

# ÅRSREDOVISNING

för

## Ljungdahls Tranemo Holding AB

Org.nr. 556863-1781

Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31


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### Fastställelseintyg

Undertecknad styrelseledamot i Ljungdahls Tranemo Holding AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämman den 19 april 2023.

Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Tranemo 19 april 2023.

  
Susanne Ohlsén

# Ljungdahls Tranemo Holding AB

Org.nr. 556863-1781

## FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i TSEK.

### Verksamheten

Bolaget bildades 2011 och agerar som holdingbolag till bolag som via butiker bedriver försäljning av färger och produkter för färgbranschen.

Bolaget är sedan april 2022 helägt dotterbolag till Teknos Butiker Holding AB (ord.nr 556759-1481). Teknos Butiker Holding AB ägs i sin tur av Teknos Group Oy i Finland (org.nr 2210042-4).

Bolaget äger 100% av andelarna i Ljungdahls Färgekonomi AB (org.nr 556191-1115) samt 100% av andelarna i Sävedalens Färg & Tapeter AB (org.nr 556893-2437).

Företagets säte är Tranemo.

### Flerårsöversikt

	2022	2021	2020	2019	2018
Resultat efter finansiella poster	10 350	10 101	7 848	8 849	8 466
Soliditet (%)	100	100	100	100	100

Definitioner av nyckeltal, se not 7.

### FÖRÄNDRINGAR I EGET KAPITAL

	Aktiekapital	Övrigt fritt eget kapital	Balanserat resultat	Summa eget kapital
Belopp vid årets ingång	100	20 886	10 101	31 087
Resultatdisposition enligt beslut av årsstämma:		10 101	-10 101	0
Utdelning till aktieägare		-10 500		-10 500
Kapitaltillskott från aktieägare	0	1 500	0	1 500
Årets resultat			10 350	10 350
Belopp vid årets utgång	100	21 987	10 350	32 437

**Resultatdisposition (kronor)**

Medel att disponera:	
Balanserat resultat	21 986 564
Årets resultat	10 349 518
	<hr/>
	32 336 082
Förslag till disposition:	
Utdelning	5 500 000
Balanseras i ny räkning	26 836 082
	<hr/>
	32 336 082

**Förslag till beslut om vinstutdelning**

Styrelsen föreslår att utdelning lämnas med 5 500 000 kr vilket motsvarar 5 500 kr per aktie.

Styrelsen föreslår att utbetalning av utdelningen skall ske i omedelbar anslutning till årsstämman.

Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Yttrandet ska ske mot bakgrund av den information som framgår av årsredovisningen. Företagsledningen planerar inga väsentliga förändringar av befintlig verksamhet så som väsentliga investeringar, försäljningar eller avveckling.

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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# Ljungdahls Tranemo Holding AB

Org.nr. 556863-1781

## RESULTATRÄKNING

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Rörelseintäkter, lagerförändringar m.m.</b>			
Nettoomsättning		0	0
<b>Summa rörelseintäkter, lagerförändringar m.m.</b>		0	0
<b>Rörelsekostnader</b>			
Övriga externa kostnader		-2	-4
<b>Summa rörelsekostnader</b>		-2	-4
<b>Rörelseresultat</b>		-2	-4
<b>Finansiella poster</b>			
Resultat från andelar i koncernföretag	2	10 350	10 105
Övriga ränteintäkter och liknande resultatposter		2	0
<b>Summa finansiella poster</b>		10 352	10 105
<b>Resultat efter finansiella poster</b>		10 350	10 101
<b>Resultat före skatt</b>		10 350	10 101
<b>Årets resultat</b>		10 350	10 101

2023050205448

**Ljungdahls Tranemo Holding AB**

Org.nr. 556863-1781

**BALANSRÄKNING**

2022-12-31

2021-12-31

Not

**TILLGÅNGAR****Anläggningstillgångar****Finansiella anläggningstillgångar**

Andelar i koncernföretag

3

32 20830 621**Summa finansiella anläggningstillgångar**

32 208

30 621

Summa anläggningstillgångar

32 208

30 621

**Omsättningstillgångar****Kortfristiga fordringar**

Fordringar hos koncernföretag

4

229466**Summa kortfristiga fordringar**

229

466

Summa omsättningstillgångar

229

466

**SUMMA TILLGÅNGAR****32 437****31 087**

17

2023050205449

**Ljungdahls Tranemo Holding AB**

Org.nr. 556863-1781

**BALANSRÄKNING**

2022-12-31

2021-12-31

**EGET KAPITAL OCH SKULDER****Eget kapital****Bundet eget kapital**

Aktiekapital

100

100

Summa bundet eget kapital

100

100

**Fritt eget kapital**

Balanserat resultat

21 987

20 886

Årets resultat

10 350

10 101

Summa fritt eget kapital

32 337

30 987

Summa eget kapital

32 437

31 087

**SUMMA EGET KAPITAL OCH SKULDER**

32 437

31 087

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2023050205450

**NOTER****Not 1 Redovisnings- och värderingsprinciper**

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

**UPPLYSNINGAR TILL ENSKILDA POSTER****Not 2 Resultat från andelar i koncernföretag**

	2022	2021
Utdelning	<u>10 350</u>	<u>10 105</u>
	10 350	10 105

**Not 3 Andelar i koncernföretag**

	2022-12-31	2021-12-31
<b>Företag</b>		
Ljungdahls Färgekonomi AB		
Organisationsnummer: 556191-1115		
Säte: Göteborg		
Andel: 100 %, antal andelar: 1 000		
Eget kapital: 11 264 tsek		
Resultat: 11 128 tsek		
Ingående anskaffningsvärde	29 653	29 653
Årets förändring	<u>0</u>	<u>0</u>
Utgående anskaffningsvärde	29 653	29 653

**Företag**  
Sävedalens Färg & Tapeter AB  
Organisationsnummer: 556893-2437  
Säte: Partille  
Andel: 100 %, antal andelar: 500  
Eget kapital: 1 647 tsek  
Resultat: 1 040 tsek

Ingående anskaffningsvärde	968	968
Årets anskaffning	<u>1 586</u>	<u>0</u>
Utgående anskaffningsvärde	2 554	968

**Totalt redovisat värde** 32 208 30 621

2023050205451

# Ljungdahls Tranemo Holding AB

Org.nr. 556863-1781

## NOTER

### Not 4 Fordringar hos koncernföretag

Bolaget ingår sedan 2017 i koncernens cash pool. Av fordringar hos koncernföretag utgör hela beloppet 229 tkr banktillgodohavanden.

### Not 5 Ställda säkerheter och eventalförpliktelser

2022-12-31

2021-12-31

Inga

Inga

### Not 6 Koncernförhållanden

Bolaget ägs till 100% av Teknos Butiker Holding AB (org.nr 556759-1481) med säte i Tranemo som i sin tur ägs till 100% av Teknos Group Oy, (org.nr 2210042-4) med säte i Helsingfors Finland.

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Övergripande koncernredovisning upprättas av Teknos Group Oy, (org.nr 2210042-4) med säte i Helsingfors Finland. Koncernredovisningen finns tillgänglig hos Teknos AB (org.nr 556047-6714).

