ANNUAL REPORT 2020

Posiva

Global leader
in final disposal

The implementation of the final disposal facility is progressing in good cooperation and the preparations for the operating licence application have started

Nuclear power is a sustainable means of energy generation, and the final disposal solution is a key part of nuclear power use. Posiva Oy's (Posiva) owners, Teollisuuden Voima Oyj (TVO) and Fortum Power and Heat Oy (Fortum), are taking a responsible approach to the recycling and final disposal of the waste generated at the Loviisa and Olkiluoto nuclear power plants.

Posiva is currently constructing the final disposal facility in the EKA project, according to the implementation decision made in summer 2019. The execution of Posiva's vision, **Global leader in final disposal**, can be seen in the progress of the EKA project and in the preparation for production activities in final disposal.

Work at the encapsulation plant proceeded according to schedule. At the end of the year, the encapsulation plant's structures rose to a height of five metres in the landscape of the ONKALO® site. Outside of Olkiluoto, the focus of the work was on the design, qualification, and manufacturing of safety-classified equipment.

The first excavation contract for the final disposal facility was completed. Inside ONKALO, the excavation mainly took place inside the central tunnels connecting the deposition tunnels. In the underground tunnels and shafts, installations related to construction engineering and building services engineering have started well.

The main goal for Posiva's activity development was to adjust the project work to meet the requirements for a demanding nuclear facility implementation project. We succeeded very well despite the challenges brought about by the COVID-19 pandemic. Our personnel and partners, both those at the ONKALO site and those working remotely, were able to highly commit themselves to the working culture which was required by this new situation.

Posiva's final disposal solution allows for sustainable electricity generation with nuclear power. In this respect, Posiva's ONKALO is a game changer.

Good cooperation remains very important in order for work to advance on all fronts of the final disposal system. Final disposal will not start before all work in the EKA project is complete.

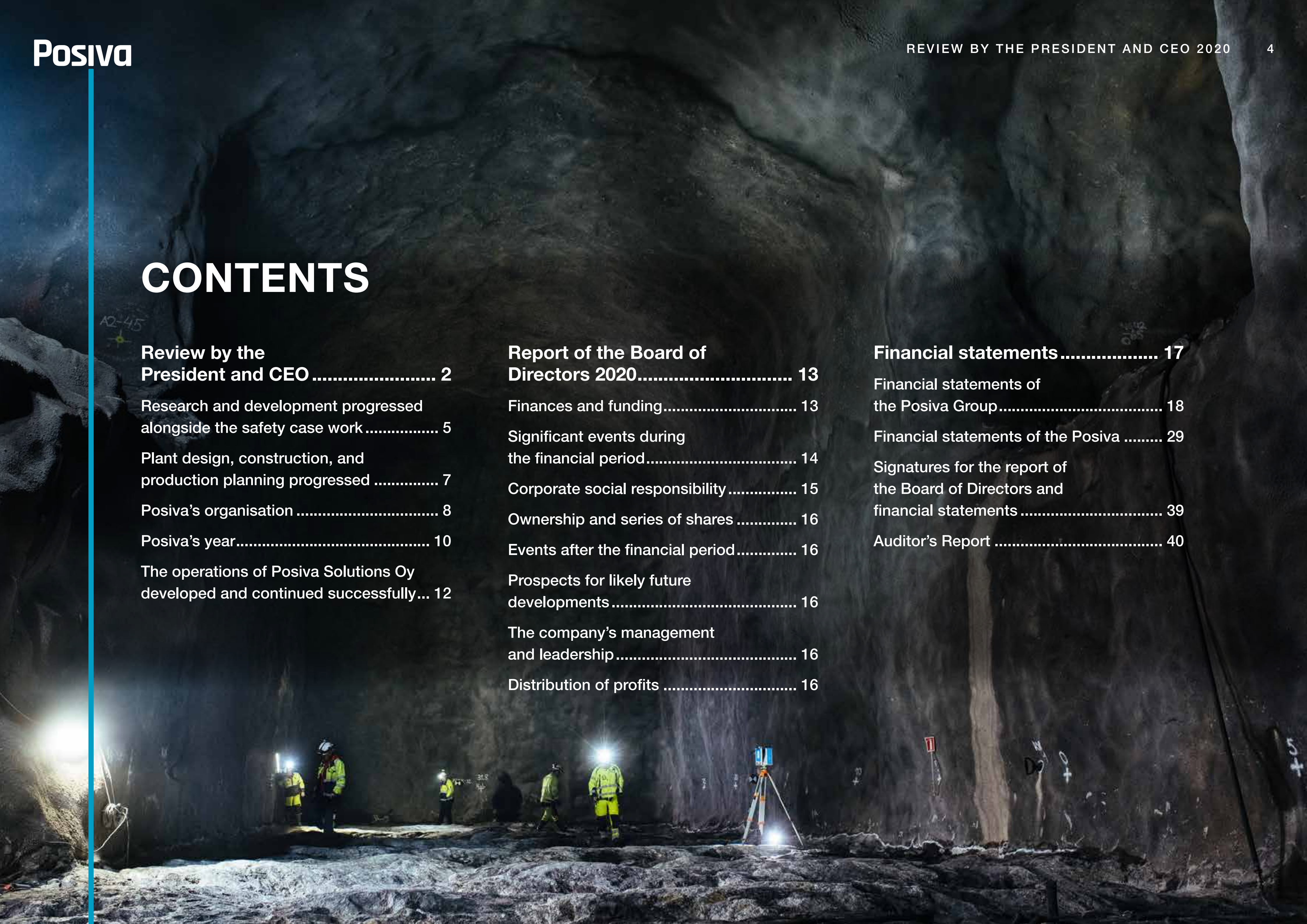
In addition to the project progress, job satisfaction among Posiva's personnel improved, the self-assessment results for the activity management system and safety culture improved, and stakeholder and customer satisfaction remained at an excellent level during the year. We can be proud of our accomplishments.

The next significant milestone in the preparation of the final disposal will be the submittal of the operating licence application. Preparations for this have already started. The safety case in the operating licence application summarises decades of work towards constructing a safe final disposal system at Olkiluoto.

Posiva is an important international pioneer. According to the IAEA's (International Atomic Energy Agency) General Director Rafael Mariano Grossi, who visited ONKALO, Posiva is the first company in the world to engage in this unique work. His message to the world is that Posiva's final disposal system for spent nuclear fuel allows for sustainable electricity generation with nuclear power.

A new strategy was defined for Posiva Solutions Oy. The company's vision was defined as being a **Global market leader in the sales of expertise and technology related to nuclear waste final disposal**. Posiva's successful final disposal project will surely create even further demand for the world-class expertise that has accumulated in Finland.

Janne Mokka
President and CEO
Posiva Oy



CONTENTS

Review by the President and CEO 2

Research and development progressed alongside the safety case work 5

Plant design, construction, and production planning progressed 7

Posiva's organisation 8

Posiva's year.. 10

The operations of Posiva Solutions Oy developed and continued successfully... 12

Report of the Board of Directors 2020............................. 13

Finances and funding............................... 13

Significant events during the financial period.................................. 14

Corporate social responsibility................ 15

Ownership and series of shares 16

Events after the financial period.............. 16

Prospects for likely future developments.. 16

The company's management and leadership... 16

Distribution of profits 16

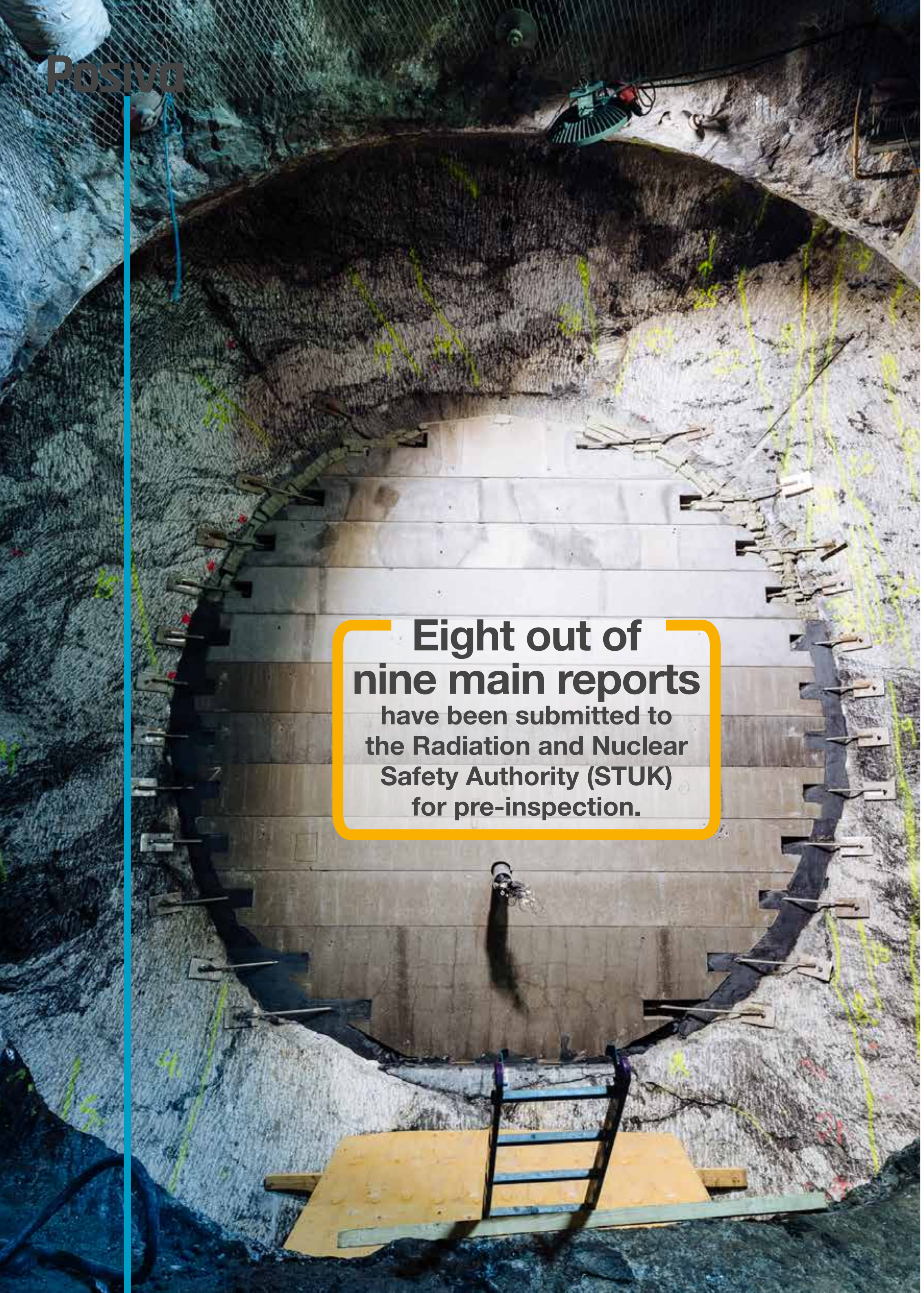
Financial statements................... 17

