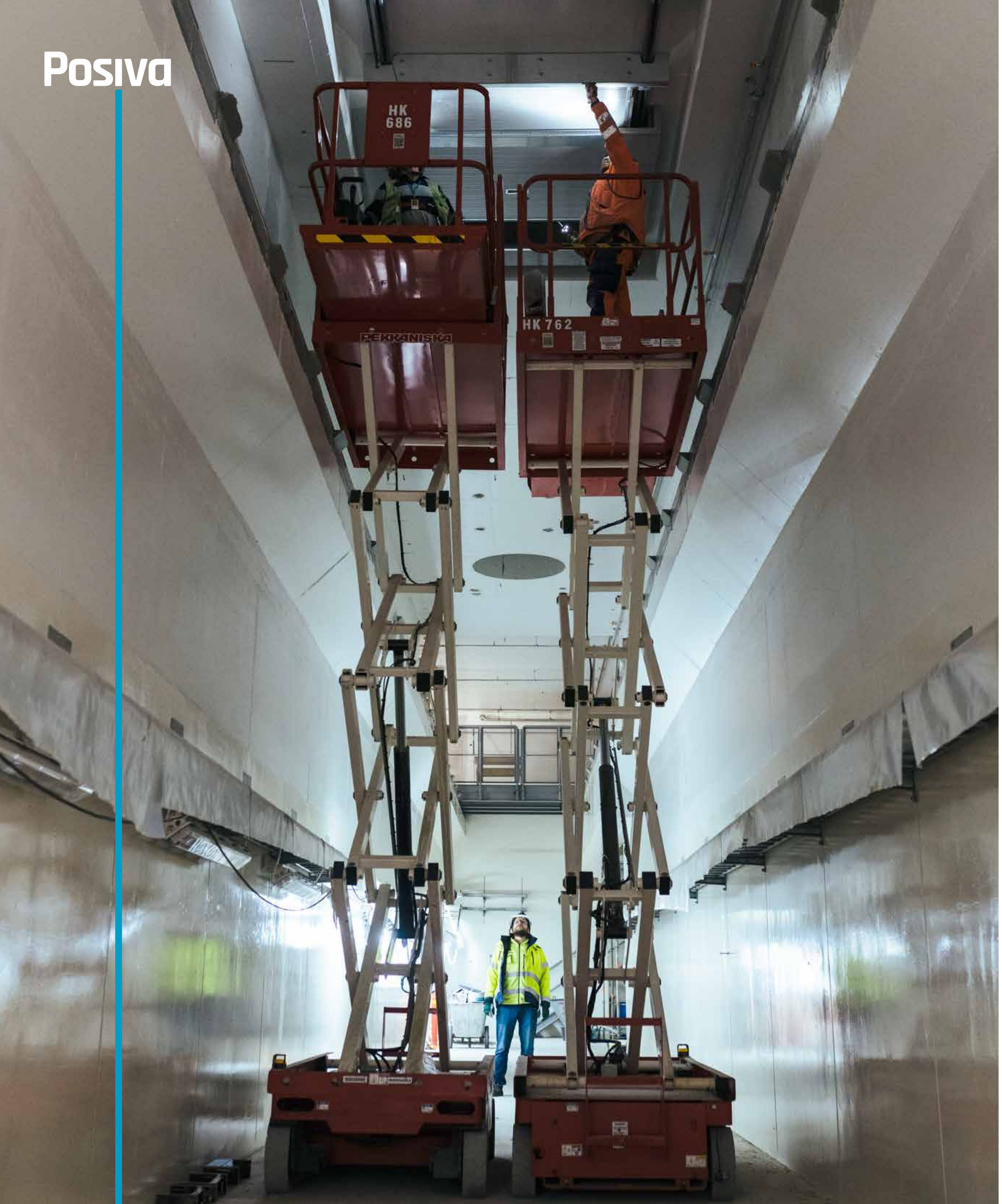
ANNUAL REPORT 2022

Posiva

Global leader in final disposal



Review by the President and CEO

The processing of the operating licence application for the disposal facility has progressed according to plan, and the construction of the nuclear facility advanced to the installation and commissioning phase.

Nuclear power is a sustainable means of energy generation, and the solution for the final disposal of spent nuclear fuel is a key part of using nuclear power. 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 2022, the work in the EKA project progressed on schedule. An operating licence application for Posiva's encapsulation plant and disposal facility was submitted to the Finnish Government in December 2021, and its processing has progressed according to plan. The construction of the nuclear facilities advanced to the phase of installation and commissioning of systems.

The most significant events in 2022 were the encapsulation plant being ready for starting the installation of the first systems and the completion of the excavation of the first five deposition tunnels in ONKALO®, 430 metres underground. Similarly, the underground construction and building services installations progressed on schedule.

A significant milestone in 2022 was the construction of the nuclear facility advancing to the installa-tion and commissioning stage.

Of the encapsulation plant's key systems, some are in the manufacturing phase while others are in the installation phase. Among other things, the drying station in the fuel handling cell and the canister welding station were installed in place. The deposition hole boring machine was commissioned at the disposal facility. Due to delays in the delivery of certain systems, the start of the joint functional test (practicing final disposal using non-irradiated dummy fuel assemblies) was postponed by six months. The joint functional test was originally scheduled for mid-2023.

Progress was made with the preparation of the supply chains of canister and bentonite components required in production operations. Equipment installations were finished at the deposition tunnel backfill material plant, and more alternative suppliers were sought for canister components. Encapsulation plant and disposal facility operators were hired for the production organisation, and operator training was started following the completion of the production equipment.

In July 2022, the European Commission decided on including 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. Posiva's final disposal solution and Finland's approach to nuclear waste management were significant factors in the decision.

