Finnair Group Interim Report

1 January – 31 March 2025

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Industrial action and increased costs weighed on the seasonally weak Q1 result as anticipated

January–March 2025

- Revenue increased by 1.9% to 694.2 million euros (681.5).
- Comparable operating result was -62.6 million euros (-11.6). Industrial action had a negative impact of around 22 million euros on the comparable operating result.
- Operating result was -53.4 million euros (-17.2).
- Earnings per share were -0.25 euros (-0.15).
- Net cash flow from operating activities was 192.1 million euros (138.9) and net cash flow from investing activities -57.2 million euros (-25.9)*.
- Number of passengers increased by 2.6% to 2.6 million (2.6**).
- Available seat kilometres (ASK) increased by 2.3% to 9,126.4 million kilometres (8,922.9). Including wet leases, ASKs increased by 1.6%.
- Passenger load factor (PLF) increased by 1.6 percentage points to 73.8% (72.1).

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

* *In Q1, net cash flow from investing activities included 5.1 million euros of investments (6.5 million euros of redemptions) in money market funds or other financial assets (maturity over three months). They are part of the Group's liquidity management.*

** *The number of passengers and cargo tonnes for January-November 2024 were corrected in December 2024, with a total impact of 59,100 additional passengers and 828.7 additional cargo tonnes for the period.*

Outlook and guidance

Finnair's guidance regarding capacity, revenue and comparable operating result for 2025, excluding any impact of industrial action, is unchanged.

Under Outlook and guidance on 29 April 2025, the company provides additional information on the impacts of industrial action and highlights the increased uncertainty and risk levels in the operating environment.

OUTLOOK AND GUIDANCE ON 29 APRIL 2025

Global air traffic is expected to continue growing in 2025. However, international conflicts, global political instability, the threat of trade wars and a tense labour market situation in Finland cause uncertainty in the operating environment. In particular, the risk levels related to tariffs between different countries and their direct and indirect impacts have increased.

Excluding the impact of industrial action, Finnair has planned to increase its total capacity, measured by ASKs, by c. 10% in 2025. The capacity estimate includes the agreed wet leases. Finnair has anticipated its revenue to be within the range of 3.3–3.4 billion euros and its comparable operating result to be within the range of 100–200 million euros in 2025. In 2025, profitability is burdened particularly by additional costs caused by the sustainable aviation fuel distribution obligation introduced in the EU, as well as rising navigation and landing charges. The direct cost impact of tariffs that will enter into force after the first quarter is estimated to be limited. It is too early to estimate the magnitude of potential indirect effects.

The estimates regarding capacity, revenue and comparable operating result do not include impacts of industrial action. In the first quarter of 2025, industrial action had a negative impact of around 31 million euros on revenue and around 22 million euros on the comparable operating result. In April 2025, industrial action is estimated to have a negative impact of around 15 million euros on revenue and around 10 million euros on the comparable operating result. In addition, regardless of the duration of industrial action, Finnair has decided to cancel 230 flights scheduled for the summer season due to a temporary lack of resources following the industrial action, which is estimated to negatively impact revenue by approximately 30 million euros and the comparable operating result by approximately 10 million euros. Based on the cancellations already confirmed, industrial action is estimated to have a negative impact of approximately 5% on the total capacity in 2025, measured by ASKs.

Finnair will update its outlook and guidance in connection with the 2025 half-year report.

PREVIOUS OUTLOOK AND GUIDANCE ISSUED ON 13 FEBRUARY 2025

Global air traffic is expected to continue growing in 2025. However, international conflicts, global political instability and a tense labour market situation in Finland cause uncertainty in the operating environment.

Finnair plans to increase its total capacity, measured by ASKs, by c. 10% in 2025. The capacity estimate includes the agreed wet leases. Finnair expects its revenue to be within the range of 3.3–3.4 billion euros and its comparable operating result to be within the range of 100–200 million euros in 2025. In 2025, profitability is burdened particularly by additional costs caused by the sustainable aviation fuel distribution obligation introduced in the EU, as well as rising navigation and landing charges, which will weigh on the comparable operating result especially for the seasonally low first quarter. In addition, the first quarter's comparable operating result will be negatively impacted by the timing of Easter.

The estimates regarding capacity, revenue and comparable operating result do not include impacts of industrial action. In January 2025, the estimated negative impact of industrial action on comparable operating result was around 5 million euros.

Finnair will update its outlook and guidance in connection with the 2025 first quarter interim report.

CEO Turkka Kuusisto:

The first, seasonally weakest quarter of the year was tough for Finnair. Industrial action impacted our operations and had a negative effect on our financial result, while our operating cash flow was strong, driven by sales intake. Our revenue increased by 1.9% from the comparison period. At the same time, the number of passengers increased by 2.6% and available seat kilometres (ASK) by 2.3%. However, our comparable operating result decreased significantly.

The weakening of the result was particularly affected by the industrial action of the Finnish Airline Pilots' Association, which had a negative impact of approximately 31 million euros on revenue, approximately 4 million euros on other operating income and approximately 22 million euros on comparable operating result. The prolonged industrial action has already affected the journeys of approximately 190,000 customers and has clearly increased rerouting, accommodation and care costs. We have also had to reduce our traffic plan for the summer. Last week, Service Sector Employers Palta submitted a proposal to the Finnish Airline Pilots' Association for the outcome of the collective labour agreement negotiations, and an answer is expected by tomorrow, 30 April. We hope the agreement will be signed as soon as possible.

We are extremely sorry for the inconvenience caused by the industrial action to our customers and would like to thank them for their patience.

We have invested in the rapid handling of disruptions through automation, which speeds up customer rerouting and the processing of claims. The prolonged disruption is reflected in customer satisfaction, but the net promoter score remained at the level of the previous year's comparison period. Thank you to all Finnair employees who have taken good care of customers even in the event of traffic disruptions.

As expected, the result was also negatively impacted by costs related to the use of sustainable aviation fuel, driven by changes in environmental regulation, and changes in the EU emissions trading system, which together weakened the comparable operating result by a total of approximately 10 million euros from the comparison period, as well as higher landing and navigation fees, which also increased costs by approximately 10 million euros. However, the comparable operating result was in line with our expectations, apart from the effects of industrial action.

Travel demand remained healthy during the first quarter and contributed to the strong cash flow. However, at the start of the second quarter, the threat of trade wars and uncertainty related to economic development have increased significantly, which may weaken demand. At the same time, the price of fuel has declined. Securing profitability, ensuring competitiveness through continuous improvement and optimising our network are at the heart of our work in this uncertain situation.

Finnair has a good offering for the upcoming summer season to meet customers' travel needs, and we are also in a strong position to face the uncertainties related to the operating environment.

Key performance indicators

EUR in millions, unless otherwise indicated	Q1 2025	Q1 2024	Change %	2024
Revenue and profitability				
Revenue	694.2	681.5	1.9	3,048.8
Comparable operating result	-62.6	-11.6	<-200	151.4
Comparable operating result, % of revenue	-9.0	-1.7	-7.3 %-p	5.0
Operating result	-53.4	-17.2	<-200	114.2
Operating result, % of revenue	-7.7	-2.5	-5.2 %-p	3.7
Comparable EBITDA, % of revenue	3.3	10.3	-7.0 %-p	15.8
Result for the period	-50.8	-29.9	-69.9	37.0
Earnings per share (EPS), basic, EUR	-0.25	-0.15	-69.6	0.18
Earnings per share (EPS), diluted, EUR	-0.25	-0.15	-69.9	0.18
Unit revenue per available seat kilometre (RASK), cents/ASK	7.61	7.64	-0.4	7.97
Unit revenue per revenue passenger kilometre (yield), cents/RPK	8.00	8.38	-4.6	8.34
Unit cost per available seat kilometre (CASK), cents/ASK	8.29	7.77	6.8	7.57
CASK excluding fuel, cents/ASK	5.95	5.41	10.0	5.24
Capital structure				
Equity ratio, %	14.7	15.3	-0.6 %-p	16.9
Gearing, %	146.9	177.0	-30.1 %-p	154.8
Interest-bearing net debt	802.8	1,033.6	-22.3	970.7
Interest-bearing net debt / Comparable EBITDA, LTM	1.9	2.0	-9.7	2.0
Gross capital expenditure	47.7	43.4	10.1	463.8
Return on capital employed (ROCE), LTM, %	4.9	8.0	-3.1 %-p	6.2
Cash to sales, LTM, %	30.0	33.0	-3.0 %-p	29.0
Traffic				
Passengers*, 1,000	2,641	2,573	2.6	11,654
Flights, number	27,353	25,635	6.7	111,722
Available seat kilometres (ASK), million	9,126	8,923	2.3	38,259
Revenue passenger kilometres (RPK), million	6,731	6,435	4.6	29,000
Passenger load factor (PLF), %	73.8	72.1	1.6 %-p	75.8
Available seat kilometres incl. wet lease out, million	9,689	9,540	1.6	40,830
Customer-centric commercial and operational excellence				
Net Promoter Score (NPS)	34	34	-1.3	37
On-time performance, %	78.5	75.1	3.4 %-p	75.4
Share of passengers in modern channels, %	72.8	69.0	3.8 %-p	70.5
Average number of monthly visitors at finnair.com, millions	2.9	3.0	-2.4	2.8
Active users for Finnair mobile app, thousands	1,098	1,064	3.2	1,057
Ancillary revenue	44.6	37.4	19.3	181.8
Ancillary revenue per passenger*, EUR	16.90	14.54	16.2	15.60
Among industry sustainability leaders				
Jet fuel total consumption, tonnes	242,674	241,186	0.6	1,031,296
Sustainable aviation fuel (SAF) usage, tonnes	3,098	1,704	81.8	4,685
Direct flight CO_2 emissions, tonnes	757,060	756,764	0.0	3,244,092
Direct flight CO_2 emissions, g/ASK	83.0	84.8	-2.2	84.8
Direct flight CO_2 emissions, g/RTK	946.3	964.2	-1.9	936.8
Adaptable Finnair culture driven by engaged people				
Average number of employees	5,637	5,335	5.7	5,533
Absences due to illness, %	4.7	4.2	0.5 %-p	4.2
Lost-time injury frequency (LTIF)	4.7	5.6	-16.2	5.4
Attrition rate, LTM, %	2.2	3.4	-1.2 %-p	2.5

* *The number of passengers and cargo tonnes for January-November 2024 were corrected in December 2024, with a total impact of 59,100 additional passengers and 828.7 additional cargo tonnes for the period.*

Business environment in Q1

Market demand improved year-on-year, driven by strong growth in long-haul demand. However, average ticket fares per revenue passenger kilometre declined. Long-haul leisure demand was strong in the Nordics, and Japan both as an origin and as a destination market improved significantly. Demand in North Atlantic traffic continued to be strong in both the US and Europe. Lapland was supported by strong international demand, while leisure customers from Finland directed more strongly towards Southern European destinations.