Financial statements of the Posiva Group..................................... 18

Financial statements of the Posiva 29

Signatures for the report of the Board of Directors and financial statements 39

Auditor's Report 40



> **Eight out of nine main reports** have been submitted to the Radiation and Nuclear Safety Authority (STUK) for pre-inspection.

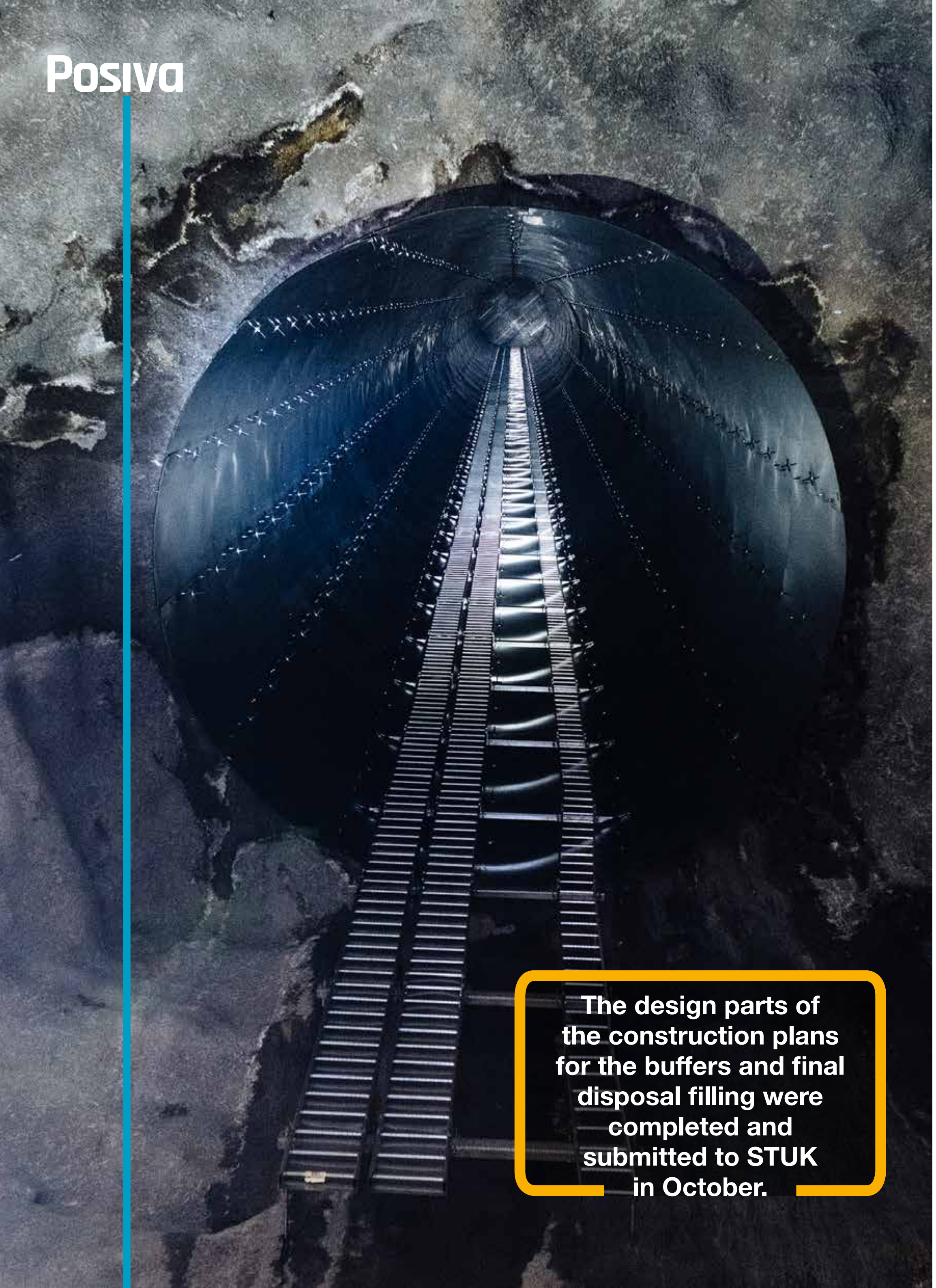
Research and development progressed alongside the safety case work

The composition of the safety case that will be enclosed with the operating licence application has progressed. Eight out of nine main reports have been submitted to the Radiation and Nuclear Safety Authority (STUK) for pre-inspection. The studies, modelling, and practical experiments defined by Posiva for the final disposal concept have continued in the programs and sub-projects related to Posiva's project. Their results have been compiled into several background reports for the safety case. The aim for the work is to have documentation available to close all open matters in the final disposal concept by the time the operating licence application is submitted. The first processing decision has been received, and processing decisions for five requirements are expected in early 2021.

The Olkiluoto Site Description report that will be enclosed with the operating licence application was completed for STUK's pre-inspection in June. The report compiles the results of all site studies and the modellings performed at Olkiluoto across nearly four decades as well as their interpretations. The description covers the geological, hydrogeological, hydrogeochemical, rock mechanical, and ground-level environmental characteristics of the final disposal site at Olkiluoto. No significant shortcomings or defects were observed in the pre-inspection that would require substantial additional work or changes to the report.

A significant change was made in the planned supply chain of the final disposal canister – according to the new plan, the copper canister will be manufactured from copper pipe and a bottom will be welded to it, instead of using an integrated bottom as was planned earlier. This change means that the construction plan for the canister, including the method test plans and manufacturer agreements for the canister parts, will be submitted to STUK during 2021.

The design parts of the construction plans for the buffer surrounding the canister and the filling of the final disposal tunnels, which take into



The design parts of the construction plans for the buffers and final disposal filling were completed and submitted to STUK in October.

account the changes made in order to industrialise the concept and the results of further research, have been submitted to STUK.