### Not 7 Definitioner av nyckeltal

*Resultat efter finansiella poster*

Resultat efter finansiella intäkter och kostnader, men före extraordinära intäkter och kostnader

*Soliditet*

Justerat eget kapital i procent av balansomslutning

Tranemo 17 april 2023



Susanne Ohlsén  
Ledamot  
Ordförande



Sandra Linnvinge  
Ledamot



Martin Karlsson  
Ledamot  
Verkställande direktör

Vår revisionsberättelse har lämnats den 18 april 2023

KPMG AB



Maria Ullinger  
Auktoriserad revisor

# Revisionsberättelse

Till bolagsstämman i Ljungdahls Tranemo Holding AB, org. nr 556863-1781

## Rapport om årsredovisningen

### Uttalanden

Vi har utfört en revision av årsredovisningen för Ljungdahls Tranemo Holding AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Ljungdahls Tranemo Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionsred i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Ljungdahls Tranemo Holding AB enligt god revisionsred i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionsred i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Ljungdahls Tranemo Holding AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionsred i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Ljungdahls Tranemo Holding AB enligt god revisorsred i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets

organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionsred i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda

ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionsred i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Borås den 18 april 2023

KPMG AB



Maria Ullinger

Auktoriserad revisor

Teknos Group Oy  
FINANCIAL STATEMENTS AND DIRECTORS' REPORT  
1 January – 31 December 2022

## DIRECTORS' REPORT

### Group structure and significant events

Teknos is a paint and coating group, and its parent company is Teknos Group Oy.

Russia's illegal large-scale invasion of Ukraine, which began at the end of February, has caused significant geopolitical uncertainty, which has had both direct and indirect impacts on Teknos' business. The direct impacts were immediately reflected on our business operations in Ukraine and, through Western sanctions, Russia. The war also had indirect impacts on almost all of Teknos' country companies due to e.g. the increased energy costs, inflation, and uncertainty in demand.

Teknos LLC's business operations in Ukraine have continued despite the war, albeit on a smaller scale. The Ukrainian branch office has been relocated from Kiev to the western part of the country, and our revenue stayed at about half of the level of the previous year, at approximately MEUR 1.3. The company employs 14 people. Due to the high uncertainty related to the situation, MEUR 1.5 of the company's assets were written down in the financial statements for 2021. As operations have since continued, approximately MEUR 1 of the write-down provision has been reclassified to profit or loss in the financial statements of 2022.

After the war began at the end of February 2022, Western countries imposed a series of restrictions and sanctions. The sanctions target commerce, banks, and several private individuals. Teknos complies with all Western sanctions, regardless of marketplace. Russia has imposed counter-sanctions and made legislative changes, which have made it more difficult for Western businesses to operate in the country. Teknos suspended its business operations in Russia on 4 March 2022, and in mid-April, announced its intention to completely withdraw from Russia. 'Project Eagle' was launched, and through its successful completion, the shares in OOO Teknos and OOO Trading Company Massco owned by Teknos Group Oy were sold 11 July 2022. The entire purchase price was deposited in the company's bank account on the date of purchase, and the transaction does not involve retrospective purchase price adjustments or other open liabilities. The divestment of the Russian operations had an impact of MEUR -2.9 on the result of Teknos Group.

Teknos Group's strategy was updated in the spring of the financial year 2022. The Group also continued to invest in the integration of the companies acquired in the previous years and in the development of the Group's operations to support profitable growth in line with the strategy.

During the spring, Teknos Butiker Holding AB acquired minority interests in Ljungdahls Tranemo Holding AB (30%) and Sävedalens Färg & Tapeter AB (15%). The subsidiaries are now fully owned by Teknos.

Teknos Group Oy established a subsidiary, Teknos (VN) Company Limited, in Vietnam. The established company has started operations and has an office in the Branch of Teknos (VN) Company Limited – Warehouse in Dong Nai Province.

The subsidiary Teknos Feidal Coatings s.r.o., owned by Teknos Deutschland GmbH, a subsidiary of Teknos Group Oy, was closed during the financial year.

During the financial year, the Dutch subsidiary Teknos B.V. acquired a 7,891 m<sup>2</sup> industrial plot in the municipality of Hengelo in the Netherlands.

Due to the increasing financial uncertainty and decline in Teknos' production volumes, the Group launched a major restructuring programme "Fit for Future" with the aim of streamlining and simplifying the Group's structure. The aim of the programme is to improve operational efficiency and achieve cost savings, especially in fixed costs. As part of the programme, a decision has been made to close down the Fulda office in Germany and move production to Brüggen. The plans to construct a new factory unit in Steinau were dropped, which meant that the plot reservation for the project was abandoned, too. The "Fit for Future" programme will be continued onto the next financial year.

At the end of the financial year, Teknos' production facilities were located in:

- Pitäjänmäki in Helsinki and Rajamäki in Nurmijärvi, Finland
- Vamdrup in the south of Jutland, Denmark
- Fulda, Alzenau and Brüggen, Germany
- Gdynia, Poland
- Shanghai, China
- Charlotte, USA
- Johor Bahru, Malaysia
- Benden, Liechtenstein
- Teknos also has a 40% minority interest in a coating factory in China

In addition to the above, the Group has sales companies in Czechia, Croatia, England, Estonia, India, Latvia, Lithuania, the Netherlands, Northern Ireland, Norway, Slovenia, Sweden, Switzerland, Ukraine, and Vietnam. The Group also has retail business in Sweden.

Teknos' key performance indicators are:

		<u>The Group</u>	
	2022	2021	2020
Revenue (MEUR)	397.9	419.2	383.6
Operating profit (MEUR)	-4.5	9.7	18.6
Operating profit % of revenue	-1.1%	2.3%	4.9%
Return on equity (%)	-5.1%	4.1%	5.6%
Return on capital employed (%)	-1.8%	5.1%	7.8%
Equity-to-assets ratio	39.2%	39.1%	45.1%

	<u>Parent company</u>		
	2022	2021	2020
Revenue (MEUR)	21.1	20.2	16.5
Operating profit (MEUR)	-28.0	-1.2	-1.8
Operating profit % of revenue	-133.0%	-6.0%	-10.8%
Return on equity (%)	-41.2%	1.0%	-1.7%
Equity-to-assets ratio	43.1%	50.9%	51.2%

The intellectual property rights related to the recipes of the Group's products were collectively brought under the parent company. Teknos Group Oy purchased said rights from the country companies for MEUR 21.7 on 31 December 2022. As of 1 January 2023, the Group's parent company will charge its subsidiaries a sales-based licence fee for the use of the intellectual property rights.

Teknos published a separate non-financial information (NFI) report covering the entire Group. The report complies with European Commission Directive 2014/95/EU.

### **Financial position**

The Group's balance sheet total on 31 December 2022 was MEUR 292.7 (31 December 2021: MEUR 317.5). The Group's financial position remained good throughout the year, the equity-to-assets ratio being at 39.2% (31 December 2021: 39.1%). The Group's MFI loans and bonds totalled MEUR 104.0 (31 December 2021: MEUR 104.5), of which MEUR 47.2 were long-term and MEUR 56.8 were short-term. Other long-term liabilities on the balance sheet decreased to MEUR 0.2 (MEUR 1.0) at the end of the financial year.

The objective of the Group's liquidity risk management is to ensure the availability and low costs of financing. In order to manage liquidity risk, the Group maintains a sufficient liquidity reserve. On the day of closing the accounts, 31 December 2022, the company had an undrawn committed limit of MEUR 85 in unused liquidity reserve (2021: MEUR 85).

### **Assessment of future developments**

Due to the geopolitical situation and the forecasted economic recession, the general market situation will be challenging in 2023. Revenue is expected to decline, but the cost savings derived from the Fit for Future programme are expected to improve the result significantly.

### **Risks and uncertainties**

The increase in the prices of raw materials is expected to level off and decline in 2023. If the prices of raw materials continued to rise, sales prices might not be able to compensate for the increased costs fast enough considering the decrease in

demand. Challenges related to raw materials and their availability are addressed through active pricing policy, category management (e.g. alternative raw materials), recipe development, and effective supplier management.

The impacts of the coronavirus pandemic on Teknos Group's business operations varied by market area. During the financial year, the pandemic only significantly affected the Chinese market. Despite the travel restrictions imposed by the authorities, business operations have been able to continue without interruption, and the situation can be considered to have returned to normal by the end of the financial year.

The geopolitical uncertainty caused by Russia's illegal war of aggression against Ukraine, the resulting sanctions imposed, possible additional sanctions and counter-sanctions, and their potential impact on Teknos Group's business operations and assets have been identified. Teknos' Board of Directors is actively following the situation and ready to take appropriate action to safeguard the Group's assets and business operations if the war escalates beyond Ukraine.