Finnair has continued operating to most of its Asian destinations despite routings that are up to 40% longer. However, the company has limited operations especially to China, as the Chinese carriers are able to utilise Russian airspace, and demand for air travel between Europe and China has yet to recover.

Scheduled market capacity, measured by ASKs, increased by 9.4% (5.7) between origin Helsinki and Finnair's European destinations and by 12.0% (32.1) between Finnair's Asian and European destinations. Between Finnair's North Atlantic and European destinations, scheduled market capacity decreased by 6.7% (2.7). Industrial action in Finland had an impact on Finnair's operations, leading to the cancellation of more than 1,000 flights.

Demand for Aurinkomatkat travel packages was supported by increased capacity but burdened by inflation and weak consumer confidence, which were reflected in a decrease in customer travel frequency and more intense price competition. Industrial actions in Finland led to changes in flight schedules and re-routings. Nevertheless, customer satisfaction remained at a high level. Globally increased demand for popular travel destinations has raised hotel prices and reduced their availability. Sales for the upcoming summer season have started promisingly. Demand for city holidays weakened from an exceptionally strong comparison period. The crisis in the Middle East has not had a significant impact on the demand for travel packages.

Global air cargo faced softening demand, and in February 2025 demand, measured by cargo tonne kilometres, decreased for the first time since mid-2023. The decline was mainly driven by cargo from the Middle East. On the other hand, Asia Pacific as a cargo origin was still showing a clearly positive demand trend, and this was also visible in Finnair's strong Asian demand.

The US dollar, which is the most significant expense currency for Finnair after the euro, strengthened by 3.2% against the euro from the comparison period. The US dollar-denominated average market price of jet fuel was 16.0% lower and the euro-denominated market price 13.2% 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 increased by 1.9% year-on-year, mainly thanks to growth in ancillary revenue.

Revenue by product

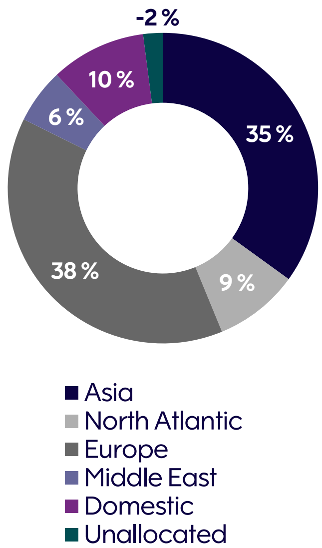
EUR million	Q1/2025	Q1/2024	Change %
Passenger revenue	538.4	539.3	-0.2
Ancillary revenue	44.6	37.4	19.3
Cargo	50.1	46.3	8.3
Travel services	61.0	58.4	4.5
Total	**694.2**	**681.5**	**1.9**

Unit revenue (RASK) declined by 0.4% and amounted to 7.61 cents (7.64), driven by a decline in average ticket fares and an increase in passenger compensation due to industrial action, which reduced passenger revenue.

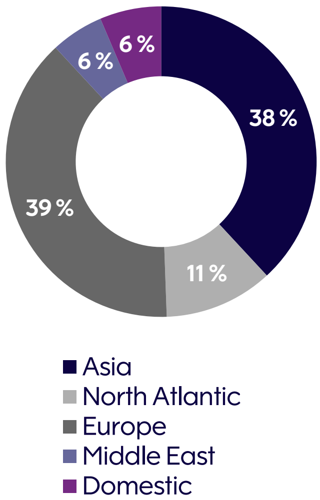
Passenger revenue and traffic data by area

	Passenger revenue		ASK		RPK		PLF	
Traffic area	Q1/2025 MEUR	Q1/2024 MEUR	Q1/2025 Mill. km	Q1/2024 Mill. km	Q1/2025 Mill. km	Q1/2024 Mill. km	%	Change %-p
Asia	196.3	179.3	3,477.6	3,552.8	2,782.1	2,516.8	80.0	9.2
North Atlantic	49.5	39.8	1,033.7	888.4	714.1	594.3	69.1	2.2
Europe	216.2	208.4	3,530.0	3,154.5	2,446.2	2,343.1	69.3	-5.0
Middle East	32.1	52.0	501.4	771.5	416.9	594.7	83.1	6.1
Domestic	55.8	58.6	583.6	555.7	371.9	386.3	63.7	-5.8
Unallocated	-11.5	1.2						
Total	**538.4**	**539.3**	**9,126.4**	**8,922.9**	**6,731.2**	**6,435.2**	**73.8**	**1.6**

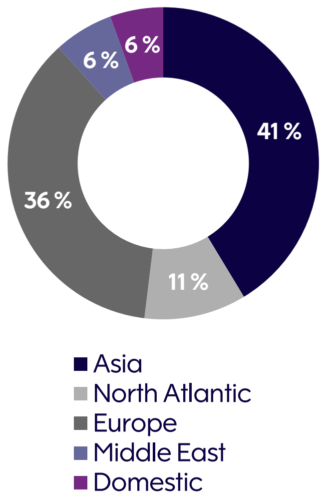
Q1 passenger revenue



Q1 capacity (ASKs)



Q1 traffic (RPKs)



Passenger revenue declined by 0.2%, while traffic capacity, measured by available seat kilometres (ASK), increased by 2.3%. ASKs increased as additional narrow-body capacity was now in Finnair's own, more efficient use after the wet lease outs to British Airways ended in March 2024. The additional capacity was allocated to European and domestic traffic. The new A350 wide-body aircraft received in December 2024 was not reflected as capacity increase due to a A350 fleet livery painting programme. Capacity growth was also burdened by industrial action that resulted in the cancellation of more than 1,000 flights. Including wet lease outs, ASKs increased by 1.6%. The number of passengers increased by 2.6% to 2,640,700 passengers[1]. Traffic, measured by revenue passenger kilometres (RPK), increased by 4.6%, and the passenger load factor (PLF) increased by 1.6 percentage points to 73.8%.

The reported distance-based traffic figures are based on the great-circle distance and, therefore, 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, adjusted ASKs, considering the longer sector lengths, would have been c. 15% higher than the reported ASKs.

In Asian traffic, ASKs declined by 2.1%. RPKs increased by 10.5%. Therefore, the PLF increased by 9.2 percentage points to 80.0%.

In North Atlantic traffic, ASKs increased by 16.4%, driven by added frequencies to Dallas. RPKs increased by 20.1%. Consequently, the PLF increased by 2.2 percentage points to 69.1%.

[1] The number of passengers and cargo tonnes for January-November 2024 were corrected in December 2024, with a total impact of 59,100 additional passengers and 828.7 additional cargo tonnes for the period.

In European traffic, ASKs increased by 11.9%, as majority of the increase in narrow-body capacity was allocated to routes in Northern Europe. RPKs increased by 4.4%. Therefore, the PLF declined by 5.0 percentage points to 69.3%.

In Middle Eastern traffic, ASKs declined by 35.0% due to the end of cooperation with Qatar Airways on flights between Stockholm, Copenhagen and Doha on 15 January 2025. RPKs declined by 29.9%. Consequently, the PLF increased by 6.1 percentage points to 83.1%.

Domestic traffic capacity increased by 5.0% due to the additional narrow-body capacity. RPKs declined by 3.7%. Therefore, the PLF decreased by 5.8 percentage points to 63.7%.

Ancillary revenue increased by 19.3% to 44.6 million euros (37.4) and ancillary revenue per passenger by 16.2% to 16.90 euros (14.54), supported by increased pick-up rates for baggage allowances and travel extras, as well as enhanced dynamic pricing. Advance seat reservations, excess baggage and frequent flyer programme-related revenue were the largest ancillary categories.

Revenue cargo tonne kilometres decreased by 5.5% and total cargo tonnes by 7.3%. Despite industrial action causing flight cancellations, cargo revenue increased by 8.3%, thanks to higher yields from Asia. With regards to the key revenue contributors to Finnair Cargo, namely Thailand, Norway and Japan, revenue increased in all of them. 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 passenger revenue in full.

Travel services' financial development was supported by increased capacity, which, however, led to a slightly lower load factor rate for allotment production. The performance was burdened by inflation, weak consumer confidence, as well as the rising prices and limited availability of hotels. The total number of travel service passengers increased by 8.6%, while the load factor in allotment-based capacity was 92.6% (96.1). Travel service revenue increased by 4.5 percent to 61.0 million euros (58.4).

