1	-28.0	-112.1	0.1	-111.9
EBITDA	**-**	**-**	**70.5**	**-**	**-**	**82.8**	**-**	**-**	**516.5**
Depreciation and impairment	-82.8	0.7	-82.1	-82.0	-	-82.0	-346.2	13.7	-332.6
Operating result	**-17.2**	**5.6**	**-11.6**	**8.3**	**-7.4**	**0.9**	**191.4**	**-7.5**	**184.0**

Items affecting comparability include loss of 2.5 million euros on the unrealised exchange rate difference of aircraft maintenance provisions and loss of 1.4 million euros on fair value changes of jet fuel options that are not included in hedge accounting.

9. MANAGEMENT OF FINANCIAL RISKS

No significant changes have been made to the Group’s risk management principles in the reporting period. The tables below present the nominal value, or the amount and net fair value of derivative contracts used in Group's hedge accounting. In addition to derivates Finnair has also used USD denominated investments and deposits to hedge its balance sheet exposure. The amount of these investments and deposits at the end of Q1 2024 was over 400 million dollars.

On a quarter-on-quarter basis, the US dollar depreciated 1.2 per cent against the euro and jet fuel price decreased 3.9 per cent.

Derivatives, EUR in millions	**31 Mar 2024**		**31 Mar 2023**		**31 Dec 2023**	
	Nominal value	Fair net value	Nominal value	Fair net value	Nominal value	Fair net value
Currency derivatives						
Operational cash flow hedging (forward contracts)	403.5	7.4	305.7	-8.3	389.7	-3.5
Operational cash flow hedging (options)						
Bought options	56.9	0.2	43.3	0.2	53.3	0.0
Sold options	52.1	-0.3	40.1	-0.6	48.9	-0.6
Fair value hedging of aircraft acquisitions	150.8	2.4	183.7	-13.8	158.9	-1.4
Hedge accounting items total	663.3	9.6	572.7	-22.4	650.7	-5.5
Balance sheet hedging (forward contracts)	289.0	1.1	330.8	-1.2	321.8	0.2
Items outside hedge accounting total	289.0	1.1	330.8	-1.2	321.8	0.2
Currency derivatives total	**952.3**	**10.6**	**903.4**	**-23.7**	**972.6**	**-5.3**
Commodity derivatives						
Jet fuel forward contracts, tonnes	523,000	15.8	287,000	-23.4	422,000	-9.6
Options						
Bought options, jet fuel, tonnes	233,000	5.1	205,000	2.3	255,000	2.6
Sold options, jet fuel, tonnes	233,000	-6.0	205,000	-13.2	255,000	-12.0
Hedge accounting items total	989,000	14.9	697,000	-34.3	932,000	-18.9
Options						
Bought options, jet fuel, tonnes	121,000	0.2	205,000	2.5	187,000	1.6
Items outside hedge accounting total	121,000	0.2	205,000	2.5	187,000	1.6
Commodity derivatives total	**1,110,000**	**15.1**	**902,000**	**-31.8**	**1,119,000**	**-17.4**
Currency and interest rate swaps and options						
Cross currency interest rate swaps	295.0	-2.3	294.3	2.0	310.4	-8.9
Items outside hedge accounting total	295.0	-2.3	294.3	2.0	310.4	-8.9
Interest rate derivatives total	**295.0**	**-2.3**	**294.3**	**2.0**	**310.4**	**-8.9**
Derivatives total	**-**	**23.4**	**-**	**-53.4**	**-**	**-31.5**

10. FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Fair value hierarchy of financial assets and liabilities valued at fair value			
Fair values at the end of the reporting period, EUR in millions	31 Mar 2024	Level 1	Level 2
Financial assets at fair value through profit and loss			
Securities held for trading	823.0	741.9	81.1
Derivatives held for trading			
Currency and interest rate swaps and options	1.4	-	1.4
Currency derivatives	11.7	-	11.7
- of which in fair value hedge accounting	2.5	-	2.5
- of which in cash flow hedge accounting	8.1	-	8.1
Commodity derivatives	23.2	-	23.2
- of which in cash flow hedge accounting	23.0	-	23.0
Total	**859.3**	**741.9**	**117.5**