The Group also recognises the changes in the market structure within the competitor field as an uncertainty factor. It is estimated that the market will consolidate in the future and that Russia's invasion of Ukraine may permanently change the operating environment.

Changes in the competitive and market situation and their possible effects are being monitored.

Changes in market interest rates have an impact on the Group's net interest rates and the fair values of interest-bearing receivables and liabilities and derivative instruments. The purpose of interest rate risk management is to reduce the impact of interest rate changes on the income statement, balance sheet, and cash flow. The Group is exposed to cash flow risk arising from floating rate liabilities. The risk is in part offset by fixed-rate loans. Interest rate risks have been hedged with interest rate swaps and interest rate hedges, the unrealised changes in value of which have not been recognised, but instead, the derivatives in question and the related valuation differences are disclosed in the notes to the financial statements. The nominal value of the Group's interest rate hedges was MEUR 39.3 (19.3) on 31 December 2022. The Group's loan agreements have covenants, which were fulfilled during the financial year.

Foreign exchange rate risk refers to the effects of changes in value of currencies on a company's result, cash flows, and balance sheet. Teknos hedges 80–100% of its internal foreign currency denominated loan/cash pool receivables with forward exchange transactions, with the exception of foreign currency positions which are considered too expensive to hedge due to the costs related to currency interest rate differentials (over 4% annually).

In China, arbitration proceedings regarding exiting the Manfield Chemical Co. Ltd. joint venture are still ongoing. The coronavirus restrictions have slowed down the process in China. It is the view of the Group that a solution not resulting in sanctions but a mutually satisfactory outcome can be found.

## Scope of research and development activities

The Group's research and development (R&D) activities are performed in connection with production units and are thus decentralised into eight countries. The largest R&D units are located in Finland and Denmark, and they are largely responsible for the development of new products. In addition to product development, R&D is also responsible for continuously updating the current product portfolio to maintain competitiveness, comply with chemical legislation, and ensure recipe production efficiency. In addition to these tasks, small local R&D units are actively involved in technical sales support in local markets.

Figures describing the scope of research activities:

	2022	2021
Average number of R&D personnel	215	251
R&D expenditure (EUR 1,000)	16.111	15.012
R&D expenditure % of revenue	0.8%	3.6%

## Personnel

	2022	2021
Average number of personnel	1,578	1,807
Wages and salaries (EUR 1,000)	82.388	83.879

## Environment

As part of our continuous improvement programme, we are actively developing the efficiency of our processes. For us, efficiency also means reducing our environmental impact. We continuously monitor our development with our operational indicators, which include targets for e.g. waste reduction, recycling, energy consumption, and transport. We are constantly striving to better understand the environmental impact of our operations. For us, this also entails cooperation and dialogue with our partners and stakeholders in order to build our knowledge and improve our ways of working together. The subsidiaries in Finland, Denmark, Sweden, Liechtenstein and China have ISO14001-certified environmental management systems.

## Governance

The share capital of Teknos Group Oy consists of a total of 300,000 shares, all of which carry the same rights.

Members of the Board of Directors were Paula Salastie, Petri Kiikka (until 7 April 2022),

Juha Mört (Chair), Manu Skyttä (until 21 December 2022) and, as Deputy Member of the Board (from 21 December 2022), Pekka Jaatinen.

The CEO of the parent company has been Paula Salastie.

The Group's auditor has been the Firm of Authorised Public Accountants KPMG Oy Ab, with Authorised Public Accountant Tero Hämäläinen as the principal auditor.

**Board of Directors' proposal for the distribution of profits:**

The distributable funds of the parent company are EUR 88,091,173.01, of which EUR -35,840,675.37 represents the net profit for the financial year. The Board of Directors proposes to the Annual General Meeting that no dividends be distributed.

**Events after the financial year**

The Group has continued the "Fit for Future" programme, which was launched during the financial year 2022. In addition to the measures initiated during the financial year 2022, the decision has been made to close down the Croatian company and transfer the business under the Slovenian company. The decision has also been made to close down the unprofitable business operations in the USA. The withdrawal from the US market will result in one-off costs that will weaken the result.

**Teknos Group Oy**  
**FINANCIAL STATEMENTS AND DIRECTORS' REPORT**  
**1 January – 31 December 2022**

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## CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1/1-31/12 2022	1/1-31/12 2021
<b>Revenue</b>	<b>1</b>	<b>397 933</b>	<b>419 232</b>
Change in inventories of finished products		-3 187	10 184
Other operating income	2	2 056	2 687
Materials and services	3	-210 339	-229 382
Personnel expenses	4	-99 468	-102 173
Depreciation, amortisation and impairment losses	5	-15 731	-16 352
Other operating expenses	6	-75 738	-74 168
Share of associated companies' profits / losses		-66	-322
<b>Operating profit</b>		<b>-4 539</b>	<b>9 705</b>
Financial income and expenses	8	800	553
<b>Profit before tax</b>		<b>-3 739</b>	<b>10 259</b>
Income taxes	9	-2 299	-4 942
Minority interests		0	-325
<b>Net profit/loss for the financial year</b>		<b>-6 038</b>	<b>4 992</b>

## CONSOLIDATED BALANCE SHEET

9

ASSETS, EUR 1,000	Note	31-12-22	31-12-21
<b>Non-current assets</b>			
Intangible assets		18 221	18 754
Tangible assets		103 966	115 883
Investments		19 177	19 428
<b>Total non-current assets</b>	10	<b>141 363</b>	<b>154 065</b>
<b>Current assets</b>			
Inventories	11	77 421	90 377
Non-current receivables	12	102	213
Deferred tax assets	13	5 753	3 736
Current receivables	14	50 968	61 175
Cash at bank and in hand		17 057	8 037
<b>Total current assets</b>		<b>151 301</b>	<b>163 538</b>
<b>TOTAL ASSETS</b>		<b>292 665</b>	<b>317 602</b>
<b>EQUITY AND LIABILITIES, EUR 1,000</b>			
<b>Equity</b>			
Share capital		8 700	8 700
Retained earnings		112 042	109 464
Net profit for the financial year		-6 038	4 992
<b>Total equity</b>	15	<b>114 703</b>	<b>123 155</b>
<b>Minority interests</b>		<b>0</b>	<b>946</b>
<b>Provisions</b>	16	<b>3 847</b>	<b>4 927</b>
<b>Liabilities</b>			
Non-current liabilities	17	47 370	68 719
Deferred tax liabilities	13	6 792	7 448
Current liabilities	18	119 953	112 408
<b>Total liabilities</b>		<b>174 114</b>	<b>188 574</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>292 665</b>	<b>317 602</b>

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# CONSOLIDATED CASH FLOW STATEMENT

