



ANNUAL REPORT

2022



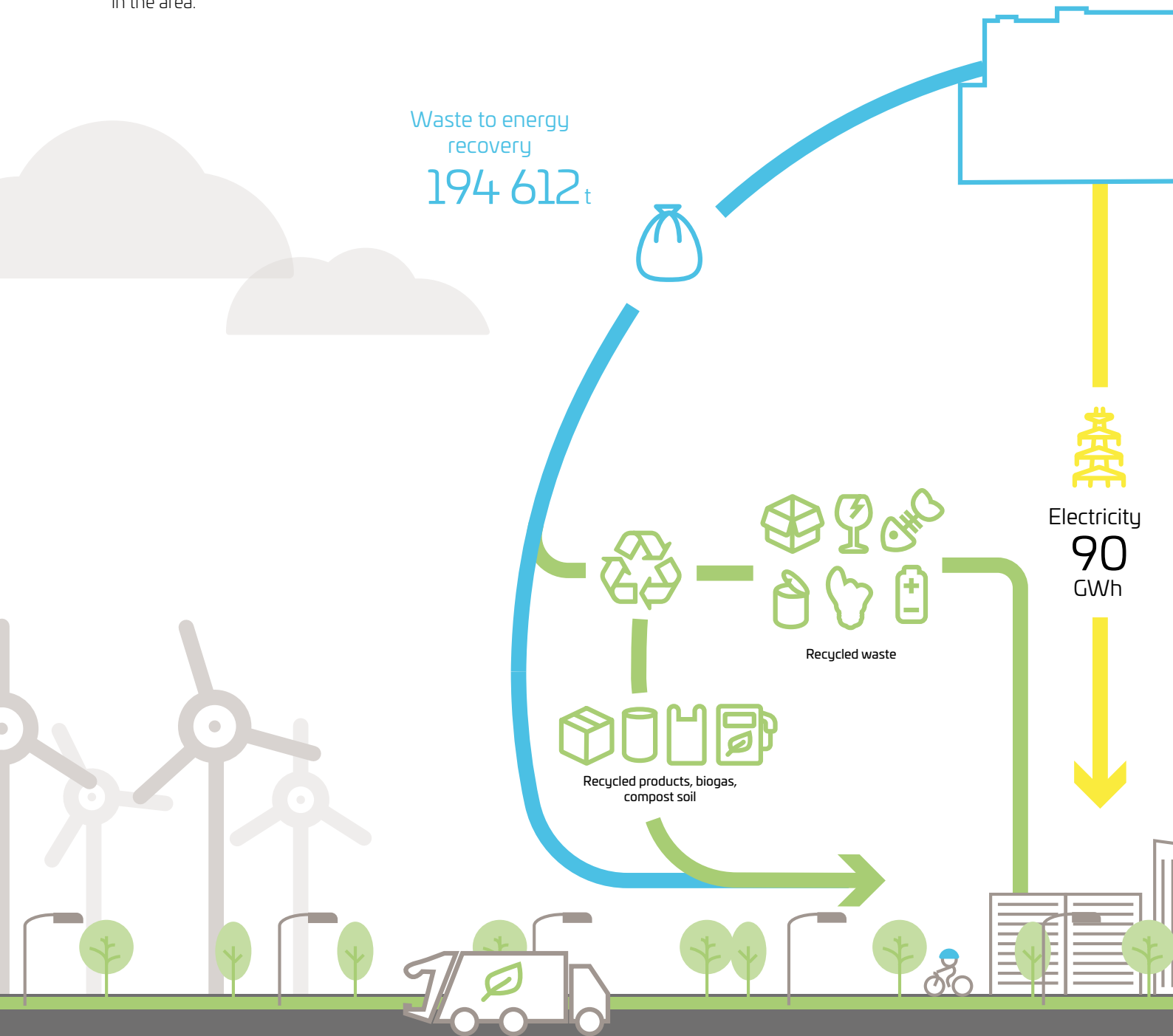
WESTENERGY LTD

Westenergy operates in circular economy and refines the unrecyclable waste supplied by the owner companies into electricity, district heating and renewable materials.