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 the final disposal of nuclear waste. Despite the termination of a large Finnish contract concerning the provision of expert services in the field of final disposal, Posiva Solutions reached another good financial result last year and has an excellent future outlook. In the future, 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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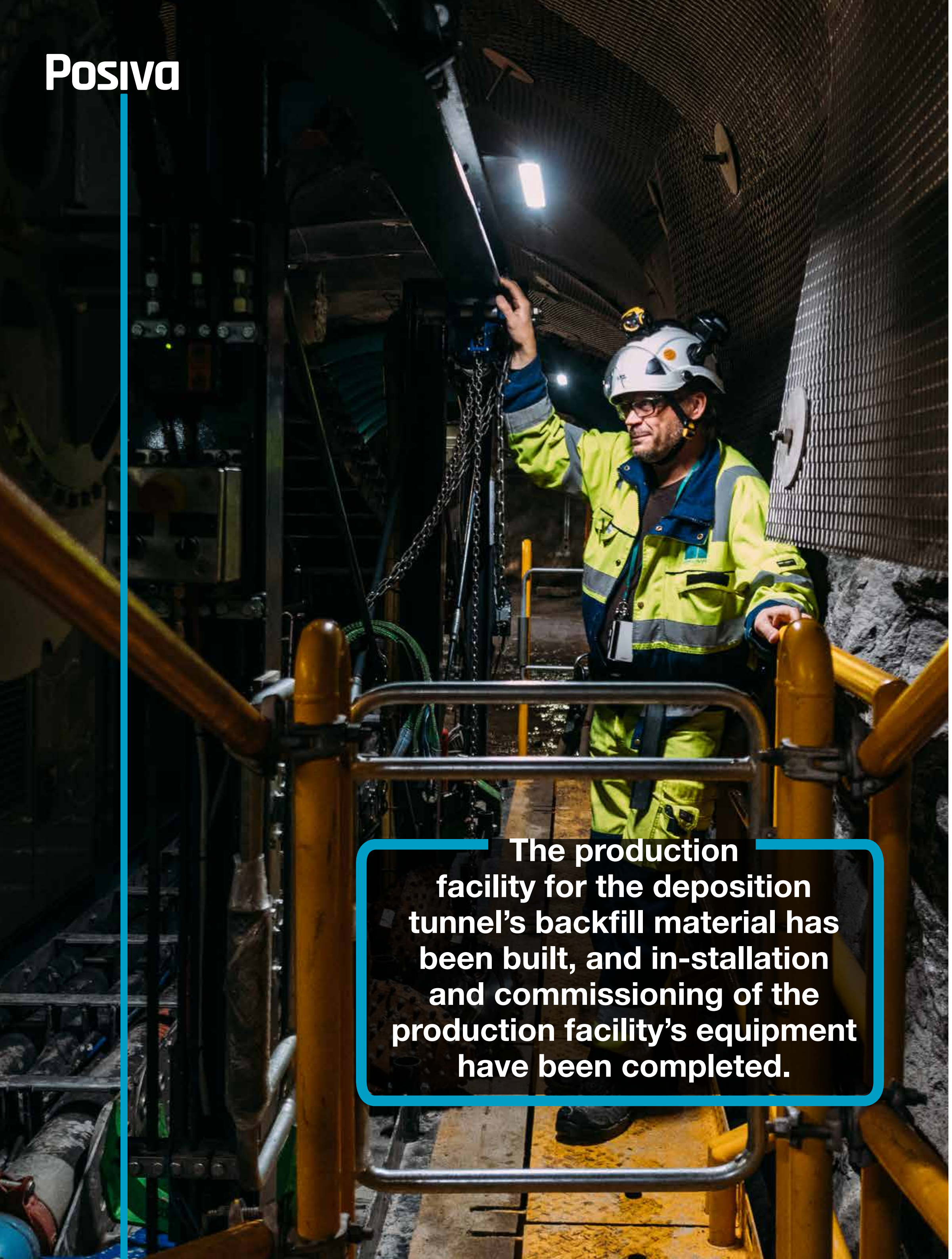


The production facility for the deposition tunnel's backfill material has been built, and in-stallation and commissioning of the production facility's equipment have been completed.

The development of the engineered release barriers has advanced to the method test phase

The initial data for the safety case that was submitted as part of the operating licence application was frozen already in 2019. Any changes made after this time could not be considered in the safety case. The changes that were made in the final disposal concept after the freezing of the initial data were compiled into a supplementary memorandum to the safety case, which examines the changes and justifies the conclusions according to which the changes do not impact the overall safety of the final disposal.

All but two projects in the safety case programme were completed. The projects involved preparing background reports for the safety case and the Olkiluoto site description.

The development of the manufacturing methods for the final disposal canister insert, copper tube, copper lid and copper bottom as well as the copper bottom's friction stir welding method continued together with potential suppliers. Development efforts that aim at method tests for the copper tube's manufacturing methods were made with two suppliers, and the development of the insert was carried out with three foundries. The inserts required for the joint functional test were ordered from two foundries, with which Posiva was in the process of preparing contracts concerning the final disposal period.

The method test plans concerning the manufacturing method of the copper lid and copper bottom as well as the bottom welding method were completed. STUK approved the plans and the method tests were performed. The method test plan for the copper tube was submitted to STUK, as was the design portion of the copper tube's construction plan.

Posiva continued the development of the non-destructive inspection methods concerning the copper components, lid weld and insert, and the design and manufacture of equipment to be used in the inspection.

The projects related to the long-term performance of the buffer, deposition tunnel backfill and the closure of other underground facilities were completed, and the results were reported in the background reports to the safety case. The method test plans for manufacturing the buffer and backfill were submitted to STUK for approval; STUK's approval was received for the method test plan concerning the backfill manufacture. The production of the buffer and backfill was prepared with future suppliers for the purpose of the joint functional test and the subsequent final disposal activities.

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 were followed according to the monitoring programme. The competence required for the monitoring was developed further by strengthening the role of Posiva's in-house personnel in the programme's duties and by reducing the amount of outsourced expert services. This has also enabled efficiency improvements in the analysis of results, reporting and modelling.

The disposal facility's construction and final disposal activities will result in groundwater disturbances at Olkiluoto. A modelling tool that considers the chemical reactions is required for assessing the impact of these disturbances on long-term safety. A five-year project in collaboration with SKB was launched for the purpose of developing this modelling tool.

Another project was started in 2022 for developing a model on groundwater developments at Olkiluoto, which particularly considers the reactions related to sulfur and sulfide. The project aims at establishing the groundwater limit values for the period of the disposal facility's final disposal activities; these limit values are based on the restoration of the conditions in the long term and, thereby, allow for higher than current deviations from the groundwater's basic state. As a result, it is also possible to optimise the grouting performed during the construction of the disposal repositories.

The first deposition tunnel underwent geological, hydrogeological and rock mechanical studies, which were used as the basis for a suitability classification in order to determine the locations for pilot deposition holes.