Financial liabilities recognised at fair value through profit and loss			
Derivatives held for trading			
Currency and interest rate swaps and options	3.7	-	3.7
Currency derivatives	1.0	-	1.0
- of which in fair value hedge accounting	0.1	-	0.1
- of which in cash flow hedge accounting	0.9	-	0.9
Commodity derivatives	8.1	-	8.1
- of which in cash flow hedge accounting	8.1	-	8.1
Total	**12.9**	**-**	**12.9**

During the reporting period, no significant transfers took place between fair value hierarchy Levels 1 and 2. Majority of the securities held for trading are investments into money market funds and commercial papers. Investments have been done according to the treasury policy.

The fair values of hierarchy Level 1 are based fully on quoted (unadjusted) prices in active markets of the same assets and liabilities. The fair values of Level 2 instruments are, to a significant extent, based on input data other than the quoted prices included in Level 1, but still mainly based directly observable data (market prices) or indirectly observable data (derived from market prices) for the particular asset or liability.

11. INCOME TAXES

The effective tax rate for the reporting period was -20.3%. During the first quarter of the financial year deferred tax asset of -3.6 million euros for the taxable result of the period, 11.1 million euros for the other temporary differences and -9.4 million euros for the other comprehensive income items were recognised. Deferred tax asset at the end of reporting period was 232.2 million euros (31 Dec 2023: 234.0).

Unrecognised deferred tax assets have not changed during the reporting period. These are presented in the note 5.1 Income taxes in the financial statements of 2023.

The deferred tax asset is recognised up to the amount where it is probable that future taxable income will be generated against which the temporary difference can be utilised, also taking into account the tax planning methods available to Finnair relating to accumulated tax depreciations. The management's assessment of the future taxable profit is based on the latest forecasts approved by the Board of Directors in connection with the preparation of the interim financial report. The statutory period of limitation relating to confirmed losses is 10 years and the respective deferred tax currently recognised in the balance sheet are expiring in 2030–2032. Deferred tax assets and liabilities recognised in the balance sheet are netted as they are levied by the same taxing authority and Finnair has a legally enforceable right to set off the balances.

12. CHANGE IN FIXED ASSETS

EUR in millions	31 Mar 2024	31 Mar 2023	31 Dec 2023
Carrying amount at the beginning of period	1,194.8	1,044.9	1,044.9
Additions	29.4	66.9	409.4
Change in advances	3.3	13.6	-4.5
Currency hedging of aircraft acquisitions	-3.7	2.2	-10.2
Disposals and reclassifications	-0.0	-33.4	-90.0
Depreciation	-44.9	-35.9	-154.8
Carrying amount at the end of period	**1,178.8**	**1,058.4**	**1,194.8**

Additions to fixed assets are mainly related cabin refurbishment of the wide-body aircraft and investments in aircraft maintenance.

13. CHANGE IN RIGHT-OF-USE ASSETS

EUR in millions	31 Mar 2024	31 Mar 2023	31 Dec 2023
Carrying amount at the beginning of period	915.3	1,078.2	1,078.2
New contracts	9.3	1.0	24.3
Reassessments and modifications	4.7	12.1	50.5
Disposals	-	-6.2	-46.2
Depreciation	-37.2	-46.1	-177.8
Impairment	-0.7	-	-13.7
Carrying amount at the end of period	**891.4**	**1,038.9**	**915.3**

New contracts are mainly related to extension of Schengen lounge. Reassessments are mainly related to index changes.

14. INTEREST-BEARING LIABILITIES

During the first quarter of 2024 Finnair amortised its loans according to the loan instalment programs.

Interest-bearing liabilities	Fair value			Book value		
EUR in millions	31 Mar 2024	31 Mar 2023	31 Dec 2023	31 Mar 2024	31 Mar 2023	31 Dec 2023
Lease liabilities	1,108.4	1,261.7	1,115.0	1,108.4	1,261.7	1,115.0
Loans from financial institutions	278.7	568.1	272.1	279.8	599.1	279.7
Bonds	378.6	343.6	371.9	381.5	380.7	381.3
JOLCO loans* and other	235.5	243.7	231.9	242.6	285.8	249.5
Total	**2,001.3**	**2,417.1**	**1,990.9**	**2,012.3**	**2,527.3**	**2,025.6**

* JOLCO loans and other include the JOLCO loans (Japanese Operating Lease with Call Option) for three A350 aircraft and Export Credit Support for one A350. The transactions are treated as loans and owned aircraft in Finnair's accounting.

