oras invest

FINANCIAL STATEMENTS

2021

Contents

Board of Directors' report 2021

Oras Invest - an industrial owner

Oras Invest is a family company with a 75-year tradition of industrial entrepreneurship. Oras Invest focuses its ownership on industrial companies operating in the building and water industries. The aim is to create long-term, sustainable value growth by developing the companies through active board work and close cooperation with the management and other owners.

Oras Invest Group

Group structure

Oras Invest Group consists of the 100% owned subsidiary Oras Ltd and the associated companies Uponor Corporation (24.9% from outstanding shares) and Kemira Oyj (20.9%). There was an increase in Kemira shares during the year. Oras Invest divested its holding in Tikkurila Oyj (20.0%) in June 2021. Ownerships in Oras Group and Uponor remained unchanged.

Oras Group is a subgroup of Oras Invest Group. Oras Group consists of 100% owned companies in 14 European countries, with Oras Ltd as the parent company.

The financial statements of the consolidated Oras Invest Group have been prepared according to IFRS, International Financial Reporting Standards. The financial statements of the parent company, Oras Invest Ltd, have been prepared according to FAS, Finnish Accounting Standards.

Oras Invest Group's financial performance

Oras Group is fully consolidated (100% ownership) in Oras Invest Group's financial statements and Uponor Corporation and Kemira Oyj are accounted for as associated companies using the equity method.

Oras Group prepares its own consolidated financial statements. Full financial statements are available at Oras Ltd.

Oras Invest Group's liquid assets on 31 December 2021 were EUR 329.6 million (88.9). The balance sheet total was EUR 958.4 million (760.9) and shareholders' equity EUR 795.7 million (567.2).

Oras Invest Ltd – the parent

Oras Invest Ltd net sales and net profit for the period

Net sales of the parent company during the financial period were EUR 0.2 million (0.2).

Oras Invest Ltd's income from dividends during the financial period was EUR 32.9 million (31.3). In 2021, the Uponor Corporation paid a dividend of EUR 0.57 per share, which means that Oras Invest Ltd received EUR 10.3 million (9.6). Kemira Oyj paid a dividend of EUR 0.58 per share, which means that total dividends from Kemira amounted to EUR 18.4 million (17.5). Due to the tender offer Tikkurila Oyj did not distribute a dividend in 2021 (EUR 4.2 million in 2020). Oras Ltd paid a dividend of EUR 4 million (0) but no group contribution was granted to Oras Invest Ltd in 2021 (EUR 3.0 million in 2020).

Net profit of the parent company Oras Invest Ltd for the financial period was EUR 193.5 million (31.2). The net profit includes the gain from the divestment of the Tikkurila shares, EUR 162.2 million.

Financial status and financing

The liquid assets of Oras Invest Ltd on 31 December 2021 were EUR 297.6 million (18.7). The balance sheet total was EUR 876.0 million (719.1). Shareholders' equity was EUR 872.1 million (672.9) and total dividends distributed amounted to EUR 3.5 million.

In June 2021, Oras Invest Ltd received EUR 300.2 million in cash from the sale of its Tikkurila holding. The sale proceeds were invested in short-term financial instruments and held in cash. The company's liquidity was good. At the end of 2021, EUR 256.8 million was placed in short-term financial instruments.

ORAS INVEST LTD KEY FIGURES, FAS		2021	2020	2019
Net Sales	EUR million	0.2	0.2	0.2
Operating Profit	EUR million	-3.2	-2.8	-2.0
Profit for the Period	EUR million	193.5	31.2	26.7
Total Equity	EUR million	872.1	672.9	644.7
Balance Sheet Total	EUR million	876.0	719.1	690.3
Equity Ratio	%	99.6	93.6	93.4
Personnel, Average		4	4	3
Cash Flow	EUR million	24.4	14.8	-8.7

At the end of 2021, Oras Invest Ltd did not have any loans (EUR 45.0 million in 2020). The loan to market value ratio was -16% (2%).

Net Asset Value (NAV) at the end of 2021 was EUR 1,398 million (1,237). NAV comprises the market values of the shares held in Uponor and Kemira and the intrinsic value of Oras Group calculated as EBITDA*8 less net debt and market value of short-term financial instruments. Total Shareholder Return (TSR) for the financial period was 13.3% (40.6%).

Changes in industrial ownership

During the year, Oras Invest divested its entire holding in Tikkurila Oyj. Oras Invest acquired 721,783 shares in Kemira Oyj. This increased the ownership of Kemira from 20.5% to 20.9%. No other changes in industrial ownership were made during the financial period.

R&D and environment

Oras Invest Ltd is an industrial owner and does not conduct R&D or environmental activities. The activities of its industrial companies are presented as part of the respective financial statements.

Main events after the year-end

In January 2022, Oras Invest acquired 3,699,757 shares in Valmet Oyj and 6,966,538 shares in Neles Corporation. The merger of Neles Corporation into Valmet Oyj took place on April 1, 2022.

The attack by Russia on Ukraine in February 2022 has caused increased market volatility and created uncertainty to the outlook of the global economy and humanitarian crisis. The impact on Oras Invest Ltd's operations is unknown. Oras Group has decided to wind down its operations in Russia after the financial

year. The operations were not significant in size. This decision has no impact on the figures presented in the financial statements.

Oras Invest Outlook 2022

As an industrial owner, Oras Invest's outlook is directly related to the outlook and guidance statements published by its industrial companies, which are presented as part of their respective financial statements.

Risks

The main risks at Oras Invest Ltd arise from the long-term ownership of core investments. The high exposure to specific industries implies that changes in market conditions may affect the performance of the companies. The industry-specific risks are shared by four industrial manufacturing companies.

Oras Invest Ltd's ownership stakes are in companies in which the accounting currency is the euro. Thus, the currency risk in Oras Invest Ltd is indirect and arises from the international operations of each of the owned companies.

As a result of changing conditions in the financial market, it could transpire that new funding is unavailable or its cost increases.

Normal risks related to the industrial operations and product liabilities of Oras Group are covered by insurance.

The attack by Russia on Ukraine may have an impact on Oras Invest Ltd's operations but the extent of the impact is uncertain.

There is no ongoing litigation that might result in significant liability for damages.

Shares

The share capital of the company is as follows:

		2021	2020
A shares	(1 vote/share)	217,350	217,350
B1 shares	(no votes)	36,226	36,226
B2 shares	(no votes)	36,226	36,226
B3 shares	(no votes)	36,224	36,224
B4 shares	(no votes)	36,224	36,224
B5 shares	(no votes)	24,150	24,150
B6 shares	(no votes)	24,150	24,150
B7 shares	(no votes)	24,150	24,150

A shares confer an equal right to dividends. The dividend paid for B1–B7 shares will be determined separately, and the dividend/share may differ between share categories.

Dividend proposal

The Board of Directors proposes that Oras Invest Ltd distributes a EUR 16.10 dividend per A share, totalling EUR 3,499,335. The balance of the profit for the year will remain in retained earnings.

No material changes have occurred in the company's financial position since the balance sheet date. The company's liquidity is good, and the proposed dividend does not endanger the company's cash position.

Organisation, management and company auditors

Board of Directors: Jari Paasikivi (chairman), Timo Ihamuotila, Ulf Mattsson, Kaj Paasikivi, and Christoph Vitzthum. Michael Rauterkus was a member of the Board of Directors until July 31, 2021.

CEO: Annika Paasikivi

Auditors: Ernst & Young Oy, with Authorised Public Accountant Heikki Ilkka as the responsible auditor.

Oras Group

Net sales: EUR 233.5 million (226.1)

Operating profit (EBIT): EUR 29.4 million (17.7)

Cash flow after investments: EUR 13.1 million (43.4)

Gearing: 14.1% (-25.3%)

The overall activity remained positive in the main markets of Oras Group. The effects of the closure measures related to the COVID-19 pandemic caused challenges in the availability of raw materials and components and supply security. However, the demand for the products stayed at a good level during the whole year. The demand in the Nordic countries remained strong throughout the year. In Central Europe the demand continued at the same good level as in the second half of the previous year.

Net sales were EUR 233.5 million (226.1), growing by 3.3% (0.3%). Net sales increased in particular in the Nordic countries and in certain Central European countries but decreased in several Eastern European countries mainly due to constrains caused by the COVID-19. Net sales growth was somewhat limited by the availability of components.

The operating profit of Oras Group increased substantially thanks to higher net sales and lower one-off costs. The operating profit was EUR 29.4 million (17.7) and 12.6% (7.8%) of the net sales.

The costs for reorganizing support functions and German sales organization negatively affected the operating profit of the previous year. The operating profit of Oras Group excluding the one-off costs increased in 2021 compared to the previous year.

Oras Group's profit before comprehensive items for the financial period was EUR 26.5 million (13.3).

The financial position of Oras Group remained strong throughout the year. At the end of the year gearing was 14.1% (-25.3%) and the equity ratio was 35.6% (40.8%). The cash and cash equivalents amounted to EUR 32.0 million (70.2). Oras Group's balance sheet total was EUR 243.8 million (253.9) and equity was EUR 86.7 million (103.7).

The change in cash and cash equivalents was negative EUR -38.2 million (+36.8), including a repayment of capital loan of EUR 39.0 million and a group contribution payment of EUR 3.0 million relating to the year 2020. Company's capital expenditure was higher than in the previous year, and in addition, working capital increased due to decisions made to ensure the security of supply. No new corporate loan arrangements were agreed in 2021.

The number of building permits for residential construction and thus start-ups has decreased somewhat in Oras Group's key markets. On the other hand, renovation activity is likely to remain at a good level due to good order backlog and postponed renovations of housing companies. Despite of the uncertainty caused by the COVID-19 pandemic, demand in 2022 is expected to remain at least at 2021 levels.

The Board of Directors proposes that Oras Oy distributes a dividend of EUR 11.13 million for the financial year 2021.

ORAS GROUP KEY FIGURES, IFRS		2021	2020	2019
Net Sales	EUR million	233.5	226.1	225.4
Operating Profit	EUR million	29.4	17.7	-6.4
Profit for the Period	EUR million	26.5	13.3	-11.0
Total Equity	EUR million	86.7	103.7	95.4
Balance Sheet Total	EUR million	243.8	253.9	242.4
Equity Ratio	%	35.6	40.8	39.3
Personnel, Average		1,266	1,293	1,421

Uponor Group

Net sales: EUR 1,313.2 million (1,136.0)

Operating profit (EBIT): EUR 154.1 million (132.3)

Cash flow before financing: EUR 75.0 million (170.6)

Gearing: 4.3% (3.6%)

Earnings per share: EUR 1.33 (1.21)

In 2021, Uponor's net sales were EUR 1,313.2 million (1,136.0), a growth of 15.6%. Comparable operating profit was EUR 160.5 million (142.7), 12.2% (12.6%) of net sales. The company achieved a record year in both net sales and operating profit.

Building Solutions – Europe's net sales grew by 13.0% and the profitability improved significantly, comparable operating profit growing by 30.6%. The division's strong performance was driven by volume growth in all key markets combined with price increases and savings generated in the operational excellence programme. In October, Uponor completed the acquisition of the Polish company Capricorn S.A.

Buildings Solutions – North America's net sales grew by 20.2% and comparable operating profit improved by 13.5%. The division posted a record-breaking USD 100m in full-year operating profit. Demand remained at a good level in the residential segment, and the commercial segment recovered faster than expected from the COVID-19 shock that hit in 2020.

Uponor Infra's net sales grew by 13.8%, but the comparable operating profit declined by 14.1%. The profitability was impacted by higher raw material prices, which could not be fully compensated. The sales volumes and sales mix improved. Moreover, operational improvements in Finland continued.

In April, the company received approval from the Science Based Targets initiative for its new greenhouse gas emission reduction targets.