Progress was made with plant design, construction and preparing for the production phase

The planning of the disposal facility focused on planning performed during the work and the detailed planning of the control automation of technical systems. The planning is primarily finished within the scope required for starting the final disposal activities. In 2022, the dimensioning plan for all of the disposal repository was updated to match the latest initial data.

Excavations of the final disposal repositories located inside ONKALO were finished in June as regards the deposition tunnels. After this, rock engineering has continued with finishing tasks, such as roughing and reinforcement and the excavation of pump pits. Work related to construction engineering and building services also continued in the disposal facility. The construction of the canister reception station as well as most of the technical facilities were completed. In building services, the intake air unit was commissioned. The installation of the personnel lift started in the personnel shaft.

The detailed planning of the encapsulation plant's systems was completed in terms of the construction plans for the final safety-classified systems, and the plans were approved by the authority. The manufacturing stage of the main encapsulation process equipment progressed, equipment installations started and the

commissioning of the first systems was completed. The systems that were installed and commissioned included the bridge crane in the reception facility and the fuel drying station. The final disposal canister lid's friction stir welding equipment arrived at the encapsulation plant, where it was installed in place.

A contract was completed comprising the encapsulation plant's construction and EYT building services. In construction and building services, work continued with commissioning tasks and finishing. Equipment installations progressed, with a significant amount of equipment already having undergone installation and commissioning.

In addition, the work related to the construction and building services was completed at the lifting equipment building, which acts as the entry building to the nuclear facilities. Work related to the security arrangements and radiation monitoring is still under way.

Progress was made with the execution of the production equipment for final disposal. The deposition hole boring machine was completed, and the first test holes were successfully made in the demonstration facilities in ONKALO. The qualification of the plans for the canister installation equipment was completed, and the manufacture of the equipment is under way. Similarly, the buffer installation system equipment is being manufactured. The factory tests concerning the granular backfill installation equipment were completed, and the manufacture of the backfill material transfer machine is under way. Furthermore, manufacture is under way for AGV vehicle platforms that are required for moving the buffer and backfill installation systems.

Preparing for the production phase has progressed according to plans. The first operators for the production phase were appointed

in May. Then, in August, the remaining planned operator resources were appointed. A new operating unit was established in Posiva's production function in August. In connection with this, an Operation Manager was appointed for Posiva. The training sessions aiming for the production phase were started in June, and the training continues in 2023. Representatives of the Production function participated in the applicable equipment tests and commissioning in order to gain expertise. The organisation model planned for the production stage was supplemented. At the turn of the year, key resources from TVO were specified in addition to Posiva's key production resources, and the persons were added to the training packages defined in training planning according to each person's duties.

Over the course of the year, separate focus was placed on writing manuals and procedures, for example, and the company finished several tasks related to the joint functional test and the tracking of the readiness to start the test. Reporting of the readiness to start the JFT was also included in the monthly report on the EKA project. The administrative work related to commissioning was continued alongside the technical commissioning as agreed.

Production planning continued, and the first years of production were scheduled based on the current knowledge. The work on process descriptions was finished, and the most important process in terms of production, "Final disposal", was prepared in written form including its interface and collaboration reviews. Maintenance planning finished the Olkiluoto–Posiva maintenance model. The work continues with detailed resource specifications, among other things. The planning of operation functions progressed as planned. The work permit office is scheduled to start its operations in early June 2023, and actions to reach starting readiness are 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 front left: Petteri Vuorio, Kirsi Koskinen, Tiina Jalonen and Kari Kaukonen.
From the back left: Janne Mokka, Karri Osara, Pasi Tuohimaa, Ari Posti and Juha Riihimäki.
Mika Pohjonen and Hannu Leino are missing from the photo.

Posiva's year

At the encapsulation plant, the construction work related to building services was ready for installations **in May.**

The work related to Posiva's final disposal system at the encapsulation plant worksite and inside ONKALO progressed **according to schedule.**

The construction of the nuclear facilities advanced to the installation and commissioning phase, and the related practices are followed at the **encapsulation plant.**

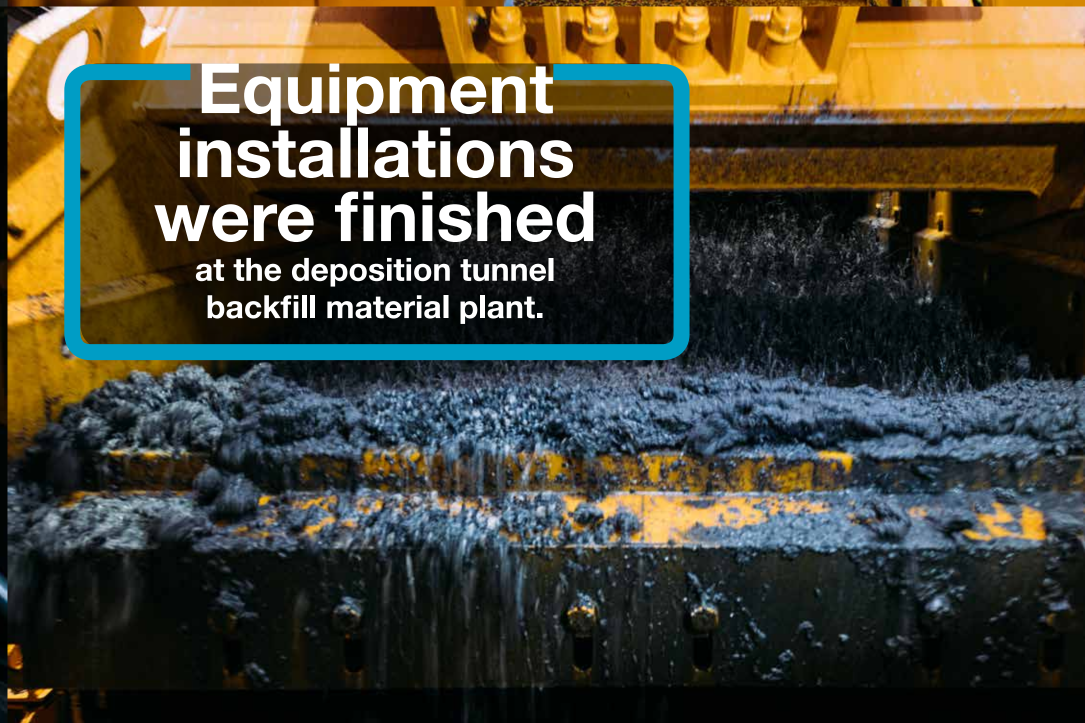
In June, the excavation of the first five deposition tunnels in ONKALO was finished at a depth of **430** metres.