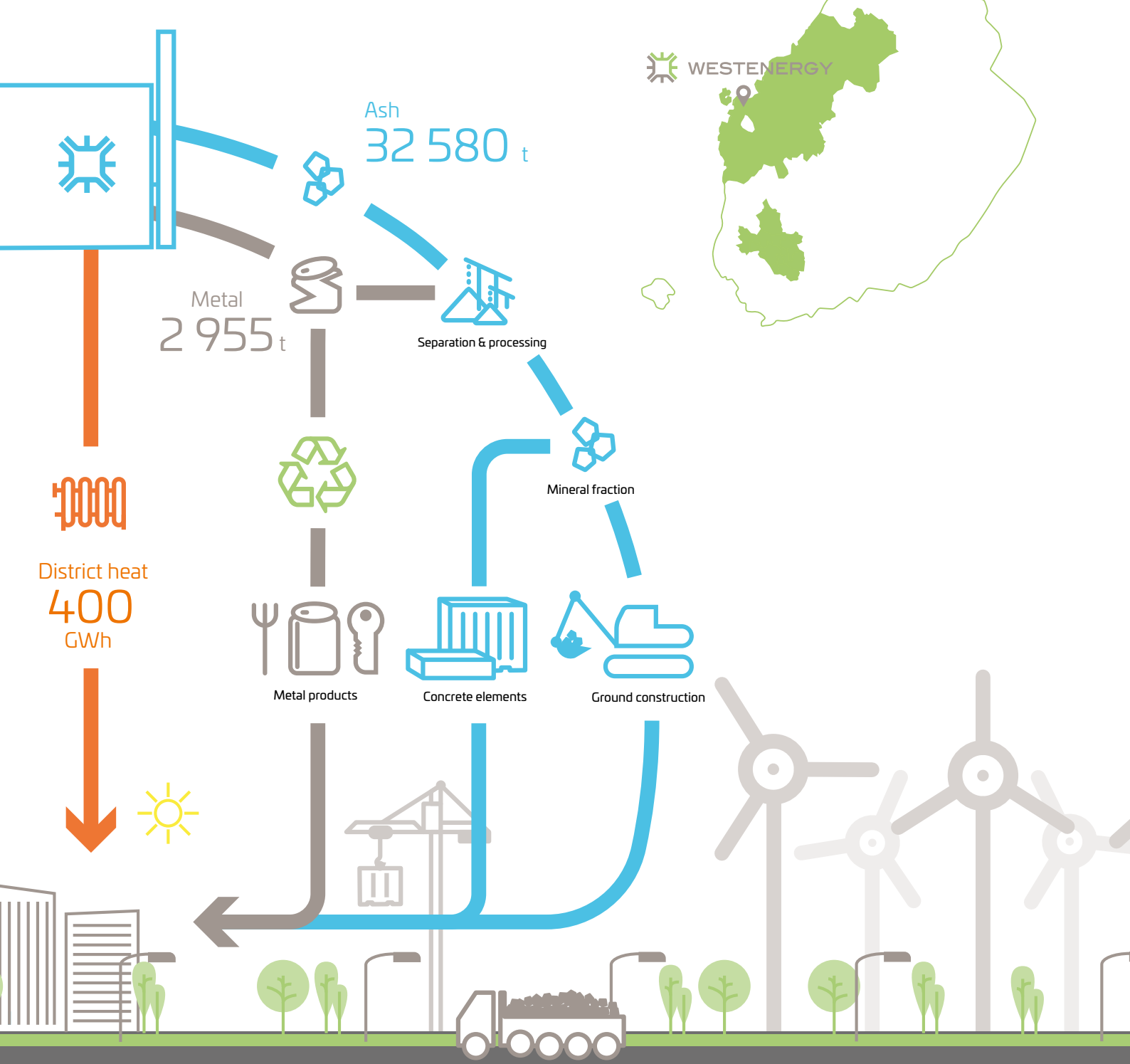
Westenergy's shareholders are municipal waste management companies Botnjarosk, Ekorosk, Lakeuden Etappi, Loimi-Hämeen Jätehuolto, Millespakka, Stormossen, and Vestia. Westenergy's operation area covers approximately 70 municipalities and there are about 670 000 people living in the area.

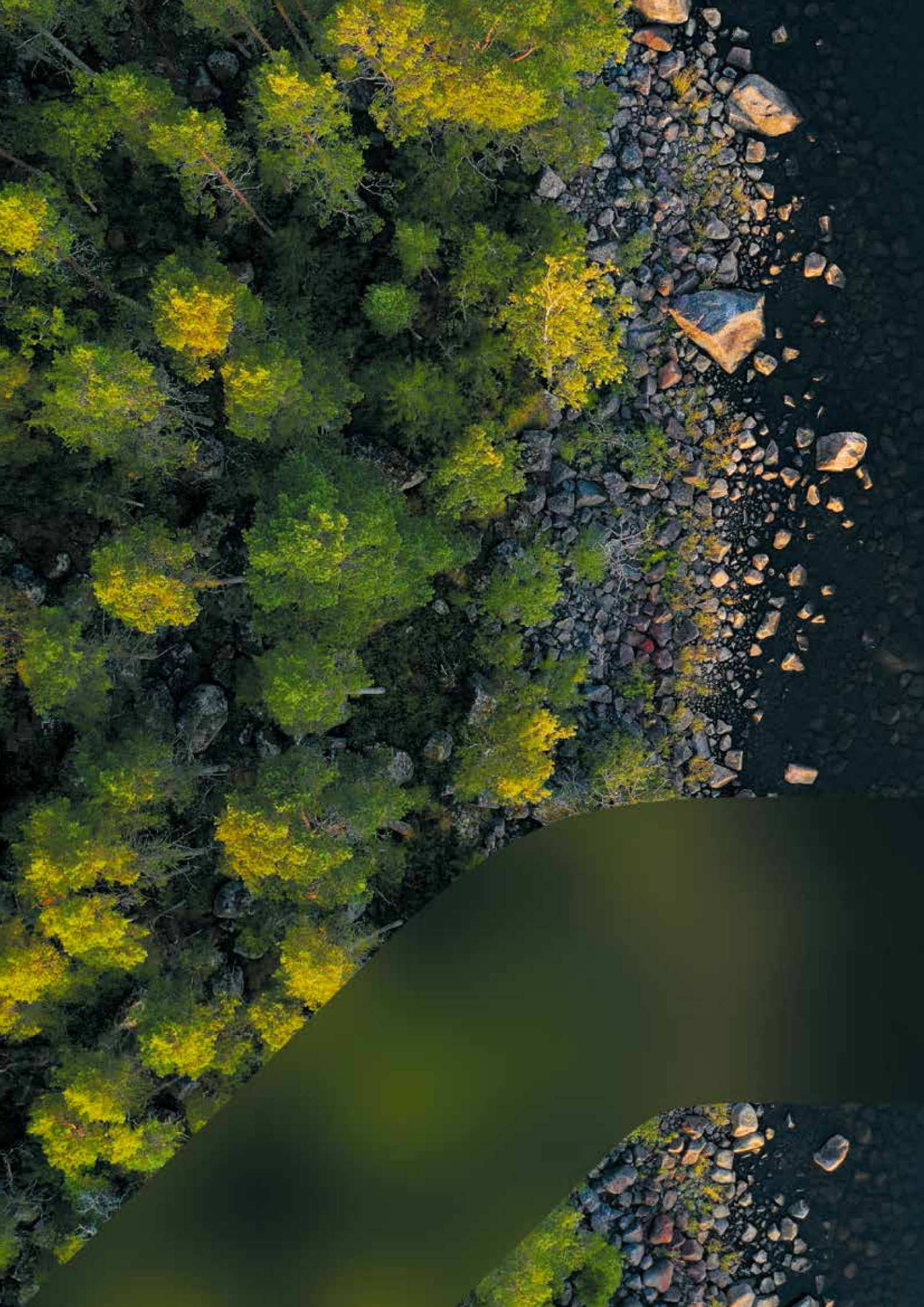
Westenergy produces energy in co-operation with the energy company Vaasan Sähkö who owns the equipment used to convert energy in waste into electricity and heat.