10

EUR 1,000	1/1–31/12 2022	1/1–31/12 2021
<b>Cash flow from operating activities</b>		
Profit/loss before tax	-3 739	10 259
Adjustments:		
Depreciation according to plan	15 731	16 352
Financial income and expenses	2 260	-4 438
Other adjustments	-2 833	438
Cash flow before change in net working capital	11 420	22 611
Increase (-) / decrease (+) in net working capital	9 137	-20 356
Cash flow from operating activities before financial items and tax	20 556	2 255
Interest received	451	2 509
Interest and other financial expenses paid	-4 529	-4 059
Taxes paid	-5 270	-6 616
<b>Cash flow from operating activities</b>	<b>11 207</b>	<b>-5 911</b>
<b>Cash flow from investing activities</b>		
Fixed asset investments	-12 192	-12 727
Proceeds from the disposal of fixed assets	497	166
Drawdowns from the capital redemption policy	0	16 000
Proceeds from the disposal of other investments	34	2 346
Acquisition of subsidiaries and business operations net of cash and cash equivalents at acquisition date	-2 345	0
Proceeds from the sale of subsidiary shares net of cash at transaction date	12 379	0
Dividends received from associated companies	204	44
<b>Cash flow from investing activities</b>	<b>-1 423</b>	<b>5 830</b>
<b>Cash flow from financing activities</b>		
Drawdowns and repayments of short-term loans	4 877	1 509
Drawdowns from long-term loans	0	21 000
Equity loan	0	-16 000
Repayments of long-term loans	-5 331	-7 197
Dividends paid to owners of the parent company	0	-2 600
Dividends paid to minority shareholders of subsidiaries	-310	-285
<b>Cash flow from financing activities</b>	<b>-764</b>	<b>-3 572</b>
<b>Increase (+) / decrease (-) in cash and cash equivalents</b>	<b>9 020</b>	<b>-3 654</b>
Cash and cash equivalents, 1/1	8 037	11 691
Cash and cash equivalents, 31/12	17 057	8 037
<b>Change in net working capital</b>		
Decrease (+) / increase (-) in current receivables	19 918	-8 889
Decrease (+) / increase (-) in inventories	9 151	-25 473
Decrease (-) / increase (+) in interest-free current liabilities	-19 933	14 007
<b>Increase (-) / decrease (+) in net working capital</b>	<b>9 137</b>	<b>-20 356</b>

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## PARENT COMPANY'S INCOME STATEMENT

11

EUR	Note	1/1-31/12 2022	1/1-31/12 2021
<b>Revenue</b>	1	<b>21 081 895,78</b>	<b>20 237 260,39</b>
Personnel expenses	2	-7 682 529,43	-7 084 443,05
Depreciation, amortisation and impairment losses	3	-26 403 323,03	-781 044,99
Other operating expenses	4	-15 044 861,83	-13 577 953,34
<b>Operating profit</b>		<b>-28 048 818,51</b>	<b>-1 206 180,99</b>
Financial income and expenses	5	-17 549 448,19	2 468 688,05
<b>Profit before appropriations and taxes</b>		<b>-45 598 266,70</b>	<b>1 262 507,06</b>
Group contributions		11 400 000,00	8 650 000,00
Income taxes	6	-1 642 408,67	-1 928 169,12
<b>Net profit/loss for the financial year</b>		<b>-35 840 675,37</b>	<b>7 984 337,94</b>

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## PARENT COMPANY'S BALANCE SHEET

12

ASSETS, EUR	Note	31-12-22	31-12-21
<b>Non-current assets</b>			
Intangible assets		30 294 424,10	8 066 166,01
Tangible assets		144 684,96	144 684,96
Investments		111 461 669,12	139 984 161,30
<b>Total non-current assets</b>	7	<b>141 900 778,18</b>	<b>148 195 012,27</b>
<b>Current assets</b>			
Non-current receivables	8	13 164 336,80	63 082 059,22
Current receivables	8	60 408 172,72	47 838 334,59
Cash at bank and in hand		8 989 727,94	1 564 658,59
<b>Total current assets</b>		<b>82 562 237,46</b>	<b>112 485 052,40</b>
<b>TOTAL ASSETS</b>		<b>224 463 015,64</b>	<b>260 680 064,67</b>
<b>EQUITY AND LIABILITIES, EUR</b>			
<b>Equity</b>			
Share capital		8 700 000,00	8 700 000,00
Retained earnings		123 931 848,38	115 947 510,44
Net profit for the financial year		-35 840 675,37	7 984 337,94
<b>Total equity</b>	9	<b>96 791 173,01</b>	<b>132 631 848,38</b>
<b>Liabilities</b>			
Non-current liabilities	10	45 053 155,00	64 677 883,23
Current liabilities	11	82 618 687,63	63 370 333,06
<b>Total liabilities</b>		<b>127 671 842,63</b>	<b>128 048 216,29</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>224 463 015,64</b>	<b>260 680 064,67</b>

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## PARENT COMPANY'S CASH FLOW STATEMENT

13

EUR	1/1–31/12 2022	1/1–31/12 2021
<b>Cash flow from operating activities</b>		
Profit before appropriations and taxes	-45 598 266,70	1 262 507,06
Adjustments:		
Depreciation according to plan	1 035 323,03	781 044,99
Unrealised exchange gains and losses	-3 054 601,40	-505 127,31
Financial income and expenses	20 604 049,59	-3 906 056,05
Other adjustments	-939 275,46	-403 954,57
Cash flow before change in net working capital	-27 952 770,94	-2 771 585,88
Increase (-) / decrease (+) in net working capital	20 848 777,01	-22 580 420,72
Cash flow from operating activities before financial items and tax	-7 103 993,93	-25 352 006,60
Interest and fees paid on finance expenses	-3 578 012,78	-2 384 013,73
Interest received from operating activities	2 483 734,80	1 315 700,36
Direct taxes paid	-2 905 416,85	-2 462 380,88
<b>Cash flow from operating activities</b>	<b>-11 103 688,76</b>	<b>-28 882 700,85</b>
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets	-23 223 176,68	-1 991 338,08
Investments in group subsidiaries	-5 419 652,16	-20 000 000,00
Proceeds from the disposal of other investments	0,00	2 346 449,88
Proceeds from the sale of subsidiary shares	14 071 519,32	0,00
Drawdowns from the capital redemption policy	0,00	16 000 000,00
Loans granted to companies in the same group	-19 071 446,49	-11 554 828,66
Repayments of loans received from companies in the same group	41 945 190,90	22 493 622,58
Dividends received from companies in the same group	4 438 352,71	2 689 473,40
<b>Cash flow from investing activities</b>	<b>12 740 787,60</b>	<b>9 983 379,12</b>
<b>Cash flow from financing activities</b>		
Drawdowns from long-term loans	0,00	21 000 000,00
Repayments of long-term loans	17 632 969,98	-4 000 000,00
Drawdowns and repayments of short-term loans	-16 755 688,44	1 508 962,84
Change in cash pool liability	-3 739 311,03	-11 955 956,10
Dividends paid	0,00	-2 600 000,00
Group contributions received	8 650 000,00	14 600 000,00
<b>Cash flow from financing activities</b>	<b>5 787 970,51</b>	<b>18 553 006,74</b>
<b>Increase (+) / decrease (-) in cash and cash equivalents</b>	<b>7 425 069,35</b>	<b>-346 314,99</b>
Cash and cash equivalents, 1/1	1 564 658,59	1 910 973,58
Cash and cash equivalents, 31/12	8 989 727,94	1 564 658,59
<b>Change in net working capital</b>		
Increase (-) / decrease (+) in interest-free current receivables	-717 704,35	348 956,86
*) Increase (-) / decrease (+) in consolidated receivables	19 483 860,81	-24 106 234,98
Increase (+) / decrease (-) in consolidated liabilities	3 010 491,67	112 780,78
Increase (+) / decrease (-) in interest-free non-current liabilities	-624 728,23	228 321,53
Increase (+) / decrease (-) in interest-free current liabilities	-303 142,89	835 755,09
<b>Increase (-) / decrease (+) in net working capital</b>	<b>20 848 777,01</b>	<b>-22 580 420,72</b>
*) Includes change in an item similar to a consolidated account	11 783 225,46	-19 014 881,36

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**Accounting policies for the consolidated financial statements**

The consolidated financial statements have been prepared using the acquisition cost method. The financial statements include all group companies (see note 20). The difference between the acquisition cost of subsidiaries and the net assets corresponding to the acquired share is partly allocated to non-current assets and partly recognised as group goodwill. The allocated items will be depreciated in accordance with the depreciation plan for the non-current assets item.

The Group's internal transactions, unrealised margins on internal deliveries, inter-group receivables and liabilities, and internal distribution of profits have been eliminated.

Minority interests have been separated from the Group's equity and result and are presented as a separate item.

