

ELENIA PALVELUT OY

**Financial Statements
1.1.2019 - 31.12.2019**

Unofficial translation from Finnish to English

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Elenia Palvelut Oy, Report of the Board of Directors 2019

Elenia Palvelut Oy ("Elenia Services") is a fully owned subsidiary of Elenia Oy and hence a member of Elenia Group ("Elenia"). Elenia Oy owns and operates an electricity distribution network, which is the main business of the Elenia Group. Elenia Services operates a customer service business, procurement, construction and project management business, and builds and operates passive fiber-to-the-home network.

Business Review

Elenia Services provides customer service and related services to the Elenia Group and other Finnish utilities, including invoicing, collection, connection sales, outage management and electricity market information exchange services. In the beginning of 2019, Elenia Oy transferred its procurement and construction unit as well as marketing and sales unit to Elenia Palvelut Oy. This intra-group transfer means that Elenia Palvelut Oy is well positioned to offer procurement and project management services also to external customers and strengthen its offering in customer services concept. Additionally, this change in organisation allowed Elenia Palvelut Oy to pilot the entry into the fiber business (offering passive fiber-to-the-home) in two areas in Pirkanmaa and Häme.

In May 2019, Elenia Services entered into a customer service agreement with Suur-Savon Sähkö Oy and Etelä-Savon Energia Oy. Elenia Services has, in addition to Suur-Savon Sähkö and Etelä-Savon Energia, five external third party customers: Lahti Energia Oy, Alva Oy (formerly known as Jyväskylän Energia Oy), Tampereen Sähkölaitos Oy, Auris Kaasunjakelu Oy and Loimua Oy (formerly known as Elenia Lämpö Oy).

In May 2019, Elenia Services closed down the Jyväskylä office to streamline the operations as the services will be provided from the headquarter in Tampere. The cooperation with Alva will continue in accordance with the service agreement. Also in May 2019, Elenia Services opened a new office in the city of Mikkeli in connection with the new service agreement with Suur-Savon Sähkö and Etelä-Savon Energia.

Financial Result

In 2019 Elenia Palvelut Oy's total revenue (including intra-group items) was EUR 24.5 million (EUR 10.5 million in 2018). Of this, the total revenue from external customers amounted to EUR 4.0 million in 2019 (EUR 2.4 million in 2018). Elenia Palvelut Oy's EBITDA was EUR 2.2 million in 2019 (EUR 1.8 million in 2018).

Strategy

In 2019, Elenia reviewed its strategy. Elenia's vision is to be the most responsible reformer of electricity services and markets. Strategic goals are to earn our customers' trust and approval, aspire to be the most efficient network and service company in the industry, renew markets and create new business, and combat climate change. The matters related to sustainability and corporate responsibility have been brought to the forefront of Elenia's strategy. Excellent customer service is a key strategic goal for Elenia Group. Customer service and process quality are also critical success factors for Elenia Services to grow in the customer service business in the Finnish energy sector.

Financing

Elenia Group's financing is based on long-dated bonds and notes issued by Elenia Finance Oyj. The bonds and notes are rated by S&P, and the bonds are listed at the London Stock Exchange. In addition, Elenia Oy has fully committed bank facilities totalling EUR 470 million from a syndicate of international and Nordic banks. Elenia Palvelut enjoys the benefits of inexpensive financing from Elenia Oy and its bank accounts are linked to Elenia Oy's group bank account structure. At the year-end Elenia Palvelut Oy had EUR 4 million of interest-bearing debt from Elenia Oy.

Employees

Elenia changed its organisation in 2019 to streamline its operations and to enhance the distinction between the regulated electricity distribution business and unregulated other businesses. The new organisation became effective on 1 January 2019. There were several changes, but the most significant was the transfer of the project management and construction business unit from Elenia Oy to Elenia Palvelut Oy. The number of people transferred was 78. At the end of 2019, the Elenia Palvelut Oy employed 189 people (94 in 2018).