Westenergy is a non-profit company that is operated on absorption principle and doesn't pay dividends to the owners.



We want to ensure that materials are refined in the best possible way. We develop the sustainability and efficiency of our operations continuously.







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2022.WESTENERGY.FI



MANAGING DIRECTOR'S REVIEW

*Our vision is that Westenergy's plant will represent
carbon-neutral energy production by 2030.*





Clean and sustainable energy production

The energy sector changed significantly in 2022. The war in Ukraine caused instability in the global situation and affected, for instance, the interest rates and energy market throughout Europe. The instability in the global situation had unavoidably an effect also in Westenergy's operation by affecting, for instance, the energy prices and availability of chemicals and spare parts. With thorough planning and preparation, we were, however, able to ensure the efficient operation of the company in a challenging situation.

Changes in the global situation have speeded up the green transition in Europe. Countries aim at detaching themselves from the dependence on fossil fuels faster than expected, and investments within sustainable energy production made quick progress last year.

The same trend is visible at Westenergy - we have identified challenges and possibilities in the operational environment and have outlined Westenergy's direction of development in our strategy work. Our vision is that Westenergy's plant will represent carbon-neutral energy production by 2030.

Last year our vision on carbon-neutrality took one step further as the EnergySampo CCU consortium was founded. The project aims at utilising the carbon dioxide in the flue gases of Westenergy's WtE plant in the production of synthetic methane (LSNG). Last year we started the process of assessing the environmental impacts of the methane production plant. Our aim is that the project is granted public funding this year and we are, thus, able to make the investment decision. EnergySampo CCU is a consortium that has brought

many export companies on our operation area together. The project demonstrates what can be achieved when different companies work together and open-mindedly start promoting industrial-scale climate solutions.

Westenergy operates between waste management and the energy sector, and both sectors are developing at a fast pace. In addition, a lot of regulation affecting both sectors is changing rapidly as well. When changes in the operational environment and regulation are quick and unpredictable, it becomes difficult to make investments and develop operations. We hope, therefore, that decision-makers would help create an operational environment that would encourage companies to make investments that could reduce carbon footprint

in the home country and at the same time, create the prerequisites for Finnish export companies to maximise their carbon handprint. This would help improve the employment rate and well-being in Finland. Our sectors need predictability in order to invest. Green Deal that has been prepared for a long time, could be the tool to achieve this.

Westenergy has now seven municipal waste management companies as shareholders and refines the unrecyclable municipal waste of some 670 000 people into energy and renewable materials.

Westenergy's owner basis widened earlier this year as Ekorosk became one of Westenergy's shareholders. I'm very happy that after negotiations at the end of last year, Ekorosk joined our circular economy community. Our operation area is now more united, and the cost-efficient and sustainable service regarding unrecyclable municipal waste can now be offered also to people living in Ekorosk's operation area. Westenergy has now seven municipal waste management companies as shareholders and refines the unrecyclable

municipal waste of some 670 000 people into energy and renewable materials.

Regarding the production of energy, year 2022 was a positive period. Westenergy produced approximately 54 percent of Vaasan Sähkö's district heating and 90 gigawatt hours of electricity which covers the need of some 4 500 electrically heated houses. In the summer, the excess thermal energy produced in Westenergy's plant was stored in Vaasan Sähkö's energy storage, and in the fall, energy was unloaded to the district heating network. This helps even out the difference between energy production and demand.

I want to thank all our shareholders and Vaasan Sähkö for good co-operation. Together we are building a cleaner and more sustainable future.

Last year the usability rate of Westenergy's plant was very high, 100 percent. This means that the plant was in operation throughout the year apart from the service stop in March. The service stop proceeded so well that we were able to start production ahead of schedule. The plant is operated, maintained, and repaired systematically, and this has contributed to the high usability rate.