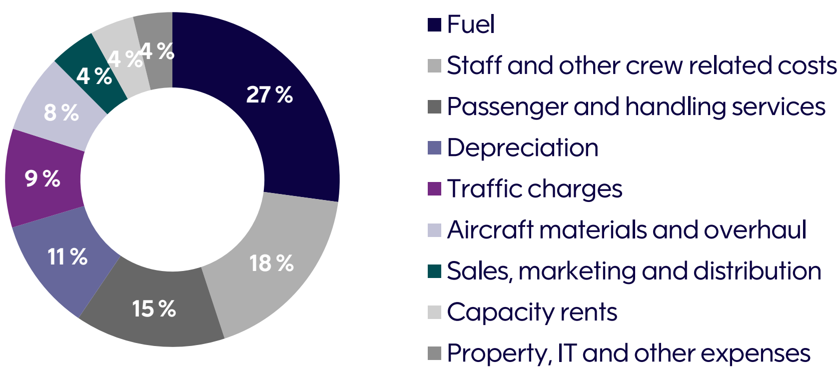
Other operating income declined by 8.4% to 29.8 million euros (32.5), as the wet lease outs of narrow-body capacity to British Airways ended in March 2024 and fewer wet lease out flights were operated for Qantas due to industrial action.

OPERATING EXPENSES INCLUDED IN COMPARABLE OPERATING RESULT IN Q1

Finnair's operating expenses, included in comparable operating result, increased by 8.4%, mainly due to higher traffic charges, passenger and handling costs, aircraft materials and overhaul costs as well as staff and other crew related costs. Cost efficiency actions were continued during the quarter.

Unit cost (CASK) increased by 6.8% and totalled 8.29 cents (7.77). CASK excluding fuel increased by 10.0% and amounted to 5.95 cents (5.41).

Q1 operating expenses (€786.5 million in total) included in comparable operating result



EUR million	Q1/2025	Q1/2024	Change %
Staff and other crew related costs	140.0	129.7	8.0
Fuel costs	213.5	210.2	1.6
Capacity rents	33.5	27.2	23.1
Aircraft materials and overhaul	60.0	49.5	21.1
Traffic charges	75.0	62.3	20.5
Sales, marketing and distribution costs	34.8	32.3	7.6
Passenger and handling costs	114.4	103.3	10.8
Property, IT and other expenses	29.8	29.0	2.6
Depreciation	85.6	82.1	4.2
Total	**786.5**	**725.6**	**8.4**

Operating expenses included in the comparable operating result, excluding fuel, increased by 11.2%.

Fuel costs, including hedging results and emissions trading costs, increased by 1.6% due to higher capacity and costs related to the EU's sustainable aviation fuel blending obligation and emissions trading scheme, despite a lower fuel price[2]. Fuel efficiency (as measured by fuel consumption per ASK) improved by 2.2%. Fuel consumption per Revenue Tonne Kilometre (RTK), which accounts for developments in both passenger and cargo load factors, improved by 1.9%.

Staff and other crew related costs as well as capacity rents, covering purchased traffic from Norra and any wet lease ins, grew mainly due to increased flight resourcing and wet lease ins related to industrial action. In addition, personnel in maintenance were strengthened.

Traffic charges as well as aircraft materials and overhaul costs increased due to price escalations. Aircraft materials and overhaul costs were further impacted by updated USD-based discount rates of maintenance reserves, which increased the costs by c. 3 million euros from the comparison period.

Passenger and handling costs increased due to increased capacity for Aurinkomatkat allotment production and flight irregularities caused by industrial action.

The increase in sales, marketing and distribution costs was also reflected in an increase in the unflown ticket liability.

RESULT IN Q1

EUR million	Q1/2025	Q1/2024	Change %
Comparable EBITDA	**23.0**	**70.5**	**-67.4**
Depreciation and impairment	-85.6	-82.1	-4.2
Comparable operating result	**-62.6**	**-11.6**	**<-200**
Items affecting comparability	9.2	-5.6	>200
Operating result	**-53.4**	**-17.2**	**<-200**
Financial income	7.2	11.0	-34.4
Financial expenses	-23.5	-27.7	15.4
Exchange gains and losses	5.7	-3.6	>200
Result before taxes	**-63.9**	**-37.6**	**-70.1**
Income taxes	13.0	7.6	71.2
Result for the period	**-50.8**	**-29.9**	**-69.9**

Comparable EBITDA and comparable operating result both decreased due to higher costs. Industrial action had a direct negative impact of around 22 million euros on the comparable operating result.

Operating result was supported by items affecting comparability. Unrealised changes in foreign currencies relating to fleet overhaul provisions were 4.8 million euros (-2.5). During the period, Finnair recognised an impairment of 0.2 million euros (0.7) related to lease agreements for a maintenance hangar and its land area situated in the Helsinki airport area. Other items affecting comparability totalled 4.5 million euros and consisted of fair value changes of derivatives for which hedge accounting is not applied and sales gains or losses, mostly related to a positive result impact from a lease buyout of one A321 aircraft. In the comparison period, these items totalled -2.3 million euros and included also restructuring costs.

Net financial expenses declined, primarily thanks to exchange gains. Result for the period was negative.

[2] Fuel price impact including the impact of currencies and hedging

Financial position and capital expenditure

BALANCE SHEET

The Group's balance sheet totalled 3,713.9 million euros at the end of March (31 Dec 2024: 3,721.0). Fleet book value decreased by 4.9 million euros to 1,215.9 million euros (31 Dec 2024: 1,220.8) due to depreciation, despite moderate investments. The right-of-use fleet decreased by 38.5 million euros to 597.7 million euros (31 Dec 2024: 636.2) due to depreciation and a lease buyout.

Receivables related to revenue increased by 9.2 million euros to 174.3 million euros (31 Dec 2024: 165.1). Net deferred tax assets increased to 236.5 million euros (31 Dec 2024: 221.7). Pension assets declined to 91.0 million euros (31 Dec 2024: 95.0). Pension obligations remained unchanged at 0.6 million euros (31 Dec 2024: 0.6).

Deferred income and advances received increased by 181.7 million euros to 840.7 million euros (31 Dec 2024: 658.9), mainly due to an increase in the unflown ticket liability, which amounted to 692.4 million euros (31 Dec 2024: 525.4).

Shareholders' equity decreased to 546.4 million euros (31 Dec 2024: 627.1), or 2.67 euros per share (31 Dec 2024: 3.07), primarily due to the negative result for the period and return of capital. 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 after deferred taxes at the end of March was 54.8 million euros (31 Dec 2024: 61.8). The decrease was primarily due to changes in the fair values of jet fuel and currency derivatives used for hedging.

CASH FLOW AND FINANCIAL POSITION

Cash flow

EUR million	Q1/2025	Q1/2024
Net cash flow from operating activities	192.1	138.9
Net cash flow from investing activities	-57.2	-25.9
Net cash flow from financing activities	-97.3	-61.9

Net cash flow from operating activities increased, supported by strong flight ticket sales. Net cash flow from investments was negative, mainly due to fleet-related investments. Net cash flow from financing activities was also negative. Loan repayments, including repayments of JOLCO (Japanese Operating Lease with Call Option) and ECA (Export Credit Agency) loans, totalled c. 56 million euros. Further, the company made lease liability repayments.

Capital structure

%	31 Mar 2025	31 Dec 2024
Equity ratio	14.7	16.9
Gearing	146.9	154.8

Equity ratio declined compared to the year-end 2024 due to the negative result for the period and return of capital. Gearing declined, thanks to lower interest-bearing net debt.

Liquidity and net debt

EUR million	31 Mar 2025	31 Dec 2024
Cash funds	917.8	884.0
Adjusted interest-bearing liabilities	1,720.6	1,854.7
Interest-bearing net debt	**802.8**	**970.7**

The company's liquidity at the end of the period remained strong on the back of a good net cash flow from operating activities and limited investments. Further, Finnair has a secured revolving credit facility[3] of 200 million euros for general corporate purposes. The arrangement was unused at the end of the period and carries a three-year tenor until April 2027 with a one-year extension option.

[3] The financial covenant of the facility is a net debt to EBITDA ratio of 3.75 or less. At the end of the period, Finnair's ratio was 1.9.

Adjusted interest-bearing liabilities decreased from year-end 2024, thanks to loan and lease liability repayments. The share of lease liabilities totalled 920.9 million euros (31 Dec 2024: 1,004.4).

CAPITAL EXPENDITURE

Gross capital expenditure, excluding advance payments, totalled 47.7 million euros in Q1 2025 (43.4) 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 -52.1 million euros (-32.4). Investments included the lease buyout of one A321 aircraft.

Change in other current financial assets (maturity over three months) totalled -5.1 million euros (6.5) and is part of the total net cash flow from investments, which amounted to -57.2 million euros (-25.9).

For the financial year 2025, cash flow from investments (including only fixed asset investments and advance payments) relates mainly to the fleet and is expected to total -187 million euros. Investment cash flow includes both committed investments as well as estimates for planned, but not yet committed, investments.

The company has 46 unencumbered aircraft, which account for approximately 42.3% of the balance sheet value of the entire fleet of 1,813.6 million euros.[4]

Fleet

FINNAIR'S OPERATING FLEET

Finnair's fleet is mainly managed by Finnair Aircraft Finance Oy, a wholly-owned subsidiary of Finnair Plc, and partly by Finnair Plc. At the end of March, Finnair itself operated 56 aircraft, of which 26 were wide-body and 30 narrow-body aircraft. The average age of the fleet operated by Finnair was 13.5 years.

Fleet operated by Finnair* 31 Mar 2025	Seats	#	Change from 31 Dec 2024	Own**	Leased	Average age 31 Mar 2025	Ordered
Narrow-body fleet							
Airbus A319	144	5	-	5	0	23.8	-
Airbus A320	174	10	-	10	0	22.6	-
Airbus A321	209	15	-	9	6	10.7	-
Wide-body fleet							
Airbus A330	279	8	-	4	4	15.4	-
Airbus A350	278/321	18	-	7	11	7.0	1
Total		**56**	**-**	**35**	**21**	**13.5**	**1**

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

FLEET RENEWAL

At the end of March, Finnair had eighteen A350 wide-body aircraft, which were delivered between 2015–2024, and one A350 aircraft on order from Airbus. The last wide-body aircraft on order is scheduled to be delivered to Finnair in Q4 2026. Finnair is also preparing a partial renewal of its narrow-body fleet.