Corporate Reorganisation

As a part of the Group reorganization ongoing in Elenia Group, Elenia Palvelut Oy established a new fully owned subsidiary Elenia NewCo Oyj in May 2019. There were no material acquisitions or divestments during 2019.

Corporate Governance

Elenia Palvelut Oy's Board of Directors convened 10 times in 2019. Members of the Board of Directors during the period were Tapani Lihala (Chairman), Ville Sihvola, Jarkko Kohtala and Jorma Myllymäki. Elenia Palvelut Oy is audited by Ernst & Young Oy, with Mikko Rytilahti, Authorised Public Accountant, as the auditor with principal responsibility.

Shares

Elenia Palvelut Oy has 200 outstanding shares. Each share entitles the holder to one vote at the Annual General Meeting and carries equal rights to dividends.

Corporate Responsibility

Elenia Services as a member of Elenia Group is subject to its health and safety policy. Elenia Group aims to ensure that its employees and partners work in a safe and motivating environment. In addition to highly competent and professional employees, the safety work is based on safe equipment, processes and operating models as well as visible safety management.

In addition, Elenia Group provides its employees with general information on topical occupational safety and environmental issues and an opportunity to participate in training that facilitates the improvement of their professional skills and competences. Supervisors and employees working on site are required to successfully complete Occupational Safety Card training and ensure that their statutory qualifications are up to date. Compliance with regulations is monitored regularly. Elenia Group has an externally certified occupational health and safety management system in place, since 2009 in accordance with OHSAS 18001 and since May 2018 in accordance with the new international ISO 45001:2018 standard.

Elenia Group operates in accordance with the principle of continuous improvement with the aim of being a leading company in occupational safety. Elenia Group and its extensive partner network have a target of zero occupational accidents and zero defects in all stages of construction.

Environmental Matters

The most significant environmental aspects of Elenia Group's operations are related to land use, the protection of soil and water areas, waste handling, the preservation of biodiversity, the control of greenhouse gas emissions and material and energy efficiency. In line with its strategy, Elenia Group takes safety and the environment into consideration in all decision-making through the development and use of its Environmental Policy for sustainable development. Environmental matters are integral to Elenia Group's corporate culture, and its operations are based on continuous improvement. The goal is to reduce the environmental effects of all operations and lead the way in environmental management in the industry.

Elenia Services has systematic Environmental Management Systems ("EMS"). In 2016, Elenia Services' EMS were recertified to ISO 14001:2015. In addition, external sub-contractors are required to have environmental management systems that support environmental work and are in line with the ISO 14001 standard.

Risk Management

The Legal Affairs and Risk Management unit is responsible for coordinating risk management. Comprehensive risk management is undertaken covering risk identification, assessment, reporting and measures to manage risks in cooperation with business units and Group functions. In 2019, Elenia Group conducted an enterprise risk management (ERM) based maturity study and is currently developing its risk management according to leading frameworks and best practices. The Finance Unit of Elenia is responsible for Group's insurance programme and for handling insurance claims in cooperation with an insurance broker.

Events after the Balance Sheet Date

As part of the Group reorganization Elenia Group changed its organization on 1 January 2020. The most significant change in the organizational structure was the transfer of support functions from Elenia Oy to Elenia Palvelut Oy. In January 2020, Elenia Oy (the parent company of the operative group until the end of 2019) sold 100% of the shares in Elenia Palvelut Oy to Elenia Investment S.à r.l. As a result, Elenia Palvelut Oy became the parent company of the operative group.

In July 2020 Elenia Oy, Elenia Finance Oyj, Elenia Holdings S.à r.l. and Lakeside Network Investments Holding B.V. will merge into Elenia Palvelut Oy's direct subsidiary Elenia NewCo Oyj (to be renamed Elenia Verkko Oyj subsequently). After all the above mergers Elenia Palvelut Oy will be renamed as Elenia Oy.