Posiva's year

In autumn, the **drying station** in the handling cell and **the canister welding station** were installed, among other things.

Progress was made with the preparation of the supply chains of canister and bentonite components required in production operations.

A machine designed for boring the deposition holes was commissioned in November in connection with making the holes for the joint functional test.



Equipment installations were finished at the deposition tunnel backfill material plant.

Posiva's year

The operators for the encapsulation plant and disposal facility **were recruited** during 2022.

5.5 days of training/ 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.**

0 kg of landfill waste.

The business environment of Posiva Solutions Oy changed but the company's performance remained on a good level

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.

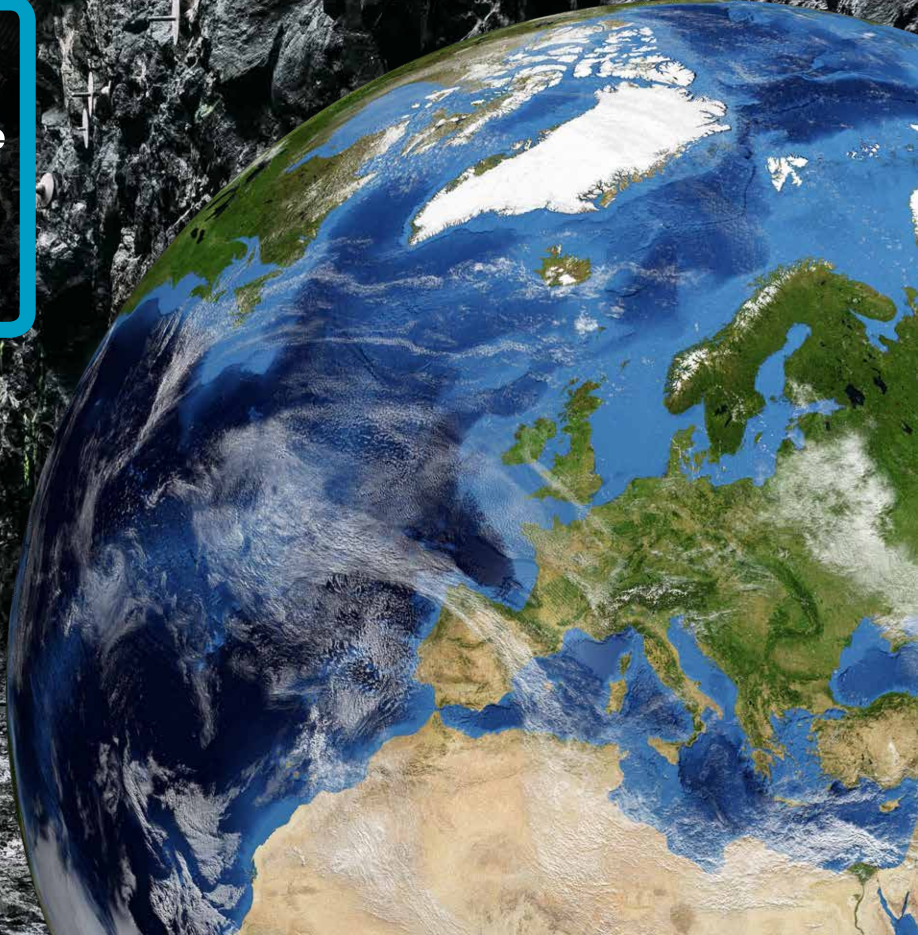
Posiva Solutions' operating environment experienced significant changes in 2022. The company's largest client ended its project, which also terminated the service agreement with the client. As a result, the company's turnover and result decreased compared to the previous year.

There were also many favourable changes; SKB finally received permission to proceed with its project and, similarly, the final disposal projects particularly in Canada, Czechia, United Kingdom, Germany, Lithuania, Switzerland, Norway and Korea grew significantly in terms of pace and volume of operations. The countries are genuinely making progress with final disposal – perhaps encouraged in part by Posiva's fine example. Posiva Solutions won significant contracts in nearly all of these countries, and the order backlog is on a good level at the start of 2023.

The average rating in client satisfaction surveys from the past six years is 4.7/5, which means that Posiva Solutions has been able to meet and exceed client expectations.

The average rating in client satisfaction surveys from the past six years is

4.7/5



Posiva Solutions

Report of the Board of Directors for 2022

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 2022, the total amount of spent nuclear fuel in interim storage at the Olkiluoto and Loviisa

nuclear power plants corresponds to approximately 2,497 tonnes of fresh uranium. 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 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 116.8 (126.6) million. The profit/loss for the financial period was EUR 0.0 (3.0) 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. Profit for the fiscal period under review was EUR 0 (3,000,000). 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. This EKA project 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 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 2022, the work progressed according to schedule. An operating licence application for the disposal facility was submitted to the Government in December 2021, and its processing has progressed according to plan. The construction of the nuclear facilities advanced to the installation and commissioning phase, and the related practices are followed at the encapsulation plant.

The most significant events in 2022 were the encapsulation plant being ready for installations in May and the completion of the excavation of the first five deposition tunnels in ONKALO®, 430 metres underground, in June. The underground construction and building services installations proceeded well and on schedule.

The manufacture of the key encapsulation plant systems is under way, and the installations carried out in 2022 included the drying station in the handling cell and the canister welding station. The deposition hole boring machine was commissioned at the disposal facility. Due to delays in the delivery of certain systems, the start of the joint functional test (practicing final disposal using non-irradiated dummy fuel elements) was postponed by six months. The joint functional test was originally scheduled for the second half of 2023.

Progress was made with the preparation of the supply chains of canister and bentonite components required in production operations. Equipment installations were finished at the deposition tunnel backfill material plant, and more alternative suppliers were sought for canister components. Furthermore, the operators for the encapsulation plant and disposal facility were recruited during 2022.

Posiva's owners submitted the annual report for nuclear waste management in 2021 to the Ministry of Economic Affairs and Employment at the end of March. An estimate of the costs of nuclear waste management for the purpose of financial preparation, i.e. the waste management scheme for 2022–2024, tentative waste management scheme for 2025–2026 and total cost for 2027–2028, was submitted to the Ministry at the end of June. The amount of the nuclear waste management fee collected from parties with a nuclear waste management obligation is based on the waste management scheme.

