ANNUAL REPORT 2021

Global leader
in final disposal

The Operating Licence Application for the Final Disposal Facility Has Been Submitted and the Nuclear Facility Project Is Transitioning From Construction to the Installation and Commissioning Stage

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 system 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.

During 2021, work in the EKA project progressed according to schedule. The excavation of the first five actual deposition tunnels was started in ONKALO® in May. The tunnels are accessed via the central tunnels, and at the end of 2021, approximately half of the excavation work was completed. In December, we celebrated the encapsulation plant reaching its rooftop height. Similarly in December 2021, a significant event in terms of the project preparation was the submission of the operating licence application to the Finnish Government. The safety case in the operating licence application summarised decades of work towards constructing a safe final disposal system at Olkiluoto.

The encapsulation plant and final disposal facility are moving from construction and the installation of building technology to the installation and commissioning stage of systems for the spent nuclear fuel encapsulation process. The next significant step in the EKA project is starting the trial run of final disposal in 2023. The trial run of final disposal involves using production methods, procedures and equipment, and the future operating personnel to carry out the transportation, encapsulation, and final disposal of dummy fuel elements that do not contain any actual fuel.

Going forward, 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 November 2021, Mairead McGuinness, Commissioner for the financial services of the European Commission, visited Olkiluoto and also learnt about the final disposal solution for nuclear fuel during her visit in Finland.

In December 2021,

a significant event in terms of the project preparation was the submission of the operating licence application to the Finnish Government.

Over the course of the year, the European Commission has been preparing a decision on the inclusion of nuclear power in the EU Taxonomy. The taxonomy may be used in the future to assess which economic activities are considered sustainable investments within the EU from an environmental point of view. At the press event on the day after her visit, the Commissioner stated that nuclear power can be classified as a sustainable method of energy production. She said she had been very impressed with Posiva's final disposal solution and the way Finland manages its nuclear waste.

In Posiva Solutions Oy's strategy, the company's vision is to be a global market leader in the sales of expertise and technology related to nuclear waste final disposal. Last year, Posiva Solutions grew its turnover by 11 percent, and the outlook remains excellent. 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

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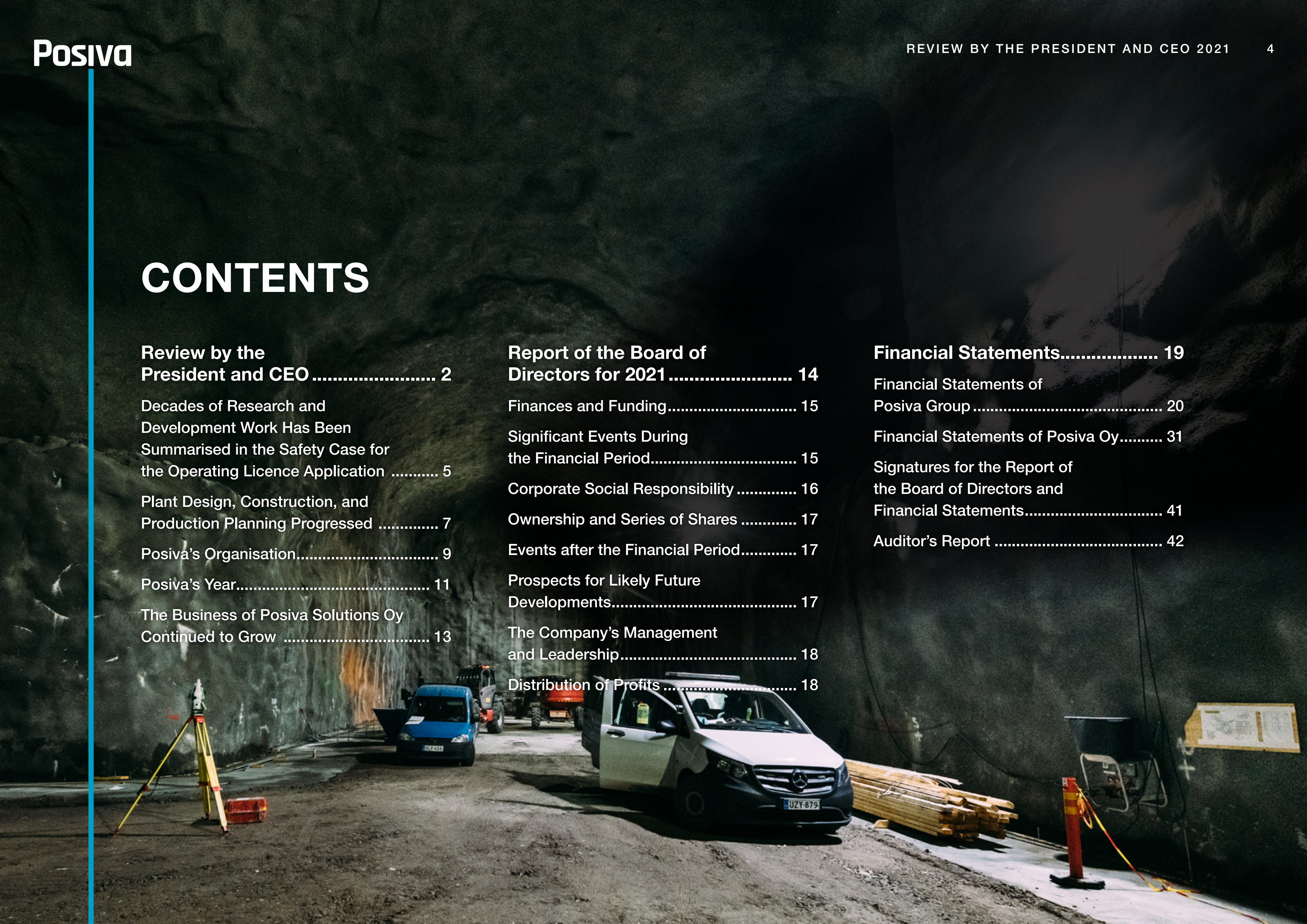