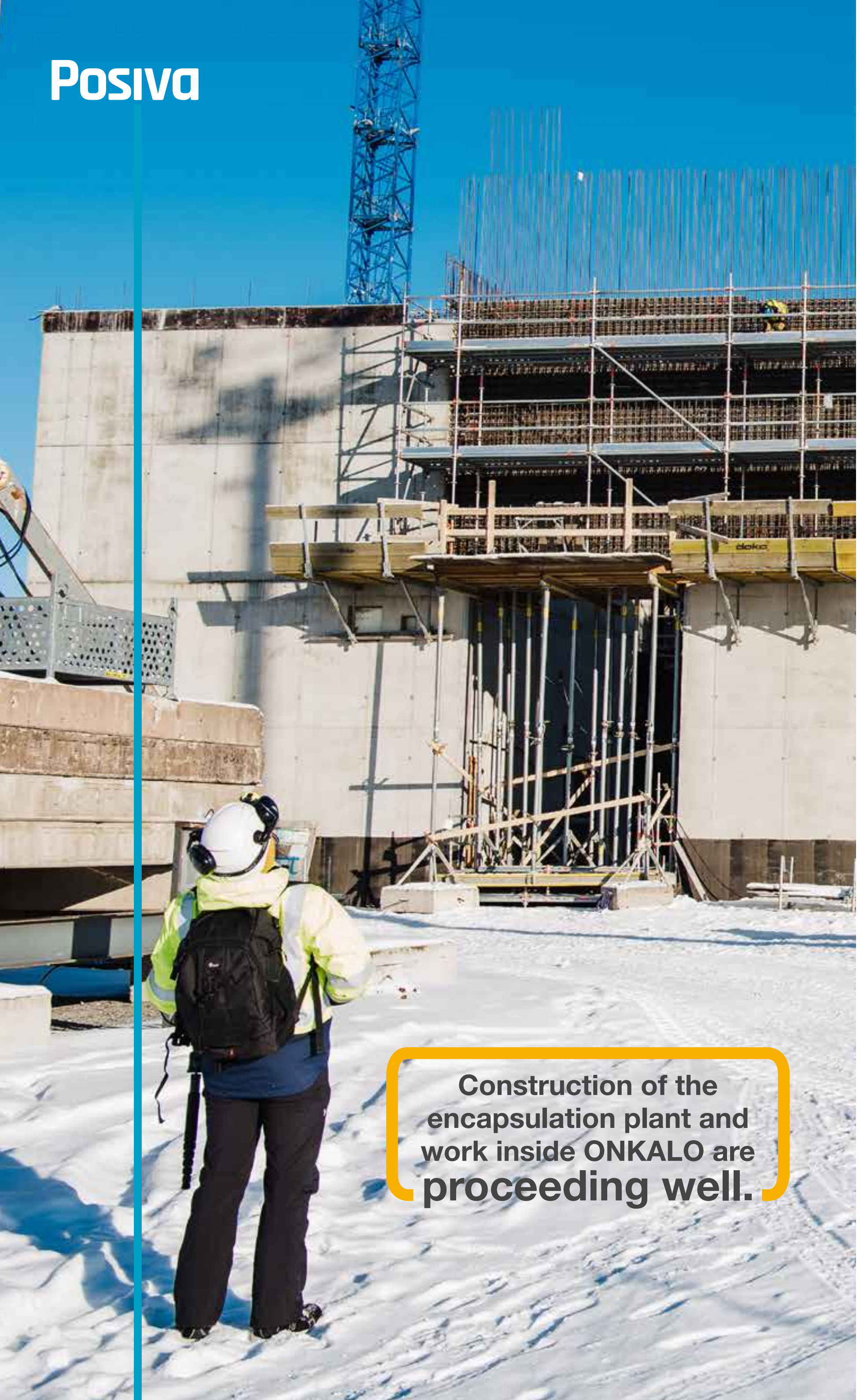
As regards the buffer and the filling of the final disposal tunnels, the negotiations concerning the supply of bentonite raw materials and the manufacture of buffer and filling components that were started in 2019 were resumed with selected suppliers. The negotiations aim at ensuring component deliveries to the extent required for operation.

The follow-up of the full-scale test (FISST) has been continued. The follow-up has shown the initial water-logging of bentonite and heat convection according to expectations. The plan is to continue the follow-up for several years to come.

The characteristics of the site at Olkiluoto have been followed according to the Olkiluoto monitoring programme. During the year, actions were developed in a direction where an even larger proportion of the work is done at Posiva. This trend will continue in the coming years; simultaneously, other actions aimed at improving monitoring efficiency, such as the automation of measurement data collection, processing, and reporting, will be analysed and taken into use.

The bedrock applicability categorisation work related to the design and construction of the final disposal facility continued as Posiva was preparing for the excavation of the first deposition tunnels. During the excavation of the central tunnels, some more injections were required than were systematically defined in the suitability assessment. The pilot study holes for the first five deposition tunnels were drilled in the early part of the year, and the suitability assessments based on them were drawn up for use as initial data in the design. The suitability assessments for these five final disposal tunnels were not materially different from the suitability assessments performed at the earlier stage.

The operation of the long-term safety management group (PAT) has continued. The purpose of the PAT group is to ensure that long-term safety is achieved during the different stages of Posiva's project and final disposal activities as well as in its different sub-areas. Management of long-term safety includes the assessment of changes made in the final disposal system or any new observations affecting it, if they are considered to have impacts related to long-term safety or the safety case.



Construction of the encapsulation plant and work inside ONKALO are proceeding well.

Plant design, construction, and production planning progressed

In the design of the final disposal facility, the main emphasis was in the composition of the design documentation for the central tunnels and facilities for the trial run of final disposal and in their authority approvals. In the field of system design, the rest of the tender request and agreement documentations for the construction engineering contracts and the implementation plans within the EKA project scope were completed.

Excavations of the final disposal premises located inside ONKALO proceeded slower than planned. In the further excavation contract for the central tunnels (LTU2), central tunnel 5 was completed and central tunnel 6 is under work. The excavation of the tunnels for the trial run of final disposal and starting the excavation of the deposition tunnels were postponed until 2021. Work related to construction engineering and building technology also continued in the final disposal facility. Contracts were signed for the remaining building technology work and sprinkler work. The reinforcement of the personnel shaft was completed, and about two thirds of the steel structures for the lift and building services have been installed. The reinforcement of the canister shaft was completed and the electrical installations are about halfway complete.

The construction design of the encapsulation plant was completed and authority approval was received for the plans. The detailed design of the facility's systems resumed with the composition of construction plans for the safety-classified systems and their regulatory processing. The manufacturing stage for the systems' main equipment is also under way. The most significant system acquisitions for the facility were completed during 2020.

Work at the encapsulation plant has continued within the scope of the construction and building services contracts. Construction work at the encapsulation plant has proceeded well, partly even ahead of schedule. The rest of the agreements regarding building services work in safety class 3 were also signed, and the work is under way.

Preparations for future production were continued with a more detailed definition and description of the production process of the facility. Going forward, the definition will be utilised in the detailed planning of production and the planning of production resourcing, among other things.

Posiva

Posiva's organisation

CEO / PROJECT DIRECTOR
Janne Mokka

Posiva Solutions Oy
MANAGING DIRECTOR
Mika Pohjonen

Separate projects:
Operating licence - Samu Myllymaa
Monitoring - Tuomas Pere

CANISTER AND SPENT FUEL	BUFFER, BACKFILL, AND CLOSURE	SAFETY CASE	ENCAPSULATION PLANT	DISPOSAL FACILITY	DISPOSAL PRODUCTION EQUIPMENT	PREPARATION FOR PRODUCTION
Programme Manager Jouko Lammi	**Programme Manager** Petri Koho	**Programme Manager** Anne Kontula	**Programme Manager** Iiro Engren	**Programme Manager** Kimmo Kemppainen	**Programme Manager** Jarkko Stenfors	**Programme Manager** Pasi Rantamäki
Steering Group Chair Tiina Jalonen	**Steering Group Chair** Ari Posti	**Steering Group Chair** Tiina Jalonen	**Steering Group Chair** Petteri Vuorio	**Steering Group Chair** Juha Riihimäki	**Steering Group Chair** Petteri Vuorio	**Steering Group Chair** Karri Osara

Project Management - Ari Posti

Safety - Kari Kaukonen

Development - Tiina Jalonen

Plant engineering - Petteri Vuorio

Construction - Juha Riihimäki

Production - Karri Osara

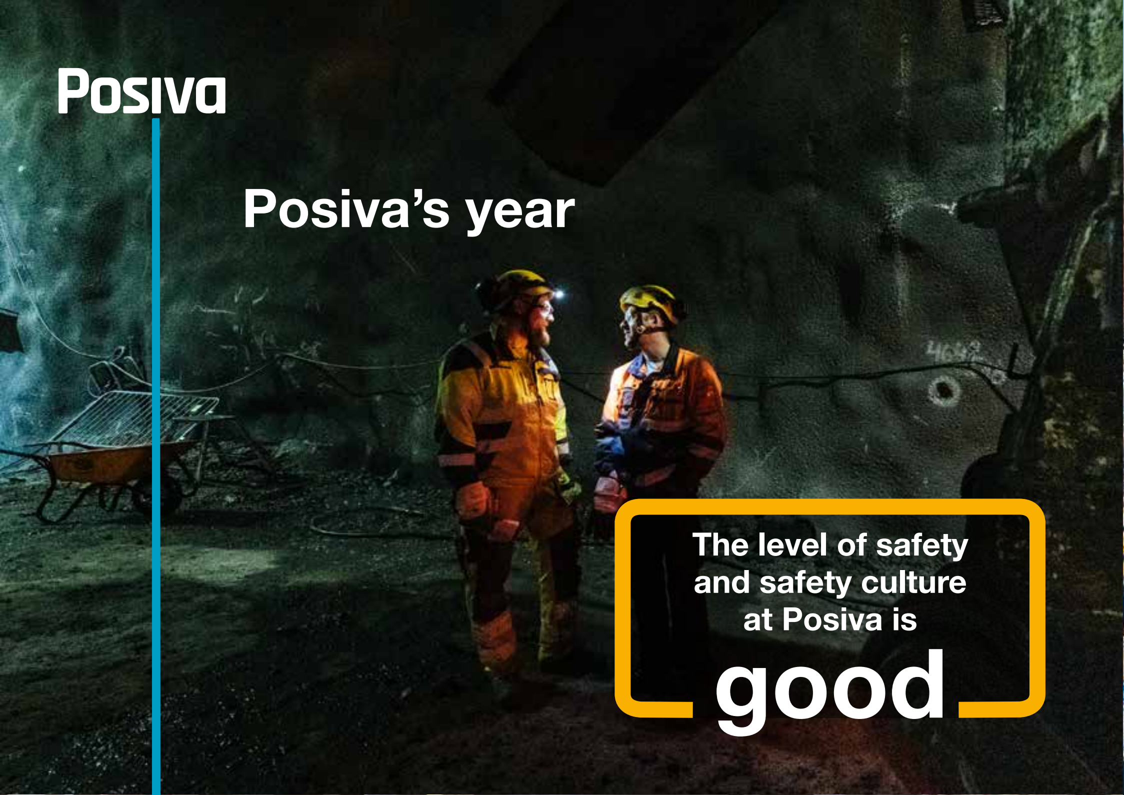
Procurement - Jussi Näveri, **HR** - Kirsi Koskinen, **Legal** - Sampo Valmunen, **Communications** - Sini Gahmberg

Management Group

Management Group from the left: Petteri Vuorio, Kirsi Koskinen, Hannu Leino, Tiina Jalonen, Sini Gahmberg, Janne Mokka, Kari Kaukonen, Juha Riihimäki, and Ari Posti. Mika Pohjonen is missing from the photo.