The income statements of foreign group companies have been restated at the average exchange rate of the financial year, and the amounts on the balance sheets have been translated into Finnish currency using the exchange rate in effect on the balance sheet date. Exchange gains and losses arising from the translation as well as the translation differences arising from the translation of foreign subsidiaries' equities and subsidiary shares held in foreign currencies are presented under "Retained earnings".

**Foreign currency items**

Foreign currency receivables and payables are valued at the exchange rate quoted by the European Central Bank on the balance sheet date. Exchange gains and losses are recognised in revenue for trade receivables and in purchases for trade payables. For other receivables and payables, exchange gains and losses are recognised under exchange rate differences on financing.

**Inventories**

Inventories are valued at acquisition cost or, if lower than acquisition cost at the end of the financial year, the selling price. In addition to variable costs, fixed costs of production, purchasing, and raw material inventory are capitalised in the value of the inventory of finished products. For the calculation of the value of inventories, the average cost method is used. In some group companies, the FIFO method is used. The end results of the two methods do not differ materially.

**Non-current assets**

Non-current assets are valued at acquisition cost net of planned straight-line depreciation and possible impairment losses. The planned straight-line depreciation is calculated on the basis of the likely useful life in the following manner:

- intangible rights and other long-term expenses	3–10 yrs
- goodwill and group goodwill	5–10 yrs
- buildings and constructions and their constituents	10–40 yrs
- machinery and equipment and other tangible assets	3–20 yrs

**Pension expenses** are recognised in the result in accordance with the local practice of each country.

**Income taxes**

The estimated taxes corresponding to the group companies' results, adjustments to taxes from previous financial years, and changes in deferred tax liabilities have been recognised in the income statement as income tax.

Deferred tax liabilities have been calculated for accumulated depreciation differences and voluntary provisions. Deferred tax assets have been calculated for confirmed losses, if the receivable is considered probable.

Tax assets or liabilities

based on the established tax rate have also been calculated for other timing differences between accounting and taxation.

**Financial instruments**

Interest rate risks have been hedged with interest rate swaps, the unrealised changes in value of which have not been recognised, but instead, the derivatives in question and the related valuation differences are disclosed in the notes to the financial statements.

## 1. Revenue

Revenue consist entirely of the sales of paint and coating products, and the sales are divided into geographical market areas as follows:

EUR 1,000,000	1/1-31/12 2022	1/1-31/12 2021
Finland	90	90
Other countries	308	329
<b>Total revenue</b>	<b>398</b>	<b>419</b>

## 2. Other operating income

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Capital gains on non-current assets	471	136
Rental income	527	562
Other income	1 058	1 988
<b>Total other operating income</b>	<b>2 056</b>	<b>2 687</b>

## 3. Materials and services

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Materials and supplies		
Purchases made during the financial year	193 996	242 197
Increase (-) / decrease (+) in inventories	9 769	-14 567
External services	6 574	1 752
<b>Total materials and services</b>	<b>210 339</b>	<b>229 382</b>

## 4. Personnel expenses

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Wages and salaries		
CEOs	1 825	1 765
Members of the Board of Directors	80	96
Others	80 483	82 018
Pension expenses	8 635	8 297
Other personnel expenses	8 444	9 997
<b>Personnel expenses</b>	<b>99 468</b>	<b>102 173</b>
Average number of personnel during the financial year		
Clerical employees	1 011	1 207
Employees	567	600
<b>Total average number of personnel during the financial year</b>	<b>1 578</b>	<b>1 807</b>

**5. Depreciation, amortisation and impairment losses**

16

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Depreciation according to plan		
Group goodwill	1 778	1 115
Goodwill	703	701
Intangible rights	1 175	865
Other long-term expenses	761	731
Buildings and constructions	3 396	3 542
Machinery and equipment	7 308	8 583
Other tangible assets	611	815
<b>Total depreciation, amortisation and impairment losses</b>	<b>15 732</b>	<b>16 352</b>

**6. Other operating expenses**

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Losses on the sale of fixed assets	284	0
Sales and marketing expenses	25 232	23 224
Manufacturing and product development expenses	19 653	17 524
Other operating expenses	30 570	33 418
<b>Total other operating expenses</b>	<b>75 738</b>	<b>74 167</b>

**7. Auditor's fees**

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Audit	877	278
Tax advisory	726	63
Other services	462	68
<b>Total auditor's fees</b>	<b>2 064</b>	<b>410</b>

**8. Financial income and expenses**

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Interest and other financial income	485	2 213
Interest and other financial expenses	-4 147	-2 742
Exchange gains and losses	4 461	1 082
<b>Total financial income and expenses</b>	<b>800</b>	<b>553</b>

**9. Income taxes**

EUR 1,000	1/1-31/12 2022	1/1-31/12 2021
Income taxes on ordinary business operations for the financial ye	5 859	4 896
Income taxes on ordinary business operations for the previous fir	423	139
Change in deferred taxes	-3 983	-94
<b>Total income taxes</b>	<b>2 299</b>	<b>4 942</b>

## Intangible assets

EUR 1,000	Group goodwill	Goodwill	Intangible rights	Other long-term expenses	Advances paid and construction in progress	Total intangible assets
Acquisition cost 1/1	27 159	16 831	13 913	7 897	4 776	70 575
Translation difference	84	-350	12	81	7	-167
Increase	1 743	0	1 595	655	3	3 996
Decrease	-161	0	-242	-1 193	-116	-1 712
Transfers between balance sheet items		-21	5 059	-2 016	-2 838	184
Acquisition cost 31/12	28 825	16 460	20 335	5 424	1 831	72 876
Accumulated depreciation 1/1	21 632	15 229	9 824	5 136	0	51 821
Translation difference	155	-321	10	88		-68
Accumulated depreciation of dec	-161		-218	-1 136		-1 515
Accumulated depreciation of transfers						0
Depreciation for the financial year	1 778	703	1 175	761		4 416
Accumulated depreciation 31/12	23 404	15 611	10 791	4 848	0	54 654
<b>Carrying amount 31/12/2022</b>	<b>5 422</b>	<b>849</b>	<b>9 544</b>	<b>576</b>	<b>1 831</b>	<b>18 221</b>
Carrying amount 31/12/2021	5 527	1 602	4 088	2 761	4 775	18 754

## Tangible assets

EUR 1,000	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total tangible assets
Acquisition cost 1/1	7 924	132 926	136 049	5 513	3 055	285 467
Translation difference	579	3 629	4 567	590	99	9 464
Increase	1 560	1 233	3 883	339	2 603	9 619
Decrease	-1 884	-10 044	-17 940	-1 975	-704	-32 547
Transfers between balance sheet	0	363	1 100	-208	-1 480	-225
Acquisition cost 31/12	8 178	128 107	127 660	4 260	3 572	271 779
Accumulated depreciation 1/1	24	66 168	100 684	2 709	0	169 585
Translation difference	-1	986	3 106	512		4 603
Accumulated depreciation of dec	0	-2 362	-13 600	-1 669		-17 630
Depreciation for the financial year	10	3 396	7 308	602		11 315
Accumulated depreciation 31/12	33	68 189	97 498	2 093	0	167 812
<b>Carrying amount 31/12/2022</b>	<b>8 146</b>	<b>59 919</b>	<b>30 163</b>	<b>2 167</b>	<b>3 572</b>	<b>103 966</b>
Carrying amount 31/12/2021	7 900	66 758	35 365	2 804	3 055	115 882

## Investments

EUR 1,000	Interest in associated companies	Others shares and interests	Other receivables *)	Total investments
Acquisition cost 1/1	1 037	45	18 346	19 428
Translation difference	21		0	21
Increase	0	0	0	0
Decrease	-273	0	0	-273
Acquisition cost 31/12	785	45	18 346	19 177
<b>Carrying amount 31/12/2022</b>	<b>785</b>	<b>45</b>	<b>18 346</b>	<b>19 177</b>
Carrying amount 31/12/2021	1 037	45	18 346	19 428

\*) See parent company note 7)