Outlook

Elenia has entered into broadband fiber business. In certain network areas Elenia Services lays down fiber optic broadband cables at the same time when new electricity underground cables are installed, which improves efficiency and sustainability. Previously Elenia has cooperated with broadband telecom companies in co-construction projects in areas where existing telecom companies have been expanding their network and this work continues in areas where other fiber operators are available. Entry into the fiber business means that Elenia offers fiber access in areas where Elenia is installing underground cables and none of the telecom companies currently have existing broadband network.

The Board of Directors' Dividend Proposal

The Board of Directors proposes not to declare a dividend.

ELENIA PALVELUT OY

Business ID: 2658611-8

Financial statements**31 December 2019**

Income statement	Note	1 Jan - 31 Dec 2019	1 Jan - 31 Dec 2018
EUR			
Revenue	1.1	24 539 043,65	10 493 011,75
Materials and services	1.2	-5 459 918,98	-87 861,14
Personnel expenses	1.3	-9 483 130,51	-3 821 322,51
Depreciation, amortisation and impairment	1.4	-1 263 594,91	-869 323,58
Other operating expenses	1.5	-7 384 815,10	-4 808 273,04
Operating profit		947 584,15	906 231,48
Finance income and expenses	1.6	-62 162,85	-49 196,49
Profit / loss before appropriations and taxes		885 421,30	857 034,99
Appropriations	1.7		
Change in accelerated depreciations		-617 446,04	-9 090,85
Group contribution		-431 000,00	-841 000,00
Income taxes	1.8	-248,51	-78,39
Profit / loss for the period		-163 273,25	6 865,75

ELENIA PALVELUT OY

Business ID: 2658611-8

Financial statements**31 December 2019**

Balance Sheet	Note	31 Dec 2019	31 Dec 2018
EUR			
ASSETS			
Non-current assets			
Intangible assets	2.1		
Intangible rights		178,53	-
Other capitalized long term expenditure		5 739 749,36	1 904 402,14
		<u>5 739 927,89</u>	<u>1 904 402,14</u>
Tangible assets	2.2		
Network		500 989,95	-
Machinery and equipments		355 963,97	315 767,41
Advance payments and construction in progress		2 136 296,42	2 206 196,49
		<u>2 993 250,34</u>	<u>2 521 963,90</u>
Investments	2.3		
Holdings in group companies		80 000,00	-
		<u>80 000,00</u>	<u>-</u>
Total non-current assets		8 813 178,23	4 426 366,04
Current assets			
Short-term receivables	2.4		
Trade receivables		624 378,01	255 904,62
Receivables from group companies		4 698 253,98	1 492 691,73
Other receivables		24 459,00	9 034,60
Prepayments and accrued income		785 667,94	288 543,08
		<u>6 132 758,93</u>	<u>2 046 174,03</u>
Total current assets		6 132 758,93	2 046 174,03
TOTAL ASSETS		14 945 937,16	6 472 540,07

ELENIA PALVELUT OY
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Financial statements
31 December 2019

Balance Sheet	Note	31 Dec 2019	31 Dec 2018
EUR			
EQUITY AND LIABILITIES			
Capital and reserves	3.1		
Subscribed capital		2 500,00	2 500,00
Non restricted equity		569 584,70	569 584,70
Retained earnings		29 911,52	23 045,77
Profit / Loss for the financial year		-163 273,25	438 722,97
			6 865,75
			601 996,22
Cumulative accelerated depreciations	3.2	764 558,24	147 112,20
Liabilities	3.3		
Non-current liabilities			
Loans from financial institutions		4 000 000,00	3 000 000,00
		4 000 000,00	3 000 000,00
Current liabilities			
Trade payables		1 760 287,23	244 689,10
Liabilities to group companies		2 333 479,03	152 236,78
Group contribution payables		431 000,00	841 000,00
Other short-term liabilities		2 551 426,46	533 460,20
Accruals and deferred income		2 666 463,23	952 045,57
		9 742 655,95	2 723 431,65
Total liabilities		13 742 655,95	5 723 431,65
TOTAL EQUITY AND LIABILITIES		14 945 937,16	6 472 540,07