Finnair's investment commitments for property, plant and equipment, totalling 170 million euros, include the upcoming wide-body aircraft investment.

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

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 Dec 2024	Seats	#	Change from 31 Dec 2024	Own	Leased	Average age 31 Mar 2025	Ordered
ATR	68–70	12	-	6	6	15.7	-
Embraer E190	100	12	-	9	3	16.8	-
Total		**24**	**-**	**15**	**9**	**16.2**	**-**

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

Strategy implementation

Finnair's current strategy period ends at the end of 2025. An updated strategy will be communicated during 2025. At the heart of the strategy that is currently being finalized is understanding the needs of customers, especially the customers who fly the most.

The current strategy themes 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

Finnair's current financial targets are a comparable operating profit margin of 6% by the end of 2025, a net debt of 1–2 times comparable EBITDA by the end of 2025 and restoration of the company's ability for shareholder distributions from 2025 onwards. The net debt to comparable EBITDA ratio was 1.9 at the end of March. The company distributes a return of capital of 0.11 euros per share in 2025.

In Q4 2024, Finnair decided to align its long-term climate ambition with the industry's united objective of achieving net-zero carbon emissions by 2050. The strategy theme related to sustainability is discussed in more detail in the Sustainability and corporate responsibility section.

Finnair's long-term financial targets are based on the following key assumptions: the company's overall capacity, measured by Available Seat Kilometres (ASK), would increase by more than 15% from 2023 to 2025; the company's maintenance capex would be 80–100 million euros annually; the company would be able to utilise its recognised deferred tax assets[5], which would limit the corporate tax payable over the medium term; and the company would maintain a cash to sales ratio of 30% over time.

CUSTOMER-CENTRIC COMMERCIAL AND OPERATIONAL EXCELLENCE

The average monthly number of unique and verified Finnair website visitors in Q1 declined by 2.4% from the comparison period and totalled 2.9 million (3.0). The number of active users of the Finnair mobile application increased by 3.2% to 1,098,000. The share of passengers in Finnair's modern channels[6] increased to 72.8% (69.0), driven by the increasing NDC (New Distribution Capability) share in all customer segments.

In Q1, Finnair's on-time performance improved to 78.5% (75.1). Finnair's Net Promoter Score (NPS) measuring customer satisfaction remained at a good level and was 34 (34). Finnair continues to invest in customer experience, and the cabin renewal of Embraer aircraft used in European traffic is underway. The first refurbished Embraer cabin has been in operation since the end of October. During the winter season 2024–2025, seven more aircraft are renewed.

[5] On 31 March 2025, Finnair had 201 million euros of recognised deferred tax assets related to confirmed tax losses, which would limit payable corporate taxes when utilised.
[6] Modern sales channels include direct as well as modern, digital indirect channels.

BALANCED GROWTH SUPPORTED BY OPTIMISED FLEET

In February, Finnair announced that it is preparing a partial renewal of its narrow-body fleet. The planning process considers different scenarios of what the company's network will need in the future. The gradual renewal of the fleet will also support the achievement of emission reduction targets. More details on the investments will be provided as the planning work progresses.

The cooperation with Qatar Airways ended on 15 January 2025 on flights between Stockholm, Copenhagen and Doha, but Finnair continues to offer codeshare flights to Qatar Airways in addition to the flights between Helsinki and Doha it still operates. Finnair is able to productively deploy the two available A330 aircraft starting in January 2025 also in its own network.

CONTINUOUS COST EFFICIENCY TO ENSURE COMPETITIVENESS

During the period, Finnair continued to advance cost-efficiency projects and initiated new projects that, among other things, utilise opportunities offered by artificial intelligence to improve the efficiency of operations.

BUILDING A SUSTAINABLE BALANCE SHEET

During the first quarter, Finnair's financial position continued to strengthen, as its net cash flow from operating activities improved year-on-year. In addition, Finnair purchased one A321 aircraft that had previously been leased and exercised one JOLCO-financed A350 aircraft purchase option.

Supported by the strong financial position, the company is well positioned to move into a new phase and invest in customer experience, fleet and employee experience.

ADAPTABLE FINNAIR CULTURE DRIVEN BY ENGAGED PEOPLE

In Q1, Finnair recorded an average employment of 5,637 people (5,335), which was 5.7% more than in the corresponding period in the previous year. Total headcount was 5,707 (5,387) at the end of March, indicating a 5.9% growth in a year and a 2.1% growth compared to the end of 2024. Finnair hired 184 new employees, primarily as cabin crew members, Finnair Kitchen catering workers and travel guides. Attrition rate was 2.2% (3.4) and absences due to illness 4.7% (4.2). LTIF (Lost-time Injury Frequency) developed positively, reaching 4.7 (5.6).

Sustainability and corporate responsibility

Finnair is committed to protecting the air bridge from one of the world's northernmost air traffic hubs to the world and recognises the crucial role of aviation in ensuring social cohesion, connectivity, and access to internal markets for all regions. However, Finnair also acknowledges the role of aviation emissions as a contributor to global climate change, which necessitates action and commitment to reducing Finnair's climate footprint. These efforts are also necessary to ensure the future availability of benefits that air travel provides to people and businesses.

Finnair's operations have a material impact on social sustainability, as it pertains to own workforce, value chain workers, affected communities, and customers. Finnair is committed to responsible business practices and respects all internationally recognised human rights principles, both in its own operations and throughout its value chain. In January 2025, Finnair published its Policy Commitment to Human Rights, which describes its process for ensuring human rights due diligence.

Finnair has set its Science Based Targets initiative (SBTi) validated emissions reduction target for the next ten years, which supports limiting global warming to 1.5 degrees as determined in the Paris Agreement. This target entails a 34.5% reduction in well-to-wake Scope 1 and 3 jet fuel greenhouse gas emissions per revenue tonne kilometre (RTK) by 2033 from the 2023 base year. Translated to absolute CO2e emissions, the target equates to a reduction of approximately 13% in CO2e emissions. Non-CO2 factors, such as contrails, are not included in this target, as their comparability with CO2 emissions is challenging, and applicable mitigation measures are still being developed. Finnair is developing its understanding of all its climate-warming emissions and is preparing to report on the impact of its non-CO2 emissions for the first time for the year 2025.

In its efforts to reduce the use of fossil fuels, Finnair will primarily focus on increasing the use of renewable aviation fuel (SAF) and modernising its aircraft. The company sees the greatest potential in increasing the share of renewable fuels, as the use of alternative energy sources in aircraft has been delayed for several decades.

Potential challenges include the availability and price trajectory of SAF, procurement of new aircraft, and uncertainty regarding policy frameworks. These factors may impact Finnair's plans.

Sustainability KPIs

	Q1/2025	Q1/2024
Emission efficiency (well-to-wake), CO_2 g/RTK	1,001	1,022
Sustainable aviation fuel (SAF) usage, %	1.3	0.7
Accessibility NPS	53	40
Lost time incident frequency (LTIF)	4.7	5.6

In the first quarter of 2025, Finnair's flight emission efficiency improved by 2.0% year-on-year. The most significant factor contributing to the change was the beginning of EU's SAF blending obligation, improved operational efficiency and increased load factors.

Finnair used approximately 3,098 tonnes (1,704) of sustainable aviation fuel, which represented around 1.3% (0.7) of total fuel consumption. Of this SAF, 100% consisted of the EU's mandate for fuel suppliers. The SAF used was therefore fully ISCC RED certified.

Finnair customers have been able to support the use of SAF in connection with their flight bookings since 27 November 2024. With these funds, Finnair will purchase additional SAF, which will be acquired twice a year, at the beginning of the first and third quarter. The funds accumulated at the end of 2024 are used in connection with purchases in the first half of 2025.

Changes in company management

On 14 February 2025, Finnair announced that CFO Kristian Pullola has decided to leave the company. The recruitment of a new CFO has begun, and Kristian Pullola will continue actively in his current role, until he leaves Finnair no later than 12 August 2025.

Shares and shareholders

Shares

	31 Mar 2025	31 Dec 2024
Number of shares	204,811,392	204,811,392
Treasury shares	20,837	256,284
Shares outstanding	204,790,555	204,555,108
Market capitalisation, EUR million	666.4	452.9

At the end of March, the number of treasury shares held by Finnair represented 0.0% of the total number of shares and votes.

Trading of shares

	1–3/2025	1–3/2024
Number of shares traded	26,009,349	1,440,969,166
Total value, EUR million	82.9	52.0
Highest price, EUR	3.97	4.04*
Lowest price, EUR	2.21	2.86*
Volume-weighted average price, EUR	3.19	3.34*
Closing price, EUR	3.25	2.93

* The figures have been restated due to the reverse split executed on 20 March 2024 to make them comparable.

At the end of the period, the Finnish state owned 55.7% (31 Dec 2024: 55.7) of Finnair's shares, while 11.8% (31 Dec 2024: 9.1) were held by foreign investors or in the name of a nominee.

Effective authorisations granted by the Annual General Meeting

Finnair's Annual General Meeting (AGM) was held in Vantaa on 27 March 2025.

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 shall not exceed 7,300,000 shares, which corresponds to approximately 3.6% of all the shares in the Company. Only the unrestricted equity of the Company can be used to repurchase own shares on the basis of the authorisation. The authorisation is effective for a period of 18 months from the resolution of the AGM.

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 1,200,000 shares, which corresponds to approximately 0.6% of all the shares in the Company. The authorisation is effective for a period of 18 months from the resolution of the AGM.

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 that the Board of Directors be authorised to determine 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 AGM.

The resolutions of the AGM are available in full on the company's website https://investors.finnair.com/en/governance/general-meetings/agm-25.