Decades of Research and Development Work Has Been Summarised in the Safety Case for the Operating Licence Application

The submitted operating licence application included the safety case, which is a set of documents comprising eight main reports, prepared in accordance with authorities' requirements, that demonstrates the long-term safety of the final disposal of spent nuclear fuel in accordance with the Radiation and Nuclear Safety Authority's (STUK) Regulation Y/4/2018 and STUK's YVL Guides. The main areas of the safety case are as follows:

- Under the conditions that occur in the Olkiluoto bedrock, the spent nuclear fuel and the contained radionuclides will likely remain inside the copper canisters for more than a million years. The placement of the final disposal repository at a depth of 400–450 metres underground isolates the repository from the surface environment and protects it against unintentional intrusion.
- Posiva's final disposal plan is based on a complex of natural and engineered release barriers whose long-term safety is not compromised by external events or processes, such as changes in geology or climate. The performance of the final disposal system over different periods of time has been systematically analysed, taking into account the uncertainties in the final disposal system's initial state and its long-term developments. The performance assessment indicates that, in the anticipated development scenarios, the possible releases of radioactivity very far in the future will remain below the limit values set by the radiation safety

authority. Furthermore, even in unlikely scenarios that are assumed to be pessimistic, the radionuclides' maximum release rates are several orders of magnitude below the maximum limits for radioactivity releases specified in Guide YVL D.5.

- The results of the biosphere analysis demonstrate that the radiation doses incurred by the most exposed population and other people remain clearly below the limits set by the authorities. A simplified dose calculation across the entire million years demonstrates that, even in pessimistic development scenarios, the radiation doses to people will be fractions of the average dose from natural background radiation.
- If necessary, it will be possible to safely build the LILW disposal repository for the encapsulation plant's low and intermediate level waste in connection with the final disposal repository for spent fuel at a depth of 180 metres.

The Olkiluoto Site Description report enclosed with the operating licence application was completed. The report compiles the results of all site studies and the modellings performed at Olkiluoto across nearly four decades, including their interpretations. The description covers the geological, hydrogeological, hydrogeochemical, rock mechanical, and ground-level environmental characteristics of the final disposal site at Olkiluoto.

The studies, modellings, and practical experiments defined by Posiva for the final disposal concept and site have continued in the programmes and sub-projects related to Posiva's project. Their results have been compiled into several background reports for the safety case. Furthermore, the safety case and its background reports were used for preparing and submitting to STUK the necessary documentation for meeting the requirements that STUK had set for Posiva based on the safety case for the construction licence application.

The supply chain of the final disposal canister's copper tube was changed in the previous year so that it comprises a copper tube to which a bottom is welded. Tests and negotiations were carried out together with supplier candidates for the welding of the tube and bottom in relation to the supply chain, aiming for the supply chain's readiness for qualification and production contracts. However, no contracts have yet been signed, so submitting a construction plan for the copper tube to STUK has been postponed to next year.

STUK's approval was obtained for the design portions of the construction plans for the buffer surrounding the canister and the deposition tunnel backfill.