ELENIA PALVELUT OY

Business ID: 2658611-8

Financial statements**31 December 2019****Cash Flow Statement****1 Jan - 31 Dec 2019****1 Jan - 31 Dec 2018****EUR****Cash flow from operating activities**

Loss before extraordinary items	885 421,30	857 034,99
Adjustments		
Depreciation, amortisation and impairment	1 263 594,91	869 323,58
Finance income and expenses	62 162,85	49 196,49
Other adjustments	11 585,28	-
Cash flow before change in working capital	2 222 764,34	1 775 555,06

Change in working capital

Increase (-)/decrease (+) in non-interest bearing receivables	-2 234 812,97	-336 506,49
Increase (+)/decrease (-) in non-interest bearing liabilities	7 020 702,23	580 946,19

Operating cash flow before financial items and taxes

7 008 653,60	2 019 994,76
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Interest payments and payments for other finance costs	-43 284,45	-49 245,48
Interests received	86,20	48,99
Taxes paid	-78,39	-51,87

Cash flow from operating activities

6 965 376,96	1 970 746,40
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Cash flow from investing activities

Capital expenditures	-5 192 605,03	-2 074 167,47
Investments in group companies' shares	-80 000,00	-

Cash flow from investing activities

-5 272 605,03	-2 074 167,47
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Cash flow from financing activities

Proceeds from long-term borrowings	1 000 000,00	600 000,00
Group contributions received and paid	-841 000,00	-244 500,00

Cash flow from financing activities

159 000,00	355 500,00
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Change in cash and cash equivalents

1 851 771,93	252 078,93
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Cash and cash equivalents 1.1.

632 874,49	380 795,56
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Cash and cash equivalents 1.1 + change

2 484 646,42	632 874,49
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Cash and cash equivalents 31.12.

2 484 646,42	632 874,49
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As the company's bank accounts are part of Elenia Oy's Group account structure the balances are presented in Balance Sheet as a receivable or a liability to Group companies.

Accounting principles

The financial statements of Elenia Palvelut Oy have been prepared in accordance with the Finnish Accounting Standards (FAS).

Elenia Palvelut Oy's parent company is Elenia Oy. The consolidated financial statements of Elenia Oy are consolidated in the financial statements of Elenia Holdings S.à.r.l., available at the following address: 9 Allée Scheffer - 2520 Luxembourg.

Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are recognised at the rate prevailing at the time of transaction.

At the balance sheet date the receivables and liabilities in balance sheet denominated in foreign currencies are converted to Euro using the exchange rate prevailing at the balance sheet date. The possible currency exchange rate differences are recognised in finance income or costs or other operating costs in accordance with the underlying item.

Presentation of liquid assets

The bank accounts of the company are part of Elenia Oy's Group account structure. The total balance is presented as a receivable or a liability to Group companies.

For tangible and intangible assets have been used direct acquisition prices which have been deducted with planned depreciations. Depreciations according to the plan are linear and are based on the following assets economical lifetimes:

Other capitalized long term expenditures	3-5 years
Buildings and constructions	3-10 years
Network	15 years

		2019	2018
1.1 Revenue			
EUR 1,000			
	Contracting income	5 303	-
	Connection fee income	47	-
	Other sales income	19 189	10 493
	Total	24 539	10 493
1.2 Materials and services			
EUR 1,000			
	External services	-3 427	-87
	Materials	-2 033	0
	Total	-5 460	-88
1.3 Personnel expenses			
EUR 1,000	Average number of personnel during the financial year	179	96
	Salaries	-7 981	-3 255
	Pension expenses	-1 421	-616
	Other employee expenses	-81	49
	Total	-9 483	-3 821
EUR 1,000	Salaries and remuneration paid to CEO		
	Salaries and other short-term employee benefits	-127	-
	Other long-term employee benefits	-43	-
	Pension expenses related to salaries and employee benefi	-31	-
	Total	-200	-
1.4 Depreciations according to the plan			
EUR 1,000			
	Intangible fixed assets	0	-
	Other capitalized long term expenditure	-1 141	-809
	Network	-4	-
	Machinery and equipments	-119	-60
	Total	-1264	-869