Fair values of interest-bearing liabilities (excluding lease liabilities) have been calculated by discounting the expected cash flows using the market interest rate and company's credit risk premium at the reporting date. Fair value of bonds has been calculated by using the quoted price of reporting date (99.0).

Maturity dates of financial liabilities as at 31 Mar 2024 EUR in millions	1-12 months	13-24 months	25-36 months	37-48 months	49-60 months	Later	Total
Lease liabilities, fixed interest	132.5	128.8	101.4	84.8	69.7	318.6	**835.8**
Lease liabilities, variable interest	38.1	38.1	38.2	40.1	33.9	84.3	**272.7**
Loans from financial institutions, variable interest	80.0	200.0	-	-	-	-	**280.0**
Bonds, fixed interest	-	382.5	-	-	-	-	**382.5**
JOLCO loans and other, fixed interest	11.5	10.9	11.2	-	-	-	**33.6**
JOLCO loans and other, variable interest	71.0	52.8	30.2	10.2	10.4	37.5	**212.1**
Interest-bearing financial liabilities total*	**333.2**	**813.0**	**181.0**	**135.1**	**113.9**	**440.5**	**2,016.6**
Payments from interest rate and currency derivatives	807.8	32.3	-	0.0	0.0	-	**840.1**
Income from interest rate and currency derivatives	-818.0	-32.7	0.0	-	-	-	**-850.7**
Commodity derivatives	-13.6	-1.5	-	-	-	-	**-15.1**
Trade payables and other liabilities	269.4	-	-	-	-	-	**269.4**
Interest payments	97.9	67.5	43.7	33.7	26.6	80.8	**350.2**
Total	**676.6**	**878.6**	**224.6**	**168.8**	**140.6**	**521.3**	**2,610.5**

Maturity dates of financial liabilities as at 31 Dec 2023 EUR in millions	1-12 months	13-24 months	25-36 months	37-48 months	49-60 months	Later	Total
Lease liabilities, fixed interest	127.6	131.9	101.8	89.7	68.5	329.0	**848.5**
Lease liabilities, variable interest	36.4	36.4	35.9	37.7	35.0	85.2	**266.5**
Loans from financial institutions, variable interest	80.0	200.0	-	-	-	-	**280.0**
Bonds, fixed interest	-	382.5	-	-	-	-	**382.5**
JOLCO loans and other, fixed interest	-	23.4	11.7	-	-	-	**35.1**
JOLCO loans and other, variable interest	40.4	85.9	31.9	10.0	10.1	39.3	**217.5**
Interest-bearing financial liabilities total*	**284.4**	**860.1**	**181.2**	**137.3**	**113.7**	**453.4**	**2,030.1**
Payments from interest rate and currency derivatives	872.4	2.3	2.7	-	1.7	-	**879.1**
Income from interest rate and currency derivatives	-864.9	-	-	-	-	-	**-864.9**
Commodity derivatives	15.8	1.5	-	-	-	-	**17.4**
Trade payables and other liabilities	274.1	-	-	-	-	-	**274.1**
Interest payments	96.8	73.2	45.1	34.6	27.6	84.1	**361.3**
Total	**678.5**	**937.2**	**229.1**	**171.9**	**142.9**	**537.5**	**2,697.0**

* The bonds maturing do not include the amortised cost of 1.0 million euros paid in 2021 and due in 2025. Respectively, JOLCO loans do not include the amortised cost of 3.1 million euros paid in 2016 and due in 2025. Loans from financial institutions do not include the amortised cost of 0.2 million euros paid as arrangement fee from the pension premium loan in 2022. Therefore, the total amount of interest-bearing financial liabilities differs from the book value by the amount equal to the amortised costs.

