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Audit Report

To the Annual General Meeting of LocalTapiola Finance Ltd

Financial statement audit

Opinion

We have performed an audit on LocalTapiola Finance Ltd's (business ID 2856773-8) financial statements for the 1 January–31 December 2022 financial period. The financial statements comprise the balance sheet, the profit and loss account and the notes.

It is our opinion that the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the provisions in force in Finland governing the drawing up of financial statements, and that they satisfy legislative requirements.

Reasons for the opinion

We have performed the audit in accordance with standard and accepted practice within the Finnish audit profession. Our responsibilities pursuant to standard and accepted practice within the audit profession are described in more detail in the section *Auditor's responsibilities for the audit of financial statements*. We are independent of the company in accordance with the ethical requirements followed in Finland that concern the audit we have performed, and we have satisfied our other ethical obligations set forth in these requirements. It is our understanding that we have obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Requirements of the Board of Director and Managing Director for the financial statements

The Board of Directors and the Managing Director are responsible that the financial statements are prepared such that they give a true and fair view in accordance with the provisions in force in Finland governing the drawing up of financial statements, and that they satisfy legislative requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine to be necessary in order to be able to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, the auditor exercises professional judgment and maintains professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Board of Director's and Managing Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 the audit 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 in a manner that achieves fair presentation.

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 the audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for other information. The other information comprises the Report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

We are required to read the other information when auditing the financial statements and, in doing so, to identify whether the other information is materially inconsistent with the financial statements or the knowledge we obtained in the audit or otherwise appears to be materially misstated. In addition, we are required to evaluate whether the Report of the Board of Directors is prepared in accordance with the provisions governing its preparation.

It is our opinion that the information contained in the Report of the Board of Directors and in the financial statements is consistent and that the Report of the Board of Directors is prepared in accordance with the provisions governing the preparation of the Report.

If, based on the work we have completed, we conclude that the Report of the Board of Directors contains material misstatement, we are required to report on this. Regarding this, we have nothing to report.

Helsinki, 1 March 2023 KPMG OY AB

Timo Nummi
Authorised Public Accountant