**11. Inventories**

18

EUR 1,000	31-12-22	31-12-21
Materials and supplies	29 624	39 393
Works in progress	2 620	2 866
Finished products	45 176	48 117
<b>Total inventories</b>	<b>77 421</b>	<b>90 377</b>

**12. Non-current receivables**

EUR 1,000	31-12-22	31-12-21
Trade receivables	81	112
Other receivables	14	14
Accrued income and deferred expenses		
Other accrued income and deferred expenses	7	87
<b>Total non-current receivables</b>	<b>102</b>	<b>213</b>

**13. Deferred tax assets and tax liabilities**

EUR 1,000	31-12-22	31-12-21
<b>Deferred tax assets</b>		
Losses carried forward	1 632	2 613
Provisions	285	412
Other temporary differences	3 836	398
Consolidation measures		
Elimination of internal inventory margin	0	312
<b>Total deferred tax assets</b>	<b>5 753</b>	<b>3 736</b>

<b>Deferred tax liabilities</b>		
Depreciation and amortisation differences and tax-based provisio	5 937	6 850
Voluntary provisions	48	47
Other temporary differences	806	551
<b>Total deferred tax liabilities</b>	<b>6 792</b>	<b>7 448</b>

Net deferred tax asset (+) / liability (-)	-1 038	-3 712
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**14. Current receivables**

EUR 1,000	31-12-22	31-12-21
Trade receivables	43 309	53 367
Loan receivables	0	4
Other receivables	1 642	2 532
Accrued income and deferred expenses		
Revenue-related	22	27
Tax receivables	181	917
Related to materials and services	719	942
Other accrued income and deferred expenses	5 097	3 387
<b>Total current receivables</b>	<b>50 968</b>	<b>61 175</b>

## 15. Equity

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EUR 1,000	31-12-22	31-12-21
Share capital 1/1	8 700	8 700
Share capital 31/12	8 700	8 700
Retained earnings 1/1	114 455	110 224
Dividend distribution	0	-2 600
Equity loan interest	0	-480
Adjustments recognised in equity	-98	404
Change in translation differences	-2 316	1 916
Retained earnings 31/12	112 042	109 464
Net profit for the financial year	-6 038	4 992
Equity loan 1/1	0	16 000
Repayment of the equity loan	0	-16 000
Equity loan 31/12	0	0
<b>Total equity</b>	<b>114 703</b>	<b>123 155</b>

Adjustments recognised in equity in 2022 consist of adjustments to subsidiaries and group exports from previous financial periods.

## 16. Provisions

EUR 1,000	31-12-22	31-12-21
Pension provisions	1 354	1 462
Other provisions	2 493	3 465
<b>Total provisions</b>	<b>3 847</b>	<b>4 927</b>

## 17. Non-current liabilities

EUR 1,000	31-12-22	31-12-21
Loans from financial institutions	47 192	52 716 *)
Bond	0	15 000
Accrued expenses and deferred income		
Other	178	1 003
<b>Total non-current liabilities</b>	<b>47 370</b>	<b>68 719</b>

\*) TEUR 1,040 will mature after five years or more (2021: TEUR 755).  
The loan agreements have covenants, which were fulfilled during the financial year.

## 18. Current liabilities

EUR 1,000	31-12-22	31-12-21
Loans from financial institutions	41 799	36 783
Bond	15 000	0 *)
Advances received	29	83
Trade payables	35 139	45 658
Other liabilities	10 827	10 459
Accrued expenses and deferred income		
Personnel expenses	11 075	12 940
Financial expenses	430	813
Annual discount based liability	894	505
Tax liability	1 135	858
Other	3 625	4 307
<b>Total current liabilities</b>	<b>119 953</b>	<b>112 408</b>

\*) The bond is fixed in terms of interest rate and maturity and has no covenants.

## 19. Contingent liabilities

20

EUR 1,000	31-12-22	31-12-21
<b>Own liabilities secured by assets</b>		
MFI loans	4 113	2 083
Real estate mortgages given	6 969	9 523
Business mortgages given	841	841
<b>Other securities provided for own commitments</b>		
Real estate mortgages given	2 876	2 791
Business mortgages given	1 343	4 912
Bank guarantees	90	90
Personal guarantees given	16 647	15 280
<b>Rent and leasing liabilities</b>		
Mature during the next financial year	3 329	3 326
Mature later	10 565	9 721

### Other liabilities

The company is obliged to review the VAT deductions made for real estate investments completed in the years 2014–2022 if the taxable use of the property decreases during the review period. The maximum amount of the liability is EUR 1,073,367.43 and the final review year is 2031.

According to the terms of the lease, the land areas leased by Teknos Oy must be restored at the end of the lease period.

### Derivative instruments

#### Interest rate swaps

Hedged item: Syndicated loan agreement 15/6/2018 – 15/3/2022  
interest rate 3-month Euribor

Hedging derivative: Interest rate swap 15/6/2018 – 15/3/2022  
The Group receives the 3-month Euribor rate and pays fixed interest

Hedging derivative: Interest rate cap 5/7/2022 – 5/7/2025  
If the 3-month Euribor rate exceeds 1.5%, the counterparty will credit the difference to the Group

	31-12-22	31-12-21
Fair value of the interest rate swap on the balance sheet date	1 040	-580
Value of the underlying asset	20 530	20 677
Fair value of the interest rate cap on the balance sheet date	822	
Value of the underlying asset	20 000	

Hedge type: cash flow hedge

The cash flows of the interest rate swap are recognised in profit or loss for the same periods as the interest flows of the hedged loan.

#### Currency hedge agreements

Hedged item:

Teknos hedges foreign currency denominated internal loans as well as cash pool receivables and liabilities (SEK, CHF and USD)

Hedging derivative:

Forward exchange transaction

	31-12-22	31-12-21
Fair value of the agreement on the balance sheet date	1 035	-592
Value of the underlying asset	37 583	28 888

Hedge type: cash flow hedge

The cash flows of the currency hedge agreement are recognised in profit or loss for the same periods as the exchange gains and losses of the underlying foreign currency items.

#### Electricity derivatives

	31-12-22	31-12-21
<b>For the following financial year</b>		
Acquisition value	1 185 272	
Market value	1 651 398	
<b>For subsequent financial years</b>		
Acquisition value	719 423	
Market value	756 478	

	Ownership share %		Ownership share %	
	The Group		Parent company	
	31-12-22	31-12-21	31-12-22	31-12-21
Teknos Group Oy, Finland (parent company)				
Teknos Oy, Finland	100,0 %	100,0 %	100,0 %	100,0 %
Teknos AB, Sweden	100,0 %	100,0 %	100,0 %	100,0 %
Ljungdahls Färghus KB, Sweden	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Butiker Holding AB, Sweden	100,0 %	100,0 %	100,0 %	100,0 %
Ljungdahls Tranemo Holding AB, Sweden	100,0 %	70,0 %	0,0 %	0,0 %
Ljungdahls Färgekonomi AB, Sweden	100,0 %	70,0 %	0,0 %	0,0 %
Teknos Butiker AB, Sweden	100,0 %	100,0 %	0,0 %	0,0 %
Sävedalens Färg & Tapeter AB, Sweden	100,0 %	59,5 %	0,0 %	0,0 %
Teknos A/S, Denmark	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Norge AS, Norway	100,0 %	100,0 %	100,0 %	100,0 %
Teknos (UK) Ltd, United Kingdom	100,0 %	100,0 %	100,0 %	100,0 %
Nuko 74 Ltd, United Kingdom	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Ireland Ltd, Northern Ireland	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Deutschland GmbH, Germany	100,0 %	100,0 %	100,0 %	100,0 %
Teknos-Feidal Coatings s.r.o., Czechia	100,0 %	100,0 %	0,0 %	0,0 %
Teknos s.r.o., Czechia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Croatia d.o.o., Croatia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos BV, the Netherlands	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Sp. z o.o., Poland	100,0 %	100,0 %	100,0 %	100,0 %
OOO Teknos, Russia	0,0 %	100,0 %	0,0 %	100,0 %
OOO Trading Company Massco	0,0 %	100,0 %	0,0 %	0,0 %
Teknos OÜ, Estonia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos d.o.o, Slovenia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos SIA, Latvia	100,0 %	100,0 %	100,0 %	100,0 %
UAB Teknos, Lithuania	100,0 %	100,0 %	100,0 %	100,0 %
Teknos LLC, Ukraine	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Coatings Trading (Shanghai) Ltd, China	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Coatings and Paints Pvt. Ltd., India	100,0 %	100,0 %	99,0 %	99,0 %
Teknos Feyco Schweiz AG, Switzerland	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Feyco AG, Liechtenstein	100,0 %	100,0 %	100,0 %	100,0 %
Teknos US Inc, USA	100,0 %	100,0 %	0,0 %	0,0 %
Treffert Asia Pacific Pte. Ltd., Singapore	100,0 %	100,0 %	0,0 %	0,0 %
Treffert Coatings (S.E.A.) Sdn Bhd, Malaysia	100,0 %	100,0 %	0,0 %	0,0 %
Shanghai Treffert Special Coatings Co. Ltd., China	100,0 %	100,0 %	0,0 %	0,0 %
Teknos (VN) Company Limited, Vietnam	100,0 %	0,0 %	100,0 %	0,0 %