Posiva's safety case summarises

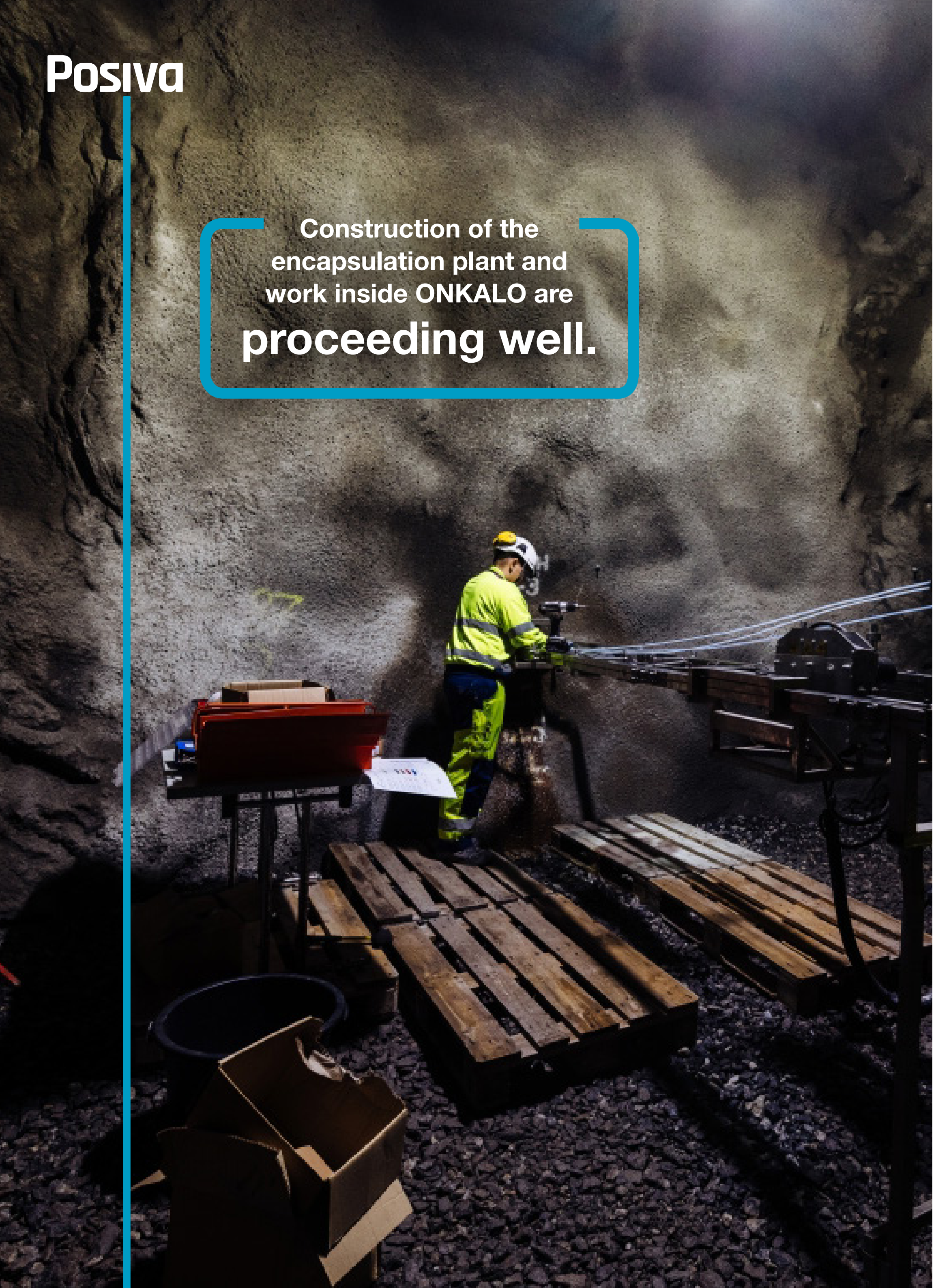
decades of research and development work, and it demonstrates the safety of final disposal at Olkiluoto.

As regards the buffer and the filling of the deposition tunnels, negotiations concerning the supply of bentonite raw materials and the manufacture of buffer and backfill components were continued with selected suppliers. The negotiations aim at ensuring component deliveries to the extent required for operation.

The follow-up of the Full scale In-Situ System Test (FISST) has been continued, and 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 rock suitability classification work related to the design and construction of the final disposal facility was directed at the suitability classification of the location of the trial run of final disposal tunnel and its plug, the suitability classification of the extension of central tunnels 5 and 6, and the suitability classification of the location of the first five deposition tunnels and their plugs. The results were not materially different from the suitability classifications performed at the earlier stage.



Plant Design, Construction, and Production Planning Progressed

In the design of the final disposal facility, the main emphasis in 2021 was in the creation of the design documentation for the deposition tunnels, their authority approvals, and the planning of the systems to be installed during work. Within system design, a significant amount of work was carried out in relation to preparing system descriptions as part of the final safety analysis report (FSAR).

Excavations of the final disposal repositories located inside ONKALO proceeded well. The excavation of the tunnel for the trial run of final disposal was performed early in the year. The start of the excavation of the deposition tunnels was delayed, but after it was started, the excavation progressed faster than planned. Work related to construction engineering and building technology also continued in the final diposal facility. In construction work, readiness for installing canister lift structures was reached at the canister reception station. The installation of the steel structures for the personnel shaft was finished, and the plumbing and electrical work were also mainly finished. The electrical installations for the canister shaft were finished.

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 continued with the composition of construction plans for the safety-classified systems and their regulatory processing. At the end of 2021, the construction plans for all systems were completed and the authority processing of the last plans was under way. The manufacturing stage for the systems' main equipment is also under way, and the first finished pieces of equipment were completed and successfully passed the factory test. Such systems include the overhead crane of the reception facility, which is used for handling the fuel transport container, and the equipment for the friction stir welding

of the final disposal canister lid. Furthermore, system descriptions for the encapsulation plant systems were also prepared as part of the final safety analysis report (FSAR).

Work at the encapsulation plant continued within the scope of the construction and building services contracts. The first equipment installations have also been completed. Construction work at the encapsulation plant has proceeded well. The frame stage work was completed at the end of the year, and the handling cell was handed over for equipment installations. Work relating to building services also progressed on schedule. Equipment installations included several overhead cranes.

The preparation for the upcoming production has continued within the related programme and projects. Production planning has been specified in more detail for the ramp-up stage in the early years of production and extended to the coming years in annual reviews. The creation of the maintenance planning and spare parts process has also progressed. Preparation for the upcoming commissioning stage has included creating administrative commissioning procedures and training the persons involved in the commissioning on their content. In terms of resourcing and scheduling, the planning of the trial run of final disposal has progressed according to plan. The production stage organisation model has been updated and presented to the personnel in September 2021. Resourcing for the operation and maintenance functions during the production stage is under way.

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	ENCAPSU-LATION PLANT	DISPOSAL FACILITY	DISPOSAL PRODUCTION EQUIPMENT	PREPARATION FOR PRODUCTION
Programme Manager Petri Koho	**Programme Manager** Ville Heino	**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 - Marko Kinnunen, **HR** - Kirsi Koskinen, **Legal** - Sampo Valmunen, **Communications** - Pasi Tuohimaa

Management Group

Management Group from the left: Petteri Vuorio, Kirsi Koskinen, Hannu Leino, Tiina Jalonen, Janne Mokka, Kari Kaukonen, Juha Riihimäki and Ari Posti. Karri Osara, Mika Pohjonen and Pasi Tuohimaa are missing from the photo.