The service stop proceeded so well that we were able to start production ahead of schedule.

No occupational accidents have taken place at Westenergy for two and a half years, and the work for improving the safe-

ty culture continues still. I want to thank our capable staff for their valuable work for achieving the goals.

The new waste storage, truck scale, incoming road, and a modern access control system were put into operation in 2022. The new traffic arrangements have clarified traffic and improved safety in the area. Heavy traffic can now be separated better, and the new facilities for storing waste temporarily guarantee a modern and clean way for handling waste.

The new traffic arrangements have clarified traffic and improved safety in the area.

We aim at developing our operations continuously with the help of our quality, environment, and health & safety policy. We work for securing sustainable waste management and energy production on our operation area. We want to contribute to improving the sustainability of the waste-to-energy sector and continue to work for achieving these goals also in 2023.

Olli Alhoniemi

Managing Director, Westenergy Ltd



CORPORATE RESPONSIBILITY

*Co-operation for promoting circular economy and
carbon-neutral energy production*





ENERGYSAMPO CCU

Co-operation for promoting circular economy and carbon-neutral energy production

We aim at developing Westenergy's operation continuously and promote the development of circular economy. Our vision is that Westenergy's plant will produce carbon-neutral energy by 2030.

In 2022, the first phase of our vision on carbon-neutral energy production began as the EnergySampo CCU consortium was founded. CCU refers to *Carbon Capture and Utilisation*. The aim of the project is to build a production unit to Westenergy's plant that will produce liquified synthetic methane, LSNG. The first step of the process is to capture carbon dioxide from the flue gases of Westenergy's plant. The captured CO₂ will then be combined with hydrogen that has been produced with wind power. This forms synthetic methane gas that will be then liquified. The end product of the process is carbon-neutral fuel for heavy traffic and sea-traffic.

It is estimated that the production unit will produce approximately 7 500 tonnes of LSNG in a year which covers the need of a thousand trucks or two ferries sailing between Vaasa and Umeå in a year. In addition, about 100 gigawatt-hours of heat will be produced in the process and this will be utilised in district heat production. The CO₂ emissions of the WtE plant will decrease by nearly 25 %. The project represents a completely new sector connection between the energy sector, waste management, and chemical industry.

The new business has also export potential on a global scale. The project brings together several Finnish export companies operating in hydrogen economy and carbon dioxide, and their advanced solutions will be represented on a commercial scale in the LSNG production plant. In addition to Westenergy,

for instance, Danfoss, EPV Energia, Hitachi Energy Finland, Stormossen, Vaasan Sähkö, WOIMA Finland, and Wärtsilä Finland participate in the project. The design consultant in the project is AFRY Finland, and the consortium is supported by the technology centre Merinova.

It is estimated that the production unit will produce approximately 7 500 tonnes of LSNG in a year.

At the moment, we are carrying out preliminary planning and applying for funding. Last year we started the process of assessing the environmental impacts of the production unit in co-operation with Ramboll Finland, and public info events have also been organised. In the spring we aim at making the final decisions regarding technology and taking the preliminary planning as far as possible so that when the funding is secured, we will be able to quickly launch the project. A new project company would then be founded to carry out the project in which Westenergy would operate as a joint owner.

The global situation has speeded up the green transition, and countries are actively trying to detach themselves from the dependence on fossil fuels. Westenergy aims at promoting circular economy and carbon-neutral energy production in the form of EnergySampo CCU project. Our work for a clean and sustainable world will continue in 2023.



ENVIRONMENT

Sustainable energy production

It is important that our energy production is as clean and sustainable as possible. We observe the obligations outlined in the environmental permit regarding, for instance, the technology, different measurements, and treatment of residues, and we aim to improve our operations continuously.

Monitoring the air emissions of the plant forms a central part in the environmental monitoring program. The results of the continuous measurements of the air emissions can be seen in the diagrams on the next page where the complete circle illustrates the emission limit outlined in the environmental permit and the grey area marked inside the circle indicates the actual level of a certain impurity in 2022. The diagrams

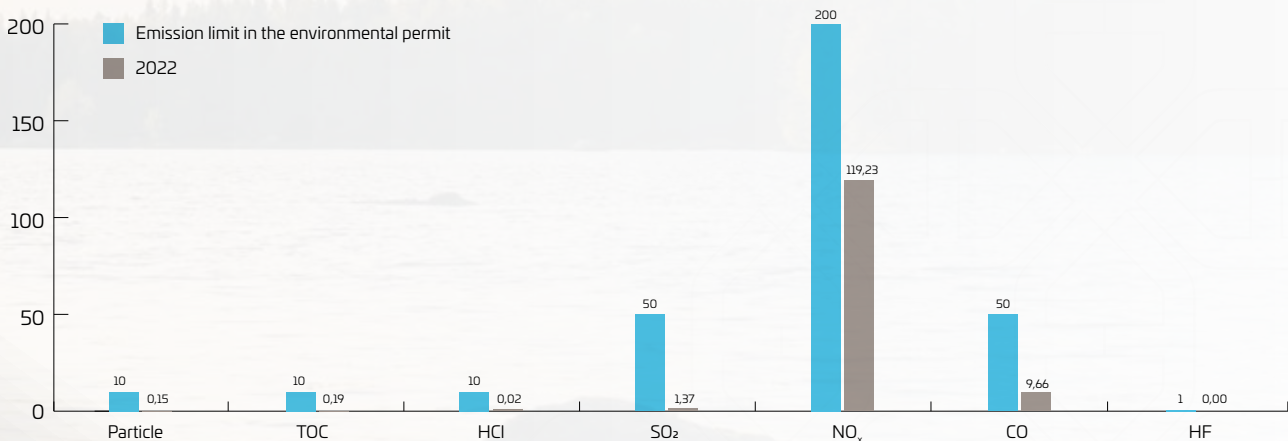
indicate that the flue gas treatment at Westenergy's WtE plant is on a very high level. We aim at improving flue gas treatment, and our vision is that in the future, also the carbon dioxide in the flue gases will be captured and utilised.