Excluding the impacts of currencies, Uponor expects its net sales and comparable operating profit to increase from 2021.

The Board proposes to the Annual General Meeting that a dividend of EUR 0.67 (0.57) per share be distributed, totalling EUR 48.6 million. The dividend shall be paid in two instalments.

UPONOR KEY FIGURES, IFRS		2021	2020	2019
Net Sales	EUR million	1,313.2	1,136.0	1,103.1
Operating Profit	EUR million	154.1	132.3	91.3
Profit for the Period	EUR million	103.4	96.1	55.3
Total Equity	EUR million	483.4	421.9	370.4
Balance Sheet Total	EUR million	967.2	868.4	833.2
Equity Ratio	%	50.2	48.7	44.6
Personnel, Average		3,871	3,708	3,801

Kemira Group

Net sales: EUR 2,674.4 million (2,427.2)

Operating profit (EBIT): EUR 170.1 million (215.9)

Cash flow after investments: EUR 57.3 million (173.3)

Gearing: 63.3% (63.0%)

Earnings per share: EUR 0.71 (0.86)

Kemira's 2021 net sales were EUR 2,674.4 million (2,427.2), a growth of 10%. This was a record revenue for Kemira, driven by strong organic growth in both segments. Operative EBITDA was EUR 425.5 million (435.1), 15.9% (17.9%) of net sales. Kemira's profitability was impacted by significantly higher raw material, energy, and transportation costs as well as supply chain bottlenecks. The margin was within Kemira's financial target range of 15-18%.

Pulp and Paper's net sales increased by 7%. Kemira saw strong demand across customer segments and in all regions. Operative EBITDA margin was 15.7% and it was impacted by inflationary pressures.

Industry and Water's net sales grew by 15%. The water treatment business continued to perform strongly driven by growing customer demand. The company also saw a significant revenue growth in the Oil & Gas business driven by the strong rebound in shale and oil sand tailing demand. Operative EBITDA margin was 16.2% following inflationary pressures.

During 2021, the company completed capacity expansions in the U.S., South Korea and the U.K. In addition, Kemira's bio-based strategy progressed during the year with first biodegradable coatings sales for the paper and board industry taking place in 2021.

Kemira expects net sales in local currencies, excluding acquisitions and divestments, to increase from 2021 (EUR 2,674.4 million). In terms of profitability, Kemira expects operative EBITDA to be within a +/-5% range of the operative EBITDA in 2021 (EUR 425.5 million).

The Board proposes to the Annual General Meeting that a dividend of EUR 0.58 (0.58) per share be distributed, totalling EUR 89 million (89). The dividend is proposed to be paid in two instalments.

KEMIRA KEY FIGURES, IFRS		2021	2020	2019
Net Sales	EUR million	2,674.4	2,427.2	2,658.8
Operating Profit	EUR million	170.1	215.9	194.4
Profit for the Period	EUR million	115.2	138.0	116.5
Total Equity	EUR million	1,342.7	1,205.3	1,231.0
Balance Sheet Total	EUR million	3,139.3	2,795,7	2,891.0
Equity Ratio	%	42.8	43.2	42.6
Personnel, Average		4,947	5,038	5,062

Consolidated statement of comprehensive income, IFRS

(EUR 1,000)	NOTE	1.1.-31.12.2021	1.1.-31.12.2020
Net sales	2	233,455	226,080
Change in inventories of finished goods and work in progress		3,593	-121
Other operating income	3	1,265	547
Materials and services		94,338	86,072
Personnel expenses	4	63,528	71,032
Depreciation and impairment	5	10,575	10,759
Other operating expenses		43,636	43,745
Operating profit		**26,236**	**14,898**
Financial income and expense	6	157,885	-2,550
Share of profit of associates		46,482	56,759
Profit before tax		**230,603**	**69,107**
Income tax expense	7	-4,484	-1,555
Net profit for the period		**226,119**	**67,552**

(EUR 1,000)	NOTE	1.1.-31.12.2021	1.1.-31.12.2020
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurements on defined benefit pensions		1,839	-711
Deferred taxes related to items that will not be reclassified to profit or loss		-477	182
Share of other comprehensive income of associates		12,993	-5,686
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates		13,151	-13,746
Other comprehensive income from the sold associate		8,643	
Change in fair value of financial asset		9,177	
Deferred taxes from other comprehensive items		-1,835	
Exchange rate differences on translation of foreign operations		236	-698
Other comprehensive income for the period		**43,727**	**-20,659**
Total comprehensive income for the period		**269,846**	**46,893**
Profit for the period attributable to:			
Equity holders of parent company		226,180	67,612
Non-controlling interest		-61	-60
Total comprehensive income for the period attributable to:			
Equity holders of parent company		269,907	46,953
Non-controlling interest		-61	-60

Consolidated balance sheet, IFRS

(EUR 1,000)	NOTE	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Goodwill	8	25,218	25,191
Intangible assets	8	35,296	38,186
Property, plant and equipment	9	47,017	39,412
Investments in associated companies	12	406,334	350,865
Financial assets	13	7,018	7,100
Receivables	14	283	258
Deferred tax asset	15	12,696	9,569
		533,862	**470,581**
Current assets			
Inventories	16	50,292	36,397
Accounts receivable and other receivables	17	44,669	26,616
Other financial assets	18	256,811	2,244
Cash and non-current deposits	19	72,814	86,611
		424,586	**151,868**
Assets classified as held for sale	20		138,491
Total assets		**958,448**	**760,940**

(EUR 1,000)	NOTE	31.12.2021	31.12.2020
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	21	6,521	6,521
Other capital reserves	21	20,146	20,133
Foreign currency translation reserve	21	1,625	-15,327
Fair value reserve	21	10,431	-1,989
Other invested capital	21		39,000
Retained earnings	21	756,863	518,735
Total equity attributable to the owners of the parent company		**795,586**	**567,073**
Non-controlling interest	31	71	132
Total equity		**795,657**	**567,205**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	24	41,608	41,765
Provisions	23	4,139	4,563
Employee benefit liabilities	22	18,396	20,756
Deferred tax liability	15	14,368	13,140
Other non-current liabilities	25	154	449
		78,665	**80,673**
Current liabilities			
Accounts payable and other liabilities	26	78,471	62,484
Interest-bearing liabilities	24	3,671	48,519
Provisions	23	868	953
Employee benefit liabilities	22	1,116	1,106
		84,126	**113,062**
Total liabilities		**162,791**	**193,735**
Total equity and liabilities		**958,448**	**760,940**

Consolidated cash flow statement, IFRS

(EUR 1,000)	1.1.-31.12.2021	1.1.-31.12.2020
CASH FLOW FROM OPERATIONS		
Profit before taxes	230,602	69,107
Adjustments		
Depreciation and impairment	10,575	10,759
Change in fair value of financial instruments	-4,375	
Financial income	-183,533	-31,448
Financial expense	1,668	2,319
Share of profit of associates	-17,852	-25,488
Unrealised exchange rate gains and losses	-275	408
Other non-cash items	-139	-1,552
Other adjustments	584	-140
Cash flow from operations before change in working capital	37,255	23,965
Change in trade and other non-interest bearing receivables (-/+)	-8,860	15,077
Change in inventories (-/+)	-13,895	2,029
Change in trade and other non-interest bearing liabilities (+/-)	12,513	6,711
Cash flow from operations before financial items and taxes	27,013	47,782
Interests paid and other financial items	-1,616	-1,443
Interests received	53	104
Dividends received	28,917	31,311
Income taxes paid	-3,708	-2,547
Cash flow from operations	**50,659**	**75,207**

(EUR 1,000)	1.1.-31.12.2021	1.1.-31.12.2020
CASH FLOW FROM INVESTMENTS		
Proceeds from sale of intangible and tangible assets	114	272
Investments in intangible and tangible assets	-11,767	-3,149
Investment in associate	-9,828	-12,876
Proceeds from sale of an associate	300,154	
Other financial assets	-250,200	
Change in other non-current receivables	-10	1
Cash flow from investments	**28,463**	**-15,752**
CASH FLOW FROM FINANCING		
Repayment of current interest-bearing liabilities	-45,000	
Dividends paid	-3,499	-2,999
Capital loan interest	-2,011	-1,338
Repayment of capital loan	-39,000	
Payment of lease liabilities	-3,498	-3,410
Cash flow from financing	**-93,008**	**-7,747**
Net change in cash and cash equivalents	**-13,886**	**51,708**
Cash and cash equivalents at 1 January	86,611	35,009
Exchange rate difference on cash	89	-106
Cash and cash equivalents at 31 December	72,814	86,611

Statement of changes in shareholders'equity, IFRS

2021 (EUR 1,000)	Balance at 1 January	Total comprehensive income for the period	Disposal of associate	Hedging	Decrease of other invested capital	Other equity distribution	Dividends paid	Share-based incentive plans from associated companies	Transfers between reserves and other adjustments	Balance at 31 December
Share capital	**6,521**									**6,521**
Premium reserve	**12,884**									**12,884**
Invested unrestricted equity fund	**6,100**									**6,100**
Other reserves	**1,149**								13	**1,162**
Foreign currency translation reserve	**-15,327**	8,660	8,292							**1,625**
Fair value reserve	**-1,989**	4,727	351	7,342						**10,431**
Other invested capital	**39,000**				-39,000					**0**
Retained earnings	**518,735**	240,535	1,471			-2,011	-3,499	1,645	-13	**756,863**
Equity attributable to the owners of the parent company	**567,073**	**253,922**	**10,114**	**7,342**	**-39,000**	**-2,011**	**-3,499**	**1,645**	**0**	**795,586**
Non-controlling interest	**132**	-61								**71**
Total equity	**567,205**	**253,861**	**10,114**	**7,342**	**-39,000**	**-2,011**	**-3,499**	**1,645**	**0**	**795,657**

2020 (EUR 1,000)										
Share capital	**6,521**									**6,521**
Premium reserve	**12,884**									**12,884**
Invested unrestricted equity fund	**6,100**									**6,100**
Other reserves	**1,181**								-32	**1,149**
Foreign currency translation reserve	**-982**	-14,345								**-15,327**
Fair value reserve	**-1,890**	-99								**-1,989**
Other invested capital	**39,000**									**39,000**
Retained earnings	**460,428**	61,397				-1,338	-2,999	1,214	33	**518,735**
Equity attributable to the owners of the parent company	**523,242**	**46,953**	**0**	**0**	**0**	**-1,338**	**-2,999**	**1,214**	**1**	**567,073**
Non-controlling interest	**192**	-60								**132**
Total equity	**523,434**	**46,893**	**0**	**0**	**0**	**-1,338**	**-2,999**	**1,214**	**1**	**567,205**

Notes to the consolidated financial statements, IFRS

1. ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

Oras Invest Group is an international industrial group. Group's parent company, Oras Invest Ltd, is domiciled in Rauma in the Republic of Finland. Its address is: P.O.Box 40 / Isometsäntie 2, FI-26101 Rauma, Finland. The company's shares are not listed on stock exchange. Its company registration number is 1908260-8. Oras Invest board has approved the publication of these financial statements in its meeting of 6 April 2022.

Oras Invest Group consists of 100% owned Oras Group and the associated companies Uponor Corporation (24.9% from outstanding shares) and Kemira Oyj (20.9%). Oras Group develops, manufactures and markets user-friendly, water and energy saving sanitary fittings. Biggest administration and group function units of Oras Group are in Finland, Germany and Poland. Manufacturing units are located in Finland, Poland and Czech Republic. Sales offices are located in Nordic countries, several Middle and Southern European countries and in Eastern Europe.