\*) During the financial year 2022, minority interests in Sävedalens Färg & Tapet AB and Ljungdahls Tranemo Holding AB were acquired.

\*\*) During the financial year 2022, the Russian subgroup was sold.

#### Associated companies

Manfield Teknos (Changzhou) Chemical Com. Ltd, China	40,0 %	40,0 %	40,0 %	40,0 %
Premiere Finishing % Coating LLC, USA	20,0 %	20,0 %	0,0 %	0,0 %

Associated companies have been consolidated using the equity method.

## 21. Formulas for calculating the key indicators presented in the Directors' report

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Operating profit (%)	= 100 X	$\frac{\text{Operating profit}}{\text{Revenue}}$
Return on equity (%)	= 100 X	$\frac{(\text{Profit before tax} - \text{income tax})}{\text{Equity } ^*)}$
Return on capital employed (%)	= 100 X	$\frac{(\text{Profit before tax} + \text{financial expenses})}{\text{Balance sheet total} - \text{interest-free liabilities } ^*)}$
Equity-to-assets ratio (%)	= 100 X	$\frac{(\text{Equity} + \text{equity loans})}{\text{Balance sheet total} - \text{advances received}}$

\*) Average for the financial year

## 22. Events after the financial year

The Group has continued the "Fit for Future" programme, which was launched during the financial year 2022.

In addition to the measures initiated during the financial year 2022, the decision has been made to close down the Croatian company and transfer the business under the Slovenian company. The decision has also been made to close down the unprofitable business operations in the USA. The withdrawal from the US market will result in one-off costs that will weaken the result.

**1. Revenue**

Revenue consists entirely of the sale of administrative services to group companies.

**2. Personnel expenses**

EUR	1/1-31/12 2022	1/1-31/12 2021
Wages and salaries	6 335 340,00	5 931 236,26
Pension expenses	1 095 571,22	950 910,05
Other personnel expenses	251 618,21	202 296,74
<b>Personnel expenses</b>	<b>7 682 529,43</b>	<b>7 084 443,05</b>

Average number of personnel during the financial year

Clerical employees	76	76
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**3. Depreciation, amortisation and impairment losses**

EUR	1/1-31/12 2022	1/1-31/12 2021
Depreciation according to plan		
Intangible rights	1 035 323,03	780 463,19
Machinery and equipment	0,00	581,80
Impairment losses	25 368 000,00	0,00
<b>Total depreciation, amortisation and impairment losses</b>	<b>26 403 323,03</b>	<b>781 044,99</b>

**4. Other operating expenses**

EUR	1/1-31/12 2022	1/1-31/12 2021
Marketing expenses	774 346,47	867 142,24
Administrative expenses	14 270 515,36	12 710 811,10
<b>Total other operating expenses</b>	<b>15 044 861,83</b>	<b>13 577 953,34</b>

**5. Financial income and expenses**

EUR	1/1-31/12 2022	1/1-31/12 2021
Dividend income		
From group companies	9 935 727,69	2 689 473,40
Other interest and financial income		
From group companies	2 315 742,29	2 156 967,58
From others	154 568,21	1 999 312,09
Exchange gains on financing	3 694 102,24	1 786 404,86
Impairment losses		
Subsidiary shares	-26 307 275,46	0,00
Exchange losses on financing	-3 588 778,07	-1 757 789,66
Interest and other financial expenses		
Impairment of non-current assets investments	0,00	-2 000 000,00
For group companies	-82 249,06	-9 228,03
Others	-3 671 286,03	-2 396 452,19
<b>Total financial income and expenses</b>	<b>-17 549 448,19</b>	<b>2 468 688,05</b>

## 6. Income taxes

24

EUR	1/1-31/12 2022	1/1-31/12 2021
Income tax for the financial year	1 643 028,67	1 847 978,21
Income taxes on ordinary business operations for the previous financial year	-620,00	80 190,91
<b>Total income taxes</b>	<b>1 642 408,67</b>	<b>1 928 169,12</b>

## 7. Non-current assets

### Intangible assets

EUR	Intangible rights	Advances paid	Total intangible assets
Acquisition cost 1/1	11 686 919,67	4 665 667,79	16 352 587,46
Increase	23 263 581,12	3 010 234,45	26 273 815,57
Decrease		-5 848 394,19	-5 848 394,19
Transfers between balance sheet items	2 838 159,74		2 838 159,74
Acquisition cost 31/12	37 788 660,53	1 827 508,05	39 616 168,58
Accumulated depreciation 1/1	8 286 421,45	0,00	8 286 421,45
Accumulated depreciation of decreases and transfers			0,00
Depreciation for the financial year	1 035 323,03		1 035 323,03
Accumulated depreciation 31/12	9 321 744,48	0,00	9 321 744,48
<b>Carrying amount 31/12/2022</b>	<b>28 466 916,05</b>	<b>1 827 508,05</b>	<b>30 294 424,10</b>
Carrying amount 31/12/2021	3 400 498,22	4 665 667,79	8 066 166,01

### Tangible assets

EUR	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total tangible assets
Acquisition cost 1/1	202 291,01	123 564,35	21 120,61	346 975,97
Increase				0,00
Decrease				0,00
Transfers between balance sheet items				0,00
Acquisition cost 31/12	202 291,01	123 564,35	21 120,61	346 975,97
Accumulated depreciation 1/1	202 291,01	0,00	0,00	202 291,01
Depreciation for the financial year				0,00
Accumulated depreciation 31/12	202 291,01	0,00	0,00	202 291,01
<b>Carrying amount 31/12/2022</b>	<b>0,00</b>	<b>123 564,35</b>	<b>21 120,61</b>	<b>144 684,96</b>
Carrying amount 31/12/2021	0,00	123 564,35	21 120,61	144 684,96

### Investments

EUR	Interests in companies in the same group *)	Interests in associated companies	Others shares and interests	Other receivables	Total investments
Acquisition cost 1/1	117 831 754,28	3 795 797,14	10 160,00	18 346 449,88	139 984 161,30
Increase	5 419 652,16				5 419 652,16
Decrease	-33 942 144,34				-33 942 144,34
Acquisition cost 31/12	89 309 262,10	3 795 797,14	10 160,00	18 346 449,88	111 461 669,12
<b>Carrying amount 31/12/2022</b>	<b>89 309 262,10</b>	<b>3 795 797,14</b>	<b>10 160,00</b>	<b>18 346 449,88</b>	<b>111 461 669,12</b>
Carrying amount 31/12/2021	117 831 754,28	3 795 797,14	10 160,00	18 346 449,88	139 984 161,30

\*) EUR 25,368,000.00 in Teknos GMBH subsidiary shares written down.