In addition to air emissions, we monitor the consistence of the condensation water formed in the flue gas treatment process as well as the consistence of the surface and groundwater. Last year, the waste storage area was added to water monitoring plan. No significant changes have occurred in the consistence of the condensation water or in the quality of the surface and groundwater during the plant operation.

It is important that our energy production is as clean and sustainable as possible.

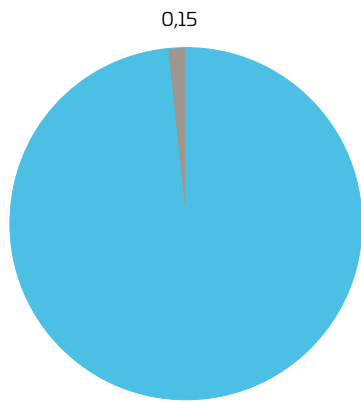
THE RESULTS OF THE CONTINUOUS MEASUREMENTS IN 2022

Concentration in flue gas mg/Nm³

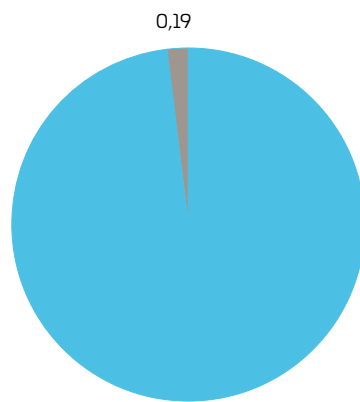




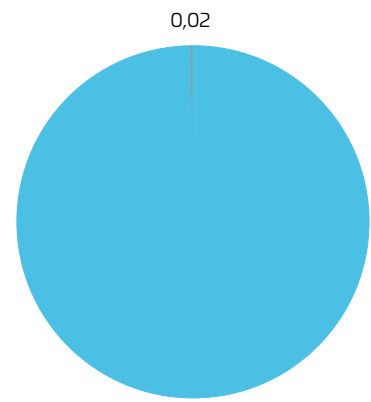
Particles mg/Nm³



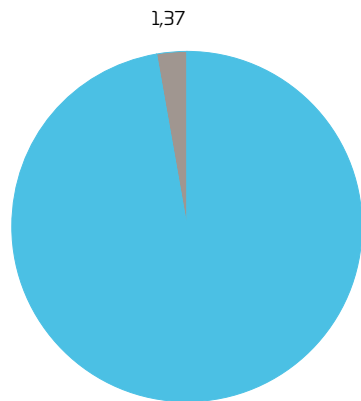
TOC (Total Organic Carbon) mg/Nm³



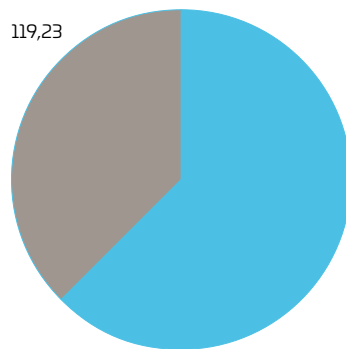
HCl (Hydrochloric Acid) mg/Nm³



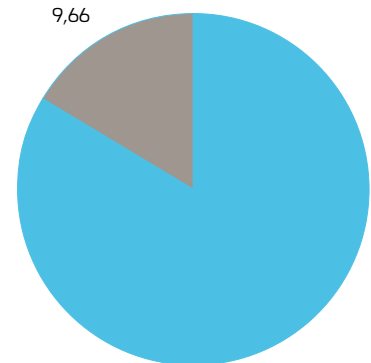
SO₂ (Sulphur Dioxide) mg/Nm³



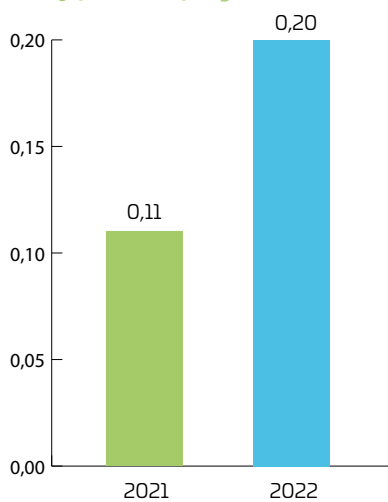
NO_x (Nitrogen Oxides) mg/Nm³



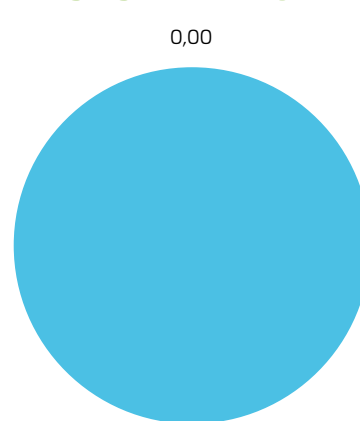
CO (Carbon Monoxide) mg/Nm³



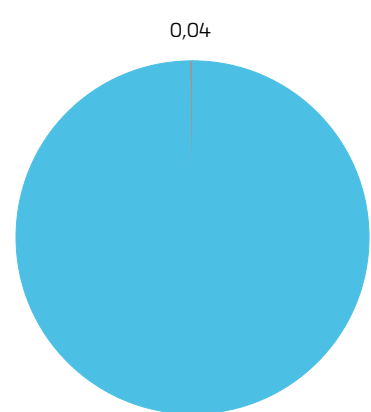
NH₃ (Ammonia) mg/Nm³*



HF (Hydrogen Fluoride) mg/Nm³



Hg (Mercury) µg/Nm³



* There is no emission limit outlined in the environmental permit for the content of NH₃

■ 2022

■ Emission limit in the environmental permit

1 mg = 1 milligram = one thousandth of a gram or 0.001 grams

1 µg = 1 microgram = one millionth of a gram or 0.000001 grams

1 ng = 1 nanogram = one billionth of a gram or 0.000000001 grams

➤ See the online Annual Report for more environmental key figures.
[2022.WESTENERGY.FI](https://2022.westenergy.fi)

Waste inspection

The fuel of Westenergy's WtE plant differs from many other sources of energy as its consistence varies a great deal, and the journey of the waste from the producer to the plant isn't always completely straightforward. To ensure that the fuel of the plant is suitable for energy recovery and doesn't cause problems to the equipment or flue gas purification, we carry out inspections on the consistence of the waste. Last year about 80 waste deliveries were inspected, and we were able to use the new storage area and hall that ensure a clean and modern way to inspect and temporarily store waste. This year we aim to develop our inspection methods so that we could screen a bigger amount of waste than before. This would help us get a more comprehensive view of the consistence of the fuel.

Last year about 80 waste deliveries were inspected, and we were able to use the new storage area and hall that ensure a clean and modern way to inspect and temporarily store waste.

Residue treatment

The appropriate treatment and analysis on the residues formed in the plant are a central part of environmental responsibility. We promote the sustainable treatment and reuse of these materials.

Bottom ash is formed during incineration. This material consists of, for example, ash, glass, metals, ceramics, and stone. The largest pieces of metal are separated from the ash already at the plant and are recycled. Suomen Eriytysjäte further processes the bottom ash of Westenergy's plant, and in 2022, about 33 000 tonnes of bottom ash were processed. The mineral fraction separated from the bottom ash is used to replace natural sand and gravel in, for example, road construction and concrete products. The metals in the bottom ash are, in turn, recycled and become raw material for metal industry. In this way, the valuable raw materials are returned to circulation.