Accounting principles

The consolidated financial statements for the period 1.1.2021 - 31.12.2021 are prepared in accordance with the International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) and their SIC and IFRIC interpretations valid on 31 December 2021. In the Finnish Accounting Act and ordinances based on the provisions of the Act, IFRS refer to the standards and to their interpretations adopted in accordance with the procedures laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The consolidated financial statements include also additional information required by the Finnish Accounting Act and Company's Act.

The consolidated financial statements are presented in thousands of euros (tEUR), and they are based on the historical cost convention unless otherwise specified in the accounting principles section below.

Use of estimates and judgement

The preparation of consolidated financial statements under IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of financial statements, as well as the reported amounts of income and expenses during the reporting period. The use of judgement is needed in the application of accounting policies. Although these estimates are based on the management's best knowledge of current events and actions, actual result may ultimately differ from those estimates.

Consolidation principles

Subsidiaries

The consolidated financial statements include the parent company, Oras Invest Ltd, and those companies in which Oras Invest Ltd has direct or indirect control of over 50 % of the voting rights or otherwise has power to govern the financial and operating policies. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Subsidiaries acquired or established during the year are included from the time when the Group has obtained control.

Intra-group shareholdings are eliminated using the acquisition cost method. Accordingly, the assets and liabilities of an acquired company are measured at fair value on the date of acquisition. The excess of the acquisitions cost over fair value of the net assets have been recorded as goodwill. Based on the First-Time-Adoption of IFRS 1, any company acquisitions made prior to the IFRS transition date (1 January 2009) are not adjusted for IFRS. Intra-group transactions, receivables, liabilities, unrealised gains and dividends between group companies are eliminated in the consolidated financial statements. Unrealised losses are not eliminated in case of impairment.

Investment in an associate

Associated companies are entities over which the group has 20-50 % of the voting rights, or over which the group otherwise exercises significant influence. Holdings in associated companies are included in the consolidated financial statements using the equity method. Accordingly, the share of the post-acquisition profits and losses of associated companies is recognised in the income statement to the extent of the group's holding in the associated companies. When the group's share of losses of an associated company exceeds the carrying amount, it is reduced to nil and any recognition of further losses ceases, unless the group has an obligation to satisfy the associated company's obligations.

Goodwill represents the excess of the cost of an acquisition over the value of the net assets of the acquired company on the date of acquisition. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

After application of the equity method, it is determined whether there is any objective evidence that the investment in the associate is impaired. If this is the case the amount of impairment is calculated as the difference between the recoverable amount of the associate and its carrying value and the amount is recognised in the "share of profit of an associate" in the income statement.

Foreign currency translations

Figures for the performance and financial position of the group units are measured in the main currency of the unit's operating environment. The consolidated financial statements are in euros, which is the parent company's functional and presentation currency.

Foreign currency transactions are translated using the exchange rates on the transaction date. Outstanding receivables and payables in foreign currencies are stated using the exchange rates on the balance sheet date. Exchange rate gains and losses on actual business operations are treated as sales adjustment items or adjustment items to materials and services. Exchange

rate gains and losses on financing are entered as exchange rate differences in financial income and expenses.

In the consolidated financial statements, the income statements of the Group's foreign subsidiaries are converted into euros using monthly average exchange rates quoted for the reporting period. All balance sheet items are converted into euros using exchange rates quoted on the balance sheet date. The resulting conversion difference and other conversion differences resulting from the conversion of subsidiaries´ equity are shown as separate item in the equity. Realised conversion differences in connection with the redemption of material shares in subsidiaries are recognised as income or expense in exchange rate differences in the income statement.

Exchange rate differences on translation of foreign operations as well as share of other comprehensive items of investment in an associate related to translation difference are recorded through comprehensive income in Oras Invest Group. Accordingly, foreign currency translation reserve consists of these items.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale and assets related to discontinued operations are formed once the company, according to a single co-ordinated plan, decides to dispose of a separate significant business unit, whose net assets, liabilities and financial results can be separated operationally and for financial purposes. Non-current assets held for sale are shown separately in the consolidated balance sheet. Profit or loss from a discontinued operation and gains or losses on its disposal are shown separately in the consolidated income statement. Assets related to non-current assets held for sale and discontinued operations are assessed at book value, whether it is lower, at fair value less costs to sell. Depreciation from these assets has been discontinued at the date of classifying assets as non-current assets held for sale and discontinued operations.

On December 18, 2020 PPG Industries Inc. and Tikkurila entered into a combination agreement, according to which PPG Industries Inc. commenced a voluntary recommended public cash tender offer for all issued and outstanding shares in Tikkurila on January 15, 2021. The investment was reclassified as asset held for sale and thereby the equity method accounting was discontinued as of 2020. Oras Invest Group divested its holding in Tikkurila Oyj in June 2021.

To reduce the complexity and improve its competitiveness, Oras Invest Group restructured its European production and closed down the Burglengenfeld plant in Germany during year 2019. After the decision was done in 2019 the depreciation was discontinued and plant was reclassified as asset held for sale. The asset has been sold during 2021.

Revenue recognition

This accounting policy describes the Group's revenue recognition as well as gives the necessary information for the user of the financial statements to understand the performance obligations, timing of revenue recognition and significant judgements made by the management.

The standard requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Group is in the business of providing user-friendly, water and energy saving sanitary fittings. The revenue streams are mainly from sale of these goods. The Group is acting as principal in all the customer contracts as the Group provides the goods and services itself to a customer and controls the specified goods and services before they are transferred to a customer.

Management's judgements have been applied in the following areas:

- Right of return
- Determination of the amount of variable consideration

These management's judgements have been further elaborated in this disclosure.

Sale of goods

The sale of goods includes products. Each good provided to the customer is distinct from the other products provided to the customer and therefore, each good is considered as a separate performance obligation.

The Group recognises the revenue from the goods at a point in time. When determining the timing of revenue recognition, the Group analyses the delivery terms and customer acceptance clauses in order to define the exact timing of the control being transferred. When certain terms are met, products have a right of return, and the Group has assessed the amount on basis of historical data.

The invoicing frequency is linked to the delivery e.g. invoicing takes place when the goods have been delivered.

Variable consideration

The amount of consideration that the Group is entitled to may vary due to items of variable consideration. Relevant variable consideration for the Group includes rebates, refunds and marketing fees.

Sale of goods may typically include variable considerations such as rebates, bonuses, loyalty program, returns and marketing support. Rebates, bonuses and loyalty program are variable in nature and the Group accrues these on monthly basis. Returns are recognised and credited to customer when the criteria is met. Unconditional marketing support is recorded against the revenue. In case marketing support is conditional, it is recorded as marketing expense.

The Group estimates the amount of variable consideration at the contract inception. When estimating the amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. In the sale of goods, the application of the constraint does not have a significant impact of revenue recognition as variable considerations in the sale of goods are immaterial.

Other topics

Warranties: The Group generally provides warranties for general repairs of defects that exists at the time of sale, as required by law. Warranties are thus assurance-type warranties and are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Refund liabilities: A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and it is measured at the amount that the Group ultimately expects it will have to refund to the customer. At the end of each reporting period, the Group updates its assessment on the amount of refund liabilities.

The Group's contracts with customers do not include significant financial components, non-cash considerations or costs to obtain a contract.

Research and development

Research costs are expensed as incurred and they are included in the consolidated income statement under other operating expenses. Development costs are expensed as incurred, unless the criteria for capitalising these costs as assets are met accordance with IAS 38. Product development costs are capitalised in the balance sheet as intangible assets from the

moment the product can be technically implemented, applied commercially and expected to generate future economic benefits. Capitalized development costs comprise the material, work and testing of expenditure that is the direct result of the process of completing the products for its intended use.

Depreciation and amortisation expenses are recognized from the moment the item is ready for use. Items that are not yet ready for use are tested each year for impairment. Capitalized development costs are measured after the original recognition after impairment and acquisition cost depreciation have been deducted from them. Capitalized costs are recognized as straight-line depreciation and the useful life of capitalized development costs is five years.

Employee benefits

The Group's pension schemes comply with each country's local rules and regulations. Pensions are classified as defined contribution plans or defined benefits plans. Most of the employee benefits in the Group apply defined contribution plans. Within the defined contribution plan, pension contributions are paid directly to insurance companies and once the contributions have been paid; the Group has no further payment obligations. These contributions are recognised in the income statement for the accounting period during which such contributions are made.

In addition to defined benefit pensions, the Group has other non-current employee benefits, such as long-service benefit and one off payment provision. These plans are classified as defined benefit plans.

The defined benefit liability or asset, which has arisen from the difference between the present value of the obligations and the fair value of plan assets, has been entered in the statement of financial position. The obligations for defined benefit plans are based on actuarial calculations. The defined benefit obligation is measured as the present value of the estimated future cash flows using interest rates of government securities that have maturity terms approximating the terms of related liabilities or similar non-current interests. Actuarial gains or losses of defined benefit plans as well as the realized return on plan assets after deducting the net interest costs are recognized in other comprehensive income in the period in which they occur.

Operating profit

Operating profit is an income statement item, which is calculated by deducting expenses related to operating activities from net sales.

Financing costs

Financing costs are recognised in the income statement as they incur.

Income taxes

Income taxes in the consolidated income statement comprise taxes based on taxable income recognised for the period by each group company on an accrual basis, according to local tax regulations including tax adjustments from the previous periods and changes in deferred tax. Deferred tax assets or liabilities are calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, using the tax rate effective on the balance sheet date. Deferred tax assets are recognised to the extent that it appears probable that future taxable profit will be available against which the temporary differences can be utilised.

Intangible assets

Goodwill

Goodwill represents future economic benefits arising from assets that are not capable of being individually identified and separately recognised by the Group. Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the acquired company on the date of acquisition. Goodwill is not amortised, but is tested for impairment annually. Gains and losses on the disposal of a Group entity include any goodwill relating to the entity sold.

Other intangible assets

Other intangible assets include trademarks, patents, customer relationships, capitalised development costs and software licenses. Intangible assets are recognised in the balance sheet at historical costs less accumulated amortization according to the expected useful life and any impairment losses.

Property, plant and equipment

Group companies' property, plant and equipment are measured at historical cost minus accumulated depreciation and any impairment losses. Ordinary repair and maintenance costs are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the asset's carrying amount when it is probable that the Group will derive future economic benefits in excess of the originally assessed standard of performance of the existing asset.

Gains or losses on disposal, divestment or removal from use of property, plant and equipment are based on the difference between the net gains and the balance sheet value. Gains are shown under operating income and losses under other operating expenses.

Depreciation and amortization

Intangible and tangible assets are valued at acquisition cost less accumulated depreciation or amortization during the useful life of the assets and possible impairment losses. Depreciation is calculated on a straight-line basis on the acquisition cost over the asset's expected useful life as follows:

- Intangible assets 3-25 years
- Buildings 10-50 years
- Structures 10 years
- Machinery and equipment 3-12 years
- Other tangible assets 10-30 years

Grants

Grants received from the Government and other sources are entered into the income statement as adjustment for expenses or shown on other operating income. Grants connected with the acquisition of intangible or tangible assets are deducted from the acquisition cost.

Impairment

The balance sheet values of assets are assessed for impairment on a regular basis. Should any indication of an impaired asset exist, the asset's recoverable amount shall be assessed. The recoverable amount is the fair value of the asset minus sales-related expenditure or a higher value in use. The value in use refers to the estimated future net cash flows, discounted at their present value, that arise from the assets in question or the unit generating cash flows. The need for impairment is examined at the level of units generating cash flows, in other words, at the lowest unit level which is largely independent of other units and the cash flows of which can be separated from other cash flows.

The impairment loss is recognised in the income statement when the book value of the asset is higher than the recoverable amount. The useful life of the asset to be depreciated is reassessed in connection with the recognition of the impairment loss. An impairment loss recognized in connection with other assets than goodwill will be reversed if there have been changes in the assessments used for determining the recoverable amount. The impairment loss to be

reversed may, however, not exceed the book value the asset would have without the recognition of the impairment loss. Any impairment loss on goodwill is not reversed.