Posiva

Posiva's year



The level of safety and safety culture at Posiva is **good**

The reinforcement work of the personnel shaft leading into the final disposal facilities of spent fuel was completed in **April**

and the installation of the steel frame for the elevator tower started in **September**

The work related to Posiva's final disposal system at the encapsulation plant worksite and inside ONKALO **progressed** despite the COVID-19 restrictions

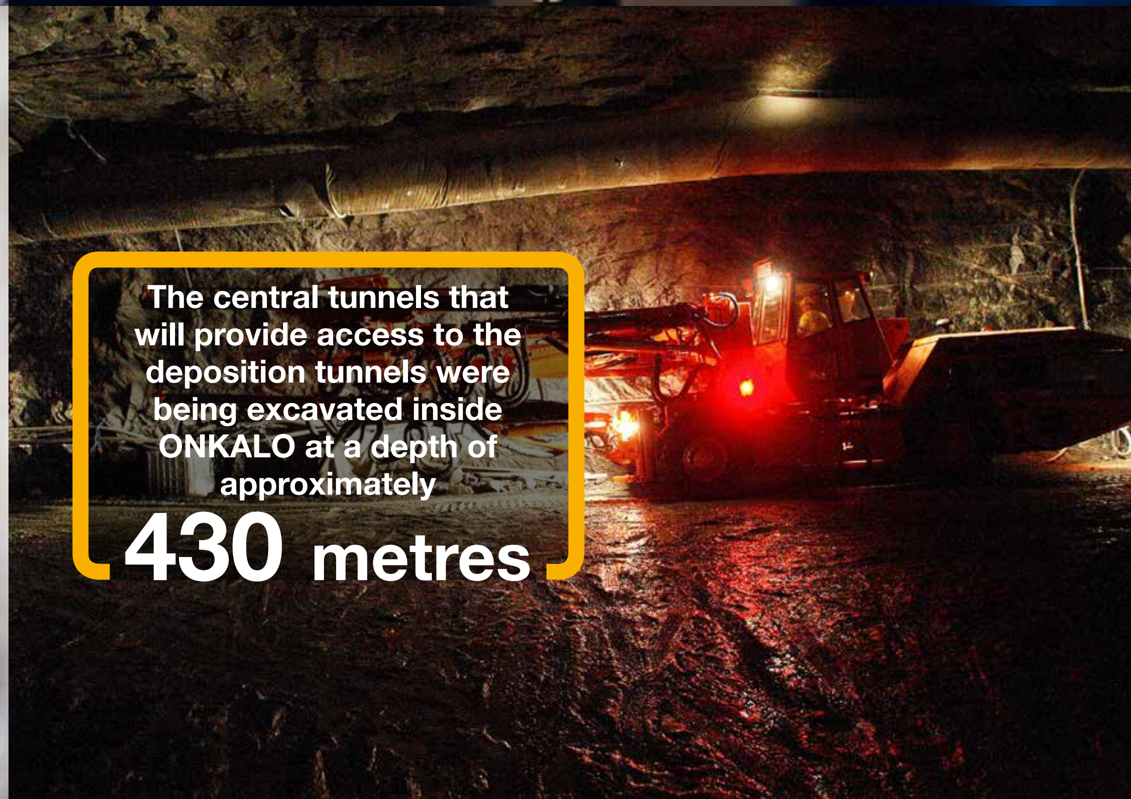
The structures of the encapsulation plant have risen to about **5 m** from the ground level

Posiva's year

0 kg of landfill waste

3.5 training days per person

Research and development projects **have progressed** towards the operating licence application



The central tunnels that will provide access to the deposition tunnels were being excavated inside ONKALO at a depth of approximately **430 metres**

The operations of Posiva Solutions Oy developed and continued successfully

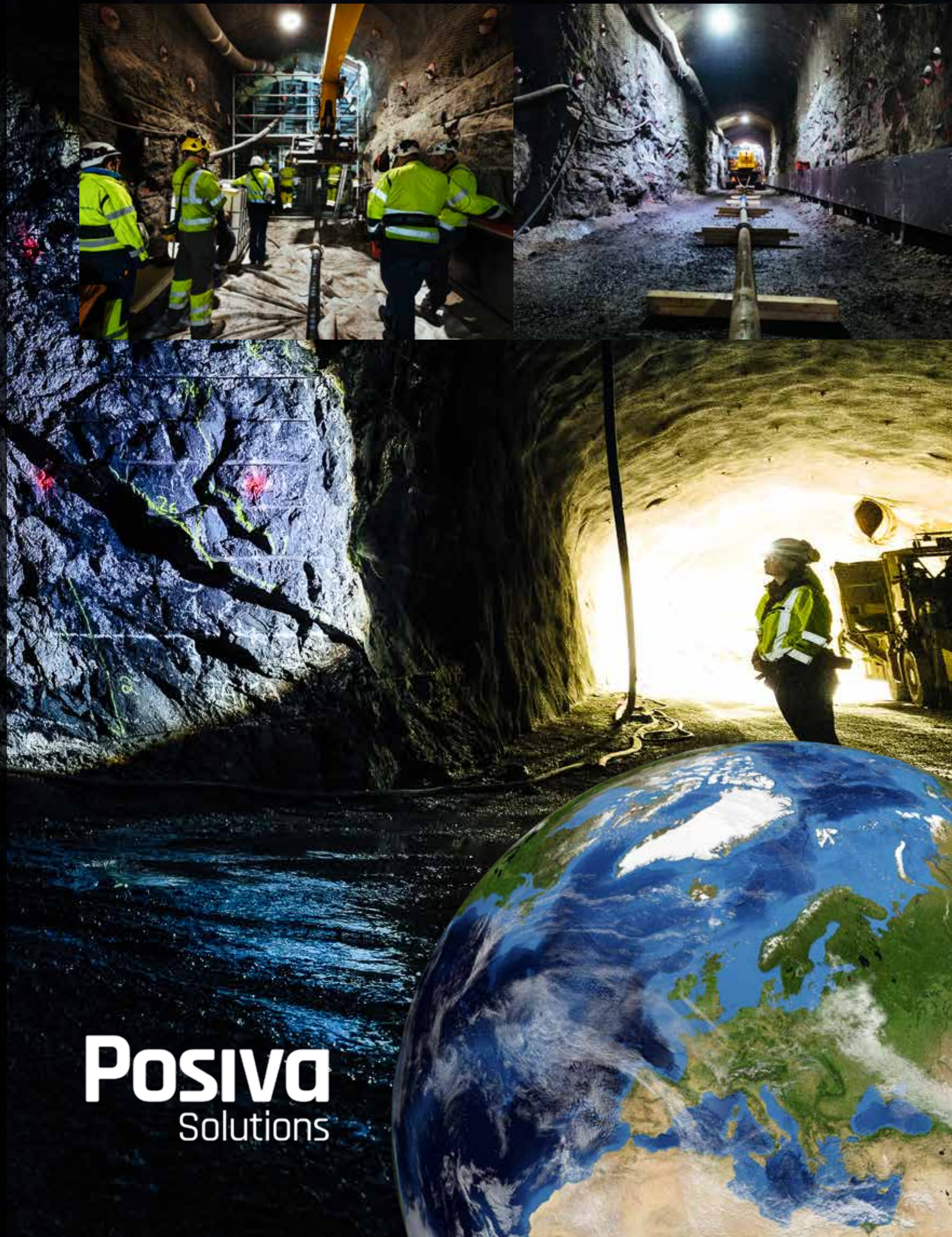
Posiva Solutions Oy, established in 2016, offers its clients tailor-made expert services related to final disposal together with an extensive network of subcontractors and partners. The company also offers ready-made solution models and service systems for companies planning nuclear waste management, taking into account the local conditions.

