

CANATU

# Annual report

2023



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# Annual report 2023

## Industry and significant events during the financial year

Canatu is a carbon nanomaterial developer creating the most advanced carbon nanotubes for industry-transforming products. The Canatu carbon nanotube (CNT) technology has been created with a unique process that ensures the required versatility and reliability for highly engineered solutions. Canatu partners with forerunner companies, together transforming products for better tomorrows with nano carbon. The company's focus is in the automotive and semiconductor industries with the portfolio's core spanning from ADAS heaters to EUV membranes. The experts at Canatu think big and create impacts on the tiniest scale – nano solutions for massive impact.

The semiconductor business emerged as an integral component of Canatu's revenue stream, representing 82% of sales revenue with an impressive 99% year-over-year growth. The continued mass production of consumable debris filters for EUV lithography ensured consistent revenues. Momentum was further fueled by a significant CNT manufacturing equipment deal, underscoring Canatu's increasing focus on supplying equipment and licensing its technology to enable customers to produce CNT membranes themselves.

"Canatu has experienced tremendous revenue growth, driven by a breakthrough in EUV membrane technology. This innovation has positioned Canatu as an attractive supplier of membranes and equipment alike to the semiconductor industry, further highlighting the growing importance of this sector of our business," said Juha Kokkonen, chief executive officer of Canatu.

Canatu continued to collaborate with major OEMs to develop film heaters for ADAS and expects to ramp up mass production of its first ADAS camera de-icing system this year. Canatu is also working on multiple LiDAR de-icing development projects with OEMs aiming for SOP in 2024 and beyond. To respond to rapidly increasing demand from customers, Canatu is now investing in Canatu CNT film manufacturing to increase capacity.

## Our vision

"Our new vision is to create the most advanced carbon nanotubes for industry-transforming products. We are already doing this in two industries and expanding into new domains. Canatu has recently made major breakthroughs in the semiconductor and automotive industries, and our strategy is to pursue new business and product opportunities in continuation of Moore's law"

- Juha Kokkonen, CEO of Canatu



## Structure and financial arrangements

The company repaid Nordea Bank's loan by EUR 555,555.56 in 2023.

Business Finland decided not to collect EUR 1,700,000.00 from Canatu's development loan.

The company has Business Finland development loans totaling EUR 2,871,890.00 on 31 December 2023.

The company has a total of EUR 5,378,447.98 in convertible bonds from Varma pension company on December 31, 2023, of which the interest portion has been capitalized.

## The main loan terms of the convertible bond loan

The company has a total of 5 378 447,98 euros in convertible bond loan from Varma Pension Insurance on 31 December 2023.

The main terms of the capital loan are as follows:

The main terms of the convertible bond are as follows:

Loan interest 6%, loan repayment on 31 December 2024 or the loan can be converted into A shares of Canatu Oy at a price of 16.15 euros per share or the loan can be converted before the deadline if certain financing/share arrangements are implemented.

## Significant events after the financial year

There have been no other significant changes in the company's financial position since the financial year.

## Estimate of future developments

The company's management estimates that the turnover will increase significantly compared to the previous year. The increase in turnover is estimated to occur with the increase in orders from the semiconductor industry.

## Report on the scope of research and development activities

The company has continued to invest in research and development activities. The company was involved in several projects financed by Business Finland in 2023.

The total funding received by the company has been EUR 1 154 573,73 for 2023.

## Assessment of the most significant operational risks and uncertainties

Global economic cycles are the most significant risks and uncertainty factors in Canatu Oy's business. However, the company has significantly invested its operations in both automotive and semiconductor products and thus reduced the effect of business cycles. The war between Ukraine and Russia has not directly affected the company's business.

## Estimate and key figures of financial position and results of operations.

The company's business was unprofitable, but the company's solvency and liquidity were good.