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 the final disposal of nuclear waste. The company's turnover and result decreased compared to the previous year. However, the company received significant new projects from several countries, and the order backlog is on a good level at the start of 2023.

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. They are supported by Posiva's Management Group and the TVO Group's Risk Management function.

The most significant risks in the project preparing for the final disposal (EKA project) are related to the completion of the unique process and installation equipment for the encapsulation plant and disposal facility and their timely installation and commissioning. Furthermore, delays in the preparation of the canister components' production stage supply chains and 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 the implementation of the EKA project according to plans.

SCOPE OF RESEARCH AND DEVELOPMENT

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 14.0 (14.7) million was spent on research and development in 2022, amounting to 12.0% (11.6%) of turnover.

Sustainability

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 improve-ment and increasing the level of environmental protection.

SAFETY AND SAFETY CULTURE

As part of the safety culture action programme 2022, Posiva's Safety function monitored safety in accordance with the activity management system. The company's safety culture action programme 2022 was implemented without major deviations, although preparation related to COVID-19 at the start of the year had some effect on the implementation. Based on the key figures, the level of safety and safety culture at Posiva in 2022 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 2022 was 7.5 (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 87 (88), including permanent and fixed-term employment relationships. During the year, Posiva employed on average 87 (90) persons. In addition, approximately 50 TVO employees are working on Posiva's project. The number of personnel at Posiva Solutions at the end of the year was 3 (5).

During the year, Posiva's employees attended 5.5 (4.1) days of training on average.

Posiva's personnel are 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). The following personnel survey will be conducted in early 2023.

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 both nationally and internationally. In addition to normal communications on the progress with the EKA project, Posiva's most significant news during the year were the encapsulation plant being ready for equipment installations in May and the completion of the excavation of the first five deposition tunnels 430 metres underground, in June. In addition to numerous individual visits by Finnish and international media, two visiting days were arranged for international media and two for Finnish media.

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/NEA nuclear waste office and the International Association for Environmentally Safe Disposal of Radioactive Material (EDRAM).
At the moment, Posiva is the Chair of the Executive Group of IGD-TP (Implementing Geological Disposal of radioactive waste Technology Platform).

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 2022 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%, respectively.

Significant 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 and the encapsulation plant and disposal facility in 2023. In 2023, the company is focusing on the nuclear facilities' installation and commissioning and on ensuring the progress of the operating licence process.

The company's management and leadership

BOARD OF DIRECTORS

Jarmo Tanhua, Teollisuuden Voima Oyj, *Chair*
Minna Laakso, Pohjolan Voima Oyj
Sasu Valkamo, Fortum Power and Heat Oy
Harriet Kallio, Fortum Power and Heat Oy (from 28 April 2022)
Satu Katajala, Fortum Power and Heat Oy (until 28 April 2022)

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, *Director*
Kari Kaukonen, *Safety Manager*
Ari Posti, *Project Manager*
Juha Riihimäki, *Construction Manager*
Petteri Vuorio, *Technical Manager*
Karri Osara, *Production Manager*

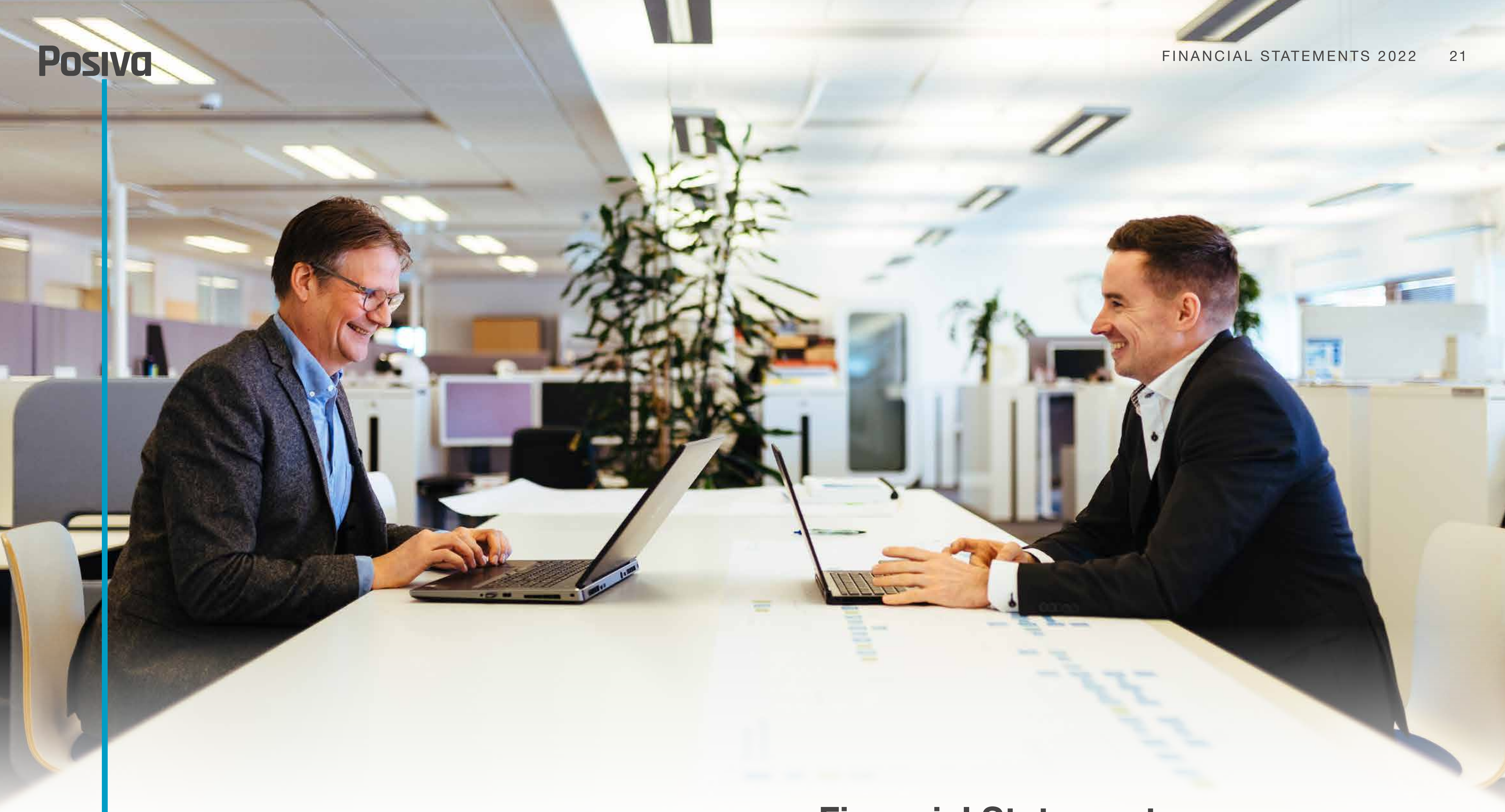
Communications Manager Pasi Tuohimaa, Managing Director Mika Pohjonen from Posiva Solutions Oy, HR Representative Hannu Leino and HR Partner, Project Manager Kirsi Koskinen have also participated in the management team's work.