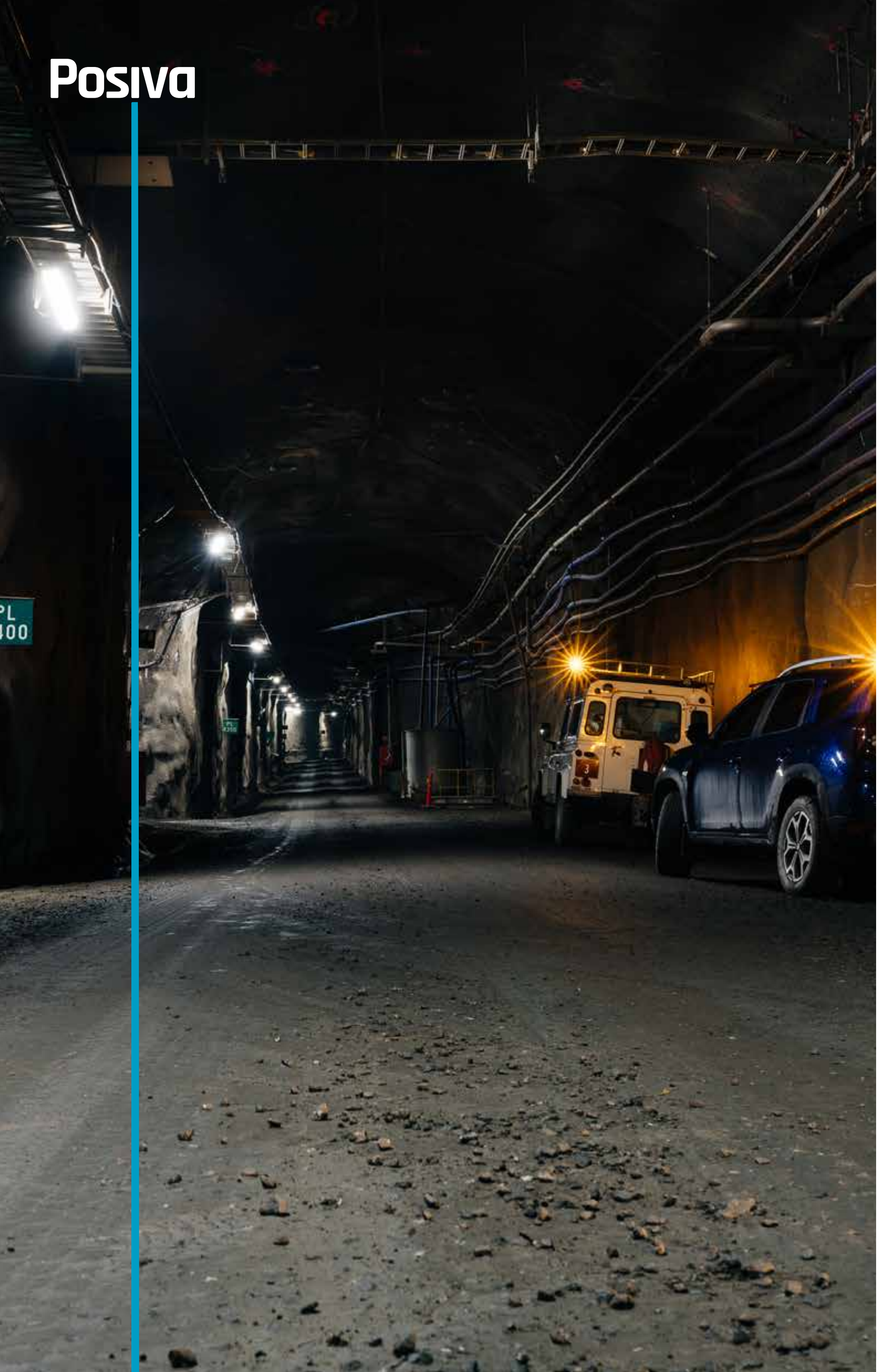
Posiva Solutions' business operations in 2020 were profitable and generated results. Projects such as the full-scale test FISST and its follow-up project EBBO, which allow clients to take a close look at Posiva's activities, have been successful.

The COVID-19 pandemic also affected Posiva Solutions' operations. Projects that require travelling or projects that were planned to take place at Olkiluoto, such as the Posiva Flow Log measurements and various training courses, were postponed and interrupted in the spring. Activities were resumed while taking the COVID-19 restrictions into account. Trainings and workshops were successfully transferred to a digital format. Other advances were also made in terms of sales and digitalisation; Posiva Solutions is already visible in a new way on social media, and this will further increase next year. You can now find Posiva Solutions on the website, which is being developed to be even more interactive, as well as on LinkedIn and Twitter.

Posiva Solutions' strategy for 2021–2024 was finalised this year. Its cornerstones remain profitable and growing business activities as well as securing and improving opportunities for Posiva's personnel to work and develop in a changing operating environment.

The opinion of clients on the services they receive is the most important factor in terms of the company's future. The client feedback received in 2020 was positive throughout, as the average for feedback received was 4.9 on a scale of 1 to 5.





Report of the Board of Directors for 2020

Posiva Oy, established in 1995, manages the final disposal of the spent nuclear fuel of its owners Teollisuuden Voima Oyj and Fortum Power and Heat Oy.

At the end of 2020, the total amount of spent nuclear fuel in interim storage at the Olkiluoto and Loviisa nuclear power plants amounted to approximately 2,300 tonnes. Spent nuclear fuel must be cooled in interim storage for several decades in order for its heat production to fall to the level required for final disposal.

In November 2015, Posiva received a construction licence for its final disposal system, consisting of a nuclear fuel encapsulation plant and final disposal facility. The excavation of the final disposal facility was started in December 2016, and the construction of the encapsulation plant started in 2019. The plan is to start final disposal in the mid-2020s.

Posiva Oy's financial statements are prepared in accordance with the Finnish Accounting Act and related provisions.

Finances and funding

TURNOVER AND FINANCIAL RESULTS

Posiva Oy's turnover amounted to EUR 112.7 (81.8) million. The profit/loss for the financial period was EUR 0.0 (5.8) million. Posiva's operations are funded by its owners.

KEY FIGURES

Due to the company's operating principle, presenting key figures is not essential for understanding its business operations, financial position, or performance. The profit for the financial period under review was EUR 0 (5,800,000). The profit for the previous period consisted exclusively of the dividend paid by Posiva Solutions Oy.

Significant events during the financial period

FINAL DISPOSAL ACTIVITIES

Posiva has proceeded in the final disposal project according to the implementation decision made in summer 2019 as regards the construction of the encapsulation plant for spent fuel and the underground final disposal facility. The EKA project in question consists of constructing the encapsulation plant in its entirety, performing the excavation required for the first five final deposition tunnels and the additional excavation required for the final disposal facility, installing the systems required for starting final disposal, following through with the operating licence process, and preparing the supply chains required for the production activities.

The work related to Posiva's final disposal system at the encapsulation plant worksite and inside ONKALO proceeded during 2020 despite the coronavirus restrictions. The detailed design of the encapsulation plant's systems has continued with the composition of construction plans for the safety-classified systems and their regulatory processing. Most of the suppliers for the key systems and equipment in the encapsulation plant have been chosen, and equipment design and manufacturing are proceeding.

During the year, the central tunnels connecting the deposition tunnels and providing access to the deposition tunnels in the future, were being excavated inside ONKALO at a depth of approximately 430 metres. The reinforcement work of the personnel shaft leading into the final disposal facilities of spent fuel was completed in April, and the installation of the steel frame for the elevator tower started in September. The construction work and building services installation work proceeded well and on schedule.

Work at the encapsulation plant is proceeding according to schedule, and at the end of 2020, the structures of the plant rose 5 metres above ground level. About two thirds of the frame structures are complete.

The excavation and method test plans for the trial run of final disposal, which tests the operation of the final disposal, were submitted to the Radiation and Nuclear Safety Authority (STUK) in summer 2020.

Posiva's owners submitted the annual report for nuclear waste management in 2019 to the Ministry of Economic Affairs and Employment (MEAE) at the end of March. The updated cost estimates for the waste management scheme for the years 2020–2023 were submitted to the Ministry at the end of June 2020. Due to the updated schedule concerning the Olkiluoto 3 EPR nuclear power plant unit, the waste management scheme was submitted to the Ministry at the end of September 2020. The updated costs were based on the waste management scheme submitted to the Ministry in June 2019 which contains an estimate of the nuclear waste management costs for the purposes of financial provision.

SUBSIDIARIES

A new strategy was defined for Posiva Solutions Oy, where its vision was defined as being a **Global market leader in the sales of expertise and technology related to nuclear waste final disposal**. Posiva's final disposal project will create even further demand for the expertise that has accumulated in Finland.

RISKS AND RISK MANAGEMENT

The purpose of Posiva Oy's risk management is to support the implementation of the strategy and the business targets as well as the retention of the prerequisites for operation. Risk management is arranged holistically in line with the operational targets set by the owners and good governance. Posiva's President and CEO is responsible for risk management in accordance with the company's targets and strategy. He is assisted by the Management Group and the TVO Group's Risk Management function.

The most significant risks in the implementation of the final disposal system (EKA project) are related to the completion of the unique process and installation equipment for the encapsulation plant and final disposal facility and the timely progress of the excavation of the final disposal facilities. Furthermore, possible changes in the detailed plans of the technological release barriers are seen as a schedule risk.

The most significant risks during the production stage are related to the acquisition costs of the final disposal concept's components. Another significant risk for the production stage is a larger than anticipated number of personnel required for the final disposal.

Efforts have been made to reduce the significance of the risks by resuming the industrialisation actions defined already in 2017, by implementing a full-scale system test (FISST), and by signing long-term agreements with potential component suppliers.

RESEARCH AND DEVELOPMENT SCOPE

Posiva's current research and development activities comprise the finalisation of the research projects related to the operating licence application for the final disposal facilities and the implementation of the industrialisation activities for the production stage. A total of approximately EUR 12.7 (20.5) million was spent on research and development in 2020, amounting to 11.2 (25.1)% of turnover.

Corporate responsibility

THE ENVIRONMENT

Posiva's environmental matters are managed according to a certified environmental management system. It is also linked with an energy efficiency system. The key aspects of the operations in terms of the environment and energy are related to the construction of the final disposal facility and the processing of waste. Fires and oil leaks from machinery in the underground facilities have been identified as the most significant environmental risks. Posiva performs environmental management actions in cooperation with TVO as a group-level activity, and its targets are continuous improvement and increasing the level of environmental protection.