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 or 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. Military events near the Finnish border could negatively impact customers' willingness to travel. Unrest or other tensions in different parts of the world could lead to closures of airspaces that are critical for Finnair's business. Potentially increasing protectionism and tariffs in the political environment may have an adverse impact on direct and indirect costs and the market access required for the implementation of Finnair's strategy. Cyber-attacks and other potential external disruptions, a possible escalation of the war in Ukraine and unrest in conflict areas in the Middle East may have adverse effects on, for example, the demand for air travel, fuel prices, availability and pricing of insurances or the flight network. Many of the information systems and technology that Finnair depends on are shared with other airlines, and cyber-attacks or system failures could cause significant disruptions in Finnair's and/or the industry's operations.

The macroeconomic environment can have a negative impact on Finnair's business. General macroeconomic conditions, such as deterioration in business or consumer confidence, changing customer preferences or employment levels, lower availability of credit, rising interest rates, a rise in inflation, a recession, or changes in taxation, may have an adverse impact on private consumption and, consequently, on the demand for air travel and cargo. The recovery of business travel to pre-Covid-19 levels is likely to be affected by the adoption of virtual and teleconferencing tools. Unfavourable developments in macroeconomic conditions may result in reduced access to capital.

Jet fuel price fluctuations may have a material effect on Finnair's financial performance and cash flow. 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 or outlook. The volatile market impacts the pricing and availability of hedging instruments. Fluctuations in foreign exchange rates, particularly between the euro and the U.S. dollar, may have an adverse effect on Finnair. Finnair's foreign exchange risk arises mainly from fuel and aircraft purchases and maintenance, and aircraft lease payments.

Safety risks may arise due to various reasons, such as technical failures, human error, adverse weather conditions or security threats. A serious safety incident could have an impact on Finnair's ability to operate, harm the company brand, and/or lead to a more costly way of managing the risk in the future. General news coverage related to flight safety may affect customers' perceptions of flight safety, and this may have a negative impact on airlines' business, including Finnair.

Labour market negotiations, including Finnair's collective labour agreements, are ongoing in Finland, and the overall situation is highly polarized due to the Finnish government's labour market reform. In a no-deal situation at Finnair, there may be labour disruptions, such as overtime bans or walkouts. Support strikes are also possible. 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.

Quality and availability issues with suppliers and their products or services may result in unexpected additional costs or disruptions in Finnair's operations. Certain markets are centralised with a limited number of vendors available, which can lead to abnormal price increases, poor availability of alternative suppliers or disruptions in operations. High inflation may lead to higher price increases than expected.

A poor reputation or brand, or events that harm Finnair's reputation and brand, could have a negative impact on the demand for Finnair's product. Brand or reputation issues could lead to difficulties in obtaining stakeholder support, for example, in critical financing, investment and partnership transactions, or recruiting and maintaining qualified personnel.

Capacity increases, product improvements or more aggressive pricing among Finnair's existing or new competitors may influence the demand for, and yield of, Finnair's services. New market entrants could disrupt Finnair's business. The introduction of new digital technologies and distribution channels, in turn, involves implementation as well as commercial risks.

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

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, may result in flight cancellations, increased waiting times, increased fuel consumption or higher costs associated with aircraft de-icing, which could cause additional costs for Finnair and thus have an adverse effect on Finnair's results and financial condition.

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, 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 hedges its fuel purchases 18 months forward on a rolling basis. The maximum hedging ratio for the first 3-month period is 93%, while the lower limit is 68% and the average hedging ratio approximately 80%. The hedging ratio decreases towards the end of the 18-month hedging period.

Sensitivities in business operations, impact on comparable operating result (rolling 12 months from date of financial statements)	**1 percentage point change**
Passenger load factor (PLF, %)	EUR 36 million
Average yield of passenger traffic	EUR 26 million
Unit cost (CASK excl. fuel)	EUR 22 million

Fuel sensitivities (rolling 12 months from date of financial statements)	10% change without hedging	10% change, taking hedging into account
Fuel	EUR 70 million	EUR 34 million

Fuel hedging and average hedged price (rolling 18 months from date of financial statements)	Hedged fuel, tonnes*	Average hedge price, USD/tonne* **
Q2 2025	243,000	778
Q3 2025	204,000	775
Q4 2025	129,000	757
Q1 2026	99,000	737
Q2 2026	60,000	740
Q3 2026	30,000	723
Total	**765,000**	**763**

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

Currency distribution, %	Q1 2025	Q1 2024	2024	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	63	61	59	-	-	-
USD*	6	9	10	see below	see below	see below
JPY	4	4	5	EUR 16 million	EUR 6 million	60%
KRW	2	2	3	-	-	-
SEK	5	4	4	-	-	-
GBP	4	4	4	-	-	-
NOK	3	3	2	-	-	-
Other	13	13	14	-	-	-
Purchase currencies						
EUR	61	58	58	-	-	-
USD*	32	35	35	EUR 68 million	EUR 30 million	58%
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 have an impact on Finnair's net result. In the future, the effect and amount of 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%.

Events after the period

There have been no material events after the period.

Financial reporting in 2025

The publication dates of Finnair's financial reports in 2025 are the following:

- Half-year Report for January–June 2025 on Wednesday 16 July 2025
- Interim Report for January–September 2025 on Thursday 30 October 2025

FINNAIR PLC
Board of Directors

Briefings

Finnair will hold a results press conference (in Finnish) on 29 April 2025 at 11:00 a.m. Finnish time at its office at Tietotie 9 in Vantaa, Finland. It is also possible to participate in the press conference via a live webcast at https://finnairgroup.videosync.fi/2025-04-29-media.

An English-language telephone conference and webcast will begin on 29 April 2025 at 1:00 p.m. Finnish time. To access the telephone conference, kindly register at https://events.inderes.com/finnairgroup/q1-2025/dial-in. After the registration, you will be provided with phone numbers and a conference ID. To join the live webcast, please register at https://finnairgroup.events.inderes.com/q1-2025.

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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 + Changes in defined benefit pension plans + 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 2025	Q1 2024	Change %	2024
Operating result	**-53.4**	**-17.2**	**<-200**	**114.2**
Unrealized changes in foreign currencies of fleet overhaul provisions	-4.8	2.5	<-200	6.1
Fair value changes of derivatives where hedge accounting is not applied	0.2	1.4	-83.5	1.5
Sales gains and losses on aircraft and other transactions	-4.7	-0.0	<-200	-12.0
Impairment	0.2	0.7	-78.4	0.7
Changes in defined benefit pension plans	-	-	-	40.2
Restructuring costs	-	1.0	-100.0	0.8
Comparable operating result	**-62.6**	**-11.6**	**<-200**	**151.4**
Depreciation	85.6	82.1	4.2	329.5
Comparable EBITDA	**23.0**	**70.5**	**-67.4**	**480.9**

Equity ratio EUR in millions, unless otherwise indicated	31 Mar 2025	31 Mar 2024	Change %	31 Dec 2024
Equity total	546.4	583.9	-6.4	627.1
Equity and liabilities total	3,713.9	3,815.0	-2.6	3,721.0
Equity ratio, %	**14.7**	**15.3**	**-0.6 %-p**	**16.9**

Gearing, interest-bearing net debt and interest-bearing net debt / Comparable EBITDA, LTM EUR in millions, unless otherwise indicated	31 Mar 2025	31 Mar 2024	Change %	31 Dec 2024
Lease liabilities	920.9	1,108.4	-16.9	1,004.4
Other interest-bearing liabilities	799.3	903.9	-11.6	860.8
Cross currency interest rate swaps*	0.5	2.3	-78.4	-10.5
Adjusted interest-bearing liabilities	**1,720.6**	**2,014.6**	**-14.6**	**1,854.7**
Other financial assets	-663.8	-823.0	19.3	-664.9
Cash and cash equivalents	-254.0	-158.0	-60.8	-219.1
Cash funds	**-917.8**	**-981.0**	**6.4**	**-884.0**
Interest-bearing net debt	**802.8**	**1,033.6**	**-22.3**	**970.7**
Equity total	546.4	583.9	-6.4	627.1
Gearing, %	**146.9**	**177.0**	**-30.1 %-p**	**154.8**
Comparable EBITDA, LTM	433.4	504.2	-14.0	480.9
Interest-bearing net debt / Comparable EBITDA, LTM	**1.9**	**2.0**	**-9.7**	**2.0**

* 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 2025	Q1 2024	Change %	2024
Additions in fixed assets	45.3	29.4	54.2	419.7
New contracts in right-of-use assets	0.5	9.3	-94.8	13.9
Reassessments and modifications in right-of-use assets	2.0	4.7	-57.8	30.2
Gross capital expenditure	**47.7**	**43.4**	**10.1**	**463.8**

Return on capital employed (ROCE), LTM EUR in millions, unless otherwise indicated	31 Mar 2025	31 Mar 2024	Change %	31 Dec 2024
Result before taxes, LTM	19.8	88.9	-77.8	46.1
Financial expenses, LTM	102.9	133.3	-22.8	107.2
Exchange rate gains and losses, LTM	-3.6	-1.3	-185.8	5.8
Return, LTM	**119.1**	**220.9**	**-46.1**	**159.1**
Equity total	546.4	583.9	-6.4	627.1
Lease liabilities	920.9	1,108.4	-16.9	1,004.4
Other interest-bearing liabilities	799.3	903.9	-11.6	860.8
Capital employed	**2,266.6**	**2,596.3**	**-12.7**	**2,492.3**
Capital employed, average of reporting period and comparison period	**2,431.4**	**2,762.6***	**-12.0**	**2,547.4***
Return on capital employed (ROCE), LTM, %	**4.9**	**8.0**	**-3.1 %-p**	**6.2**

* Capital employed accounted was EUR 2,928.9 million as at 31 Mar 2023 and EUR 2,602.5 million as at 31 Dec 2023.