\*\*) Other receivables include payments made to the capitalisation redemption policy. On 31 December 2022, the market capitalisation of the investments in the unit-linked contract amounted to EUR 19,157,170.32 (31 December 2021: EUR 21,924,297.33).

**8. Receivables**

EUR	31-12-22	31-12-21
<b>Non-current receivables</b>		
Receivables from companies in the same group		
Loan receivables	13 164 336,80	63 082 059,22
<b>Total non-current receivables</b>	<b>13 164 336,80</b>	<b>63 082 059,22</b>
<b>Current receivables</b>		
Receivables from companies in the same group		
Trade receivables	-1 816 039,41	3 240 999,54
Loan receivables	47 125 449,17	31 812 956,46
Accrued income and deferred expenses	11 557 407,83	11 464 428,53
Other receivables	1 513 075,71	310 732,59
Accrued income and deferred expenses		
Other accrued income and deferred expenses	2 028 279,42	1 009 217,47
<b>Total current receivables</b>	<b>60 408 172,72</b>	<b>47 838 334,59</b>

**9. Equity**

EUR	31-12-22	31-12-21
Share capital 1/1	8 700 000,00	8 700 000,00
Share capital 31/12	8 700 000,00	8 700 000,00
Retained earnings 1/1	123 931 848,38	118 547 510,44
Dividend distribution	0,00	-2 600 000,00
Retained earnings 31/12	123 931 848,38	115 947 510,44
Net profit for the financial year	-35 840 675,37	7 984 337,94
<b>Total unrestricted equity</b>	<b>88 091 173,01</b>	<b>123 931 848,38</b>
<b>Total equity</b>	<b>96 791 173,01</b>	<b>132 631 848,38</b>
<b>Calculation of distributable funds</b>		
Retained earnings	123 931 848,38	115 947 510,44
Net profit for the financial year	-35 840 675,37	7 984 337,94
<b>Total distributable funds</b>	<b>88 091 173,01</b>	<b>123 931 848,38</b>

The share capital is divided by share class as follows

The share capital consists of a total of 300,000 shares, all of which carry the same rights.

## 10. Non-current liabilities

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EUR	31-12-22	31-12-21
Loans from financial institutions	45 000 000,00	49 000 000,00 *)
Bond	0,00	15 000 000,00
Long-term accruals and deferred income	53 155,00	677 883,23
<b>Total non-current liabilities</b>	<b>45 053 155,00</b>	<b>64 677 883,23</b>

\*) TEUR 0 will mature after five years or more (2021: TEUR 0).

The Group's loan agreements have covenants, which were fulfilled during the financial year.

## 11. Current liabilities

EUR	31-12-22	31-12-21
Loans from financial institutions	39 055 786,30	34 232 088,77
Bond	15 000 000,00	0,00 *)
Trade payables	1 072 388,85	603 301,50
Liabilities to companies in the same group		
Trade payables	690 414,75	278 075,07
Loans to group companies	21 488 164,83	25 227 475,86
Other liabilities	0,00	4 548,36
Accrued expenses and deferred income	2 602 700,35	0,00
Other liabilities	189 462,04	504 252,91
Accrued expenses and deferred income		
Personnel expenses	1 789 919,05	1 572 856,80
Financial	396 622,79	855 197,66
Other accrued expenses and deferred income	333 228,67	92 536,13
<b>Total current liabilities</b>	<b>82 618 687,63</b>	<b>63 370 333,06</b>

\*) The bond is fixed in terms of interest rate and maturity and has no covenants.

## 12. Deferred tax assets and tax liabilities

EUR	31-12-22	31-12-21
<b>Deferred tax assets</b>		
Unused tax depreciation	663,55	1 078,67

Deferred tax assets or liabilities are not recognised in the balance sheet of the special purpose vehicle. Deferred taxes are recognised in the consolidated balance sheet, see Group note 13.

### 13. Contingent liabilities

27

EUR	31-12-22	31-12-21
Other contingent liabilities		
Guarantees on behalf of group companies	16 348 258,21	16 907 174,51
Leasing liabilities		
Mature during the next financial year	95 382,17	57 667,55
Mature later	229 804,94	69 095,18

#### Derivative instruments

##### Interest rate swaps

Hedged item: Syndicated loan agreement      30/6/2021 – 30/6/2026  
interest rate 3-month Euribor

Hedging derivative: Interest rate swap      15/6/2018 – 15/3/2025  
The Group receives the 3-month Euribor rate and pays fixed interest

Hedging derivative: Interest rate cap      5/7/2022 – 5/7/2025  
If the 3-month Euribor rate exceeds 1.5%, the counterparty will credit the difference to the Group

	31-12-22	31-12-21
Fair value of the interest rate swap on the balance sheet date	1 040 046,94	-580 376,82
Value of the underlying asset	19 333 333,34	19 333 333,34
Fair value of the interest rate cap on the balance sheet date	821 896,37	
Value of the underlying asset	20 000 000,00	

Hedge type: cash flow hedge

The cash flows of the interest rate swap are recognised in profit or loss for the same periods as the interest flows of the hedged loan.

##### Currency hedge agreements

Hedged item:

Teknos hedges foreign currency denominated internal loans as well as cash pool receivables and liabilities (SEK, CHF and USD)

Hedging derivative:  
Forward exchange transaction.

	31-12-22	31-12-21
Fair value of the agreement on the balance sheet date	1 035 298,29	-591 573,16
Value of the underlying asset	37 582 585,03	28 888 390,43

Hedge type: cash flow hedge

The cash flows of the currency hedge agreement are recognised in profit or loss for the same periods as the exchange gains and losses of the underlying foreign currency items.

#### 14. Auditor's fees

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EUR	1/1-31/12 2022	1/1-31/12 2021
Audit	34 500,00	24 500,00
Tax advisory	166 825,50	3 025,00
Other services	421 010,05	42 425,00
<b>Total auditor's fees</b>	<b>622 335,55</b>	<b>69 950,00</b>

#### 15. Related party transactions

The Group has purchased the intellectual property rights related to the recipes of the Group's products from the group companies for EUR 21,700,000. The Group has sold IT and administrative services to group companies for EUR 21,081,895.78.

The terms of the transactions concluded with related parties are equivalent to the terms of the transactions concluded with independent parties.

#### 16. List of accounting books and methods of storage

Financial statements and Directors' report	Separately bound
General journal and general ledger	In digital form
Ledger breakdowns	In digital form
Bank statements	In digital form
Purchase invoices	In digital form
Sales invoices	In digital form
Payroll accounting receipts	In digital form
Memo vouchers	In digital form

**PROFITS, SIGNATURES TO THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS, AND AUDITOR'S REPORT**

29

**Board of Directors' proposal for the distribution of profit**

The distributable funds of the parent company are EUR 88,091,173.01, of which EUR -35,840,675.37 represents the net profit for the financial year.

The Board of Directors proposes to the Annual General Meeting that no dividends be distributed.

**Signatures for the Directors' report and financial statements**

Helsinki, 2023

Juha Mört  
Chair of the Board

Paula Salastie  
Member of the Board  
CEO

Pekka Jaatinen  
Deputy Member of the Board

**Auditor's report**

A report has been given today on the audit carried out.

Helsinki, 2023

KPMG Oy Ab  
Firm of Authorised Public Accountants

Tero Hämäläinen  
Authorised Public Accountant



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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

## Auditor's Report

To the Annual General Meeting of Teknos Group Oy

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

#### **Opinion**

We have audited the financial statements of Teknos Group Oy (business identity code 2210042-4) for the year ended 31 December, 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.

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.

#### **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 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. 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 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 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 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 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 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.
- 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. 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, 22 March 2023

KPMG OY AB

**TERO HÄMÄLÄINEN**  
*Authorised Public Accountant, KHT*