Posiva's Year

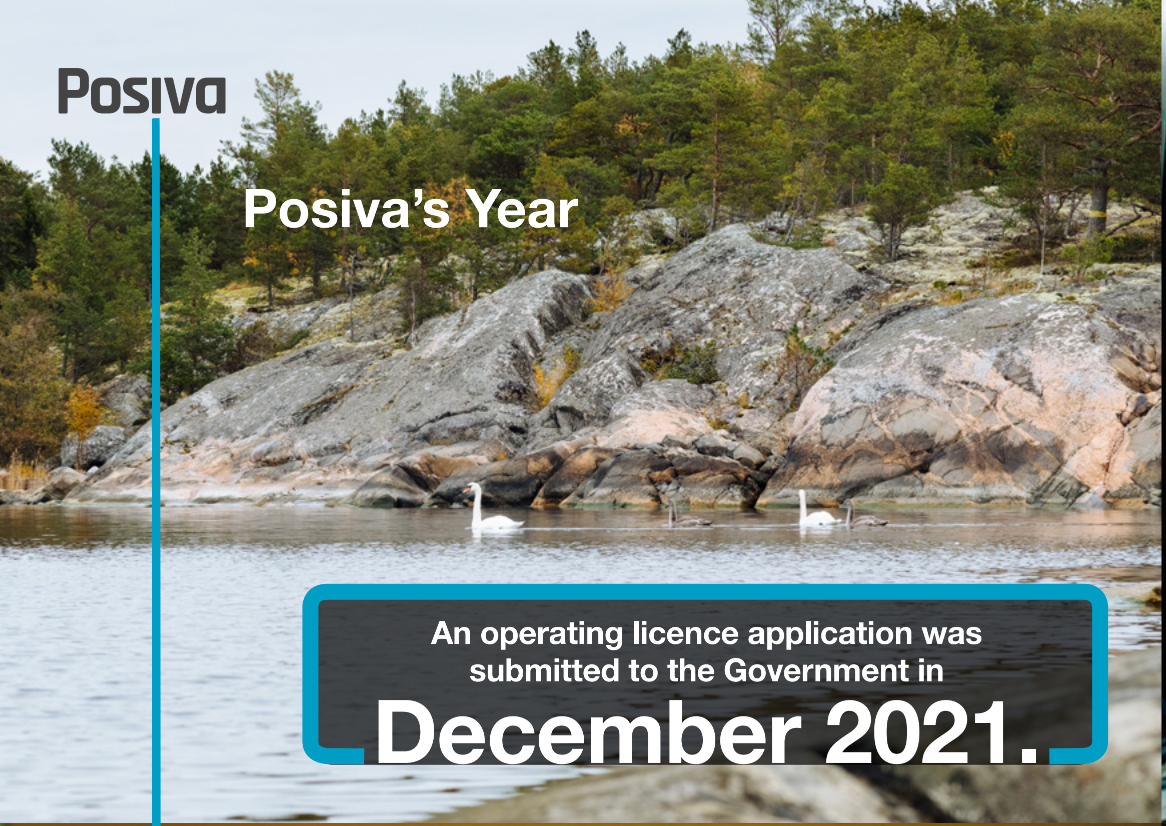
The work related to Posiva's final disposal system at the encapsulation plant worksite and inside ONKALO **progressed** despite the COVID-19 restrictions.

The excavation of the first deposition tunnels in ONKALO started at a depth of **430 metres.**

In the personnel shaft leading into the spent fuel final disposal repository, the installation of the steel frame for the elevator tower **was completed.**

The encapsulation plant structures reached their **rooftop height,** and the installation of the main systems for the encapsulation process was started.

Posiva's Year



An operating licence application was submitted to the Government in

December 2021.

4.1 training days per person

The level of safety and safety culture at Posiva is

good.

Posiva and Posiva's subcontractors had a combined accident frequency of

10,0

Landfill waste

0 kg

The Business of Posiva Solutions Oy Continued to Grow

Established in 2016, Posiva Solutions Oy (PSOY) 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.

PSOY's business remained profitable and grew in 2021. The performance in projects was good and the work progressed on schedule. For the most part, meetings with customers were virtual. Customer satisfaction remained at a high level, and the average feedback rating was 4.5 out of 5.0.

PSOY reached a new sales record in 2021. Similarly, the outlook for 2022 is good, with final disposal projects progressing particularly in Sweden, England, Canada, the Czech Republic, Switzerland, and China. Many other countries have started activities relating to final disposal, and PSOY will strive to take advantage of this in the future.

In the past year, Posiva Solutions' website was launched, and communication via the company's YouTube channel and LinkedIn profile started. Furthermore, a Customer Relationship Management (CRM) system was deployed and put effectively to use. These measures will improve PSOY's visibility and reachability.

Report of the Board of Directors for 2021

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

At the end of 2021, the total amount of spent nuclear fuel in interim storage at the Olkiluoto and Loviisa nuclear power plants amounted to approximately 2,400 tonnes. Spent nuclear fuel must be cooled in interim storage for several decades in order for its decay 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. An operating licence application for the encapsulation plant and final disposal facility was submitted at the end of December 2021. The plan is to start final disposal in the mid-2020s.