The mineral fraction separated from the bottom ash is used to replace natural sand and gravel in, for example, road construction and concrete products.

Altogether some 6 000 tonnes of boiler ash and flue gas treatment residue, or APC, is formed in the energy production process in a year. These residues consist of purifying chemicals and impurities adhered to them. Fortum Waste Solutions processes these materials. Currently, a part of the material is processed in the ash refinery, whereas the other part is stabilised with cement and landfilled.



OCCUPATIONAL HEALTH AND SAFETY

Read about Fieldwork and Development Engineer Janne Suorauha's work on improving occupational safety and the reception process in our online annual report.

[2022.WESTENERGY.FI](https://2022.westenergy.fi)

Everyone participates in developing occupational health and safety

Our health & safety aim is to create a safe workplace where employees enjoy working. In 2022, no accidents took place at Westenergy, and Westenergy has been an accident-free workplace for two and a half years. We seek to improve safety in many ways. First aid skills and occupational safety card are required from all employees. Employees are encouraged to actively observe their workplace and report targets for development. Last year, about 50 such safety observations were reported. The observations are analysed to find out the primary causes and organise corrective actions, and last year, for instance, working planes and different markings and signs were added to the work environment. In 2022 we focused on improving safety especially in waste reception. This was topical as the new waste storage area and truck scale brought new functions to waste reception.

Risk assessment is a central tool in developing occupational safety, and it is updated by the occupational health and safety committee. The committee co-operates actively with occupational health care to promote the safety and well-being of the employees. Safety is also improved by organising safety briefings for the staff on topical themes such as using new tools and equipment.

The service stop of the plant is an annual challenge for occupational safety as during the service stop, there can be even 120 employees working at the plant at the same time and everyone aims at being as effective as possible. The corona restrictions have added challenge to planning the service stops the previous years. A work team has, therefore, been set up for planning safety during the service stops, and last year Fieldwork and Development Engineer Janne Suorauha took responsibility over safety management during the service stops.

Our health & safety aim is to create a safe workplace where employees enjoy working. In 2022, no accidents took place at Westenergy.



Accidents
0



Sickness absence
percentage
3,23 %



Safety
observations
50



HUMAN RESOURCES

Employees are encouraged to develop their skills and competence

Creating the prerequisites for the employees to develop skills and competencies is of key importance at Westenergy. Annual development discussions offer a good forum for outlining personal education plans where the needs of the company and those areas where the employer would like to develop and learn more about, are identified. In 2022, the employees took part in 67 staff training days.