Cash to sales, LTM EUR in millions, unless otherwise indicated	31 Mar 2025	31 Mar 2024	Change %	31 Dec 2024
Other financial assets	663.8	823.0	-19.3	664.9
Cash and cash equivalents	254.0	158.0	60.8	219.1
Cash funds	**917.8**	**981.0**	**-6.4**	**884.0**
Revenue, LTM	3,061.5	2,975.2	2.9	3,048.8
Cash to sales, LTM, %	**30.0**	**33.0**	**-3.0 %-p**	**29.0**

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
Revenue tonne kilometres (RTK)	Total revenue load consisting of passengers, cargo and mail × great circle distance in 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.
Ancillary revenue per passenger	Ancillary revenue / number of passengers

Among industry sustainability leaders	
Flight CO_2 emissions	CO_2 emissions from jet fuel consumption of Finnair's own flights

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

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CONSOLIDATED INCOME STATEMENT

EUR in millions	Note	Q1 2025	Q1 2024	2024
Revenue	**4**	**694.2**	**681.5**	**3,048.8**
Other operating income	5	34.5	32.5	140.0
Operating expenses				
Staff and other crew related costs	6	-140.0	-130.7	-559.5
Fuel costs		-213.7	-211.5	-894.4
Capacity rents		-33.5	-27.2	-111.7
Aircraft materials and overhaul		-55.1	-52.0	-223.0
Traffic charges		-75.0	-62.3	-270.6
Sales, marketing and distribution costs		-34.8	-32.3	-123.0
Passenger and handling services		-114.4	-103.3	-440.3
Depreciation and impairment	7	-85.7	-82.8	-330.3
Property, IT and other expenses		-29.8	-29.0	-121.7
Operating result		**-53.4**	**-17.2**	**114.2**
Financial income		7.2	11.0	44.9
Financial expenses		-23.5	-27.7	-107.2
Exchange rate gains and losses		5.7	-3.6	-5.8
Result before taxes		**-63.9**	**-37.6**	**46.1**
Income taxes	11	13.0	7.6	-9.1
Result for the period		**-50.8**	**-29.9**	**37.0**
Attributable to				
Owners of the parent company		-50.8	-29.9	37.0
Earnings per share attributable to shareholders of the parent company, EUR				
Basic earnings per share		-0.25	-0.15	0.18
Diluted earnings per share		-0.25	-0.15	0.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in millions	Q1 2025	Q1 2024	2024
Result for the period	**-50.8**	**-29.9**	**37.0**
Other comprehensive income items			
Items that may be reclassified to profit or loss in subsequent periods			
Change in fair value of hedging instruments	-6.8	43.5	3.8
Tax effect	1.4	-8.7	-0.8
Items that will not be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses from defined benefit plans	-1.9	3.5	12.6
Tax effect	0.4	-0.7	-2.5
Other comprehensive income items total	**-7.0**	**37.6**	**13.2**
Comprehensive income for the period	**-57.8**	**7.7**	**50.1**
Attributable to			
Owners of the parent company	-57.8	7.7	50.1

CONSOLIDATED BALANCE SHEET

EUR in millions	Note	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS				
Non-current assets				
Fleet	12	1,215.9	1,038.4	1,220.8
Right-of-use fleet	13	597.7	743.3	636.2
Fleet total		1,813.6	1,781.7	1,857.0
Other fixed assets	12	141.5	140.4	141.2
Right-of-use other fixed assets	13	140.0	148.1	143.9
Other fixed assets total		281.5	288.5	285.0
Pension assets		91.0	129.0	95.0
Other non-current assets		59.7	3.0	59.8
Deferred tax assets	11	236.5	232.2	221.7
Non-current assets total		**2,482.3**	**2,434.5**	**2,518.6**
Current assets				
Receivables related to revenue		174.3	207.6	165.1
Inventories and other current assets		101.9	155.5	86.8
Derivative financial instruments	9, 10	37.5	36.3	66.5
Other financial assets	10	663.8	823.0	664.9
Cash and cash equivalents		254.0	158.0	219.1
Current assets total		**1,231.6**	**1,380.5**	**1,202.4**
Assets total		**3,713.9**	**3,815.0**	**3,721.0**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		75.4	75.4	75.4
Other equity		471.0	508.5	551.7
Equity total		**546.4**	**583.9**	**627.1**
Non-current liabilities				
Lease liabilities	14	767.9	937.8	839.7
Other interest-bearing liabilities	14	723.9	741.3	735.4
Pension obligations		0.6	0.8	0.6
Provisions and other liabilities	15	113.9	125.7	122.0
Non-current liabilities total		**1,606.2**	**1,805.7**	**1,697.7**
Current liabilities				
Lease liabilities	14	153.0	170.6	164.6
Other interest-bearing liabilities	14	75.4	162.5	125.4
Provisions	15	25.6	32.1	31.3
Trade payables		95.4	95.3	58.9
Derivative financial instruments	9, 10	56.4	12.9	62.6
Deferred income and advances received	16	840.7	662.1	658.9
Liabilities related to employee benefits		127.0	115.7	112.8
Other liabilities		187.6	174.1	181.5
Current liabilities total		**1,561.2**	**1,425.4**	**1,396.2**
Liabilities total		**3,167.5**	**3,231.0**	**3,093.9**
Equity and liabilities total		**3,713.9**	**3,815.0**	**3,721.0**

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	Equity total
Equity 1 Jan 2025	**75.4**	**168.1**	**61.8**	**1,325.0**	**-1,003.3**	**627.1**
Result for the period	**-**	**-**	**-**	**-**	**-50.8**	**-50.8**
Change in fair value of hedging instruments	-	-	-5.5	-	-	-5.5
Actuarial gains and losses from defined benefit plans	-	-	-1.5	-	-	-1.5
Other comprehensive income items total	**-**	**-**	**-7.0**	**-**	**-**	**-7.0**
Comprehensive income for the period	**-**	**-**	**-7.0**	**-**	**-50.8**	**-57.8**
Return of capital	-	-	-	-22.5		-22.5
Share-based payments	-	-	-	-0.4	-	-0.4
Equity 31 Mar 2025	**75.4**	**168.1**	**54.8**	**1,302.1**	**-1,054.1**	**546.4**

EUR in millions	Share capital	Other restricted funds	Hedging reserve and other OCI items	Unrestricted equity funds	Retained earnings	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	Equity total
Equity 1 Jan 2024	**75.4**	**168.1**	**48.6**	**1,325.0**	**-1,040.2**	**577.0**
Result for the period	**-**	**-**	**-**	**-**	**37.0**	**37.0**
Change in fair value of hedging instruments	-	-	3.1	-	-	3.1
Actuarial gains and losses from defined benefit plans	-	-	10.1	-	-	10.1
Other comprehensive income items total	**-**	**-**	**13.2**	**-**	**-**	**13.2**
Comprehensive income for the period	**-**	**-**	**13.2**	**-**	**37.0**	**50.1**
Share issue costs	-	-	-	-0.1	-	-0.1
Share-based payments	-	-	-	0.1	-	0.1
Equity 31 Dec 2024	**75.4**	**168.1**	**61.8**	**1,325.0**	**-1,003.3**	**627.1**

CONSOLIDATED CASH FLOW STATEMENT

EUR in millions	Q1 2025	Q1 2024	2024
Cash flow from operating activities			
Result before taxes	-63.9	-37.6	46.1
Depreciation and impairment	85.7	82.8	330.3
Financial income and expenses	10.5	20.4	68.1
Sales gains and losses on aircraft and other transactions	-4.7	-0.0	-12.0
Change in provisions	-3.7	2.2	8.4
Employee benefits	2.4	2.8	49.3
Other adjustments	0.2	-0.4	-3.1
Non-cash transactions	-1.0	4.6	54.7
Changes in trade and other receivables **	-10.9	-71.5	46.7
Changes in inventories	-1.1	-1.0	-2.8
Changes in trade and other payables	208.1	153.5	119.8
Changes in working capital	196.1	81.0	163.7
Financial expenses paid, net	-30.5	-12.4	-38.0
Income taxes paid	-0.1	-0.1	-0.1
Net cash flow from operating activities	**192.1**	**138.9**	**612.7**
Cash flow from investing activities			
Investments in fleet ***	-49.7	-30.9	-222.8
Investments in other fixed assets	-2.7	-1.4	-10.8
Divestments of fleet, other fixed assets and shares	-0.0	0.0	0.0
Lease and lease interest payments received	0.1	0.1	0.4
Change in other current financial assets (maturity over 3 months)	-5.1	6.5	4.1
Change in other non-current assets **	0.1	-0.1	-57.3
Net cash flow from investing activities	**-57.2**	**-25.9**	**-286.4**
Cash flow from financing activities			
Proceeds from loans	-	-	495.7
Loan repayments	-56.2	-10.2	-705.6
Repayments of lease liabilities	-41.1	-41.9	-170.3
Share issue costs	-	-9.8	-9.8
Net cash flow from financing activities	**-97.3**	**-61.9**	**-390.0**
Change in cash flows	**37.6**	**51.1**	**-63.7**
Liquid funds, at beginning	643.8	707.5	707.5
Change in cash flows	37.6	51.1	-63.7
Liquid funds, at end *	**681.4**	**758.6**	**643.8**
*** Liquid funds**			
Other financial assets	663.8	823.0	664.9
Cash and cash equivalents	254.0	158.0	219.1
Cash funds	**917.8**	**981.0**	**884.0**
Other current financial assets (maturity over 3 months)	-236.4	-222.4	-240.2
Liquid funds	**681.4**	**758.6**	**643.8**

** Credit card acquirer holdbacks related to cash funds from passenger ticket sales held by credit card processors were reclassified from other current assets to other non-current assets at the end of 2024. This had a positive impact of 57.0 million euros on changes in trade and other receivables and a corresponding negative impact on change in other non-current assets.
*** The ECA (Export Credit Agency) financed A350 aircraft received in December 2024 is not included in cash flow from investments, as the cash flow related to the acquisition of the aircraft did not go through Finnair, but from the financier to Airbus. More details can be found in note 14.