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

Finances and Funding

TURNOVER AND FINANCIAL RESULTS

Posiva's turnover amounted to EUR 126.6 (112.7) million. The profit/loss for the financial period was EUR 3.0 (0.0) 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, EUR 3,000,000 (0) 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 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 2021 despite the COVID-19 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. The suppliers for the key equipment in the encapsulation plant have been chosen, and equipment design and manufacturing are proceeding.

In May, the excavation of the first five actual deposition tunnels – which are accessed via the central tunnels – was started in ONKALO at a depth of approximately 430 metres. In December, the encapsulation plant reaching its rooftop height was celebrated. A significant event in terms of the project preparation was the submission of the operating licence application to the Government in December 2021. The safety case in the operating licence application summarised decades of work towards constructing a safe final disposal system at Olkiluoto.

In the underground tunnels and shafts, installations related to construction engineering and building services engineering proceeded as planned. Outside of Olkiluoto, the focus of the work was on the design, qualification, and manufacturing of safety-classified equipment.

At the end of March, Posiva's owners submitted the Annual Report for Nuclear Waste Management in 2020 to the Ministry of Economic Affairs and Employment (MEAE). The updated cost estimates for the waste management scheme for the years 2021–2023 were submitted to the MEAE at the end of June 2021. The updated costs were based on the waste management scheme submitted to the MEAE in June 2019 which contains an estimate of the nuclear waste management costs for the purposes of financial provision. At the end of September, Posiva's owners submitted to the MEAE the YJH-2021 programme, which describes the nuclear waste management plans for 2022–2024 and preliminary plans for 2025–2027.

SUBSIDIARIES

The vision of Posiva Solutions Oy, Posiva's subsidiary, is to be a **global market leader in the sales of expertise and technology related to nuclear waste final disposal**. In 2021, Posiva Solutions grew its turnover by 11 percent year-on-year, and the future outlook continues to be good.

RISKS AND RISK MANAGEMENT

Posiva's risk management supports 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 their timely installation and commissioning. Furthermore, possible changes in the detailed plans of the engineered 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 canister 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 signing long-term contracts with potential component suppliers and continuing to plan the transition to the production stage.

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 14.7 (12.7) million was spent on research and development in 2021, amounting to 11.6 (11.2) percent of the turnover.

Corporate Social 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 2021, Posiva's Safety function monitored safety in accordance with the activity management system. The company's safety culture action programme 2021 was implemented without major deviations, although preventing the effects of COVID-19 had some effect on the implementation. In 2021, Posiva conducted a limited safety culture survey in connection with its personnel survey, and the results showed improvement since the previous assessment. Based on the key figures, the level of safety and safety culture at Posiva in 2021 was good.

The occupational health and safety operations are guided by an ISO 45001 certified occupational health and safety system (OHS system). Posiva's accident frequency in 2021 was 10.0 (accidents per one million work-hours). The accident frequency figure includes Posiva's subcontractors in addition to Posiva's personnel.

PERSONNEL AND ORGANISATION

The number of personnel at the end of the year was 88 (87), including permanent and fixed-term employment relationships. During the year, Posiva employed on average 90 (90) persons. In addition, more than 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 4.1 (3.5) days of training per person.

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

Posiva carries out a personnel survey approximately every 18 months. The results of the personnel survey were received in November 2021. The results improved slightly from the previous year, reaching level A (satisfactory).

COMMUNICATIONS AND INTERNATIONAL COOPERATION

The progress of Posiva's final disposal project and the construction of the encapsulation plant and underground final disposal facilities has gathered widespread interest both nationally and internationally. In addition to the normal communication on the progress of the EKA project, Posiva's other major communication events during the year were starting the excavation of the first five actual deposition tunnels in May, the encapsulation plant reaching its rooftop height in December and, most significantly, submitting an operating licence application to the Finnish Government at the end of December.

Posiva and SKB (Svensk Kärnbränslehantering Ab) have continued their close cooperation in order to further develop competence 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 Implementing Geological Disposal of radioactive waste Technology Platform (IGD-TP).

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 2021 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 percent, and Fortum's is 40 percent. Of the B series shares, TVO owns 73.62 percent and Fortum owns 26.38 percent, respectively.

Events after 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 encapsulation plant and final disposal facility, in 2022. In 2022, the focus of the operations will move from the design and construction of the nuclear facilities to installations and commissioning. COVID-19 measures will be continued during 2022 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*

Communications Manager Pasi Tuohimaa (as of 1 August 2021), Communications Manager Sini Gahmberg (until 30 April 2021), 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 were Authorised Public Accountant Niina Vilske appointed by PricewaterhouseCoopers Oy and Authorised Public Accountant Robert Kajander appointed by Deloitte Oy.

Distribution of Profits

The company's distributable funds in the financial statements dated 31 December 2021 amounted to EUR 3,000,000. The Board of Directors proposes to the General Meeting that, in accordance with the Articles of Association, EUR 600/share, amounting to EUR 3,000,000 in total, be paid to holders of series B shares as dividends from the distributable funds. No significant changes in the company's financial position have occurred after the end of the financial period. The Board of Directors finds that the proposed distribution of profits does not compromise the company's solvency.