REMOTE WORK BECAME THE NEW NORMAL

The corona pandemic changed the way work is carried out also at Westenergy. For instance, remote work has become a new and effective way of working, and many employees whose work includes office work, is now working partly from home. Remote work has brought flexibility to the work methods but has, on the other hand, decreased encounters at workplace. We stay in contact with each other, for instance, with the help of daily morning meetings that gather all employees together for a moment regardless of their actual location. The attendance rate in the morning meetings has been high since the beginning of the pandemic when the meetings were moved online.

RECREATIONAL ACTIVITIES SUPPORT WELL-BEING

Recreational activities are important for the well-being of employees and help create a positive workplace atmosphere. Westenergy's recreational activities group plans the activities for the staff. At the beginning of 2022, the corona pandemic and restrictions made it difficult to organise activities, and the money was donated to Ukraine for humanitarian aid instead. In the fall, when the corona situation eased up, the employees were able to attend a trip to visit a WtE plant in Czech, Liberec. The employees are encouraged to take care of their well-being also on their spare time with the help of vouchers that can be used to pay culture and sport activities. There is also a versatile gym at the plant.

STUDENT CO-OPERATION

In 2022 there were altogether 47 employees at Westenergy. Around ten of them were summer workers who substituted the permanent staff in production, maintenance and in different office work as well as in the maintenance of the outdoor area of the plant. Many of the summer workers have been students who have later written their thesis for Westenergy. Last year, two such theses were completed, both of which dealt with developing the maintenance and maintenance system of the plant.

HR KEY FIGURES IN 2022



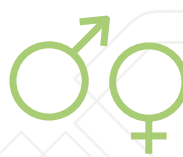
Number of employees on average

39



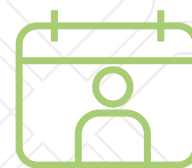
Employment types

31 permanent
16 temporary



Gender distribution

39 men
8 women



Average age

37,7 years



WESTENERGY'S WTE PLANT

*In 2022 we produced approximately
400 gigawatt-hours of district heating and
90 gigawatt-hours of electricity.*





PRODUCTION



Sustainable energy production

Westenergy's primary task is to refine the unrecyclable waste supplied by the owner companies into electricity, heat and renewable materials.

The sustainability and efficiency of the operations are constantly developed.

In 2022 the usability rate of Westenergy's WtE plant was a full 100 percent! It means that the plant was in operation throughout the year apart from the service stop in March, and no production disruptions took place last year. To be able to operate a WtE plant with a single production line without disruptions for an entire year is very exceptional, and we are very happy with the high usability rate of the plant.

In 2022 the usability rate of Westenergy's WtE plant was a full 100 percent.

In 2022, Westenergy refined approximately 195 000 tonnes of waste into energy – into 90 gigawatt-hours of electricity and 400 gigawatt-hours of district heating. Westenergy produced 54 percent of Vaasan Sähkö's district heating and the amount of electricity produced in the plant covers the need of some 4 500 electrically heated houses.

In the summer, the excess thermal energy was stored in Vaasan Sähkö's energy storage in Vaskiluoto, and in the fall when the demand for heating increased, energy was unloaded from the storage into the district heating network. In this way we were able to even out the gap between the production and demand and improve the energy efficiency of the plant.

In 2022, the energy market became relatively unstable, and we reacted to the situation by maximising the production of electricity in the plant. The turbine was, therefore, by-passed more seldom last year than usually. By-passing the turbine refers to a situation where energy is produced solely in the form of heat, not electricity. The instability in the global situation caused also significant price fluctuation and elevated the prices of the chemicals used in flue gas purification. With the help of profound planning and preparedness we were, however, able to ensure the stable operation of the WtE plant in a challenging situation.



KEY FIGURES IN PRODUCTION



Availability
100 %



Employees
39



Operating hours
8 408 h



Waste to energy
194 612 t



Electricity
89,97 GWh



District heat
399,92 GWh



Ash
32 580 t



Metal
2955 t



Flue gas treatment residue
(APC)
4 570 t
Boiler ash
1 682 t



Waste water
35 547 m³
Rain and melt water
16 533 m³

Improving the reception process

In 2022 the new incoming road, waste storage area, and automatic truck scale were put into operation. This also included a new access control system. We are now able to store waste during service stops and production disruptions neatly indoors in the waste storage hall.

Circular economy has been strongly present in the project as for instance, recycled concrete rubble and ground material such as stone rubble and surface soil found readily in the area were used in the construction of the new area. This year we aim to optimise the reception process.



*Westenergy's WtE plant is operated by
Production Manager, Production Engineer,
and a team of 15 Operators.*



MAINTENANCE

Read the online annual report for CMMS Project Engineer
Johan Nevanperä's work with the new maintenance
system!

[2022.WESTENERGY.FI](https://2022.westenergy.fi)

Efficient maintenance enables high usability

Efficient maintenance creates the conditions for keeping Westenergy's WtE plant in operation nearly throughout the year. The maintenance team of the plant is currently formed by Maintenance Manager, Electrician, Automation Mechanic, three Mechanics, and Apprenticeship student. In 2022 we reached the usability of 100 percent with which we are very pleased.

Efficient preventive maintenance and a skilled staff are of key importance when aiming at high usability.