Notes to the consolidated financial report 1 Jan – 31 Mar 2025

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 28 April 2025.

2. ACCOUNTING PRINCIPLES

The accounting principles applied in the consolidated interim financial report correspond to the principles disclosed in the Consolidated Financial Statements 2024. 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, derivatives 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.

International conflicts, global political instability and a tense labour market situation in Finland cause uncertainty in Finnair's operating environment. In particular, the risk levels related to tariffs between different countries and their direct and indirect impacts have increased. 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 2024 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 total revenue increased by 1.9% year-on-year, driven by growth in ancillary revenue.

Q1 2025, EUR in millions	Asia	North Atlantic	Europe	Middle East	Domestic	Un-allocated	Total	Share %
Passenger revenue	196.3	49.5	216.2	32.1	55.8	-11.5	**538.4**	77.6
Ancillary revenue	10.4	2.4	13.8	1.0	2.9	14.0	**44.6**	6.4
Cargo	31.6	8.0	7.2	1.7	0.1	1.4	**50.1**	7.2
Travel services	19.3	0.3	39.3	2.2	-	-0.1	**61.0**	8.8
Total	**257.7**	**60.3**	**276.5**	**37.1**	**58.9**	**3.8**	**694.2**	**100.0**
Share %	37.1	8.7	39.8	5.3	8.5	0.5	100.0	-

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	-

2024, EUR in millions	Asia	North Atlantic	Europe	Middle East	Domestic	Un-allocated	Total	Share %
Passenger revenue	775.1	225.4	1,050.0	196.1	171.0	1.4	**2,419.0**	79.3
Ancillary revenue	36.4	11.3	61.8	2.0	7.1	63.2	**181.8**	6.0
Cargo	139.0	31.6	27.5	1.8	0.4	5.2	**205.5**	6.7
Travel services	28.1	1.4	209.7	3.2	-0.0	0.1	**242.4**	8.0
Total	**978.6**	**269.6**	**1,349.0**	**203.0**	**178.6**	**69.9**	**3,048.8**	**100.0**
Share %	32.1	8.8	44.2	6.7	5.9	2.3	100.0	-

Key figures quarterly, last 24 months	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	**694.2**	**782.9**	**818.3**	**766.1**	**681.5**	**727.2**	**817.3**	**749.2**
Passenger revenue	538.4	610.9	655.3	613.5	539.3	573.1	673.1	612.1
Ancillary revenue	44.6	52.3	47.6	44.5	37.4	43.8	37.9	33.1
Cargo	50.1	55.3	52.5	51.4	46.3	50.5	40.8	47.3
Travel services	61.0	64.4	62.8	56.7	58.4	59.8	65.6	56.8
Comparable EBITDA	**23.0**	**131.3**	**153.3**	**125.8**	**70.5**	**106.9**	**177.7**	**149.1**
Comparable operating result	**-62.6**	**47.9**	**71.5**	**43.6**	**-11.6**	**22.5**	**94.3**	**66.2**
Operating result	**-53.4**	**12.1**	**76.7**	**42.5**	**-17.2**	**27.3**	**90.0**	**65.8**

5. OTHER OPERATING INCOME

EUR in millions	Q1 2025	Q1 2024	Change %	2024
Lease income	23.8	27.6	-14.0	106.9
Sales gains on fixed assets	4.7	0.0	> 200	12.0
Other income	6.0	4.9	23.2	21.1
Total	**34.5**	**32.5**	**6.1**	**140.0**

Lease income decreased slightly compared to the first quarter of 2024 as the wet lease out agreement with British Airways ended in March 2024 and fewer wet lease out flights were operated for Qantas due to industrial action. Sales gains on fixed assets mainly consist of the purchase of one A321, which was previously leased by Finnair.

6. STAFF AND OTHER CREW RELATED COSTS

EUR in millions	Q1 2025	Q1 2024	Change %	2024
Wages and salaries	-97.0	-91.8	-5.6	-366.8
Defined contribution schemes	-19.3	-15.8	-22.1	-64.1
Defined benefit schemes	-2.8	-3.5	18.7	-49.3
Pension expenses total	-22.2	-19.3	-14.8	-113.4
Other social expenses	-3.7	-1.7	-116.3	-9.1
Salaries, pension and social costs	**-122.9**	**-112.9**	**-8.9**	**-489.3**
Operative staff related costs	-8.7	-8.3	-4.9	-31.5
Leased and outsourced crew	-5.6	-8.0	29.3	-29.4
Other personnel related costs	-2.8	-1.5	-82.1	-9.3
Total	**-140.0**	**-130.7**	**-7.2**	**-559.5**

Staff and other crew related costs grew mainly due to increased flight resourcing related to industrial action. In addition, personnel in maintenance and digital services were strengthened.

7. DEPRECIATION AND IMPAIRMENT

EUR in millions	Q1 2025	Q1 2024	Change %	2024
Depreciation of owned fleet	-47.1	-41.1	-14.7	-164.6
Depreciation of other fixed assets	-3.9	-3.8	-2.1	-15.7
Depreciation of right-of-use fleet	-29.1	-32.0	8.9	-127.9
Depreciation of right-of-use other assets	-5.4	-5.2	-3.7	-21.4
Depreciation	**-85.6**	**-82.1**	**-4.2**	**-329.5**
Impairment	-0.2	-0.7	78.4	-0.7
Total	**-85.7**	**-82.8**	**-3.5**	**-330.3**

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, certain changes in defined benefit pension plans as well as restructuring costs are not included in the comparable operating result.

EUR in millions	Q1 2025 Reported	Q1 2025 Items affecting compa-rability	Q1 2025 Compa-rable	Q1 2024 Reported	Q1 2024 Items affecting compa-rability	Q1 2024 Compa-rable	2024 Reported	2024 Items affecting compa-rability	2024 Compa-rable
Revenue	**694.2**	**-**	**694.2**	**681.5**	**-**	**681.5**	**3,048.8**	**-**	**3,048.8**
Other operating income	34.5	-4.7	29.8	32.5	-0.0	32.5	140.0	-12.0	128.0
Operating expenses									
Staff and other crew related costs	-140.0	-	-140.0	-130.7	1.0	-129.7	-559.5	40.9	-518.6
Fuel costs	-213.7	0.2	-213.5	-211.5	1.4	-210.2	-894.4	1.5	-893.0
Capacity rents	-33.5	-	-33.5	-27.2	-	-27.2	-111.7	-	-111.7
Aircraft materials and overhaul	-55.1	-4.8	-60.0	-52.0	2.5	-49.5	-223.0	6.1	-216.9
Traffic charges	-75.0	-	-75.0	-62.3	-	-62.3	-270.6	-	-270.6
Sales, marketing and distribution costs	-34.8	-	-34.8	-32.3	-	-32.3	-123.0	-	-123.0
Passenger and handling services	-114.4	-	-114.4	-103.3	-	-103.3	-440.3	-	-440.3
Property, IT and other expenses	-29.8	0.0	-29.8	-29.0	0.0	-29.0	-121.7	0.0	-121.7
EBITDA	**-**	**-**	**23.0**	**-**	**-**	**70.5**	**-**	**-**	**480.9**
Depreciation and impairment	-85.7	0.2	-85.6	-82.8	0.7	-82.1	-330.3	0.7	-329.5
Operating result	**-53.4**	**-9.2**	**-62.6**	**-17.2**	**5.6**	**-11.6**	**114.2**	**37.2**	**151.4**

Items affecting comparability include gain of 4.8 million euros on the unrealised exchange rate difference of aircraft maintenance provisions and gain of 4.7 million euros on the purchase of one leased aircraft.

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 2025 was over 340 million dollars.

On a year-on-year basis, the US dollar appreciated 0.8% against the euro and jet fuel price decreased 22.1%.

Derivatives, EUR in millions	31 Mar 2025		31 Mar 2024		31 Dec 2024	
	Nominal value	Fair net value	Nominal value	Fair net value	Nominal value	Fair net value
Currency derivatives						
Operational cash flow hedging (forward contracts)	498.5	-0.7	403.5	7.4	490.8	18.8
Operational cash flow hedging (options)						
Bought options	45.0	0.2	56.9	0.2	41.7	1.2
Sold options	43.2	-0.4	52.1	-0.3	37.8	-0.2
Fair value hedging of aircraft acquisitions	75.4	-0.7	150.8	2.4	75.4	1.8
Hedge accounting items total	662.1	-1.6	663.3	9.6	645.7	21.6
Balance sheet hedging (forward contracts)	227.8	-0.4	289.0	1.1	305.6	0.6
Items outside hedge accounting total	227.8	-0.4	289.0	1.1	305.6	0.6
Currency derivatives total	**889.9**	**-2.0**	**952.3**	**10.6**	**951.3**	**22.3**
Commodity derivatives						
Jet fuel forward contracts, tonnes	604,000	-15.2	523,000	15.8	598,000	-25.6
Options						
Bought options, jet fuel, tonnes	229,000	4.6	233,000	5.1	231,000	5.4
Sold options, jet fuel, tonnes	229,000	-11.0	233,000	-6.0	231,000	-14.9
Hedge accounting items total	1,062,000	-21.5	989,000	14.9	1,060,000	-35.2
Options						
Bought options, jet fuel, tonnes	-	-	121,000	0.2	-	-
Items outside hedge accounting total	-	-	121,000	0.2	-	-
Commodity derivatives total	**1,062,000**	**-21.5**	**1,110,000**	**15.1**	**1,060,000**	**-35.2**
Currency and interest rate swaps and options						
Interest rate swaps	250.0	5.0	-	-	250.0	6.3
Hedge accounting items total	250.0	5.0	-	-	250.0	6.3
Cross currency interest rate swaps	288.4	-0.5	295.0	-2.3	342.0	10.5
Items outside hedge accounting total	288.4	-0.5	295.0	-2.3	342.0	10.5
Interest rate derivatives total	**538.4**	**4.5**	**295.0**	**-2.3**	**592.0**	**16.8**
Derivatives total	**-**	**-19.0**	**-**	**23.4**	**-**	**3.9**