The following key figures describe the company's financial position and results of operations:

	2023	2022	2021
Turnover	13 590 510,79	8 382 385,40	5 455 023,67
Net profit	-1317 619,50	-2 974 169,13	-3 930 017,94
Net profit %	neg.	neg.	neg.
Return on equity -%	NA	NA	NA
Equity ratio -%	29%	30%	11%

## Personnel

The company's average number of employees was 93 during 2023.

Key figures describing the company's personnel:

	2023	2022	2021
Average number of employees	93	65	52

Personnel expenses	2023	2022	2021
Wages and salaries	6 253 803,53	4 336 047,79	3 513 328,75
Pension expenses	1 149 638,66	792 732,84	619 612,89
Other personal expenses	247 584,81	156 601,32	131 155,42
Total personnel costs	<u>7 651 027,00</u>	<u>5 285 381,95</u>	<u>4 264 097,66</u>

## Environmental

To strengthen its position as a leader in advanced carbon nanotubes, Canatu acquired core competencies, especially in its R&D and product teams, improving overall organizational performance. Canatu continued to implement the goals defined in the environmental strategy in 2023. For the second year in a row, Canatu ranked among the most responsible 2% as a company and earned a gold medal in the evaluation of the global EcoVadis classification platform 2023, as a continuation of the ISO14001:2015 certificate, which was already granted to Canatu at the end of 2020.

## Option and other special rights

Based on the authorization given to the board by the shareholders on September 13, 2010, the board decided on April 27, 2023 to issue 60,000 new options entitling to A shares in a directed issue. In accordance with the option terms, the new option rights replaced previously returned and expired option rights granted and registered under the same authorization to the company.

A total of 500 new A shares were subscribed based on the options granted by the company's board on April 12, 2017. The new A shares have not yet been registered in the trade register.

## The share issue authorizations

Canatu's extraordinary general meeting on 20 November 2023 decided to authorize the Company's Board of Directors to decide on the issuance of new A shares and/or the option rights entitling to them, deviating from the shareholders' pre-emptive right, so that the number of the Company's A shares can, based on the authorization, increase by a maximum of 130,000 shares. The authorization is valid until further notice.

## Board of Directors' proposal on the handling of the company's distributable funds

The company has no distributable funds. The loss for the financial year is 1317 619,50 euros. The Board of Directors proposes to the Annual General Meeting that the company does not distribute a dividend for 2023.

## Company shares

The company has 5 different share classes. All share classes have the same right to a dividend, but the rights of the share classes to the company's assets are defined in the Articles of Association. All shares are subject to the redemption clause in the Articles of Association, according to which shareholders have the right to redeem a share transferred to a non-shareholder.

The company's share capital is divided as follows:

	2023	2022
Shares (amount of shares)	6 874 756	6 874 256

## Own shares

The company does not hold any of its own shares on December 31, 2023.

## Company organization, management and auditors

After the company's annual general meeting held on May 16, 2023, Ari Ahola, Jörg Buchholz, Sami Lampinen and Tony Cannestra have served as board members. The chairman of the board has been Ari Ahola.

After the company's extraordinary general meeting held on November 20, 2023, Ari Ahola, Jörg Buchholz, Sami Lampinen, Thomas Lantzsch and Tony Cannestra have served as board members. The chairman of the board has been Ari Ahola.

Ernst & Young Oy has acted as the company's auditor, with Harri Kauttonen as the principal auditor.

Juha Kokkonen has served as the company's CEO.

## Foreign and domestic subsidiaries and associates

100% owned subsidiary of Canatu Oy:

USA: Canatu Inc. Orlando

CANATU

# Financial statements 2023





## Canatu OY

Business ID 1886098-1

<b>PROFIT AND LOSS ACCOUNT</b>	<b>1.1.-31.12.2023</b>	<b>1.1.-31.12.2022</b>
<b>NET TURNOVER</b>	<b>13 590 510,79</b>	<b>8 382 385,40</b>
Change in inventory of finished and work-in-progress products	155 967,66	
Other operating income	2 854 573,73	1 196 003,00
Raw materials and services		
Raw materials and consumables		
Purchases during the financial period	-3 378 415,69	-1 886 204,79
Stock change	279 328,74	
External services	-430 427,76	-471 537,89
Materials and external services total	-3 529 514,71	-2 357 742,68
Staff expenses		
Wages and salaries	-6 253 803,53	-4 336 047,79
Social security expenses		
Pension expenses	-1 149 638,66	-792 732,84
Other social security expenses	-247 584,81	-156 601,32
Staff expenses total	-7 651 027,00	-5 285 381,95
Depreciation and reduction in value		
Depreciation according to plan	-917 970,54	-658 263,05
Other operating expenses	-5 142 437,51	-3 717 401,79
<b>OPERATING PROFIT (LOSS)</b>	<b>-639 897,58</b>	<b>-2 440 401,07</b>
Financial income and expenses		
Other Interest and financial expenses	4 401,03	6 593,74
Interest and other financial expenses	-682 122,95	-540 361,80
Financial income and expenses total	-677 721,92	-533 768,06
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND INCOME TAXES</b>	<b>-1 317 619,50</b>	<b>-2 974 169,13</b>
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>-1 317 619,50</b>	<b>-2 974 169,13</b>

## CANATU

BALANCE SHEET	31/12/2023	31/12/2022
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Intangible assets		
Intangible rights	1100 614,94	918 170,44
Other capitalized long-term expenses	0,00	573,10
Intangible assets total	1100 614,94	918 743,54
Tangible assets		
Buildings	1665 052,03	1768 915,15
Machinery and equipment	5 578 675,07	2 657 788,06
Other tangible assets	1890 823,19	1194 850,24
Advance payments and construction in progress	227 440,00	153 088,94
Tangible assets total	9 361 990,29	5 774 642,39
<b>RECEIVABLES</b>		
Inventory		
Materials and supplies	279 328,74	
Finished products/goods	155 967,66	
Total inventory	435 296,40	
Short-term assets		
Account receivable	1215 042,80	1 015 605,67
Other receivables	282 887,48	258 523,70
Accrued receivables	1443 714,63	479 780,20
Total receivables	2 941 644,91	1 753 909,57
Other investments	1344 342,43	1344 342,43
Cash and equivalents	5 894 924,26	14 764 089,57
<b>TOTAL ASSETS</b>	<b>21 078 813,23</b>	<b>24 555 727,50</b>
<b>LIABILITIES &amp; EQUITY</b>		
Shareholders' equity		
Share capital	8 000,00	8 000,00
Other equity	58 052 848,60	58 049 848,60
Retained earnings (loss)	-50 812 836,03	-47 838 666,90
Profit for the financial year	-1317 619,50	-2 974 169,13
Capital and reserves total	5 930 393,07	7 245 012,57
<b>LIABILITIES</b>		
Long-term liabilities		
Convertible bonds	5 378 447,98	5 000 000,00
Loans from financial institutions	701 219,44	8 518 083,00
Long-term liabilities, total	6 079 667,42	13 518 083,00
Short-term liabilities		
Loans from financial institutions	6 615 115,00	1 304 917,00
Received prepayments	48 300,00	243 000,00
Accounts payable	700 753,44	772 072,15
Other liabilities	162 989,55	104 620,52
Accrued liabilities	1 541 594,75	1 368 022,26
Short-term liabilities, total	9 068 752,74	3 792 631,93
Total liabilities	15 148 420,16	17 310 714,93
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>21 078 813,23</b>	<b>24 555 727,50</b>

# Appendix

# Appendix to financial statements

## Consolidated financial statements

The consolidated financial statements have not been prepared pursuant to section 6:1 of the PCA, as the subsidiaries are not material to the correct and sufficient information.

## Valuation principles and methods

Intangible and tangible assets are recognized in the balance sheet at acquisition cost less planned depreciation.

Ordinary machine and equipment investments account for a 25% expense depreciation.