Goodwill is assessed for impairment at least annually.

The impairment tests performed did not reveal any need to recognize impairment losses. The pre-tax discount rate (WACC) used in the testing was 8.2 %.

Leases

IFRS 16 standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard requires lessees to account for the majority of lease contracts under a single on-balance sheet model.

Oras Invest Group leases assets comprising mainly premises, cars, forklifts and equipment. At contract inception, Group determines whether the contract is, or contains, a lease. A contract is determined as a lease contract if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Oras Invest Group recognizes a right-of-use asset and a lease liability corresponding to the present value of future lease payments in the consolidated statement of financial position at the commencement date of the lease.

Lease liabilities

At the commencement date of the lease, Oras Invest Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date. Oras Invest Group does not have contracts including variable lease payments. The lease contracts may also contain payments of penalties for terminating the leases. Oras Invest Group includes the termination penalty in the lease payments if it has determined that there is a reasonable certainty of terminating the lease. VAT is not included in the carrying amount of the lease liability. The Group has analysed the expected lease term and thereby assessed whether it is reasonably certain that any options to extend or terminate the agreements will be exercised for the lease contracts.

Oras Invest Group calculates the present value of the lease payments using the incremental borrowing rate. The incremental borrowing rate is defined in IFRS 16 as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Oras Invest Group has determined the incremental borrowing rates taking into consideration the financial environment of the contract, the maturity of the lease agreements and the different economic environments. Based on these factors the Group uses an interest rate matrix to determine the appropriate discount rate in different lease contracts.

Right-of-use asset

Oras Invest Group recognizes right-of-use assets at the commencement date of the lease which is the date when the underlying asset is available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life. The lease terms of the Group's right-of-use assets are generally between 3 to 10 years. Right-of-use assets are subject to impairment testing.

Short-term leases and leases of low-value assets

Oras Invest Group applies the short-term lease recognition exemption to its short-term leases and does not recognize leases with a lease term of 12 months or less from the commencement date. In determining whether a contract is a short-term lease contract the Group takes into account reasonable certainty of exercising extension and termination options similarly as for other leases. If a lease contains a purchase option, Oras Invest Group does not consider it to be a short-term lease.

Oras Invest Group also applies the recognition exemption related to leases with low-value assets. In determining whether a lease contains a low-value asset, the Group considers the value of the underlying asset when new and not in its current age and condition. Lease payments relating to short-term leases and leases with low value are recognized as an expense on a straight-line basis over the lease term.

Significant judgements

IFRS 16 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. Oras Invest Group has analysed the expected lease term and thereby assessed whether it is reasonably certain that any options to extend or terminate the agreements will be exercised for the lease contracts. Oras Invest Group has lease agreements with either a fixed lease term or which are valid until further notice.

Oras Invest Group evaluates the lease term on a case by case basis. For lease agreements valid until further notice, Oras Invest Group has determined the lease term using the expected termination date based on its best estimate. The Group will revise the lease term if there is a change in the estimate or in the non-cancellable period of a lease.

Inventories

Inventories are measured at acquisition cost or at net realisable value, whichever is lower. The net realisable value is the price received on the date of sale, less expense. In addition to the cost of materials and direct labour, an appropriate proportion of production overheads are included in the inventory value of finished products and work in progress.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions may be connected with such matters as restructuring operations, loss-making contracts, court cases or warranty costs. Changes in provisions are included in relevant expenses on the income statement.

Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of uncertain future events not wholly within the control of the entity. Such present obligation that probably does not require a settlement of a payment obligation or the amount of which cannot be reliably measured is also considered to be a contingent liability. Contingent liabilities are disclosed in the notes to the financial statements.

Cash and short-term deposits

Cash and short-term deposits include cash in hand and deposits that can be withdrawn on request.

Financial assets

Financial assets are classified as follows: amortized cost, fair value through other comprehensive income

and fair value through profit and loss. Sales and purchases of financial assets are recognised at their trading date.

Fair value through profit and loss

Fair value through profit and loss include financial assets held for trading and measured at fair value. Financial assets at fair value through profit and loss have been acquired principally for the purpose of generating a profit from short-term fluctuations in market prices. Derivative instruments, for which hedge accounting is not applied, are included in financial assets at fair value through profit and loss and are recognised in the balance sheet at historical cost and valued at fair value on each balance sheet date. Fair value is determined using market prices at the balance sheet date, or the present value of estimated future cash flows. Changes in the fair value of financial assets at fair value through profit and loss, and realised and unrealised gains and losses, are included in the income statement in financial items in the period in which they occur. Fair value through profit and loss are presented under the other current assets in the balance sheet.

Amortized cost

Amortized cost items are non-derivative assets with fixed or determinable payment dates that are not quoted in the active markets or held for trading purposes. Loans and receivables are measured at amortised cost. Accounts receivable are carried at expected fair value, which is the original invoice amount less the provision made for impairment of these receivables. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, the probable bankruptcy of the debtor or default in payments are considered as probable indicators for the impairment of accounts receivable. Impairment of a loan receivable is assessed with the same criteria as an impairment of accounts receivable.

Fair value through other comprehensive income

Fair value through other comprehensive income assets consist of holdings in listed and non-listed companies and investments. Fair value through other comprehensive assets are measured at fair value based on market prices on the balance sheet date, or using the net present value method of cash flows, or another revaluation model. If the fair value of a holding or investment cannot be measured reliably, it will be measured at cost. Changes in the fair value of other comprehensive income assets are recognised in the fair value reserve under shareholders' equity, taking tax consequences into account. Changes in the fair value will be re-entered from shareholders' equity into the consolidated statement of comprehensive income when the asset is disposed of or has lost its value to the extent that an impairment loss must be recognised.

Financial liabilities

Financial liabilities at fair value through profit and loss are measured at their fair value.

Other financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Transaction costs are included in the original book value of financial liabilities. Other financial liabilities include non-current and current interest-bearing liabilities and accounts payable.

Derivative contracts and hedge accounting

The Group may use derivative contracts to decrease cash flow risks. Financial derivatives are used for hedging purposes and are initially recognized in the balance sheet at fair value and are subsequently re-measured at fair value on each balance sheet date. At the contract date derivatives are classified as either cash flow hedges or hedges that hedge accounting is not applied to. For derivatives, that hedge accounting is not applied to, the changes in fair value are recognized under financial items in the consolidated statement of comprehensive income. The fair values of derivatives are determined on the basis of publicly quoted market prices.

Fair value changes of financial derivatives, which are designated as cash flow hedges, are recognized in other comprehensive income in the hedge reserve to the extent that the hedge is effective. Accumulated fair value changes in the other comprehensive income are released into the consolidated statement of comprehensive income under financial items in the period during which the hedged cash flow affects the result.

As of 31.12.2021 Oras Invest Ltd has Total Return Swap instruments for the purpose of hedging the future cash flow related to acquisition of shares of publicly listed company.

Dividends

Dividends paid by the Group are recognised for the period during which their payment is approved by the shareholders in the Annual General Meeting.

Accounting policies requiring consideration by management and essential uncertainty factors associated with estimates

Estimates and assumptions regarding the future must be made during the preparation of the financial statements, and the outcome may differ from the estimates and assumptions. Furthermore, the application of accounting principles requires consideration.

Group management needs to make decisions regarding the selection and application of accounting principles. These judgements are in particular required in those cases in which the IFRS in force provide the opportunity to choose between various accounting, valuation or presentation methods.

The estimates made in connection with preparing the financial statements reflect the management's best view at the time of the closing the accounts. These estimates are affected by historical experience and assumptions regarding future developments, which are regarded as well-founded at the time of closing the accounts. On a regular basis, the Group monitors the realisation of these estimates and assumptions through internal and external information sources. Any changes in estimates and assumptions are recognised in the financial statements for the period during which such corrections are made, and all subsequent financial periods.

Estimates have been used in determining the size of items reported in the financial statements, including, among other things, the realisability of certain asset items, such as deferred tax assets and other receivables, the economic useful life of property, plant and equipment, provisions, pension liabilities and impairment on goodwill.

From Group's perspective, judgement is used in impairment testing of goodwill, accounting of defined benefit-based pension obligations and valuation of deferred tax asset. The application of the related accounting policies requires use of estimates and assumptions. Uncertainty factors in connection with impairment testing on goodwill relate to the assumptions made on future cash flows and determining the discount rate. The Group's weighted average capital cost rate (WACC), is used as the discount rate in impairment tests. The book value of the defined benefit-based pension obligation is based on actuarial calculations, which in turn are based on the assumptions and estimates of a discount rate used for assessing plan assets and obligations at their current value, the expected rate of return on plan assets and developments in inflation, salary and

wage levels. Deferred tax asset valuation is based on assessment of entity's ability to generate taxable profit during coming years.

Application of new IFRS standards and interpretations

New and adopted IFRSs and Interpretations in 2021:

- **Amendment to IFRS 16 Leases: COVID-19 Related Rent Concessions beyond 30 June 2021.** The amendment allows the lessees not to account for rent concessions as lease modifications if the concessions are a direct consequence of the COVID-19 pandemic and only if certain conditions are met.
- **IFRS Interpretation Committee decision to standard IAS 38 Intangible Assets: Configuration or Customisation Costs in a Cloud Computing Arrangement.** The Interpretation clarifies how to recognise costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement.
- **Amendments to standards IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases: Interest rate Benchmark Reform - Phase 2.** The amendments provide guidance on presentation of the effects of the interest rate benchmark reform and the reform of interbank offered rates (IBOR).

Application of these new and revised IFRSs has had no material effect on the Group's consolidated financial statements.

Application of new and revised IFRSs in issue but not yet effective:

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. Oras Invest Group intends to adopt these standards, if applicable, when they become effective.

- Amendments to IAS 16: Proceeds before Intended Use, effective for the accounting periods beginning on or after 1 January 2022.
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract, effective for the accounting periods beginning on or after 1 January 2022.
- Annual Improvements to IFRS Standards 2018-2020, effective for the accounting periods beginning on or after 1 January 2022.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current, effective for the accounting periods beginning on or after 1 January 2023.
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies, effective for the accounting periods beginning on or after 1 January 2023.
- Amendments to IAS 8: Definition of Accounting Estimates, effective for the accounting periods beginning on or after 1 January 2023.

However, it is estimated that these amendments and improvements do not have significant impact on reported figures.