SAFETY AND SAFETY CULTURE

As part of the safety culture action programme 2020–2023, Posiva's Safety function monitored safety in accordance with the activity management system. The company's safety culture action programme 2020 was implemented without major deviations, although preventing the effects of COVID-19 had some effect on the implementation. Posiva carried out a self-assessment of the activity management system and safety culture in 2020; the results were good and showed improvement since the last assessment. The level of safety and safety culture at Posiva in 2020 was good.

PERSONNEL AND ORGANISATION

The number of personnel at the end of the year was 87 (86), including permanent and fixed-term employment relationships. During the year, Posiva employed on average 90 (85) persons. In addition, approximately 40 TVO employees are working on Posiva's project. The number of personnel at Posiva Solutions at the end of the year was five (5).

During the year, Posiva's employees attended an average of 3.5 (6) days of training per person.

Posiva's personnel are covered by a performance bonus system. The performance bonus may be routed into the TVO Group's personnel fund.

COMMUNICATIONS AND INTERNATIONAL COOPERATION

The progress of Posiva's final disposal project and the construction of the encapsulation plant and underground final disposal facilities have gathered widespread interest. Posiva's brand reform was implemented and active communication on the EKA project was maintained. The new posiva.fi website was published towards the end of the year.

Posiva and SKB (Svensk Kärnbränslehantering Ab) have continued their close cooperation with a common goal to finalise the final disposal concept and to prepare for the industrial-scale operation of the final disposal facility. Posiva has continued its cooperation with the International Atomic Energy

Agency IAEA, the OECD Nuclear Energy Agency (NEA), the International Association for Environmentally Safe Disposal of Radioactive Material (EDRAM) and the Club of Agencies, a cooperative group of more than 20 waste organisations from Europe.

Ownership and series of shares

Posiva Oy is a joint venture of Teollisuuden Voima Oyj and Fortum Power and Heat Oy. The number of shares in Posiva on 31 December 2020 was 100,005,000. The company's shares are divided into the A and B series. There are 100,000,000 series A shares and 5,000 series B shares. TVO's ownership share in series A shares is 60%, and Fortum's is 40%. Of the B series shares, TVO owns 73.62% and Fortum owns 26.38%, correspondingly.

Significant events after the end of the financial period

No significant events after the end of the financial period.

Prospects for likely future developments

Posiva will continue the implementation of the EKA project, the final disposal facility system, in 2021. Posiva is preparing to submit an operating licence application to the government. COVID-19 measures will be continued during 2021 in accordance with the Finnish Government's general guidelines and the recommendations of the Finnish Institute for Health and Welfare (THL).

The company's management and leadership

BOARD OF DIRECTORS

Jarmo Tanhua, Teollisuuden Voima Oyj, *Chair*
Minna Laakso, Pohjolan Voima Oyj
Satu Katajala, Fortum Power and Heat Oy
Sasu Valkamo, Fortum Power and Heat Oy

Ulla-Maija Moisio, Teollisuuden Voima Oyj has acted as secretary for the Board of Directors.

Posiva Oy's President and CEO Janne Mokka has participated in the board meetings.

PRESIDENT AND CEO

Janne Mokka

MANAGEMENT GROUP

Janne Mokka, *Chair*

Members:

Tiina Jalonen, *Development Manager*
Kari Kaukonen, *Safety Manager*
Ari Posti, *Project Manager*
Juha Riihimäki, *Construction Manager*
Petteri Vuorio, *Technical Manager*
Karri Osara, *Production Manager* (from 5 October 2020 onwards)

Communications Manger Sini Gahmberg, Managing Director Mika Pohjonen from Posiva Solutions Oy, HR Representative Hannu Leino, and HR Partner, Resource Manager Kirsi Koskinen have also participated in the Management Group's work.

The Board of Directors has established a project committee, financial committee, and technical committee to support its operations.

The auditors for Posiva have been Authorised Public Accountant Jouko Malinen appointed by PricewaterhouseCoopers Oy until 28 April 2020, Authorised Public Accountant Niina Vilske appointed by PricewaterhouseCoopers Oy from 29 April 2020 onwards, and Authorised Public Accountant Robert Kajander appointed by Deloitte Oy.

Distribution of profits

The company does not have any distributable equity; therefore, dividends cannot be distributed.

Financial statements

FINANCIAL STATEMENTS OF POSIVA GROUP 18

FINANCIAL STATEMENTS OF POSIVA OY 29

CONSOLIDATED INCOME STATEMENT

€	Note	1 Jan-31 Dec 2020	1 Jan-31 Dec 2019
Turnover	2	115,974,648.27	85,371,824.20
Other income	3	205,643.14	228,715.35
Materials and services	4	-661,481.19	-537,812.53
Personnel expenses	5	-6,961,905.30	-6,496,385.45
Depreciation	6	-32,705.95	-36,609.47
Other expenses	7	-106,533,099.54	-76,106,863.08
Profit/loss from operations		**1,991,099.43**	**2,422,869.02**
Financial income and expenses	8	-65,828.79	-68,263.31
Profit/loss before appropriations and taxes		**1,925,270.64**	**2,354,605.71**
Income taxes		-387,779.77	-473,691.46
Profit/loss for the financial year		**1,537,490.87**	**1,880,914.25**

CONSOLIDATED BALANCE SHEET

€	Note	31 Dec 2020	31 Dec 2019
Assets			
Non-current assets	9		
Intangible assets		346.74	693.47
Tangible assets		97,919.02	109,149.21
Investments		43,366.70	43,366.70
Non-current receivables		390,786.04	833,126.04
Total non-current assets		532,418.50	986,335.42
Current assets			
Current receivables	10	6,544,608.03	10,325,923.76
Cash and cash equivalents	11	26,382,997.23	17,022,733.80
Total current assets		32,927,605.26	27,348,657.56
Total assets		**33,460,023.76**	**28,334,992.98**
Equity and liabilities			
Equity	12		
Share capital		1,684,500.00	1,684,500.00
Retained earnings/loss		2,842,718.86	6,761,804.61
Profit/loss for the financial year		1,537,490.87	1,880,914.25
Total equity		6,064,709.73	10,327,218.86
Liabilities			
Non-current liabilities	13	3,872,269.78	4,028,710.10
Current liabilities	14	23,523,044.25	13,979,064.02
Total liabilities		27,395,314.03	18,007,774.12
Total equity and liabilities		**33,460,023.76**	**28,334,992.98**

CONSOLIDATED CASH FLOW STATEMENT

1 000 €	2020	2019
Operating activities		
Operating profit/loss	1,991	2,423
Adjustments to operating profit/loss*	33	37
Change in working capital**	13,325	-260
Interest received	3	1
Interest paid	-69	-69
Dividend paid	-5,800	0
Taxes paid	-388	-474
Cash flow from operating activities	**9,095**	**1,658**
Investing activities		
Acquisition of intangible and tangible assets	-21	0
Repayment of loans granted	442	442
Cash flow from investing activities	**421**	**442**
Financing activities		
Withdrawals of long-term loans	221	221
Repayment of long-term loans	-377	-377
Cash flow from financing activities	**-156**	**-156**
Change in financial assets	**9,360**	**1,944**
Financial assets January 1	17,023	15,079
Financial assets December 31	**26,383**	**17,023**
* Adjustments to operating profit/loss		
Depreciation and write-downs	33	37
Total	33	37
** Change in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	3,781	-2,257
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	9,544	1,997
Total	13,325	-260

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

Posiva Oy together with its subsidiary Posiva Solutions Oy forms the Posiva Group. The parent company in Posiva Group is Posiva Oy, which is incorporated in Eurajoki.

Posiva Oy is a joint venture of Teollisuuden Voima Oyj and Fortum Power and Heat Oy.

The Group´s related parties include owners Teollisuuden Voima Oyj and Fortum Power and Heat Oy.

Copies of the financial statements are available at the internet address **www.posiva.fi**.

Posiva Oy´s financial statements have been prepared in accordance with Finnish Accounting Standards (FAS) and other laws and regulations governing the preparation of the financial statements in Finland.

MEASUREMENT PRINCIPLES AND METHODS AND ACCRUAL PRINCIPLES AND METHODS

Measurement of non-current assets

Intangible rights, other non-current expenditure as well as property, plant and equipment are capitalised at immediate acquisition cost less depreciation/amortisation according to plan. The depreciation/amortisation according to plan equals the maximum amounts allowed by the Finnish Business Tax Act.

The acquisition cost of property, plant and equipment acquired for nuclear waste management prescribed by the Nuclear Energy Act have been deducted in their totality as annual costs because nuclear waste management costs will not accure income in the future for the companies with waste management obligations, non for Posiva.

The depreciation/amortisation periods for other non-current assets are as follows:

Intangible rights
Straight-line depreciation over 10 years

Other long-term expenditure
Straight-line depreciation over 10 years

Property, plant and equipment
Reducing balance depreciation at 25%

Research and development costs

The research and development costs have been recognised as annual costs during the year in which they were incurred.

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Subsidiaries

The consolidated financial statements include parent company Posiva Oy and its wholly-owned subsidiary Posiva Solutions Oy.

Subsidiaries are companies which the Group has control at the end of the financial period. Control exists if the Group hold more than a half of the voting rights or otherwise has control.

Subsidiaries acquired are consolidated from the date on which control is transferred to the Group, and subsidiaries sold are no longer consolidated from the date that control ceases. The purchase method of accounting is used to consolidate subsidiaries into the Group. The purchase price is determined as the aggregate of the acquisition date fair values of the assets given as consideration and liabilities incurred or assumed. Costs directly attributable to the acquisition are recognized in profit or loss.