Financial Statements

CONSOLIDATED INCOME STATEMENT

€	Note	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Turnover	2	130,120,867.13	115,974,648.27
Other income	3	1,594,535.44	205,643.14
Materials and services	4	-503,810.33	-661,481.19
Personnel expenses	5	-7,594,009.11	-6,961,905.30
Depreciation and impairment charges	6	-24,616.15	-32,705.95
Other expenses	7	-121,332,511.24	-106,533,099.54
Profit/loss from operations		**2,260,455.74**	**1,991,099.43**
Financial income and expenses	8	-84,011.97	-65,828.79
Profit/loss before appropriations and taxes		**2,176,443.77**	**1,925,270.64**
Income taxes		-438,092.59	-387,779.77
Profit/loss for the financial year		**1,738,351.18**	**1,537,490.87**

CONSOLIDATED BALANCE SHEET

€	Note	31 Dec 2021	31 Dec 2020
Assets			
Non-current assets	9		
Intangible assets		0.00	346.74
Tangible assets		73,649.61	97,919.02
Investments		43,366.70	43,366.70
Non-current receivables		0.00	390,786.04
Total non-current assets		117,016.31	532,418.50
Current assets			
Current receivables	10	7,599,717.50	6,544,608.03
Cash and cash equivalents	11	28,382,958.22	26,382,997.23
Total current assets		35,982,675.72	32,927,605.26
Total assets		**36,099,692.03**	**33,460,023.76**
Equity and liabilities			
Equity	12		
Share capital		1,684,500.00	1,684,500.00
Retained earnings/loss		4,380,209.73	2,842,718.86
Profit/loss for the financial year		1,738,351.18	1,537,490.87
Total equity		7,803,060.91	6,064,709.73
Liabilities			
Non-current liabilities	13	3,759,839.00	3,872,269.78
Current liabilities	14	24,536,792.12	23,523,044.25
Total liabilities		28,296,631.12	27,395,314.03
Total equity and liabilities		**36,099,692.03**	**33,460,023.76**

CONSOLIDATED CASH FLOW STATEMENT

1 000 €	2021	2020
Operating activities		
Operating profit/loss	2,260	1,991
Adjustments to operating profit/loss*	25	33
Change in working capital**	-80	13,340
Interest received	21	3
Interest paid	-105	-69
Dividend paid	0	-5,800
Taxes paid	-408	-403
Cash flow from operating activities	**1,713**	**9,095**
Investing activities		
Acquisition of intangible and tangible assets	0	-21
Repayment of loans granted	442	442
Cash flow from investing activities	**442**	**421**
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	**2,000**	**9,360**
Financial assets January 1	26,383	17,023
Financial assets December 31	**28,383**	**26,383**
* Adjustments to operating profit/loss		
Depreciation and write-downs	25	33
Total	25	33
** Change in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	-1,122	3,796
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	1,042	9,544
Total	-80	13,340

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

€	2021	2020
2. TURNOVER		
Income, related party	125,882,652.12	112,066,035.76
Income, other	4,238,215.01	3,908,612.51
Total	130,120,867.13	115,974,648.27
3. OTHER INCOME		
Rental income	66,115.74	27,445.00
Subsidies received	2,208.20	7,603.50
Other income	1,526,211.50	170,584.64
Total	1,594,535.44	205,633.14
4. MATERIAL AND SERVICES		
Purchases of services, related party	33,271.95	34,093.13
Purchases of services, other	470,538.38	627,388.06
Total	503,810.33	661,481.19
5. PERSONNEL		
Average number of personnel	95	95
Number of personnel on December 31	93	92
Personnel expenses		
Wages and salaries	6,370,531.29	5,962,260.24
Pension expenses	1,038,833.24	837,540.18
Other compulsory personnel expenses	184,644.58	162,104.88
Total	7,594,009.11	6,961,905.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2021	2020
6. DEPRECIATION		
Planned depreciation		
Intangible rights	346.73	346.73
Machinery and equipment	24,269.41	32,359.22
Total	24,616.14	32,705.95
7. OTHER EXPENSES		
Rents	1,501,280.90	1,446,550.29
Internal services, related party	10,839,851.74	11,155,330.69
Research and expert services	18,231,682.27	19,550,446.11
Nuclear waste management buildings, machinery and equipment	73,602,852.71	64,210,574.72
Other expenses	17,156,843.62	10,170,197.73
Total	121,332,511.24	106,533,099.54
Acquisition costs of fixed assets used for nuclear waste management are booked as annual expenses under Section 5:1 of the Accounting Law.	93,724,772.88	81,553,374.11
Auditors' fees		
Audit fees	25,000.00	27,500.00
Total	25,000.00	27,500.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2021	2020
8. FINANCIAL INCOME AND EXPENSES		
Interest income and other financial income		
Interest and financial income	21,021.58	3,060.37
Total	21,021.58	3,060.37
Interest expenses and other financial expenses		
Interest and other financial expenses, related party	18,019.82	24,617.83
Interest and other financial expenses	87,013.73	44,271.33
Total	105,033.55	68,889.16
Total financial income (+) and expenses (-)	-84,011.97	-65,828.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	Intangible rights	Other non-current expenditure	Total
9. NON-CURRENT ASSETS			
Intangible assets			
Acquisition cost 1 Jan 2021	50,767.17	3,046,393.37	3,097,160.54
Acquisition cost 31 Dec 2021	50,767.17	3,046,393.37	3,097,160.54
Accumulated planned depreciation 1 Jan 2021	50,420.43	3,046,393.37	3,096,813.80
Planned depreciation	346.74	0.00	346.74
Book value 31 Dec 2021	**0.00**	**0.00**	**0.00**

€	Machinery and equipment	Total
Tangible assets		
Acquisition cost 1 Jan 2021	1,168,690.95	1,168,690.95
Acquisition cost 31 Dec 2021	1,168,690.95	1,168,690.95
Accumulated planned depreciation 1 Jan 2021	1,070,771.93	1,070,771.93
Planned depreciation	24,269.41	24,269.41
Book value 31 Dec 2021	**73,649.61**	**73,649.61**