Notes to consolidated statement of comprehensive income

2. NET SALES

(EUR 1,000)	2021	2020
Sales of goods	233,455	226,080
Total	233,455	226,080

3. OTHER OPERATING INCOME

(EUR 1,000)	2021	2020
Gains from sales of fixed assets	85	172
Rental income	63	40
Grants	153	257
Insurance compensation	847	
Other items	117	78
Total	1,265	547

4. EMPLOYEE BENEFITS

(EUR 1,000)	2021	2020
Salaries, wages and bonuses	52,264	60,393
Pension expenses, defined contribution plans	6,060	5,875
Pension expenses, defined benefit plans	-250	-507
Other social security expenses	5,454	5,271
Total	63,528	71,032
Number of personnel		
Average number of personnel during fiscal year	1,270	1,297
Number of personnel 31.12.		
white-collar workers	538	585
blue-collar workers	716	724
Total	1,254	1,309

5. DEPRECIATION AND AMORTISATION

(EUR 1,000)	2021	2020
Depreciation according to plan	7,337	7,552
Depreciation of right-of-use assets	3,238	3,207
Total	10,575	10,759

6. FINANCIAL INCOME AND EXPENSES

(EUR 1,000)	2021	2020
Financial income		
Dividend income from others	287	40
Interest income	81	53
Exchange rate differences	697	
Change of fair value of financial instruments	4,375	
Profit from associated companies sold	154,521	
Other financial income	77	84
Total	160,038	177
Financial expenses		
Interest expenses	1,442	1,414
Interest expenses, lease liabilities	474	395
Exchange rate differences		498
Other financial expenses	237	420
Total	2,153	2,727
Financial income and expenses total	157,885	-2,550

7. INCOME TAXES

(EUR 1,000)	2021	2020
Current year and previous years' taxes		
Taxes based on taxable income for fiscal year	8,676	3,833
Taxes from previous fiscal years	29	-743
Deferred taxes	-4,221	-1,535
Total	4,484	1,555
Tax reconciliation		
Profit before taxes	230,602	69,107
Share of profit of associates	46,482	56,759
	184,120	12,348
Taxes calculated at parent company's tax rate (20,0 %)	36,824	2,470
Differing tax rates of foreign subsidiaries	893	394
Non-deductible expenditure	237	208
Tax-exempt income	-28,539	-27
Utilization of tax losses not recognized	-1,792	-19
Taxes from previous fiscal years	29	-743
Tax losses carried forward not recognized	89	483
Recognition of deferred taxes from tax losses	-3,238	-1,187
Items not recognized in income statement	92	123
Other items	-111	-147
Total	4,484	1,555
Effective tax rate %	1,94%	2,25%

The treatment of tax-exempt income in 2021 has been challenged and the appeal process is ongoing.

Notes to the consolidated balance sheet, IFRS

8. GOODWILL AND INTANGIBLE ASSETS

Oras Invest Group acquired Hansa on 30 September 2013 and goodwill amounting to 25.359 tEUR was recognized as a result of purchase price allocation. During 2014 purchase price was adjusted and amount of goodwill as of 31 December 2014 was 24.609 tEUR. In connection of acquisition of Hansa, customer relationships and trademark value was identified.

Oras Invest Group acquired Amphiro AG on 6 July 2018 and goodwill amounting to 540 tEUR was recognized as a result of purchase price allocation. In connection of acquisition of Amphiro AG, technology intangibles and trademark value was identified.

Apart from goodwill, Oras Invest Group does not have any other intangible assets with indefinite useful lives.

According to the IFRS 3 standard, goodwill is not depreciated, but it is tested at least annually for any impairment. If a unit's carrying value does not exceed goodwill amount, impairment is booked.

Impairment test is carried out at Oras Group level as the synergies obtained from the acquisition will benefit the whole Oras Group. Cash flow forecasts related to goodwill cover a period of five years. Terminal value is calculated from the fifth year's cash flow. Cash flow forecasts are based on the strategic plans approved by the management. Key assumptions of the plans relate to growth and profitability development of the markets and the product offerings. A cash-generating unit's useful life has been assumed to be indefinite, since this unit has been estimated to impact on the accrual of cash flows for an undeterminated period. The discount rate used is based on the interest rate level reflecting the average yield requirement for the cash generating unit. The discount rate (pre-tax) used was 8.2 per cent. The 2021 goodwill impairment test indicated that there was no need to record impairment.

During the financial years 2021 and 2020 there were no business acquisitions.

2021 (EUR 1,000)	Goodwill	Trademark	Intangible rights	Other intangible assets	Customer relationships	Capitalized development costs	Total
Acquisition cost on 1 Jan	25,191	17,828	1,364	5,183	39,900	2,316	91,782
Conversion difference	27	5	7	26			65
Increases							0
Disposals				-55			-55
Other changes							0
Acquisition costs 31 Dec	25,218	17,833	1,371	5,154	39,900	2,316	91,792
Accumulated amortisation and impairment 1 Jan		8,583	1,336	4,599	11,571	2,316	28,405
Conversion difference		1	7	6			14
Amortisation		1,188	4	126	1,596		2,914
Impairment							0
Cumulative amortisation on disposals and transfers				-55			-55
Accumulated amortisation and impairment 31 Dec		9,772	1,347	4,676	13,167	2,316	31,278
Book value 1 January	25,191	9,245	28	584	28,329	0	63,377
Book value 31 December	25,218	8,061	24	478	26,733	0	60,514

2020 (EUR 1,000)							
Acquisition cost on 1 Jan	25,189	17,828	1,385	7,631	39,900	2,316	94,249
Conversion difference	2		1	-3			0
Increases				32			32
Disposals			-22	-2,477			-2,499
Other changes							0
Acquisition costs 31 Dec	25,191	17,828	1,364	5,183	39,900	2,316	91,782
Accumulated amortisation and impairment 1 Jan		7,395	1,351	6,924	9,975	2,316	27,961
Conversion difference			1	-5			-4
Amortisation		1,188	4	154	1,596		2,942
Impairment							0
Cumulative amortisation on disposals and transfers			-20	-2,474			-2,494
Accumulated amortisation and impairment 31 Dec		8,583	1,336	4,599	11,571	2,316	28,405
Book value 1 January	25,189	10,433	34	707	29,925	0	66,288
Book value 31 December	25,191	9,245	28	584	28,329	0	63,377

9. PROPERTY, PLANT AND EQUIPMENT

2021 (EUR 1,000)	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Acquisition cost on 1 Jan	822	38,871	94,170	3,120	1,448	138,431
Conversion difference	9	179	377	1	-4	562
Increases		2,332	1,563	19	11,367	15,281
Disposals		-472	-464			-936
Other changes		184	2,498	8	-2,690	0
Acquisition costs 31 Dec	831	41,094	98,144	3,148	10,121	153,338
Accumulated depreciation and impairment 1 Jan		21,494	74,947	2,578		99,019
Conversion difference		126	49			175
Depreciation		2,500	5,149	12		7,661
Impairment						0
Cumulative depreciation on disposals and transfers		30	-564			-534
Accumulated depreciation and impairment 31 Dec		24,150	79,581	2,590		106,321
Book value 1 January	822	17,377	19,223	542	1,448	39,412
Book value 31 December	831	16,944	18,563	558	10,121	47,017
of which right-of-use assets on 31.12.		11,577	2,728			14,305

2020 (EUR 1,000)						
Acquisition cost on 1 Jan	847	39,111	109,284	3,134	1,371	153,747
Conversion difference	-25	-374	-888		-32	-1,319
Increases		139	1,296		2,991	4,426
Disposals		-11	-18,398	-14		-18,423
Other changes		6	2,876		-2,882	0
Acquisition costs 31 Dec	822	38,871	94,170	3,120	1,448	138,431
Accumulated depreciation and impairment 1 Jan		19,335	88,443	2,572		110,350
Conversion difference		-347	-783			-1,130
Depreciation		2,517	5,280	20		7,817
Impairment						0
Cumulative depreciation on disposals and transfers		-11	-17,993	-14		-18,018
Accumulated depreciation and impairment 31 Dec		21,494	74,947	2,578		99,019
Book value 1 January	847	19,776	20,841	562	1,371	43,397
Book value 31 December	822	17,377	19,223	542	1,448	39,412
of which right-of-use assets on 31.12.		11,639	2,666			14,305

10. RIGHT-OF USE ASSETS AND LEASE LIABILITIES

Oras Invest Group leases premises, cars, forklifts and equipment. The lease terms of the Group's right-of-use assets are generally between 3 to 10 years. An expense amounting to 35 tEUR (50 tEUR 2020) has been recognized in other operating expenses from short-term items and items of low value leases.

2021 (EUR 1,000)	Buildings and structures	Machinery and equipment	Total	Lease liabilities
Opening balance on 1 January	11,639	2,666	14,305	14,546
Translation differences	6	337	343	31
Increases	2,327	1,232	3,559	3,377
Disposals	-467	-197	-664	-390
Depreciation for the year	-1,928	-1,310	-3,238	
Payments				-3,024
Closing balance on 31 December	11,577	2,728	14,305	14,540

2020 (EUR 1,000)				
IFRS 16 implementation	13,125	2,956	16,081	16,304
Translation differences	213	191	404	325
Increases	131	1,178	1,309	1,261
Disposals		-282	-282	-329
Depreciation for the year	-1,830	-1,377	-3,207	
Payments				-3,015
Closing balance on 31 December	11,639	2,666	14,305	14,546

(EUR 1,000)	2021	2020
Depreciation expense of right-of-use assets	3,238	3,207
Interest expense on lease liabilities	474	395
Total amounts recognized in profit of loss	3,712	3,602

Maturity of lease liabilities is disclosed in note 24.

11. BOOK VALUES AND FINANCIAL ASSETS AND LIABILITIES BY ITEM GROUPS

VALUES 31 DECEMBER 2021

Balance item	Note	Financial items at fair value through profit and loss	Amortized cost	Financial items at fair value through comprehen-sive income	Total	IFRS 7 Fair value hierarchy level
Non-current financial assets						
Other shares	13		282		282	
Financial assets	13	6,736			6,736	1
Receivables	14		283		283	
Current financial assets						
Accounts receivable and other receivables	17		35,492		35,492	
Derivative contracts	17			9,177	9,177	2
Other financial assets	18	256,811			256,811	1
Cash receivables	19		72,814		72,814	
Value by item groups		**263,547**	**108,871**	**9,177**	**381,595**	
Non-current financial liabilities						
Interest-bearing non-current liabilities	24		41,583		41,583	
Other non-current liabilities	25		154		154	
Current financial liabilities						
Interest-bearing current liabilities	24		3,696		3,696	
Accounts payable and other liabilities	26		78,471		78,471	
Value by item groups		**0**	**123,904**	**0**	**123,904**	

VALUES 31 DECEMBER 2020

Balance item	Note	Financial items at fair value through profit and loss	Amortized cost	Financial items at fair value through comprehen-sive income	Book value	IFRS 7 Fair value hierarchy level
Non-current financial assets						
Other shares	13		275		275	
Financial assets	13	6,825			6,825	1
Receivables	14		258		258	
Current financial assets						
Accounts receivable and other receivables	17		26,616		26,616	
Other financial assets	18	2,244			2,244	1
Cash receivables	19		86,611		86,611	
Value by item groups		**9,069**	**113,760**	**0**	**122,829**	
Non-current financial liabilities						
Interest-bearing non-current liabilities	24		41,765		41,765	
Other non-current liabilities	25		449		449	
Current financial liabilities						
Interest-bearing current liabilities	24		48,519		48,519	
Accounts payable and other liabilities	26		62,484		62,484	
Value by item groups		**0**	**153,217**	**0**	**153,217**	

The carrying value of financial assets and liabilities is considered to correspond to their fair value. Group's financial instruments are classified according to IFRS 7 fair value hierarchies.

Determination and Hierarchy of Fair Values

Level 1: the measure of instrument is based on quoted prices in active markets for identical assets or liabilities.

Level 2: the measure for the instrument include also other than quoted prices observable for the assets or liability, either directly or indirectly by using valuation techniques.

12. INVESTMENTS IN ASSOCIATED COMPANIES

(EUR 1,000)	2021	2020
Acquisition 1 Jan	350,865	466,235
Share of profit	46,482	56,759
Dividends received	-28,630	-31,271
Share of other comprehensive income	26,144	-19,432
Share-based incentive plans from associated companies	1,645	1,214
Increases	9,828	12,876
Transfer to Assets classified as held for sale		-135,516
Book value 31 Dec	406,334	350,865

Oras Invest Group increased its ownership in its associated companies; Tikkurila during 2020, Kemira during 2021 and 2019 and Uponor Corporation in 2018. For practical reasons, purchase price allocation has been made assuming that difference between acquired portion of equity and purchase price is goodwill, as the company has no access to more detailed information to enable the company to assess fair value of the acquired net assets.

On December 18, 2020 PPG Industries Inc. and Tikkurila entered into a combination agreement, according to which PPG Industries Inc. commenced a voluntary recommended public cash tender offer for all issued and outstanding shares in Tikkurila on January 15, 2021. The investment was reclassified as asset held for sale and thereby the equity method accounting was discontinued as of 2020. Oras Invest Group divested its holding in Tikkurila Oyj in June 2021.