ELENIA PALVELUT OY

Business ID: 2658611-8

Financial statements**31 December 2019****Notes to the financial statements**

	2019	2018
1.5 Other operating expenses		
EUR 1,000		
Other external services	-5 587	-3 835
Other operating expenses	-1 798	-973
Total	-7 385	-4 808
Audit fees		
EUR 1,000		
Auditing fees	-10	-12
Fees for tax services	-40	-3
Yhteensä	-50	-15
1.6 Financial income and expenses		
EUR 1,000		
Interest and other financial income		
Other interest income	0	0
Total	0	0
Interest and other financial expenses		
Interest expenses to group companies	-61	-49
Other interest expenses	-1	0
Total	-62	-49
Total financial income and expenses	-62	-49
1.7 Appropriations		
EUR 1,000		
Change in accelerated depreciations	-617	-9
Group contribution paid	-431	-841
Total	-1 048	-850
1.8 Income taxes		
EUR 1,000		
Income taxes for the financial period	0	0
Total	0	0
2.1 Intangible fixed assets		
Intangible rights		
EUR 1,000		
Cost 1.1.	-	-
Investments	0	-
Cost 31.12.	0	-
Accumulated depreciation 1.1.	-	-
Depreciation according to the plan	0	-
Book value 31.12.	0	-
Other capitalized long-term expenditure		
EUR 1,000		
Acquisition cost 1.1.	5 591	5 029
Investments	4 976	563
Acquisition cost 31.12.	10 568	5 591
Accumulated depreciation 1.1.	-3 687	-2 878
Depreciation according to the plan	-1 141	-809
Book value 31.12.	5 740	1 904

ELENIA PALVELUT OY

Business ID: 2658611-8

Financial statements

31 December 2019

Notes to the financial statements

		2019	2018
2.2	Tangible fixed assets		
	Network		
	EUR 1,000		
	Acquisition cost 1.1.	-	-
	Investments	505	-
	Acquisition cost 31.12.	505	-
	Accumulated depreciation 1.1.	-	-
	Depreciation according to the plan	-4	-
	Book value 31.12.	501	-
	Machinery and equipments		
	1000 EUR		
	Acquisition cost 1.1.	535	238
	Investments	176	296
	Disposals	-25	-
	Acquisition cost 31.12.	686	535
	Accumulated depreciation 1.1.	-219	-159
	Depreciation according to the plan	-119	-60
	Disposals	8	-
	Book value 31.12.	356	316
	Advance payments and construction in progress		
	EUR 1,000		
	Acquisition cost 1.1.	2 206	972
	Increase	3 593	2 093
	Decrease	-3 663	-859
	Book value 31.12.	2 136	2 206
2.3	Investments		
	Holdings in group companies		
	EUR 1,000		
	Cost 1.1.	-	-
	Investments	80 000	-
	Acquisition cost 31.12.	80 000	-
	Book value 31.12.	80 000	-
2.4	Short term receivables		
	EUR 1,000		
	Receivables from group companies		
	Group bank account	2 485	633
	Accrued income	2 214	860
	Receivables from group companies total	4 698	1 493
	External receivables		
	Trade receivables	624	256
	Other short-term receivables	24	9
	Accrued income	786	289
	External receivables total	1 435	553
	Short term receivables total	6 133	2 046
	Total receivables	6 133	2 046