€	Investments	Total
Investments		
Acquisition cost 1 Jan 2021	43,366.70	43,366.70
Acquisition cost 31 Dec 2021	43,366.70	43,366.70
Book value 31 Dec 2021	**43,366.70**	**43,366.70**

€	2021	2020
OTHER LONG-TERM LOAN RECEIVABLES		
Other loan receivables	0.00	390,786.04
Total	0.00	390,786.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2021	2020
10. CURRENT RECEIVABLES		
Trade receivables, other companies	925,463.75	247,859.99
Loan receivables	390,786.04	442,340.00
Prepayment and accrued income, related party	1,383,249.44	1,358,874.96
Prepayment and accrued income, other companies	811,738.74	482,559.18
Prepaid rent	3,981,060.00	3,759,890.00
Other receivables	107,419.53	253,083.90
Total	7,599,717.50	6,544,608.03
11. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	28,382,958.22	26,382,997.23
Total	28,382,958.22	26,382,997.23
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	4,380,209.73	8,642,718.86
Dividend paid	0.00	-5,800,000.00
Profit/loss for the financial year	1,738,351.18	1,537,490.87
Total	7,803,060.91	6,064,709.73
13. NON-CURRENT LIABILITIES		
Non-current liabilities from related party	3,759,839.00	3,872,269.78
Total	3,759,839.00	3,872,269.78
DEBTS FALL DUE IN MORE THAN FIVE YEARS	3,759,839.00	3,538,672.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2021	2020
14. CURRENT LIABILITIES		
Financial liabilities from related party	4,312,936.61	8,425,731.98
Advances received	20,000.00	74,000.00
Accounts payable from others	9,621,391.58	9,393,593.14
Tax liability	2,481,063.15	159,443.92
Accrued personnel expenses	2,377,511.72	1,906,318.86
Other accrued expenses and deferred income	5,723,889.06	3,563,956.35
Total	24,536,792.12	23,523,044.25
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	442,340.00	884,680.00
Total	884,680.00	1,327,020.00

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 666,162.55 in 2021 (EUR 664,816.76 in 2020).

* 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 2021	1 Jan-31 Dec 2020
Turnover	2	126,578,453.83	112,747,610.44
Other income	3	1,594,430.44	205,583.14
Personnel expenses	4	-7,196,250.00	-6,582,907.00
Depreciation and impairment charges	5	-24,616.15	-32,705.95
Other expenses	6	-120,885,121.19	-106,271,783.65
Profit/loss from operations		**66,896.93**	**65,796.98**
Financial income and expenses	7	2,933,103.07	-65,796.98
Profit/loss before appropriations and taxes		**3,000,000.00**	**0.00**
Profit/loss for the financial year		**3,000,000.00**	**0.00**

PARENT COMPANY BALANCE SHEET

€	Note	31 Dec 2021	31 Dec 2020
Assets			
Non-current assets	8		
Intangible assets		0.00	346.74
Tangible assets		73,649.61	97,919.02
Investments		45,866.70	45,866.70
Non-current receivables		0.00	390,786.04
Total non-current assets		119,516.31	534,918.50
Current assets			
Current receivables	9	7,127,200.11	5,944,651.23
Cash and cash equivalents	10	25,415,507.47	22,151,302.42
Total current assets		32,542,707.58	28,095,953.65
Total assets		**32,662,223.89**	**28,630,872.15**
Equity and liabilities			
Equity	11		
Share capital		1,684,500.00	1,684,500.00
Profit/loss for the financial year		3,000,000.00	0.00
Total equity		4,684,500.00	1,684,500.00
Liabilities			
Non-current liabilities	12	3,759,839.00	3,872,269.78
Current liabilities	13	24,217,884.89	23,074,102.37
Total liabilities		27,977,723.89	26,946,372.15
Total equity and liabilities		**32,662,223.89**	**28,630,872.15**

PARENT COMPANY CASH FLOW STATEMENT

1 000 €	2021	2020
Operating activities		
Operating profit/loss	67	66
Adjustments to operating profit/loss*	25	33
Change in working capital**	-47	13,085
Interest received	21	3
Dividend received	3,000	0
Interest paid	-87	-68
Dividend paid	0	-5,800
Cash flow from operating activities	**2,979**	**7,319**
Investing activities		
Acquisition of intangible and tangible assets	0	-21
Repayment of loans granted	442	442
Cash flow from investing activities	**442**	**421**
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	**3,265**	**7,584**
Financial assets January 1	22,151	14,567
Financial assets December 31	**25,416**	**22,151**
* Adjustments to operating profit/loss		
Depreciation and impairment charges	25	33
Total	25	33
** Change in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	-1,235	3,727
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	1,188	9,358
Total	-47	13,085

NOTES TO THE PARENT COMPANY 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 depreciation 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.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2021	2020
2. TURNOVER		
Income, group companies	695,801.71	681,904.68
Income, related party	125,882,652.12	112,065,705.76
Total	126,578,453.83	112,747,610.44
3. OTHER INCOME		
Rental income	66,010.74	27,395.00
Subsidies received	2,208.20	7,603.50
Other income	1,526,211.50	170,584.64
Total	1,594,430.44	205,583.14
4. PERSONNEL		
Average number of personnel during financial year		
Office personnel	85	85
Manual Workers	5	5
Total	90	90
Number of personnel on December 31		
Office personnel	83	82
Manual Workers	5	5
Total	88	87
Personnel expenses		
Wages and salaries	6,036,070.48	5,638,050.29
Pension expenses	982,703.33	789,853.29
Other compulsory personnel expenses	177,476.19	155,003.42
Total	7,196,250.00	6,582,907.00