GROUP'S ASSOCIATED COMPANIES AND THEIR ASSETS, LIABILITIES, NET SALES AND PROFIT/LOSS

(EUR 1,000)	Assets	Liabilities	Net sales	Profit/loss	Ownership (% of outstanding shares)
Uponor Corporation	967,200	483,900	1,313,200	103,400	24,9
Kemira Oyj	3,139,300	1,796,500	2,674,400	115,200	20,9

(EUR 1,000)	Closing price per share 31 Dec 2021	Total market value of the ownership 31 Dec 2021
Uponor Corporation	20,94	377,565
Kemira Oyj	13,33	426,560
Total		804,125

13. OTHER NON-CURRENT FINANCIAL ASSETS

(EUR 1,000)	2021	2020
Shares	330	319
Pension plan assets	6,688	6,781
Total	7,018	7,100
Shares		
Acquisition 1 Jan	319	326
Exchange rate difference	2	-3
Changes in value	9	-4
Book value 31 Dec	330	319

Other non-current financial assets include other shares, which are booked at acquisition value since it has not been possible to determine the fair value reliably. In total these are 282 tEUR.

14. OTHER NON-CURRENT RECEIVABLES

(EUR 1,000)	2021	2020
Arrangement fee	18	38
Guarantee deposits	224	177
Other non-current receivables	41	43
Total	283	258

15. DEFERRED TAXES

Deferred tax asset from the tax loss carry forwards has been recognized in 2021 up to the amount that company expects them to be utilized. Tax loss carry forwards of which deferred tax asset has not been recognized amounts to 59.245 tEUR (74.550 tEUR 2020).

2021 (EUR 1,000)	1 Jan 2021	Exchange rate difference	Change through equity	Change through profit and loss	31 Dec 2021
Deferred tax assets					
Intangible and tangible assets	222	1		-5	218
Employee benefits	3,383	-6		-54	3,323
Internal margins	396			20	416
Provisions	626	-1		-112	513
Tax losses carried forward	4,622			3,239	7,861
Other temporary differences	320	2		43	365
Total	9,569	-4	0	3,131	12,696
Deferred tax liabilities					
Accumulated depreciation difference and untaxed reserves	702			8	710
Intangible and tangible assets	12,012	7		-1,400	10,619
Investments in financial instruments	273		1,835	-259	1,849
Other temporary differences	153	-1		1,038	1,190
Total	13,140	6	1,835	-613	14,368
Deferred taxes on 31 Dec 2021 net	**-3,571**	**-10**	**-1,835**	**3,744**	**-1,672**

2020 (EUR 1,000)	1 Jan 2020	Exchange rate difference	Change of the period	31 Dec 2020
Deferred tax assets				
Intangible and tangible assets	249	-1	-26	222
Employee benefits	3,173	-42	252	3,383
Internal margins	361		35	396
Provisions	670	-11	-33	626
Tax losses carried forward	3,435		1,187	4,622
Other temporary differences	799	-2	-477	320
Total	8,687	-56	938	9,569
Deferred tax liabilities				
Accumulated depreciation difference and untaxed reserves	697		5	702
Intangible and tangible assets	12,854	-5	-837	12,012
Investments in financial instruments	288		-15	273
Other temporary differences	84	1	68	153
Total	13,923	-4	-779	13,140
Deferred taxes on 31 Dec 2020, net	**-5,236**	**-52**	**1,717**	**-3,571**

16. INVENTORIES

(EUR 1,000)	2021	2020
Materials and supplies	27,006	16,704
Work in progress	7,798	6,485
Finished goods	15,488	13,208
Total	50,292	36,397

Inventories are stated at the lower of cost or likely net realisable value.

17. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

(EUR 1,000)	2021	2020
Accounts receivable	27,551	18,569
Other receivables	6,923	6,700
Derivative instruments	9,177	
Prepayments and accrued income	1,018	1,347
Total	44,669	26,616
Prepayments and accrued income		
Personnel expenses	21	21
Income tax receivables	28	12
Prepayments	946	1,312
Other items	23	2
Total	1,018	1,347

18. OTHER FINANCIAL ASSETS

(EUR 1,000)	2021	2020
Investments in short-term financial instruments	256,811	2,244
Total	256,811	2,244

19. CASH RECEIVABLES

(EUR 1,000)	2021	2020
Cash and bank accounts	72,814	86,611
Total	72,814	86,611

20. ASSETS CLASSIFIED AS HELD FOR SALE

(EUR 1,000)	2021	2020
Land		1,118
Buildings and structures		1,477
Machinery		380
Investments in associated company		135,516
Total	0	138,491

Building, land and building related machinery of Burglengenfeld plant in Germany owned by Oras Group were closed down and classified as assets held for sale in 2019. The asset has been sold during 2021.

On December 18, 2020 PPG Industries Inc. and Tikkurila entered into a combination agreement, according to which PPG Industries Inc. commenced a voluntary recommended public cash tender offer for all issued and outstanding shares in Tikkurila on January 15, 2021. The investment was reclassified as asset held for sale and thereby the equity method accounting was discontinued as of 2020. Oras Invest Group divested its holding in Tikkurila Oyj in June 2021.

21. SHAREHOLDERS' EQUITY

TOTAL NUMBER OF SHARES:		
A shares	217,350	PCS
B1 shares	36,226	PCS
B2 shares	36,226	PCS
B3 shares	36,224	PCS
B4 shares	36,224	PCS
B5 shares	24,150	PCS
B6 shares	24,150	PCS
B7 shares	24,150	PCS
Share capital	6,520,500	EUR

On 3 August 2017, the amended company bylaws and the issue of new B shares were registered.

The company has A and B1-B7 share series. The voting right for each A share is one vote per share. B shares has no voting rights.

A serie shares confer an equal right to dividends. The dividend paid to B1-B7 –shares will be determined separately, and the dividend/share may differ between the share categories.

There has been no changes in number of shares or share capital during accounting period or comparative period. The company does not hold its own shares.

Other capital reserve

Other capital reserves are mainly funds that have been founded with decision of shareholders' meetings or based on law.

Foreign currency translation reserve

Foreign currency translation reserve consist of exchange rate differences related to converting foreign financial statements into euros.

Other invested capital

Other invested capital includes capital loans that are classified as equity due to their terms.

Dividends

The Board of Directors proposes that Oras Invest Ltd will distribute a dividend of 16,10 euros per A share, in total 3,499,335 euros, from the result of financial year 2021. Rest of the profit will be retained in the shareholders' equity.

During 2021 the dividend paid was 16,10 euros per A share from the distributable funds 2020, in total 3,499,335 euros.

22. EMPLOYEE BENEFIT OBLIGATIONS

The Group has a number of pension plans for its operations. The Group's pension schemes comply with each country's local rules and regulations. The Group applies defined contribution and defined benefit pension plans. Pensions are based on actuarial calculations or actual payments to insurance companies. Pension benefits are normally based on the number of working years and the salary. The amounts in the Group's balance sheet arise from Germany and Poland. In Finland, pensions are handled according to TyEL system, which is defined as a contribution pension plan.

(EUR 1,000)	2021	2020
Non-current employee benefit obligations		
Pensions - defined benefit plans	14,828	16,912
Other non-current employee benefit liability	3,568	3,844
Total	18,396	20,756
Current employee benefit obligations		
Pensions - defined benefit plans	787	787
Other current employee benefit liability	329	319
Total	1,116	1,106
Employee benefit obligations total	19,512	21,862
Amounts recognised in the balance sheet		
Present value of the obligation	19,512	21,862
Funded status		
Liability recognised in balance sheet	19,512	21,862
Amounts charged to profit and loss		
Current service cost	628	358
Interest cost	172	243
Net actuarial gain(-) / loss(+) recognised in year	-161	30
Settlement or curtailment	-889	-1,138
Expense(+)/income(-) recognised in the income statement	-250	-507
Re-measurements recognised in other comprehensive income		
Re-measurements recognised in other comprehensive income	-1,839	711
Total	-1,839	711

(EUR 1,000)	2021	2020
Changes in present value of obligation		
Opening defined benefit obligation	21,862	21,830
Exchange rate differences	170	144
Current service cost	628	358
Interest cost	172	243
Benefits paid	-431	-316
Settlement or curtailment	-889	-1,138
Actuarial gain(-) / loss(+) on obligation	-161	30
Re-measurements recognized	-1,839	711
Closing present value of obligation	19,512	21,862
Amounts recognised in the balance sheet		
Defined benefit pension obligations	19,512	21,862
Defined benefit pension assets		
Net asset (-) / liability (+)	19,512	21,862
The principal actuarial assumptions used		
Discount rate	0.0 % - 3.6 %	0.0 % - 1.3 %
Future salary increases	0.0 % - 2.0 %	0.0 % - 2.0 %
Probability of lump sum instead of pension payments	50 % - 100 %	50 % - 100 %
Turnover rate	0.0 % - 4.45 %	0.0 % - 4.4 %
Future pension increases	1.75 % - 6.3 %	1.75 % - 6.3 %

The pension plans in Poland are interpreted as other non-current employee benefits. The plans are wholly unfunded and the pension benefit obligation is recognised in the balance sheet.

23. PROVISIONS

2021 (EUR 1,000)	Warranty reserve	Restructuring provision	Other provisions	Total
Provisions at 1 Jan	4,140	203	1,173	5,516
Exchange rate difference				0
Utilised provisions	-260	-203	-149	-612
Additions this period		239	22	261
Unused amounts reversed			-158	-158
Provisions at 31 Dec	3,880	239	888	5,007
Non-current provisions	3,880	239	20	4,139
Current provisions			868	868
Provisions total at 31 December 2021	3,880	239	888	5,007
2020 (EUR 1,000)				
Provisions at 1 Jan	4,240	166	1,282	5,688
Exchange rate difference			1	1
Utilised provisions	-100	-166	-143	-409
Additions this period		203	33	236
Unused amounts reversed				0
Provisions at 31 Dec	4,140	203	1,173	5,516
Non-current provisions	4,140	203	220	4,563
Current provisions			953	953
Provisions total at 31 December 2020	4,140	203	1,173	5,516

24. INTEREST-BEARING LIABILITIES

(EUR 1,000)	2021	2020
Non-current interest-bearing liabilities		
Loans from financial institutions	30,000	30,000
IFRS 16 lease liability	11,608	11,765
Total	41,608	41,765
Current interest-bearing liabilities		
Loans from financial institutions		45,000
IFRS 16 lease liability	2,932	2,781
Other liabilities from financial institutions	739	738
Total	3,671	48,519
A reconciliation between the opening and closing balances of liabilities arising from financing activities		
Interest-bearing liabilities 1 Jan	90,284	91,304
Repayment of interest-bearing liabilities	-45,000	
Increases in lease liabilities	3,377	1,261
Increases in other liabilities from financial institutions	1	738
Decreases in lease liabilities	-3,414	-3,344
Translation difference	31	325
Interest-bearing liabilities 31 Dec	45,279	90,284

25. OTHER NON-CURRENT LIABILITIES

(EUR 1,000)	2021	2020
Other non-current liabilities	154	449
Total	154	449

Other non-current liabilities on 2020 consists mostly of share of conditional purchase price of acquisition made during the financial year 2018.