ELENIA PALVELUT OY

Business ID: 2658611-8

Financial statements**31 December 2019****Notes to the financial statements**

	2019	2018
3.1 Capital and reserves		
EUR 1,000		
Subscribed capital	3	3
Non restricted equity 1.1.	570	570
Non restricted equity 31.12.	570	570
Retained earnings (loss) 1.1.	30	23
Loss for the the financial year	-163	7
Total capital and reserves	439	602
3.2 Cumulative accelerated depreciations		
EUR 1,000	765	147
Accelerated depreciations include deferred tax liability	153	29
3.3 Liabilities	2019	2018
Non-current liabilities		
EUR 1,000		
Loans from group companies	4 000	3 000
Total non-current liabilities	4 000	3 000
Current liabilities		
EUR 1,000		
Trade payables	1 760	245
Other short-term liabilities	2 551	533
Accrued expenses		
Salaries and social expenses	2 274	871
Other accrued expenses	393	81
	2 666	952
Liabilities to group companies		
Accrued expenses	339	152
Other short term liabilities	1 994	-
Group contribution payables	431	841
	2 764	993
Total current liabilities	9 743	2 723
Liabilities and guarantees for debts		
EUR 1,000		
Provided on behalf of own and group liabilities		
Guarantees	1 278 524	1 689 500
Floating charges	4 500 000	4 500 000
Leasing agreements		
Within one year	63	6
After one year but not more than five years	160	15
	223	21
Other lease liabilities		
Within one year	753	247
After one year but not more than five years	872	490
	1 625	737

Shares

The company has 200 outstanding shares. Each share entitles the holder to one vote at the Annual General Meeting and carries equal rights to dividends.

Shares and Holdings

	Share	Vote share	Share of ownership	Nominal value EUR 1,000	Book value EUR 1,000
Subsidiary					
Elenia NewCo Oyj	100 %	100 %	100 %	80	80

Elenia Palvelut Oy doesn't prepare consolidated financial statements for the reporting period 2019, because its' subsidiary Elenia NewCo Oyj isn't relevant to get the true and fair view from Elenia Group. Elenia Palvelut Oy's and its' subsidiary Elenia NewCo Oyj's financial statements have been consolidated to Elenia Oy's (domiciled Tampere) consolidated financial statements.

ELENIA PALVELUT OY

Business ID: 2658611-8

Financial statements**31 December 2019****Notes to the financial statements**

Events after the reporting period

As part of the Group reorganization Elenia Group changed its organization on January 1, 2020. The most significant change in the organizational structure was the transfer of Support Functions from Elenia Oy to Elenia Palvelut Oy. In January 2020, Elenia Oy (the parent company of the operative group until the end of 2019) sold 100% of the shares in Elenia Palvelut Oy to Elenia Investment S.à r.l. As a result, Elenia Palvelut Oy became the parent company of the operative group.

In July 2020 Elenia Oy, Elenia Finance Oyj, Elenia Holdings S.à r.l. and Lakeside Network Investments Holding B.V. will merge into Elenia Palvelut Oy's direct subsidiary Elenia NewCo Oyj (to be renamed Elenia Verkko Oyj subsequently). After all the above mergers Elenia Palvelut Oy will be renamed as Elenia Oy.

The Board of Directors dividend proposal

The Board of Directors does not propose to declare a dividend.

Signatures to the financial statements

Dates and signatures

Tampere ____ / ____ 2020

Tapani Liuhala
Chairman of the Board of Directors

Ville Sihvola
Managing Director

Jarkko Kohtala

Jorma Myllymäki

Auditor's Note

A report on the audit carried out has been issued today

Helsinki ____ / ____ 2020

Ernst & Young Oy
Authorised Public Accountants

Mikko Ryttilähti
Authorised Public Accountant

AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Elenia Palvelut Oy

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Elenia Palvelut Oy (business identity code 2658611-8) for the year ended 31 December, 2019. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of 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.

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

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 company's ability to continue as 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 company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 company'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 company'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 company 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.

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.

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. 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 report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 5.3.2020

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Ryttilähti
Authorized Public Accountant