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 2025	Level 1	Level 2
Financial assets at fair value through profit and loss			
Securities held for trading	663.8	582.3	81.5
Derivatives held for trading			
Currency and interest rate swaps and options	25.6	-	25.6
- of which in fair value hedge accounting	24.1	-	24.1
Currency derivatives	5.3	-	5.3
- of which in fair value hedge accounting	0.1	-	0.1
- of which in cash flow hedge accounting	5.0	-	5.0
Commodity derivatives	6.6	-	6.6
- of which in cash flow hedge accounting	6.6	-	6.6
Total	**701.3**	**582.3**	**118.9**

Financial liabilities recognised at fair value through profit and loss			
Derivatives held for trading			
Currency and interest rate swaps and options	21.1	-	21.1
- of which in fair value hedge accounting	19.0	-	19.0
Currency derivatives	7.2	-	7.2
- of which in fair value hedge accounting	0.8	-	0.8
- of which in cash flow hedge accounting	5.9	-	5.9
Commodity derivatives	28.1	-	28.1
- of which in cash flow hedge accounting	28.1	-	28.1
Total	**56.4**	**-**	**56.4**

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 was -20.4% (31 Dec 2024: 19.8). During the first quarter of the financial year, deferred tax asset of 22.2 million euros for the taxable result of the period, -9.2 million euros for the other temporary differences and 1.7 million euros for the other comprehensive income items were recognised. Deferred tax asset at the end of reporting period was 236.5 million euros (31 Dec 2024: 221.7).

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 2024.

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. The management's assessment of the taxable profit is based on the latest forecast 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 2025	31 Mar 2024	31 Dec 2024
Carrying amount at the beginning of period	1,362.0	1,194.8	1,194.8
Additions	45.3	29.4	419.7
Change in advances	7.2	3.3	-54.3
Currency hedging of aircraft acquisitions	2.5	-3.7	-3.2
Disposals and reclassifications	-8.6	-0.0	-14.7
Depreciation	-51.0	-44.9	-180.3
Carrying amount at the end of period	**1,357.4**	**1,178.8**	**1,362.0**

Additions to fixed assets are mainly related to the purchase of one A321 aircraft which was previously leased by Finnair and investments in aircraft maintenance. Disposals and reclassifications are related to maintenance provisions reclassified against the acquisition cost of the purchased, previously leased aircraft.

13. CHANGE IN RIGHT-OF-USE ASSETS

EUR in millions	31 Mar 2025	31 Mar 2024	31 Dec 2024
Carrying amount at the beginning of period	780.0	915.3	915.3
New contracts	0.5	9.3	13.9
Reassessments and modifications	2.0	4.7	30.2
Disposals	-10.0	-	-29.4
Depreciation	-34.5	-37.2	-149.3
Impairment	-0.2	-0.7	-0.7
Carrying amount at the end of period	**737.7**	**891.4**	**780.0**

Reassessments and modifications are primarily related to index changes. Disposals are related to the purchase of one leased A321 aircraft, for which the leasing contract was terminated in connection with the acquisition.

14. INTEREST-BEARING LIABILITIES

During the first quarter of 2025 Finnair amortised its loans according to the loan instalment programmes.

Interest-bearing liabilities		Fair value			Book value	
EUR in millions	31 Mar 2025	31 Mar 2024	31 Dec 2024	31 Mar 2025	31 Mar 2024	31 Dec 2024
Lease liabilities	920.9	1,108.4	1,004.4	920.9	1,108.4	1,004.4
Loans from financial institutions	-	278.7	-	-	279.8	-
Bonds	509.9	378.6	511.0	501.4	381.5	502.5
JOLCO loans* and other	287.7	235.5	353.4	297.8	242.6	358.3
Total	**1,718.5**	**2,001.2**	**1,868.8**	**1,720.1**	**2,012.3**	**1,865.2**

* JOLCO loans and other include the JOLCO loans (Japanese Operating Lease with Call Option) for two A350 aircraft and Export Credit Support for two 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 (102.2).

Maturity dates of financial liabilities as at 31 Mar 2025 EUR in millions	1-12 months	13-24 months	25-36 months	37-48 months	49-60 months	Later	Total
Lease liabilities, fixed interest	114.2	97.4	84.6	66.9	69.3	247.6	**680.0**
Lease liabilities, variable interest	38.8	38.9	40.9	35.0	16.8	70.4	**240.9**
Bonds, fixed interest	-	-	-	-	500.0	-	**500.0**
JOLCO loans and other, fixed interest	11.0	11.3	-	-	-	-	**22.3**
JOLCO loans and other, variable interest	64.4	41.8	21.9	22.0	22.2	105.4	**277.6**
Interest-bearing financial liabilities total*	**228.4**	**189.4**	**147.3**	**123.9**	**608.3**	**423.5**	**1,720.8**
Payments from interest rate and currency derivatives	702.7	99.6	0.2	0.1	20.0	-	**822.5**
Income from interest rate and currency derivatives	-701.3	-98.2	-	-	-25.6	-	**-825.1**
Commodity derivatives	20.1	1.4	-	-	-	-	**21.5**
Trade payables and other liabilities	283.1	-	-	-	-	-	**283.1**
Interest payments	82.1	70.1	60.1	52.7	47.0	69.4	**381.4**
Total	**615.0**	**262.3**	**207.5**	**176.7**	**649.7**	**492.9**	**2,404.2**

Maturity dates of financial liabilities as at 31 Dec 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	124.6	105.6	96.5	73.8	73.7	276.3	**750.5**
Lease liabilities, variable interest	40.0	39.5	41.5	38.9	20.4	73.7	**253.9**
Bonds, fixed interest	-	-	-	-	500.0	-	**500.0**
JOLCO loans and other, fixed interest	22.5	11.2	-	-	-	-	**33.7**
JOLCO loans and other, variable interest	103.0	45.5	22.2	22.4	22.5	112.2	**327.9**
Interest-bearing financial liabilities total*	**290.1**	**201.8**	**160.3**	**135.1**	**616.6**	**462.1**	**1,866.0**
Payments from interest rate and currency derivatives	777.0	94.0	-	-	20.1	-	**891.1**
Income from interest rate and currency derivatives	-797.7	-101.3	-	-1.9	-29.3	-	**-930.2**
Commodity derivatives	33.7	1.5	-	-	-	-	**35.2**
Trade payables and other liabilities	240.4	-	-	-	-	-	**240.4**
Interest payments	92.1	75.3	64.1	56.1	49.5	75.6	**412.6**
Total	**635.6**	**271.3**	**224.3**	**189.3**	**657.0**	**537.7**	**2,515.1**

* The bonds maturing do not include the amortised cost of 3.6 million euros paid in 2024 and due in 2029. Respectively, JOLCO loans do not include the amortised cost of 2.1 million euros paid in 2016 and due in 2025. Therefore, the total amount of interest-bearing financial liabilities differs from the book value by the amount equal to the amortised costs.

15. PROVISIONS

EUR in millions	31 Mar 2025	31 Mar 2024	31 Dec 2024
Aircraft maintenance provision			
Provision at the beginning of period	143.5	144.2	144.2
Provision for the period	15.6	9.8	49.4
Provision used	-13.4	-10.1	-42.6
Provision reversed	-0.6	-0.6	-3.8
Provision for right-of-use assets redelivery	-0.2	0.1	-0.7
Reclassifications	-8.6	-	-14.7
Unwinding of discount	1.3	1.4	5.7
Exchange rate differences	-4.8	2.5	6.1
Aircraft maintenance provision total	**132.8**	**147.1**	**143.5**
Of which non-current	108.2	117.9	113.7
Of which current	24.6	29.2	29.8
Other provisions			
Provision at the beginning of period	2.2	2.9	2.9
Provision for the period	-0.1	1.0	1.8
Provision used	-0.2	-0.2	-2.1
Provision reversed	-0.2	-0.1	-0.4
Other provisions total	**1.8**	**3.7**	**2.2**
Of which non-current	0.7	0.8	0.7
Of which current	1.1	2.9	1.5
Total	**134.6**	**150.8**	**145.8**
Of which non-current	109.0	118.7	114.5
Of which current	25.6	32.1	31.3

Non-current aircraft maintenance provisions are expected to be used by the end of 2035.

In the balance sheet, non-current provisions and other liabilities totalling to 113.9 million euros (31 Dec 2024: 122.0) include, in addition to provisions, other non-current liabilities totalling to 4.9 million euros (31 Dec 2024: 7.5) which mainly consist of received lease deposits.

16. DEFERRED INCOME AND ADVANCES RECEIVED

EUR in millions	31 Mar 2025	31 Mar 2024	31 Dec 2024
Deferred revenue on ticket sales	692.4	545.7	525.4
Loyalty program Finnair Plus	73.0	66.5	73.3
Advances received for tour operations	39.3	35.2	35.0
Other items	36.0	14.7	25.2
Total	**840.7**	**662.1**	**658.9**

17. CONTINGENT LIABILITIES

EUR in millions	31 Mar 2025	31 Mar 2024	31 Dec 2024
Guarantees on behalf of group undertakings	56.9	66.0	58.2
Total	**56.9**	**66.0**	**58.2**

Investment commitments for property, plant and equipment as of 31 March 2025 totalled 169.9 million euros (31 Dec 2024: 162.6) and they relate mainly to firm aircraft orders and other aircraft related investments. Out of the total investment commitments 34.6 million euros takes place within the next 12 months and 135.3 million euros during the following 1–5 years.

Off-balance sheet lease commitments as of 31 March 2025 totalled 15.7 million euros (31 Dec 2024: 16.0). 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 2024.

19. EVENTS AFTER THE PERIOD

There have not been any events after the period that would have a material financial impact.