Two-year straight-line depreciation on R & D, equipment and testing facilities has been booked until the end of 2015, and from thereafter a straight-line depreciation of five years.

10 year straight-line depreciation on R&D machinery, equipment and test facility costs from 2018 onwards.

10 year straight-line depreciation on production equipment's costs from 2018 onwards.

## Sequential principles and methods

Fundamentals of planned depreciation:

	Estimated holding time	Depreciation and depreciation method
Buildings	20 years	straight-line depreciation
Production equipment's	10 years	straight-line depreciation
Patents	5 years	straight-line depreciation
Patents since 2018	10 years	straight-line depreciation
Computer software	2 - 3 years	straight-line depreciation
Research and development expenses	2 - 5 years	straight-line depreciation
Machinery and equipment		25% expense depreciation

## Partial revenue recognition

Partial revenue recognition for an unfinished project is based on the degree of completion.

The percentage of completion is calculated on the basis of actual costs and estimated total costs.

Partial revenue is recognized on the basis of the percentage of completion times the sales of the project.

## Impact of partial income recognition

In 2023, there was no partially recognized income.

## Appendix to the profit and loss account

<b>Personnel costs and staff on average</b>	<b>2023</b>	<b>2022</b>
During the financial year, the company employed an average of	93 employees	65 employees
<b>Personnel expenses</b>		
Wages and salaries	6 253 803,53	4 336 047,79
pension costs	1 149 638,66	792 732,84
Other personal expenses	247 584,81	156 601,32
Total staff costs	7 651 027,00	5 285 381,95
<b>Depreciation and impairment</b>		
Research and development expenditure	205 090,96	175 860,42
Depreciation on long-term expenditures	139 764,34	124 196,70
Depreciation on buildings	103 863,12	103 863,12
Depreciation on machinery and equipment	469 252,12	254 328,80
Reduction in value of current	0,00	14,01
Depreciation total	917 970,54	658 263,05
<b>Auditor's fees</b>		
Audit	13 440,00	18 730,00
The assignments referred to in section 1.1.2 of the TTL	5 810,00	0,00
Total auditor's fees	19 250,00	18 730,00
<b>Financial income and expenses</b>		
<b>Financial income</b>		
Interest income	246,12	44,78
Foreign exchange gains	4 154,91	2 769,61
Profit from portfolio investments	0,00	3 779,35
Total financial income	4 401,03	6 593,74
Exchange rate differences on sales were recognized in sales adjustment items	-5 267,03	44 964,24
<b>Financial expenses</b>		
Interest expenses on financial institution loans	643 962,33	402 918,69
Other interest expenses	6 280,57	412,73
Other borrowing costs	14 001,86	111 233,73
Foreign and exchange losses	17 878,19	25 796,65
Total financial expenses	682 122,95	540 361,80
Exchange losses on purchases are booked on purchase adjustments	9 414,09	14 609,90