26. ACCOUNTS PAYABLE AND OTHER LIABILITIES

(EUR 1,000)	2021	2020
Accounts payable	20,315	14,449
Accrued expenses	48,036	38,479
Other liabilities	10,120	9,556
Total	78,471	62,484
Accrued expenses		
Personnel expenses	16,015	18,044
Income taxes	5,755	770
Customer co-operation	22,705	15,029
Interests	17	117
Prepayments	763	1,403
Other items	2,781	3,116
Total	48,036	38,479

27. FEES OF AUDITORS'

(EUR 1,000)	2021	2020
Auditing	345	381
Other services	44	71
Total	389	452

28. OTHER RENTS

(EUR 1,000)	2021	2020
Rents to be paid on the basis of non-reversing rent agreements:		
In less than one year	32	46
1-5 years	22	45
Over 5 years		
Total	54	91

Under the note 28 are shown the short-term rental contracts and low value assets excluded from IFRS 16. The majority of the rental contracts are shown in note 10 Right-of-Use Assets and Lease Liabilities.

29. FINANCIAL RISK MANAGEMENT

Financial risk management aims to minimise the adverse effects caused by the uncertainties in financial markets to the Group's financial performance and to ensure sufficient liquidity in a cost-efficient manner.

Currency risk

Due to its international operations, the Group is exposed to currency risks arising from, for instance, currency-denominated accounts receivable and payable, intra-group transactions as well as currency-denominated financing, deposits and bank account balances. In Oras Invest Group in addition to euro, the main invoicing currencies are Norwegian krone (NOK), Polish zloty (PLN), Swedish krona (SEK), Czech koruna (CZK), US dollar (USD), Danish krone (DKK) and Russian roubles (RUB). The biggest currency risks arise from Norwegian krone, Polish zloty, Swedish krona and Russian roubles. The Group has not used derivative instruments in order to manage the sales currency risk. In addition, the Group has material purchases in USD.

Translational risks arise when the currency-denominated assets and liabilities of subsidiaries located outside the euro area are exposed to currency fluctuations when the assets and liabilities are translated into parent company's reporting currency. Translation risks have impact on result and key ratios. Where possible the Group counters the translation risk with EUR denominated loans to the subsidiary.

Interest rate and liquidity risk

Oras Invest Group companies has fixed interest rate loans and there are no interest rate derivative contracts.

Maturities of interest-bearing liabilities on 31 December 2021 are following including repayment of loans and interests:

(EUR 1,000)	2022	2023	2024	2025	2026 -	Cashflows total
Loans from financial institutions	1,130	30,467				31,597
Lease liabilities	3,589	2,966	2,582	2,236	4,124	15,497
Total amortizations of interest-bearing liabilities	**4,719**	**33,433**	**2,582**	**2,236**	**4,124**	**47,094**

At the year-end 2021, the Group's interest-bearing liabilities were 45,279 tEUR (2020 for 90,284 tEUR). For more information, see Note 24 Interest-Bearing Liabilities.

Counterparty and credit risk

The counterparty risk is related to financial instruments and has been defined as a risk that the counterparty is unable to fulfil its contractual obligations.

The Group assess the credit quality of its customers, by taking into account their financial position, past experience and other relevant factors. When appropriate, advance payments and letters of credit are used to mitigate credit risks. Group suffered credit losses in 2021 for 12 tEUR (2020 for 16 tEUR). The maximum counterparty credit risk is the book value of accounts receivable and loan receivables on 31 December 2021.

Group's expected credit loss is evaluated based on accounts receivable of the lifetime expected credit losses according to IFRS 9. Group has analysed individually receivables. Group's total credit loss provision is combination of individual cases provisions and evaluated expected credit loss. The simplified approach is used for evaluation. The expected amount of credit loss in each age group is based on recorded historical credit losses, in addition to which the Group has anticipated the level of credit losses to remain the same and has taken into account changes in the probability of credit losses. Oras Invest Group has recorded 185 tEUR (2020 for 344 tEUR) credit loss provision based on individual assessment.

The aging of accounts receivable in Oras Invest Group is following:

The aging of accounts receivable	2021	2020
Undue and less than 30 days due	26,228	17,337
Due 31-60 days	604	602
Due 61-90 days	324	168
Due over 90 days	395	462
Total	27,551	18,569

Counterparty risk arises also from financial transactions agreed upon with banks, financial institutions and corporates. The risk is managed by careful selection of banks and other counterparties, by counterparty specific limits. The counterparty risk of financial institutions is effectively managed with usage of overdraft credit limit facilities.

Price risk

The main risks at Oras Invest Group arise from the long-term ownership in the core investments.

Oras Invest Group is exposed to risks relating to raw material and electricity prices and their availability. The risks are managed through long-term contracts with suppliers.

Derivative contracts and hedge accounting

Nominal values (EUR 1,000)	2021	2020
Derivative instruments		
- under hedge accounting	122,800	0

Fair values (EUR 1,000)	2021	2020
Derivative instruments		
- under hedge accounting	9,177	0

Oras Invest Group has derivative instruments amounting 9,177 tEUR at the end of the year (2020 there were no derivative contracts). They are classified as cash flow hedges. Change in fair value is recorded in fair value reserve through other comprehensive items in full as the hedge is fully effective.

The purpose of the derivative instruments is acquiring shares in a publicly listed company with hedged price. The validity period of derivative instruments was a few months, and they were due in March 2022 with an early termination option. The early termination option was utilised, and the acquisition happened in January 2022.

Oras Invest Ltd had no hedging instruments on accounting period of 2020.

30. CONTINGENT LIABILITIES

(EUR 1,000)	2021	2020
- ON OWN BEHALF		
Collateral on behalf of Oras Invest Group		
Other deposits	332	193
Other guarantees	35,315	30,235
Total	35,647	30,428
Loans secured by mortgages, pledged assets or shares		
Loans from financial institutions	30,000	75,000
Mortgages and pledges given on behalf of Oras Invest Group		
Real estate mortgages	28,741	28,741
Corporate mortgages	22,106	22,106
Pledged shares at market value	204,959	303,493
Total	255,806	354,340
Contingent liabilities total	291,453	384,768

Other contingencies

Oras Invest Group has a pending claim in Germany related to old cartel case during the years 1992-2004. The liability for Hansa Armaturen GmbH is estimated to be limited, and only an accrual for the legal costs is included in the balance sheet.

31. NON-CONTROLLING INTERESTS

Subsidiaries are listed in the note 33 Subsidiaries and associates 31 December 2021.

Oras Invest Group's subsidiary Amphiro AG has non-controlling interest as a result of its ownership structure. Oras Invest Group has control in Amphiro AG through the 78.5 per cent direct ownership and the voting ownership by holding the Chair position in the board of directors of Amphiro AG. Amphiro AG has no subsidiaries.

	Non-controlling interest, proportion of ownership		Profit for the period attributable to non-controlling interest		Equity attributable to non-controlling interest	
	2021	2020	2021	2020	2021	2020
Amphiro AG	21,5 %	21,5 %	-61	-60	71	132

32. TRANSACTIONS BETWEEN RELATED PARTIES

Group's related parties constitute of Group's management (board, CEO and Oras Group Management Team), subsidiaries and associate companies.

There has been no transactions between related parties in 2021 or 2020 other than normal business.

BOARD REMUNERATION (EUR 1,000)	2021	2020
Fees to board and CEO	412	432

33. SUBSIDIARIES AND ASSOCIATES 31 DECEMBER 2021

SUBSIDIARIES

Ownership by Oras Invest Ltd	domicile		Group's ownership	Oras Invest ownership
Oras Ltd	Rauma	Finland	100	100

Ownership by Oras Ltd	domicile		Group's ownership	Oras Invest ownership
Oras Armatur AS	Oslo	Norway	100	100
Oras Armatur A/S	Fredericia	Denmark	100	100
Hansa Armaturen Belgium N.V.	Herk-de-Stad	Belgium	100	100
Oras Germany GmbH	Stuttgart	Germany	100	100
Oras International Ltd	Rauma	Finland	100	100
Oras Olesno Sp.z o.o.	Olesno	Poland	100	100
Amphiro AG	Zürich	Switzerland	78,5	78,5

Ownership by Oras International Ltd	domicile		Group's ownership	Oras Invest ownership
OOO Oras RUS	Saint Petersburg	Russia	100	100
Oras Sverige AB	Stockholm	Sweden	100	100

Ownership by Oras Germany GmbH	domicile		Group's ownership	Oras Invest ownership
Hansa Armaturen GmbH	Stuttgart	Germany	100	100

Ownership by Hansa Armaturen GmbH	domicile		Group's ownership	Oras Invest ownership
Hansa Austria GmbH	Salzburg	Austria	100	100
Hansa Césko s.r.o.	Kralovice	Czech Republic	100	100
Hansa France S.A.R.L.	Strasbourg-Eckbolsheim	France	100	100
Hansa Italiana S.R.L.	Castelnuovo del Garda	Italy	100	100
Hansa Metallwerke GmbH	Stuttgart	Germany	100	100
Hansa Nederland B.V.	Amsterdam	The Netherlands	100	100

ASSOCIATES

Ownership by Oras Invest Ltd	domicile		Group's ownership of outstanding shares	Oras Invest ownership of outstanding shares
Uponor Corporation	Helsinki	Finland	24,9	24,9
Kemira Oyj	Helsinki	Finland	20,9	20,9

Parent company income statement, FAS

INCOME STATEMENT (EUR)	NOTE	1.1. - 31.12.2021	1.1. - 31.12.2020
Net sales	2	249,999.96	249,999.96
Other operating income	3	20,000.04	20,000.04
Personnel expenses	4	1,038,241.00	1,461,766.54
Depreciation	6	58,077.27	78,675.06
Other operating expenses		2,350,552.58	1,490,791.35
Operating profit		**-3,176,870.85**	**-2,761,232.95**
Financial income and expenses	7	199,396,865.96	30,969,633.27
Profit before appropriations and taxes		**196,219,995.11**	**28,208,400.32**
Appropriations	8		3,000,000.00
Income taxes	9	-2,744,538.87	-9,529.88
Profit for the financial period		**193,475,456.24**	**31,198,870.44**

Parent company balance sheet, FAS

BALANCE SHEET (EUR)	NOTE	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Tangible assets	10	837,963.25	863,191.84
Investments in Group companies	11	21,942,155.51	21,942,155.51
Other investments	12	545,854,084.34	673,975,672.21
Other non-current receivables	13	23,381.00	23,381.00
		568,657,584.10	**696,804,400.56**
Current assets			
Current receivables	14	9,703,801.58	3,596,926.74
Other financial assets	15	256,811,063.73	2,243,581.27
Cash and cash equivalents		40,782,093.32	16,428,555.37
		307,296,958.63	**22,269,063.38**
Total assets		**875,954,542.73**	**719,073,463.94**

BALANCE SHEET (EUR)	NOTE	31.12.2021	31.12.2020
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	16	6,520,500.00	6,520,500.00
Fair value reserve	16	9,177,296.00	
Retained earnings	16	662,928,365.22	635,228,829.78
Profit for the year	16	193,475,456.24	31,198,870.44
		872,101,617.46	**672,948,200.22**
Liabilities			
Current liabilities	17	3,852,925.27	46,125,263.72
		3,852,925.27	**46,125,263.72**
Total equity and liabilities		**875,954,542.73**	**719,073,463.94**

Parent company cash flow statement, FAS

(EUR 1,000)	1.1.-31.12.2021	1.1.-31.12.2020
CASH FLOW FROM OPERATIONS		
Profit before appropriations and taxes	196,220	28,208
Adjustments		
Depreciation and impairment	58	79
Financial income and expense	-199,397	-30,970
Cash flow from operations before change in working capital	-3,119	-2,683
Change in trade and other non-interest bearing receivables (-/+)	61	-36
Change in trade and other non-interest bearing liabilities (+/-)	109	587
Cash flow from operations before financial items and taxes	-2,949	-2,132
Interests paid and other financial items	-513	-617
Interests received	341	307
Dividends received	32,896	31,273
Income taxes paid	-16	-4
Cash flow from operations	**29,759**	**28,827**

(EUR 1,000)	1.1.-31.12.2021	1.1.-31.12.2020
CASH FLOW FROM INVESTMENTS		
Investments in intangible and tangible assets	-33	-8
Investment in associate	-9,828	-12,876
Proceeds from sale of an associate	300,154	
Other financial assets	-250,200	
Cash flow from investments	**40,093**	**-12,884**
CASH FLOW FROM FINANCING		
Repayment of current loans	-45,000	
Group contribution	3,000	1,870
Dividends paid	-3,499	-2,999
Cash flow from financing	**-45,499**	**-1,129**
Net change in cash and cash equivalents	**24,353**	**14,814**
Cash and cash equivalents at 1 January	16,429	1,615
Cash and cash equivalents at 31 December	40,782	16,429

Parent company's notes to financial statements, FAS

1. PARENT COMPANY'S FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

Oras Invest Ltd is the parent company of Oras Invest Group which includes Oras Group and associated companies Uponor and Kemira.