In the consolidation, intercompany share ownership, intercompany transactions, receivables, liabilities, unrealized gains and internal distributions of profits are eliminated. Unrealized losses are not eliminated, if the losses are due to impairment of the asset being transferred. To ensure consistency, subsidiaries' accounting policies have, in all material respects, been changed to conform to the accounting policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2020	2019
2. TURNOVER		
Income, related party	112,066,035.76	81,159,354.11
Income, other	3,908,612.51	4,212,470.09
Total	115,974,648.27	85,371,824.20
3. OTHER INCOME		
Rental income	27,445.00	43,330.00
Subsidies received	7,603.50	20,649.61
Other income	170,584.64	164,735.74
Total	205,633.14	228,715.35
4. MATERIAL AND SERVICES		
Purchases of services, related party	34,093.13	23,806.79
Purchases of services, other	627,388.06	514,005.74
Total	661,481.19	537,812.53
5. PERSONNEL		
Average number of personnel	95	88
Number of personnel on December 31	92	90
Personnel expenses		
Wages and salaries	5,962,260.24	5,465,436.65
Pension expenses	837,540.18	915,322.78
Other compulsory personnel expenses	162,104.88	115,626.02
Total	6,961,905.30	6,496,385.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2020	2019
6. DEPRECIATION		
Planned depreciation		
Intangible rights	346.73	506.85
Machinery and equipment	32,359.22	36,102.62
Total	32,705.95	36,609.47
7. OTHER EXPENSES		
Rents	1,446,550.29	1,446,046.08
Internal services	11,155,330.69	10,580,334.86
Research and expert services	19,550,446.11	20,368,892.60
Nuclear waste management buildings, machinery and equipment	64,210,574.72	27,973,594.49
Other expenses	10,170,197.73	15,737,995.05
Total	106,533,099.54	76,106,863.08
Acquisition costs of fixed assets used for nuclear waste management are booked as annual expenses under Section 5:1 of the Accounting Law.	81,553,374.11	43,021,671.65
Auditors' fees		
Audit fees	27,500.00	23,000.00
Total	27,500.00	23,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2020	2019
8. FINANCIAL INCOME AND EXPENSES		
Interest income and other financial income		
Interest and financial income	3,060.37	521.49
Total	3,060.37	521.49
Interest expenses and other financial expenses		
Interest and other financial expenses	68,889.16	68,784.80
Total	68,889.16	68,784.80
Total financial income (+) and expenses (-)	-65,828.79	-68,263.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	Intangible rights	Other non-current expenditure	Total
9. NON-CURRENT ASSETS			
Intangible assets			
Acquisition cost 1 Jan 2020	50,767.17	3,046,393.37	3,097,160.54
Acquisition cost 31 Dec 2020	50,767.17	3,046,393.37	3,097,160.54
Accumulated planned depreciation 1 Jan 2020	50,073.70	3,046,393.37	3,096,467.07
Planned depreciation	346.73	0.00	346.73
Book value 31 Dec 2020	**346.74**	**0.00**	**346.74**

€	Machinery and equipment	Total
Tangible assets		
Acquisition cost 1 Jan 2020	1,147,561.92	1,147,561.92
Increase	21,129.03	21,129.03
Acquisition cost 31 Dec 2020	1,168,690.95	1,168,690.95
Accumulated planned depreciation 1 Jan 2020	1,038,412.71	1,038,412.71
Planned depreciation	32,359.22	32,359.22
Book value 31 Dec 2020	**97,919.02**	**97,919.02**

€	Investments	Total
Investments		
Acquisition cost 1 Jan 2020	43,366.70	43,366.70
Acquisition cost 31 Dec 2020	43,366.70	43,366.70
Book value 31 Dec 2020	**43,366.70**	**43,366.70**

€	2020	2019
OTHER LONG-TERM LOAN RECEIVABLES		
Other loan receivables	390,786.04	833,126.04
Total	390,786.04	833,126.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2020	2019
10. CURRENT RECEIVABLES		
Trade receivables, other companies	247,859.99	159,428.55
Loan receivables	442,340.00	442,340.00
Prepayment and accrued income, related party	1,358,874.96	5,204,179.48
Prepayment and accrued income, other companies	482,559.18	557,756.21
Prepaid rent	3,759,890.00	3,538,720.00
Other receivables	253,083.90	423,499.52
Total	6,544,608.03	10,325,923.76
11. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	26,382,997.23	17,022,733.80
Total	26,382,997.23	17,022,733.80
12. SHARE CAPITAL		
Share capital 1 Jan	1,684,500.00	1,684,500.00
Share capital 31 Dec	1,684,500.00	1,684,500.00
Retained earnings/loss	8,642,718.86	6,761,804.61
Dividend paid	-5,800,000.00	0.00
Profit/loss for the financial year	1,537,490.87	1,880,914.25
Total	6,064,709.73	10,327,218.86
13. NON-CURRENT LIABILITIES		
Non-current liabilities from related party	3,872,269.78	4,028,710.10
Total	3,872,269.78	4,028,710.10
DEBTS FALL DUE IN MORE THAN FIVE YEARS	3,538,672.00	3,317,505.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2020	2019
14. CURRENT LIABILITIES		
Liabilities from related party	8,425,731.98	3,322,788.55
Advances received	74,000.00	0.00
Accounts payable from others	9,393,593.14	2,071,269.21
Tax liability	159,443.92	145,894.14
Accrued wages and salaries	1,906,318.86	1,903,038.93
Other liabilities	3,563,956.35	6,536,073.19
Total	23,523,044.25	13,979,064.02
15. COMMITMENTS		
Contingent liabilities given on own behalf		
Customs liabilities	20,000.00	20,000.00
Contingent liabilities given on behalf of Group companies		
Parent company guarantee*	2,000,000.00	2,000,000.00
Other rent liabilities		
Rent liabilities falling due in less than a year	442,340.00	442,340.00
Rent liabilities falling due later	884,680.00	1,327,020.00
Total	1,327,020.00	1,769,360.00

Posiva has rented from Teollisuuden Voima Oyj a land area for the final disposal of spent nuclear fuel. The rental period is from July 1, 2003 to June 30, 2103. The rental agreement is subject to notice in case the land area is not suitable for the final disposal of spent nuclear fuel. The rent is checked every two years according to cost-of-living index. The rent was EUR 664 816,76 in 2020 (EUR 659 603,35 in 2019).

* The maximum liability of the calendar year. The guarantee will be valid until August 31, 2027.

PARENT COMPANY INCOME STATEMENT

€	Note	1 Jan-31 Dec 2020	1 Jan-31 Dec 2019
Turnover	2	112,747,610.44	81,823,528.06
Other income	3	205,583.14	225,482.99
Personnel expenses	4	-6,582,907.00	-6,244,008.34
Depreciation and impairment charges	5	-32,705.95	-36,609.47
Other expenses	6	-106,271,783.65	-75,699,958.05
Profit/loss from operations		**65,796.98**	**68,435.19**
Financial income and expenses	7	-65,796.98	5,731,564.81
Profit/loss before appropriations and taxes		**0.00**	**5,800,000.00**
Profit/loss for the financial year		**0.00**	**5,800,000.00**

PARENT COMPANY INCOME STATEMENT

€	Note	31 Dec 2020	31 Dec 2019
Assets			
Non-current assets	8		
Intangible assets		346.74	693.47
Tangible assets		97,919.02	109,149.21
Investments		45,866.70	45,866.70
Non-current receivables		390,786.04	833,126.04
Total non-current assets		534,918.50	988,835.42
Current assets			
Current receivables	9	5,944,651.23	9,672,861.49
Cash and cash equivalents	10	22,151,302.42	14,567,555.36
Total current assets		28,095,953.65	24,240,416.85
Total assets		**28,630,872.15**	**25,229,252.27**
Equity and liabilities			
Equity	11		
Share capital		1,684,500.00	1,684,500.00
Profit/loss for the financial year		0.00	5,800,000.00
Total equity		1,684,500.00	7,484,500.00
Liabilities			
Non-current liabilities	12	3,872,269.78	4,028,710.10
Current liabilities	13	23,074,102.37	13,716,042.17
Total liabilities		26,946,372.15	17,744,752.27
Total equity and liabilities		**28,630,872.15**	**25,229,252.27**

PARENT COMPANY INCOME STATEMENT

1 000 €	2020	2019
Operating activities		
Operating profit/loss	66	68
Adjustments to operating profit/loss*	33	37
Change in working capital**	13,085	-43
Interest received	3	0
Dividend received	0	5,800
Interest paid	-68	-68
Dividend paid	-5,800	0
Cash flow from operating activities	**7,319**	**5,794**
Investing activities		
Acquisition of intangible and tangible assets	-21	0
Repayment of loans granted	442	442
Cash flow from investing activities	**421**	**442**
Financing activities		
Withdrawals of long-term loans	221	221
Repayment of long-term loans	-377	-377
Cash flow from financing activities	**-156**	**-156**
Change in financial assets	**7,584**	**6,080**
Financial assets January 1	14,567	8,487
Financial assets December 31	**22,151**	**14,567**
* Adjustments to operating profit/loss		
Depreciation and impairment charges	33	37
Total	33	37
** Change in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	3,727	-2,026
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	9,358	1,983
Total	13,085	-43

NOTES TO THE PARENT COMPANT FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

Posiva Oy is a joint venture company of Teollisuuden Voima Oyj and Fortum Power and Heat Oy.