State aid in pension premium loan extension

The EU Commission's competition authority approved the extension of the 540-million-euro guarantee related to the pension premium loan on 20 June 2022. The pension premium loan maturity is extended until 2025 and the repayment schedule is amended so that the company will amortise the loan by 100 million euros every 6 months. However, the remaining two 100-million-euro tranches will be paid in full on 15 May 2025. In accordance with the loan terms, the pension premium loan is required to have a guarantee. The guarantee is granted by the State of Finland and a commercial bank.

In December 2023 Finnair announced that it had repaid an additional tranche of 120 million euros of its 600-million-euro pension premium loan in addition to the previously planned 100-million-euro instalment. The December instalment, including interest, totals approximately 230 million euros, after which the remaining loan amount is 280 million euros.

15. PROVISIONS

EUR in millions	31 Mar 2024	31 Mar 2023	31 Dec 2023
Aircraft maintenance provision			
Provision at the beginning of period	144.2	246.7	246.7
Provision for the period	9.8	12.6	49.1
Provision used	-10.1	-17.9	-58.9
Provision reversed	-0.6	-0.9	-2.3
Provision for right-of-use assets redelivery	0.1	1.2	-0.3
Reclassifications	-	-34.5	-90.8
Unwinding of discount	1.4	2.1	7.8
Exchange rate differences	2.5	-3.2	-7.1
Aircraft maintenance provision total	**147.1**	**206.1**	**144.2**
Of which non-current	117.9	157.1	118.3
Of which current	29.2	49.0	25.9
Other provisions			
Provision at the beginning of period	2.9	5.0	5.0
Provision for the period	1.0	0.2	1.2
Provision used	-0.2	-1.2	-2.8
Provision reversed	-0.1	-0.1	-0.6
Other provisions total	**3.7**	**4.0**	**2.9**
Of which non-current	0.8	1.3	0.8
Of which current	2.9	2.7	2.1
Total	**150.8**	**210.1**	**147.1**
Of which non-current	118.7	158.5	119.0
Of which current	32.1	51.6	28.1

Non-current aircraft maintenance provisions are expected to be used by the end of 2036.

In the balance sheet, non-current provisions and other liabilities totalling to 125.7 million euros (31 December 2023: 125.9) include, in addition to provisions, other non-current liabilities totalling to 7.0 million euros (31 December 2023: 6.9) which mainly consist of received lease deposits.

16. DEFERRED INCOME AND ADVANCES RECEIVED

EUR in millions	31 Mar 2024	31 Mar 2023	31 Dec 2023
Deferred revenue on ticket sales	545.7	519.7	394.8
Loyalty program Finnair Plus	66.5	53.5	66.7
Advances received for tour operations	35.2	36.7	32.5
Other items	14.7	9.2	12.8
Total	**662.1**	**619.0**	**506.7**

17. CONTINGENT LIABILITIES

EUR in millions	31 Mar 2024	31 Mar 2023	31 Dec 2023
Guarantees on behalf of group undertakings	66.0	50.5	51.5
Total	**66.0**	**50.5**	**51.5**

Investment commitments for property, plant and equipment as of 31 March 2024 totalled 300.1 million euros (31 December 2023: 313.7) and they relate mainly to firm aircraft orders and other aircraft related investments. Out of the total investment commitments 160.0 million euro takes place within the next 12 months and 140.1 million euro during the following 1–5 years.

Off-balance sheet lease commitments as of 31 March 2024 totalled to 17.1 million euros (31 December 2023: 16.5). These include short-term lease agreements and other lease agreements for which the underlying asset is of low value or contracts that do not contain a lease according to IFRS 16. These relate mainly to leases for facilities and IT equipment.

18. RELATED PARTY TRANSACTIONS

There were no significant changes in the scope or amounts of related party transactions during the reporting period. Related party transactions are described more detailed in the note 4.5 Related party transactions in the financial statements of 2023.

19. EVENTS AFTER THE PERIOD

On 23 April 2024, S&P Global Ratings has assigned a long-term issuer credit rating of BB+ to Finnair Plc, with a stable outlook. It is the first credit rating for Finnair.

In addition, Finnair has on 23 April 2024 signed a binding secured revolving credit facility of 200 million euros for general corporate purposes. The new arrangement carries a three-year tenor with a one-year extension option. The financial covenant of the loan is a net debt to EBITDA ratio of 3.75 or less.