Valuation policies

Valuation of non-current assets

Intangible and tangible assets are stated at residual of acquisition cost deducted by depreciation according to plan. The depreciation according to plan have been calculated on a straight-line basis according to the asset's estimated economical life.

The shares of Uponor Corporation has been stated at the original acquisition cost based on expectations for future income. As a result of the spin off of Tikkurila Oyj, the shares of Kemira Oyj were valued at market value as per December 31, 2010.

Depreciation according to plan

Other long-term expenditure	4-10 years
Buildings	15-30 years
Machinery and equipment	4-10 years

Valuation of financial assets

Other financial assets including shares in investment funds have been valued at their fair value based on Finnish Accounting Act (KPL) 5 chapter 2a §.

Pensions

Pensions are based on actual calculations or actual payments to insurance companies. White-collar employees who started their employment before 1981 are entitled to a supplementary pension. The supplementary pension contributions are paid to the insurance company Mandatum Life.

Derivative instruments and hedge accounting

Oras Invest Ltd has derivative instruments during 2021. Fair value of derivative instruments is calculated as a present value of future cash flows. The company applies cash flow hedge accounting for derivatives. Accrued gains and losses of the derivative instruments are recorded through fair value reserve. Fair values of the derivative instruments not yet realized and recorded are presented on the note 18 Collateral and contingent liabilities.

Oras Invest Ltd had no hedging instruments on 2020.

Parent company's notes for income statement, FAS

2.NET SALES BY MARKET AREA

(EUR 1,000)	2021	2020
EU area	250	250
Total	250	250

3. OTHER OPERATING INCOME

(EUR 1,000)	2021	2020
Other	20	20
Total	20	20

4. NOTES RELATED TO PERSONNEL AND BOARD OF DIRECTORS' WORK

(EUR 1,000)	2021	2020
Personnel expenses		
Salaries, wages and bonuses	879	1,256
Pension expenses	132	167
Other social security expenses	27	39
Total	1,038	1,462
Salaries paid to management and Board of Directors		
Fees to board and CEO	412	432
Number of personnel		
Average number of personnel during fiscal year	4	4
Number of personnel 31.12.	4	4

5. FEES OF AUDITORS'

(EUR 1,000)	2021	2020
Auditing	38	41
Other services		2
Total	38	43

6.DEPRECIATION AND VALUE ADJUSTMENTS

(EUR, 1000)	2021	2020
Depreciation by asset category		
Buildings and structures	29	30
Machinery and equipment	22	35
Other tangible assets	7	14
Total	58	79

7. FINANCIAL INCOME AND EXPENSES

(EUR 1,000)	2021	2020
Financial income		
Dividend income, Group	4,000	
Dividend income, others	28,896	31,273
Interest income	70	32
Profit from associated companies sold	162,205	
Other financial income, Group	300	301
Other financial income, others	4,375	6
Total	199,846	31,612
Financial expenses		
Interest expenses	-443	-633
Other financial expenses	-6	-9
Total	-449	-642
Financial income and expenses total	199,397	30,970

8. APPROPRIATIONS

(EUR 1,000)	2021	2020
Group contribution		3,000
Total	0	3,000

9. INCOME TAXES

(EUR 1,000)	2021	2020
Income taxes from appropriations		-600
Income taxes from previous fiscal years	-25	3
Income taxes from operations	-2,720	587
Total	-2,745	-10

The treatment of tax-exempt income in 2021 has been challenged and the appeal process is ongoing.

Parent company's notes for balance sheet, FAS

10. INTANGIBLE AND TANGIBLE ASSETS

2021 (EUR 1,000)	Intangible rights	Intangible assets total	Land	Buildings	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Tangible assets total	Intangible and tangible assets total
Acquisition cost on 1 Jan	981	**981**	96	732	260	338	8	**1,434**	**2,415**
Increases					14	19		**33**	**33**
Disposals								**0**	**0**
Other changes						8	-8	**0**	**0**
Acquisition costs 31 Dec	981	**981**	96	732	274	365	0	**1,467**	**2,448**
Accumulated depreciation and impairment 1 Jan	981	**981**		179	233	159		**571**	**1,552**
Depreciation		**0**		29	22	7		**58**	**58**
Impairment								**0**	**0**
Cumulative depreciation on disposals and transfers								**0**	**0**
Accumulated depreciation and impairment 31 Dec	981	**981**		208	255	166		**629**	**1,610**
Book value 1 January	0	**0**	96	553	27	179	8	**863**	**863**
Book value 31 December	0	**0**	96	524	19	199	0	**838**	**838**
2020 (EUR 1,000)									
Acquisition cost on 1 Jan	981	**981**	96	732	260	338		**1,426**	**2,407**
Increases							8	**8**	**8**
Disposals								**0**	**0**
Other changes								**0**	**0**
Acquisition costs 31 Dec	981	**981**	96	732	260	338	8	**1,434**	**2,415**
Accumulated depreciation and impairment 1 Jan	981	**981**		149	198	145		**492**	**1,473**
Depreciation		**0**		30	35	14		**79**	**79**
Impairment								**0**	**0**
Cumulative depreciation on disposals and transfers								**0**	**0**
Accumulated depreciation and impairment 31 Dec	981	**981**		179	233	159		**571**	**1,552**
Book value 1 January	0	**0**	96	583	62	193		**934**	**934**
Book value 31 December	0	**0**	96	553	27	179	8	**863**	**863**

11. INVESTMENTS IN GROUP COMPANIES

(EUR 1,000)	2021	2020
Shares in Group companies 1 Jan	21,942	21,942
Shares in Group companies 31 Dec	21,942	21,942

12. OTHER INVESTMENTS

(EUR 1,000)	Ownership (% from outstanding shares)	Ownership (number of shares)	2021	2020
Shares in associated companies				
Uponor Corporation 1 Jan	24.7 %	18,030,780	163,047	163,047
Uponor Corporation 31 Dec	24.9 %	18,030,780	163,047	163,047
Kemira Oyj 1 Jan	20.5 %	31,278,217	372,876	372,876
Increases		721,783	9,828	
Kemira Oyj 31 Dec	20.9 %	32,000,000	382,704	372,876
Tikkurila Oyj 1 Jan	20.0 %	8,828,051	137,949	125,073
Decreases		-8,828,051	-137,949	12,876
Tikkurila Oyj 31 Dec	0.0 %	0	0	137,949
Total			545,751	673,872
Other shares				
Other shares 1 Jan			103	103
Other shares 31 Dec			103	103
Total			103	103
Shares in associated companies and other shares total			545,854	673,975

13. OTHER NON-CURRENT RECEIVABLES

(EUR 1,000)	2021	2020
Guarantee deposits	23	23
Total	23	23

14. CURRENT RECEIVABLES

(EUR 1,000)	2021	2020
Receivables, Group		
Other receivables		3,000
Accrued receivables	76	76
Receivables, non-Group		
Accounts receivable	418	
Derivative instruments	9,177	
Other receivables	16	55
Accrued receivables	17	466
Total	9,704	3,597

15. OTHER FINANCIAL ASSETS

(EUR 1,000)	2021	2020
Investments in short-term financial instruments		
Value 1.1.	2,242	2,000
Acquisitions during period	250,200	
Profit or loss recognized at fair value through profit or loss	4,369	242
Total	256,811	2,242

In accordance with its strategy, the company uses short-term financial instruments for cash management purposes. The fair values of short-term financial instruments are recognized at fair value through profit and loss in accordance with Finnish Accounting Act Chapter 5, 2a §. Short-term financial instruments are classified as hierarchy 1 level investments in accordance with Group note 11.

16. SHAREHOLDERS' EQUITY

(EUR 1,000)	2021	2020
Share capital 1 Jan	6,521	6,521
Share capital 31 Dec	6,521	6,521
Fair value reserve 1 Jan		
Change in fair value of hedging instrument	9,177	
Fair value reserve 31 Dec	9,177	
Retained earnings 1 Jan	666,427	638,228
Distribution of dividends	-3,499	-2,999
Retained earnings 31 Dec	662,928	635,229
Profit for the financial period	193,476	31,198
Shareholders' equity total 31 December	872,102	672,948
DISTRIBUTABLE FUNDS		
Retained earnings 31 December	662,928	635,229
Profit for the financial period	193,476	31,198
Total 31 December	856,404	666,427

17. LIABILITIES

(EUR 1,000)	2021	2020
Current liabilities		
Liabilities, non-Group		
Installment of loans from financial institutions		45,000
Accounts payable	32	85
Other current liabilities	29	31
Accrued expenses	3,792	1,009
Total	3,853	46,125
Liabilities total	3,853	46,125
Interest-bearing liabilities		
Interest-bearing loans from financial institutions		45,000
Total	0	45,000

18. ADDITIONAL NOTES

(EUR 1,000)	2021	2020
COLLATERAL AND CONTINGENT LIABILITIES		
Collateral on behalf of Oras Invest Ltd		
Other deposits	23	23
Total	23	23
Loans secured by mortgages or shares given as collateral on behalf of Oras Invest Ltd / Oras Invest Group		
Loans from financial institutions		45,000
Pledges given on behalf of Oras Invest Ltd / Oras Invest Group		
Pledged shares at market value *	204,959	303,493
Total	204,959	303,493
* Also as collateral on behalf of Oras Ltd's loan amounting to 30,000 tEUR (30,000 tEUR 2020).		
Collateral and contingent liabilities total	204,982	303,516
Derivative instruments		
Fair value	9,177	
The value of underlying commodity	122,800	

As of 31.12.2021 Oras Invest Ltd has Total Return Swap instruments for the purpose of hedging the future cash flow related to acquisition of shares of publicly listed company.

Review of accounting books and journal types

ACCOUNTING BOOKS	
Daybooks and general ledgers	Compact disc
Accounts payable and accounts receivable ledgers	EDP lists

JOURNAL TYPES	
Purchase invoices	Compact disc
Sales invoices	Compact disc
Memo journals	Compact disc
Bank transactions	
- payments of sales invoices	Compact disc
- payments of purchase invoices	Compact disc
- other bank transactions	Compact disc

Signatures for Annual Report

In Helsinki 6 April 2022

Annika Paasikivi
CEO

Jari Paasikivi
Chairman of the board

Timo Ihamuotila

Ulf Mattsson

Kaj Paasikivi

Christoph Vitzthum

Auditors note

Audit report has been given out today.

In Helsinki 6 April 2022

Ernst & Young Ltd
Authorized Public Accountant Firm

Heikki Ilkka
Authorized Public Accountant

Auditor's report

To the Annual General Meeting of Oras Invest Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oras Invest Ltd (business identity code 1908260-8) for the year ended 31 December 2021. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- The consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- The financial statements give a true and fair view of the parent 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 consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and 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 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 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 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 and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 6.4.2022

Ernst & Young Oy

Authorized Public Accountant Firm

Heikki Ilkka

Authorized Public Accountant

oras invest