## Appendix to the balance sheet

Fixed assets	2023	2022
<b>Intangible assets</b>		
Patents 1.1.	1541766,79	1266 966,85
Additions	321635,74	274 799,94
Depreciation in the beginning of the financial year	-623 596,35	-500 774,61
Depreciation for the financial year	-139 191,24	-122 821,74
Patents 31.12.	1100 614,94	918 170,44
Premises renovation costs 1.1.	6 072,94	6 072,94
Additions		0,00
Depreciation in the beginning of the financial year	-5 499,84	-4 124,88
Depreciation for the financial year	-573,10	-1374,96
Premises renovation costs 31.12.	0,00	573,10
<b>Intangible assets total 31.12.</b>	<b>1100 614,94</b>	<b>918 743,54</b>
<b>Tangible assets</b>		
Buildings 1.1.	2 076 502,78	2 076 502,78
Additions	0,00	0,00
Depreciation in the beginning of the financial year	-307 587,63	-203 724,51
Depreciation for the financial year	-103 863,12	-103 863,12
Buildings 31.12.	1665 052,03	1768 915,15
Machinery and equipment 1.1.	94 577,60	94 577,60
Depreciation in the beginning of the financial year	-64 652,04	-54 677,16
Depreciation for the financial year	-7 481,04	-9 974,88
Machinery and equipment 31.12.	22 444,52	29 925,56
Production machinery 1.1.	3 321 973,71	2 241 469,16
Additions	3 390 484,21	1 080 504,55
Depreciation in the beginning of the financial year	-694 111,21	-449 757,29
Depreciation for the financial year	-462 116,16	-244 353,92
Production machinery 31.12.	5 556 230,55	2 627 862,50
Other tangible assets 1.1.	2 290 100,76	1 626 001,13
Additions	900 718,83	664 099,63
Depreciation in the beginning of the financial year	-1095 250,52	-919 390,10
Depreciation for the financial year	-204 745,88	-175 860,42
Other tangible assets 31.12.	1890 823,19	1 194 850,24
Advance payments and unfinished purchases 1.1.	153 088,94	0,00
Additions	731 040,00	153 088,94
Deductions	-656 688,94	
Advance payments and unfinished purchases 31.12.	227 440,00	153 088,94
<b>Total tangible assets 31.12.</b>	<b>9 361 990,29</b>	<b>5 774 642,39</b>
<b>Holdings in other companies 100%</b>	Own capital	Profit of the financial period
Canatu Inc, Orlando, USA	20 337,35	41 324,64

## Appendix to the balance sheet liabilities

<b>Own capital</b>	<b>2023</b>	<b>2022</b>
Restricted equity		
Share Capital 1.1.	8 000,00	8 000,00
Share Capital 31.12.	8 000,00	8 000,00
Free equity		
Fund for invested unrestricted equity 1.1.	58 049 848,60	49 496 273,12
Increase in invested unrestricted equity	3 000,00	8 553 575,48
Fund for invested unrestricted equity 31.12.	58 052 848,60	58 049 848,60
Profit (loss) from previous financial years 1.1.	-50 812 836,03	-47 838 666,90
Net profit (loss)	-1317 619,50	-2 974 169,13
Profit (loss) from previous financial years 31.12.	-52 130 455,53	-50 812 836,03
Equity total 31.12.	5 930 393,07	7 245 012,57
<b>Distributable own capital</b>		
Free equity	5 922 393,07	7 237 012,57
Other tangible assets	-1890 823,19	-1194 850,24
Distributable own capital	4 031 569,88	6 042 162,33
In the invested unrestricted equity fund is presented the share subscription fee corresponding to the number of registered items.		
<b>Accrued expenses</b>		
Pension expenses	1513 266,25	1 257 299,07
Interest expenses	28 328,50	110 723,19
	1541 594,75	1 368 022,26
<b>Responsibilities and guarantees</b>		
Loans, in witness whereof has given business mortgage		
Loans from financial institutions	4 444 444,44	5 000 000,00
Business mortgage	6 900 000,00	6 900 000,00
Credit cards, amount of responsibility	28 630,33	17 404,42
Amount available	28 630,33	17 404,42
secured		
deposit	10 475,99	10 475,99
Rental liabilities		
Leaseholdability of premises, Vantaa Tiilitie 6 months	263 105,70	263 105,70
Leaseholdability of premises	193 025,11	193 025,11
Leasing		
Payable next financial year	64 780,20	37 712,02
Payable later than one year	69 177,15	33 433,56
HosidenEurope GmbH, 24.10.2017	55 000,00	55 000,00
<b>Liabilities that mature later than five years</b>	0,00	0,00

## Appendix to the operations

### **An estimate of likely future development**

The company's operations involve uncertainty due to the development of sales. The company's management plans measures to ensure continuity of operation. These actions may include a new equity financing round.

### **Convertible bond loans**

The company has a total of EUR 5 378 447,98 convertible bond loans from Varma Pension Insurance on 31 December 2023.