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 does not have any distributable funds; therefore, dividends cannot be distributed.



Financial Statements

CONSOLIDATED INCOME STATEMENT

€	Note	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Turnover	2	119 023 224,12	130 120 867,13
Other income	3	505 242,36	1 594 535,44
Materials and services	4	-338 045,66	-503 810,33
Personnel expenses	5	-7 161 263,75	-7 594 009,11
Depreciation and impairment charges	6	-18 202,08	-24 616,15
Other expenses	7	-110 905 325,02	-121 332 511,24
Profit/loss from operations		**1 105 629,97**	**2 260 455,74**
Financial income and expenses	8	-100 399,48	-84 011,97
Profit/loss before appropriations and taxes		**1 005 230,49**	**2 176 443,77**
Income taxes		-204 042,88	-438 092,59
Profit/loss for the financial year		**801 187,61**	**1 738 351,18**

CONSOLIDATED BALANCE SHEET

€	Note	31 Dec 2022	31 Dec 2021
Assets			
Non-current assets	9		
Tangible assets		55 447,53	73 649,61
Investments		43 366,70	43 366,70
Total non-current assets		98 814,23	117 016,31
Current assets			
Long-term receivables	10	4 202 230,00	3 981 060,00
Current receivables	11	5 021 544,78	3 618 657,50
Cash and cash equivalents	12	22 234 072,88	28 382 958,22
Total current assets		31 457 847,66	35 982 675,72
Total assets		**31 556 661,89**	**36 099 692,03**
Equity and liabilities			
Equity	13		
Share capital		1 684 500,00	1 684 500,00
Retained earnings/loss		3 118 560,91	4 380 209,73
Profit/loss for the financial year		801 187,61	1 738 351,18
Total equity		5 604 248,52	7 803 060,91
Liabilities			
Non-current liabilities	14	3 981 006,00	3 759 839,00
Current liabilities	15	21 971 407,37	24 536 792,12
Total liabilities		25 952 413,37	28 296 631,12
Total equity and liabilities		**31 556 661,89**	**36 099 692,03**

CONSOLIDATED CASH FLOW STATEMENT

1 000 €	2022	2021
Operating activities		
Operating profit/loss	1 106	2 260
Adjustments to operating profit/loss *	18	25
Change in working capital **	-4 220	-80
Interest received	14	21
Interest paid	-111	-105
Dividend paid	-3 000	0
Taxes paid	-234	-408
Cash flow from operating activities	**-6 427**	**1 713**
Investing activities		
Repayment of loans granted	391	442
Cash flow from investing activities	**391**	**442**
Financing activities		
Withdrawals of long-term loans	221	221
Repayment of long-term loans	-334	-377
Cash flow from financing activities	**-113**	**-156**
Change in financial assets	**-6 149**	**2 000**
Financial assets January 1	28 383	26 383
Financial assets December 31	**22 234**	**28 383**
* Adjustments to operating profit/loss		
Depreciation and impairment charges	18	25
Total	18	25
** Change in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	-2 000	-1 122
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	-2 220	1 042
Total	-4 220	-80

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

€	2022	2021
2. TURNOVER		
Income, related party	116 099 192,27	125 882 652,12
Income	2 924 031,85	4 238 215,01
Total	119 023 224,12	130 120 867,13
3. OTHER INCOME		
Rental income	26 812,06	66 115,74
Subsidies received	4 086,63	2 208,20
Other income	474 343,67	1 526 211,50
Total	505 242,36	1 594 535,44
4. MATERIAL AND SERVICES		
Purchases of services, related party	31 902,12	33 271,95
Purchases of services	306 143,54	470 538,38
Total	338 045,66	503 810,33
5. PERSONNEL		
Average number of personnel	91	95
Number of personnel on December 31	90	93
Personnel expenses		
Wages and salaries	6 012 233,57	6 370 531,29
Pension expenses	983 950,48	1 038 833,24
Other compulsory personnel expenses	165 079,70	184 644,58
Total	7 161 263,75	7 594 009,11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2022	2021
6. DEPRECIATION		
Planned depreciation		
Intangible rights	0,00	346,74
Machinery and equipment	18 202,08	24 269,41
Total	18 202,08	24 616,15
7. OTHER EXPENSES		
Rents	1 580 878,07	1 501 280,90
Internal services, related party	10 277 074,79	10 839 851,74
Research and expert services	14 698 245,56	18 231 682,27
Nuclear waste management buildings, machinery and equipment	63 241 226,79	73 602 852,71
Other expenses	21 107 899,81	17 156 843,62
Total	110 905 325,02	121 332 511,24
Acquisition costs of fixed assets used for nuclear waste management are booked as annual expenses under Section 5:1 of the Accounting Law.	78 835 347,79	93 724 772,88
Auditors’ fees		
Audit fees	27 500,00	25 000,00
Total	27 500,00	25 000,00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2022	2021
8. FINANCIAL INCOME AND EXPENSES		
Interest income and financial income		
Interest and financial income	13 825,37	21 021,58
Total	13 825,37	21 021,58
Interest expenses and financial expenses		
Interest and financial expenses, related party	22 019,51	18 019,82
Interest and other financial expenses	92 205,34	87 013,73
Total	114 224,85	105 033,55
Total financial income (+) and expenses (-)	-100 399,48	-84 011,97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	Intangible rights	Other non-current expenditure	Total
9. NON-CURRENT ASSETS			
Intangible assets			
Acquisition cost 1 Jan 2022	50 767,17	3 046 393,37	3 097 160,54
Acquisition cost 31 Dec 2022	50 767,17	3 046 393,37	3 097 160,54
Accumulated planned depreciation 1 Jan	50 767,17	3 046 393,37	3 097 160,54
Book value 31 Dec 2022	**0,00**	**0,00**	**0,00**