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2021	2020
5. DEPRECIATION		
Planned depreciation		
Intangible rights	346.74	346.73
Machinery and equipment	24,269.41	32,359.22
Total	24,616.15	32,705.95
6. OTHER EXPENSES		
Rents	1,500,367.20	1,446,138.78
Internal services, related party	10,735,167.70	11,011,777.19
Internal services, group companies	137,039.30	31,511.56
Research and expert services	17,980,137.23	19,550,446.11
Nuclear waste management buildings, machinery and equipment	73,602,852.71	64,210,574.72
Other expenses	16,929,557.05	10,021,335.29
Total	120,885,121.19	106,271,783.65
Acquisition costs of fixed assets used for nuclear waste management are booked as annual expenses under Section 5:1 of the Accounting Law	93,724,772.88	81,553,374.11
Auditors' fees		
Audit fees	18,000.00	21,500.00
Total	18,000.00	21,500.00

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2021	2020
7. FINANCIAL INCOME AND EXPENSES		
Interest income and other financial income		
Dividend income from group companies	3,000,000.00	0.00
Other interest and financial income	20,961.92	3,059.63
Total	3,020,961.92	3,059.63
Interest expenses and other financial expenses		
Interest and other financial expenses, related party	18,019.82	24,617.83
Interest and other financial expenses	69,839.03	44,238.78
Total	87,858.85	68,856.61
Total financial income (+) and expenses (-)	2,933,103.07	-65,796.98

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	Intangible rights	Other non-current expenditure	Total
8. NON-CURRENT ASSETS			
Intangible assets			
Acquisition cost 1 Jan 2021	50,767.17	3,046,393.37	3,097,160.54
Acquisition cost 31 Dec 2021	50,767.17	3,046,393.37	3,097,160.54
Accumulated planned depreciation 1 Jan 2021	50,420.43	3,046,393.37	3,096,813.80
Planned depreciation	346.74	0.00	346.74
Book value 31 Dec 2021	**0.00**	**0.00**	**0.00**

€	Machinery and equipment	Total
Tangible assets		
Acquisition cost 1 Jan 2021	1,168,690.95	1,168,690.95
Acquisition cost 31 Dec 2021	1,168,690.95	1,168,690.95
Accumulated planned depreciation 1 Jan 2021	1,070,771.93	1,070,771.93
Planned depreciation	24,269.41	24,269.41
Book value 31 Dec 2021	**73,649.61**	**73,649.61**

€	Investments	Total
Investments		
Acquisition cost 1 Jan 2021	45,866.70	45,866.70
Acquisition cost 31 Dec 2021	45,866.70	45,866.70
Book value 31 Dec 2021	**45,866.70**	**45,866.70**

OTHER LONG-TERM LOAN RECEIVABLES

€	2021	2020
Other loan receivables	0.00	390,786.04
Total	0.00	390,786.04

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2021	2020
9. CURRENT RECEIVABLES		
Trade receivables, other companies	877,592.77	111,929.99
Loan receivables	390,786.04	442,340.00
Prepayments and accrued income from group companies	52,740.99	116,408.00
Prepayments and accrued income from related party	1,383,249.44	1,358,874.96
Prepayments and accrued income from others	419,270.87	14,250.00
Prepaid rent	3,981,060.00	3,759,890.00
Other deferred income	22,500.00	140,958.28
Total	7,127,200.11	5,944,651.23
10. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	25,415,507.47	22,151,302.42
Total	25,415,507.47	22,151,302.42
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	0.00	5,800,000.00
Dividend paid	0.00	-5,800,000.00
Profit/loss for the financial year	3,000,000.00	0.00
Total	4,684,500.00	1,684,500.00
12. NON-CURRENT LIABILITIES		
Non-current liabilities from related party	3,759,839.00	3,872,269.78
Total	3,759,839.00	3,872,269.78
DEBTS FALL DUE IN MORE THAN FIVE YEARS	3,759,839.00	3,538,672.00

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2021	2020
13. CURRENT LIABILITIES		
Financial liabilities from related party	4,306,226.33	8,402,491.22
Accounts payable from others	9,595,981.22	9,325,614.84
Tax liability	2,458,444.71	151,968.69
Accrued personnel expenses	2,286,115.61	1,820,738.62
Accrued expenses from group companies	3,448.80	1,034.00
Other accrued expenses and deferred income	5,567,668.22	3,372,255.00
Total	24,217,884.89	23,074,102.37
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	442,340.00	884,680.00
Total	884,680.00	1,327,020.00

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 666 162,55 in 2021 (EUR 664 816,76 in 2020).

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

PROPOSAL TO THE ANNUAL GENERAL MEETING

On December 31, 2021 Posiva Oy’s distributable funds were EUR 3,000,000.00.
The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 3,000,000.00 be distributed.

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

Helsinki, February 16, 2022

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 22, 2022

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 January-31 December 2021. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

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 should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, March 22, 2022

PricewaterhouseCoopers Oy
Authorised Public Accountants

Niina Vilske
Authorised Public Accountant (KHT)
Itämerentori 2, 00180 Helsinki
Reg. Domicile Helsinki, Business ID 0486406-8

Deloitte Oy
Authorised Public Accountants

Robert Kajander
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Posiva