The main terms of the convertible bond are as follows:

Loan interest 6%, loan repayment on 31 December 2024 or the loan can be converted into A shares of Canatu Oy at a price of 16.15 euros per share or the loan can be converted before the deadline if certain financing/share arrangements are implemented.

### **Option and other special rights**

Based on the authorization given to the board by the shareholders on September 13, 2010, the board decided on April 27, 2023 to issue 60,000 new options entitling to A shares in a directed issue. In accordance with the option terms, the new option rights replaced previously returned and expired option rights granted and registered under the same authorization to the company.

A total of 500 new A shares were subscribed based on the options granted by the company's board on April 12, 2017. The new A shares have not yet been registered in the trade register.

### **The share issue authorizations**

Canatu's extraordinary general meeting on 20 November 2023 decided to authorize the Company's Board of Directors to decide on the issuance of new A shares and/or the option rights entitling to them, deviating from the shareholders' pre-emptive right, so that the number of the Company's A shares can, based on the authorization, increase by a maximum of 130,000 shares. The authorization is valid until further notice.

### **Directed share issues**

A total of 500 new A shares were subscribed based on the options granted by the company's board on April 12, 2017. The new A shares have not yet been registered in the trade register.



## Appendix to the operations

### The number of shares in the company by type of shares and the main provisions of the Articles of Association concerning each class of shares

The company's share capital is divided by class of shares as follows:		
Shares (1 vote per share)		
Registered share capital:	<b>31.12.2023</b>	<b>31.12.2022</b>
A-share, number of	1 601 505	1 601 005
B-share, number of	2 115 345	2 115 345
C-share, number of	564 722	564 722
D-share, number of	1 045 296	1 045 296
E-share, number of	1 547 888	1 547 888
Total subscribed, paid, number of	6 874 756	6 874 256
The Articles of Association contain a redemption clause for shares.		

### The Board of Directors proposal on measures for the financial year

The Board of Directors proposes that a loss of EUR1317 619,50 for the financial year be transferred to the Profit / Loss Account for previous years and no dividend is paid.

### Salaries and remuneration of the CEO and members of the Board of Directors 2023

The CEO has received remuneration of EUR254 642,30 in 2023.

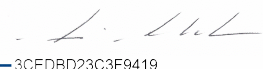
Canatu Oy's actual Board members has received remuneration of EUR21 000 in 2023.

## Signatures


Vantaa

April

2024

DocuSigned by:  
  
 3CEDBD23C3F9419...  
 Ari Ahola  
 member, appointed as Chairman

DocuSigned by:  
  
 E3B96F060CAE4CA...  
 Tony Cannestra  
 member

DocuSigned by:  
  
 9ADCC5D6AC72445...  
 Jörg Buchholz  
 member

DocuSigned by:  
  
 D63F35059498402...  
 Sami Lampinen  
 member

DocuSigned by:  
  
 9864DEB91FFE477...  
 Thomas Lantzsch  
 member

DocuSigned by:  
  
 E86DDE2BEB9D4A3...  
 Juha Kokkonen  
 CEO

## Auditor's note

Helsinki

(month)

2024

**Ernst & Young Oy**  
 Tilintarkastusyhteisö

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Harri Kauttonen,  
 KHT

# CANATU

Tiilenlyöjänkuja 9 A  
FI-01720 Vantaa  
Business ID 1386098-1



**Building a better  
working world**

Ernst & Young Oy  
Korkeavuorenkatu 32-34  
FI-00130 Helsinki  
FINLAND

Tel: +358 207 280 190  
www.ey.com/fin  
Business ID: 2204039-6,  
domicile Helsinki

## **AUDITOR'S REPORT (Translation of the Finnish original)**

To the Annual General Meeting of Canatu Oy

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Canatu Oy (business identity code 1886098-1) for the year ended 31 December, 2023. The financial statements comprise the balance sheet, income 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 the 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 the 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 7.5.2024

Ernst & Young Oy  
Authorized Public Accountant Firm

Harri Kauttonen  
Authorized Public Accountant