Posiva Oy (1029258-8) is the parent company in Posiva Group.

Related parties include owners Teollisuuden Voima Oyj and Fortum Power and Heat Oy.

Posiva Oy´s financial statements have been prepared in accordance with Finnish Accounting Standards (FAS) and other laws and regulations governing the preparation of the financial statements in Finland.

MEASUREMENT PRINCIPLES AND METHODS AND ACCRUAL PRINCIPLES AND METHODS

Measurement of non-current assets

Intangible rights, other non-current expenditure as well as property, plant and equipment are capitalised at immediate acquisition cost less depreciation/amortisation according to plan. The deapreciation/amortisation according to plan equals the maximum amounts allowed by the Finnish Business Tax Act.

The acquisition cost of property, plant and equipment acquired for nuclear waste management prescribed by the Nuclear Energy Act have been deducted in their totality as annual costs because nuclear waste management costs will not accure income in the future for the companies with waste management obligations, non for Posiva.

The depreciation/amortisation periods for other non-current assets are as follows:

Intangible rights
Straight-line depreciation over 10 years

Other long-term expenditure
Straight-line depreciation over 10 years

Property, plant and equipment
Reducing balance depreciation at 25%

Research and development costs

The research and development costs have been recognised as annual costs during the year in which they were incurred.

NOTES TO THE PARENT COMPANT FINANCIAL STATEMENTS

€	2020	2019
2. TURNOVER		
Income, group companies	681,904.68	664,173.95
Income, related party	112,065,705.76	81,159,354.11
Total	112,747,610.44	81,823,528.06
3. OTHER INCOME		
Rental income	27,395.00	43,285.00
Subsidies received	7,603.50	20,649.61
Other income	170,584.64	161,548.38
Total	205,583.14	225,482.99
4. PERSONNEL		
Average number of personnel during financial year		
Office personnel	85	80
Manual Workers	5	5
Total	90	85
Number of personnel on December 31		
Office personnel	82	81
Manual Workers	5	5
Total	87	86
Personnel expenses		
Wages and salaries	5,638,050.29	5,253,831.87
Pension expenses	789,853.29	877,987.75
Other compulsory personnel expenses	155,003.42	112,188.72
Total	6,582,907.00	6,244,008.34

NOTES TO THE PARENT COMPANT FINANCIAL STATEMENTS

€	2020	2019
5. DEPRECIATION		
Planned depreciation		
Intangible rights	346.73	506.85
Machinery and equipment	32,359.22	36,102.62
Total	32,705.95	36,609.47
6. OTHER EXPENSES		
Rents	1,446,138.78	1,446,046.08
Internal services, related party	11,011,777.19	10,406,110.13
Internal services, group companies	31,511.56	25,609.14
Research and expert services	19,550,446.11	20,368,892.59
Nuclear waste management buildings, machinery and equipment	64,210,574.72	27,973,549.49
Other expenses	10,021,335.29	15,479,750.62
Total	106,271,783.65	75,699,958.05
Acquisition costs of fixed assets used for nuclear waste management are booked as annual expenses under Section 5:1 of the Accounting Law	81,553,374.11	43,021,671.65
Auditors' fees		
Audit fees	21,500.00	17,000.00
Total	21,500.00	17,000.00

NOTES TO THE PARENT COMPANT FINANCIAL STATEMENTS

€	2020	2019
7. FINANCIAL INCOME AND EXPENSES		
Interest income and other financial income		
Dividend income from group companies	0.00	5,800,000.00
Other interest and financial income	3,059.63	294.11
Total	3,059.63	5,800,294.11
Interest expenses and other financial expenses		
Interest and other financial expenses, related party	24,617.83	27,700.91
Interest and other financial expenses	44,238.78	41,028.39
Total	68,856.61	68,729.30
Total financial income (+) and expenses (-)	-65,796.98	5,731,564.81

NOTES TO THE PARENT COMPANT FINANCIAL STATEMENTS

8. NON-CURRENT ASSETS

€	Intangible rights	Other non-current expenditure	Total
Intangible assets			
Acquisition cost 1 Jan 2020	50,767.17	3,046,393.37	3,097,160.54
Acquisition cost 31 Dec 2020	50,767.17	3,046,393.37	3,097,160.54
Accumulated planned depreciation 1 Jan 2020	50,073.70	3,046,393.37	3,096,467.07
Planned depreciation	346.73	0.00	346.73
Book value 31 Dec 2020	**346.74**	**0.00**	**346.74**

€	Machinery and equipment	Total
Tangible assets		
Acquisition cost 1 Jan 2020	1,147,561.92	1,147,561.92
Increase	21,129.03	21,129.03
Acquisition cost 31 Dec 2020	1,168,690.95	1,168,690.95
Accumulated planned depreciation 1 Jan 2020	1,038,412.71	1,038,412.71
Planned depreciation	32,359.22	32,359.22
Book value 31 Dec 2020	**97,919.02**	**97,919.02**

€	Investments	Total
Investments		
Acquisition cost 1 Jan 2020	45,866.70	45,866.70
Acquisition cost 31 Dec 2020	45,866.70	45,866.70
Book value 31 Dec 2020	**45,866.70**	**45,866.70**

OTHER LONG-TERM LOAN RECEIVABLES

€	2020	2019
Other loan receivables	390,786.04	833,126.04
Total	390,786.04	833,126.04

NOTES TO THE PARENT COMPANT FINANCIAL STATEMENTS

€	2020	2019
9. CURRENT RECEIVABLES		
Trade receivables, other companies	111,929.99	82,678.42
Loan receivables	442,340.00	442,340.00
Prepayments and accrued income from group companies	116,408.00	67,271.93
Prepayments and accrued income from related party	1,358,874.96	5,204,179.48
Prepayments and accrued income from others	14,250.00	4,600.00
Prepaid rent	3,759,890.00	3,538,720.00
Other deferred income	140,958.28	333,071.66
Total	5,944,651.23	9,672,861.49
10. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	22,151,302.42	14,567,555.36
Total	22,151,302.42	14,567,555.36
11. SHARE CAPITAL		
Share capital 1 Jan	1,684,500.00	1,684,500.00
Share capital 31 Dec	1,684,500.00	1,684,500.00
Retained earnings/loss	5,800,000.00	0.00
Dividend paid	-5,800,000.00	0.00
Profit/loss for the financial year	0.00	5,800,000.00
Total	1,684,500.00	7,484,500.00
12. NON-CURRENT LIABILITIES		
Non-current liabilities from related party	3,872,269.78	4,028,710.10
Total	3,872,269.78	4,028,710.10
DEBTS FALL DUE IN MORE THAN FIVE YEARS	3,538,672.00	3,317,505.00

NOTES TO THE PARENT COMPANT FINANCIAL STATEMENTS

€	2020	2019
13. CURRENT LIABILITIES		
Financial liabilities from related party	8,402,491.22	3,308,400.60
Accounts payable from others	9,325,614.84	2,050,286.68
Tax liability	151,968.69	128,727.81
Accrued wages and salaries	1,820,738.62	1,847,971.81
Accrued expenses from group companies	1,034.00	1,652.40
Other accrued expenses and deferred income	3,372,255.00	6,379,002.87
Total	23,074,102.37	13,716,042.17
14. COMMITMENTS		
Contingent liabilities given on own behalf		
Customs liabilities	20,000.00	20,000.00
Contingent liabilities given on behalf of Group companies		
Parent company guarantee*	2,000,000.00	2,000,000.00
Other rent liabilities		
Rent liabilities falling due in less than a year	442,340.00	442,340.00
Rent liabilities falling due later	884,680.00	1,327,020.00
Total	1,327,020.00	1,769,360.00

Posiva has rented from Teollisuuden Voima Oyj a land area for the final disposal of spent nuclear fuel. The rental period is from July 1, 2003 to June 30, 2103. The rental agreement is subject to notice in case the land area is not suitable for the final disposal of spent nuclear fuel. The rent is checked every two years according to cost-of-living index The rent was EUR 664 816,76 in 2020 (EUR 659 603,35 in 2019).

*The maximum liability of the calendar year. The guarantee will be valid until August 31, 2027.

Signatures for the report of the board of directors and financial statements

Helsinki, February 17, 2021

Jarmo Tanhua
Chairman

Satu Katajala

Sasu Valkamo

Minna Laakso

Janne Mokka
CEO

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

Helsinki, March 30, 2021

PricewaterhouseCoopers Oy
Authorised Public Accountants

Niina Vilske
Authorised Public Accountant

Deloitte Oy
Authorised Public Accountants

Robert Kajander
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Posiva Oy

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

What we have audited

We have audited the financial statements of Posiva Oy (business identity code 1029258-8) for the financial period 1.1.-31.12.2020. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

BASIS FOR OPINION

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

OTHER REPORTING REQUIREMENTS

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Other statements

We support that the financial statements of the parent company and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the result of the accounting period is in compliance with the Companies Act. We support that the members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the period audited by us.

Helsinki, March 30, 2021

PricewaterhouseCoopers Oy
Authorised Public Accountants

Niina Vilske
Authorised Public Accountant (KHT)
Itämerentori 2, 00180 Helsinki
Registered office Helsinki, Business ID 0486406-8

Deloitte & Touche Oy
Authorised Public Accountants

Robert Kajander
Authorised Public Accountant (KHT)
Salmisaarenaukio 2, 00180 Helsinki
Registered office Helsinki, Business ID 0989771-5


Posiva