€	Machinery and equipment	Total
Tangible assets		
Acquisition cost 1 Jan 2022	1 168 690,95	1 168 690,95
Acquisition cost 31 Dec 2022	1 168 690,95	1 168 690,95
Accumulated planned depreciation 1 Jan	1 095 041,34	1 095 041,34
Planned depreciation	18 202,08	18 202,08
Book value 31 Dec 2022	**55 447,53**	**55 447,53**

€	Investments	Total
Investments		
Acquisition cost 1 Jan 2022	43 366,70	43 366,70
Acquisition cost 31 Dec 2022	43 366,70	43 366,70
Book value 31 Dec 2022	**43 366,70**	**43 366,70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2022	2021
10. LONG-TERM LOAN RECEIVABLES		
Prepaid rent	4 202 230,00	3 981 060,00
Total	4 202 230,00	3 981 060,00
In 2021, the prepaid rent was in current receivables, from which it has been transferred to long-term receivables in 2022.		
11. CURRENT RECEIVABLES		
Trade receivables	675 873,69	925 463,75
Loan receivables	0,00	390 786,04
Prepayment and accrued income, related party	4 117 195,06	1 383 249,44
Prepayment and accrued income	142 520,99	811 738,74
Other receivables	85 955,04	107 419,53
Total	5 021 544,78	3 618 657,50
12. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	22 234 072,88	28 382 958,22
Total	22 234 072,88	28 382 958,22
13. 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	6 118 560,91	4 380 209,73
Dividend paid	-3 000 000,00	0,00
Profit/loss for the financial year	801 187,61	1 738 351,18
Total	5 604 248,52	7 803 060,91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2022	2021
14. NON-CURRENT LIABILITIES		
Non-current liabilities from related party	3 981 006,00	3 759 839,00
Total	3 981 006,00	3 759 839,00
DEBTS FALL DUE IN MORE THAN FIVE YEARS		
	3 981 006,00	4 202 173,00 [1)]

[1)] The incorrect comparison figure for 2021 has been corrected in the 2022 financial statements.

€	2022	2021
15. CURRENT LIABILITIES		
Accrued expenses from related party	5 509 901,38	4 312 936,61
Advances received	437 035,60	20 000,00
Accounts payable	5 947 480,99	9 621 391,58
Tax liability	1 239 738,12	2 481 063,15
Accrued personnel expenses	2 207 309,69	2 377 511,72
Other accrued expenses and deferred income	6 629 941,59	5 723 889,06
Total	21 971 407,37	24 536 792,12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

€	2022	2021
16. 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	500 000,00	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	0,00	442 340,00
Total	442 340,00	884 680,00

Posiva has rented from Teollisuuden Voima Oyj a land area for the final disposal of spent nuclear fuel.
The rental agreement is valid until further notice. The rent was EUR 689 377,30 in 2022 (EUR 666 162,55 in 2021).

PARENT COMPANY INCOME STATEMENT

€	Note	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021
Turnover	2	116 816 661,10	126 578 453,83
Other income	3	505 047,36	1 594 430,44
Personnel expenses	4	-6 758 296,49	-7 196 250,00
Depreciation and impairment charges	5	-18 202,08	-24 616,15
Other expenses	6	-110 459 955,93	-120 885 121,19
Profit/loss from operations		**85 253,96**	**66 896,93**
Financial income and expenses	7	-85 253,96	2 933 103,07
Profit/loss before appropriations and taxes		**0,00**	**3 000 000,00**
Profit/loss for the financial year		**0,00**	**3 000 000,00**

PARENT COMPANY BALANCE SHEET

€	Note	31 Dec 2022	31 Dec 2021
Assets			
Non-current assets	8		
Tangible assets		55 447,53	73 649,61
Investments		45 866,70	45 866,70
Total non-current assets		101 314,23	119 516,31
Current assets			
Long-term receivables	9	4 202 230,00	3 981 060,00
Current receivables	10	4 496 590,85	3 146 140,11
Cash and cash equivalents	11	18 229 598,95	25 415 507,47
Total current assets		26 928 419,80	32 542 707,58
Total assets		**27 029 734,03**	**32 662 223,89**
Equity and liabilities			
Equity	12		
Share capital		1 684 500,00	1 684 500,00
Profit/loss for the financial year		0,00	3 000 000,00
Total equity		1 684 500,00	4 684 500,00
Liabilities			
Non-current liabilities	13	3 981 006,00	3 759 839,00
Current liabilities	14	21 364 228,03	24 217 884,89
Total liabilities		25 345 234,03	27 977 723,89
Total equity and liabilities		**27 029 734,03**	**32 662 223,89**

PARENT COMPANY CASH FLOW STATEMENT

1 000 €	2022	2021
Operating activities		
Operating profit/loss	85	67
Adjustments to operating profit/loss *	18	25
Change in working capital **	-4 486	-47
Interest received	14	21
Dividend received	0	3 000
Interest paid	-95	-87
Dividend paid	-3 000	0
Cash flow from operating activities	**-7 464**	**2 979**
Investing activities		
Repayment of loans granted	391	442
Cash flow from investing activities	**391**	**442**
Financing activities		
Withdrawals of long-term loans	221	221
Repayment of long-term loans	-334	-377
Cash flow from financing activities	**-113**	**-156**
Change in financial assets	-7 186	3 265
Financial assets January 1	25 416	22 151
Financial assets December 31	**18 230**	**25 416**
* Adjustments to operating profit/loss		
Depreciation and impairment charges	18	25
Total	18	25
** Change in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	-1 962	-1 235
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	-2 524	1 188
Total	-4 486	-47

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 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 COMPANY FINANCIAL STATEMENTS

€	2022	2021
2. TURNOVER		
Income, group companies	717 468,83	695 801,71
Income, related party	116 099 192,27	125 882 652,12
Total	116 816 661,10	126 578 453,83
3. OTHER INCOME		
Rental income	26 617,06	66 010,74
Subsidies received	4 086,63	2 208,20
Other income	474 343,67	1 526 211,50
Total	505 047,36	1 594 430,44
4. PERSONNEL		
Average number of personnel during financial year		
Office personnel	81	85
Manual Workers	6	5
Total	87	90
Number of personnel on December 31		
Office personnel	79	83
Manual Workers	8	5
Total	87	88
Personnel expenses		
Wages and salaries	5 674 108,49	6 036 070,48
Pension expenses	925 871,96	982 703,33
Other compulsory personnel expenses	158 316,04	177 476,19
Total	6 758 296,49	7 196 250,00

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2022	2021
5. DEPRECIATION		
Planned depreciation		
Intangible rights	0,00	346,74
Machinery and equipment	18 202,08	24 269,41
Total	18 202,08	24 616,15
6. OTHER EXPENSES		
Rents	1 580 093,06	1 500 367,20
Internal services, related party	10 147 145,01	10 735 167,70
Internal services, group companies	29 315,47	137 039,30
Research and expert services	14 471 879,27	17 980 137,23
Nuclear waste management buildings, machinery and equipment	63 241 226,79	73 602 852,71
Other expenses	20 990 296,33	16 929 557,05
Total	110 459 955,93	120 885 121,19
Acquisition costs of fixed assets used for nuclear waste management are booked as annual expenses under Section 5:1 of the Accounting Law	78 835 347,79	93 724 772,88
Auditors' fees		
Audit fees	20 000,00	18 000,00
Total	20 000,00	18 000,00

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2022	2021
7. FINANCIAL INCOME AND EXPENSES		
Interest income and financial income		
Dividend income from group companies	0,00	3 000 000,00
Other interest and financial income	13 824,18	20 961,92
Total	13 824,18	3 020 961,92
Interest expenses and financial expenses		
Interest expenses, related party	22 019,51	18 019,82
Interest and other financial expenses	77 058,63	69 839,03
Total	99 078,14	87 858,85
Total financial income (+) and expenses (-)	-85 253,96	2 933 103,07

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	Intangible rights	Other non-current expenditure	Total
8. NON-CURRENT ASSETS			
Intangible assets			
Acquisition cost 1 Jan 2022	50 767,17	3 046 393,37	3 097 160,54
Acquisition cost 31 Dec 2022	50 767,17	3 046 393,37	3 097 160,54
Accumulated planned depreciation 1 Jan	50 767,17	3 046 393,37	3 097 160,54
Book value 31 Dec 2022	**0,00**	**0,00**	**0,00**

€	Machinery and equipment	Total
Tangible assets		
Acquisition cost 1 Jan 2022	1 168 690,95	1 168 690,95
Acquisition cost 31 Dec 2022	1 168 690,95	1 168 690,95
Accumulated planned depreciation 1 Jan	1 095 041,34	1 095 041,34
Planned depreciation	18 202,08	18 202,08
Book value 31 Dec 2022	**55 447,53**	**55 447,53**

€	Investments	Total
Investments		
Acquisition cost 1 Jan 2022	45,866.70	45,866.70
Acquisition cost 31 Dec 2022	45,866.70	45,866.70
Book value 31 Dec 2022	**45,866.70**	**45,866.70**

€	2022	2021
9. LONG-TERM RECEIVABLES		
Prepaid rent	4 202 230,00	3 981 060,00
Total	4 202 230,00	3 981 060,00

In 2021, the prepaid rent was in current receivables, from which it has been transferred to long-term receivables in 2022.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2022	2021
10. CURRENT RECEIVABLES		
Trade receivables	303 960,69	877 592,77
Loan receivables	0,00	390 786,04
Prepayments and accrued income from group companies	24 181,78	52 740,99
Prepayments and accrued income from related party	4 117 195,06	1 383 249,44
Prepayments and accrued income	50 514,99	419 270,87
Other receivables	738,33	22 500,00
Total	4 496 590,85	7 127 200,11
11. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	18 229 598,95	25 415 507,47
Total	18 229 598,95	25 415 507,47
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	3 000 000,00	0,00
Dividend paid	-3 000 000,00	0,00
Profit/loss for the financial year	0,00	3 000 000,00
Total	1 684 500,00	4 684 500,00
13. NON-CURRENT LIABILITIES		
Non-current liabilities from related party	3 981 006,00	3 759 839,00
Total	3 981 006,00	3 759 839,00
DEBTS FALL DUE IN MORE THAN FIVE YEARS		
	3 981 006,00	4 202 173,00 [1)]

[1)] The incorrect comparison figure for 2021 has been corrected in the 2022 financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

€	2022	2021
14. CURRENT LIABILITIES		
Shareholder loans from related party	0,00	333 597,78
Accrued expenses from related party	5 302 503,75	3 925 747,92
Interest debts from related party	4 098,44	453,06
Accounts payable from related party	197 499,19	46 427,57
Accounts payable	5 901 785,08	9 595 981,22
Tax liability	1 229 986,52	2 458 444,71
Accrued personnel expenses	2 127 775,30	2 286 115,61
Accrued expenses from group companies	9 979,52	3 448,80
Other accrued expenses and deferred income	6 590 600,23	5 567 668,22
Total	21 364 228,03	24 217 884,89
15. COMMITMENTS		
Contingent liabilities given on own behalf	20 000,00	20 000,00
Customs liabilities		
Contingent liabilities given on behalf of Group companies	500 000,00	2 000 000,00
Parent company guarantee		
Other rent liabilities		
Rent liabilities falling due in less than a year	442 340,00	442 340,00
Rent liabilities falling due later	0,00	442 340,00
Total	442 340,00	884 680,00

Posiva has rented from Teollisuuden Voima Oyj a land area for the final disposal of spent nuclear fuel. The rental agreement is valid until further notice. The rent was EUR 689 377,30 in 2022 (EUR 666 162,55 in 2021).

PROPOSAL TO THE ANNUAL GENERAL MEETING

Posiva Oy has no distributable funds on 31 December 2022.

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

Helsinki, February 17, 2023

Jarmo Tanhua
Chairman

Sasu Valkamo

Harriet Kallio

Minna Laakso

Janne Mokka
CEO

THE AUDITOR’S NOTE

Our auditor’s report has been issued today.

Helsinki, March 31, 2023

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.-31.12.2022. 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 31 March 2023

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