In March last year, the first service stop for a year and a half was organised. All the maintenance and repair work that require that the plant is shut down are carried out during the service stop. Last year, it was estimated the service stop to take two weeks, but we were able to start production ahead of schedule. This is a great thing regarding energy produc-

tion. Last year we changed, for example, the draining lines of the superheaters which helped reach the high usability rate. In addition, routine preventive maintenance and periodic inspections were carried out both in mechanical and electricity and automation maintenance. The condition assessment of the boiler revealed that there still is no significant wearing, and the next maintenance work for the boiler will be carried out in 2027. The wearing of the equipment is more concrete in the flue gas purification system.

The impacts of the war in Ukraine to the global situation were reflected also in Westenergy's maintenance, and caused, for instance, delays in the delivery of different products and in getting offers from suppliers. The prices of products changed relatively fast which prolonged the purchase processes. We have prepared ourselves for these uncertainties with careful planning. In 2021, no service stop was organised in the plant so there was also more time than usual for planning and preparing the service stop in 2022.

Maintenance needs to be developed continuously, and we have recently started a project for implementing a new maintenance system.



ECONOMIC DATA

Balance sheet



Annual report

1.1. - 31.12.2022

Westenergy Ltd was registered in the Finnish Trade Register on 1 January 2008. The company's trade register number is 2165379-9 and its domicile is Mustasaari. The company is owned by Oy Botnjarosk Ab, Lakeuden Etappi Oy, Loimi-Hämeen Jätehuolto Oy, Millespakka Oy, Ab Stormossen Oy and Vestia Oy. The past financial period was the fourteenth in the company's history. Westenergy's main line of business is operating a waste-to-energy plant. The company operates on the absorption principle and does not distribute dividends.

The company has built a plant specialising in the energy production from and conversion of non-recyclable municipal waste on a property that it owns in Koivulahti, Mustasaari, and it sells services to its shareholders on the absorption principle. The plant was completed and went into operation in August 2012. The energy produced at the plant is converted into electricity and district heat using the machinery of the company's partner, Vaasan Sähkö Oy.

During 2022, Westenergy Ltd's plant continued to maintain high availability. The maintenance shutdown was arranged effectively – even slightly ahead of the schedule – and all planned work was completed. In general, the maintenance costs were well under control during the year. Westenergy's plant operated successfully throughout the year. Availability was 100%, with the exception of the shutdown period. These trustworthy operations were naturally a prerequisite for the reliability of energy deliveries. The energy deliveries were well within the estimate. During the year, we managed to efficiently utilise waste heat storage together with Vaasan Sähkö. All of this was important for the company in terms of economy.

Energy prices fluctuated strongly during the year. Revenue from the sale of energy was considerably higher than in previous years. Gate fees were lower than before during the year. Westenergy's turnover fell from last year. It must be noted that year 2021 was an exceptional year in Westenergy's history, so making comparisons is challenging. When comparing with earlier years, the turnover remains at the same level.

At the beginning of 2022, the COVID-19 pandemic continued to limit operations and cause uncertainty. Westenergy survived the pandemic without any significant problems. Absences due to illness grew slightly in 2022. Chemical prices have also rocketed due to the global crises caused by the COVID-19 pandemic and the war in Ukraine. Westenergy's chemical prices increased considerably during the past year. But also in this regard, the excellent operational capacity of the plant managed to keep the costs tolerable. Specific consumption of chemicals was kept under control and, thereby, the cost effects were limited.

Bottom slag was generated and processed as in previous years. The work we have done together with our partners Lakeuden Etappi Oy and Suomen Erytisjäte Oy in the processing of slag further has yielded results over the years. The treatment of bottom slag and the processing methods have become more effective and the operations are balanced, cost effective and predictable. Suomen Erytisjäte Oy has been responsible for the treatment of bottom slag during the financial period.

| YEAR | 2022 | 2021 | 2020 | 2019 | 2018 |
|----------------------------------|---------|---------|---------|---------|---------|
| Turnover, MEUR | 16,6 | 19,7 | 16,5 | 16,1 | 15,9 |
| Amount of utilised waste, tonnes | 194 612 | 200 236 | 193 675 | 189 638 | 190 679 |
| Utilisation rate, % | 96,0 | 98,8 | 94,1 | 93,5 | 95,5 |



The company's investments made during the 2022 financial period totalled MEUR 2.4. The new storage and road area was the biggest investment in 2022. This project included the new temporary waste storage area, warehouse, new access route, scales with buildings and access control arrangements. The investment was completed and commissioned during the summer this year. Other investments implemented during the period included, for example, the change in the property automation system.

The investments made have increased amortisation for their part in 2021–2022. However, amortisation as a whole has decreased year-on-year, as long-term amortisation (10 years) has now been completed. The company's Board has also decided on a new depreciation and amortisation programme. The depreciation and amortisation programme transitioned to the maximum depreciation on all buildings and structures allowed by the Act on the Taxation of Business Income as of the beginning of 2022. This matches better with the development of the condition of buildings.

The company's cash position is good, and the company has been able to fulfil its financial obligations well. It was not necessary for the company to take out more loan for investments in 2022. During the year, a significant part of Westenergy Ltd's financing was renewed.

Westenergy has finetuned its strategy work during the period. The long-term strategy is aligned with the climate and circular economy targets of the EU and Finland. Westenergy collaborated with its owner companies and other stakeholders in innovating and seeking new solutions for the future. Westenergy has acted as a pioneering force in defining the Green Deal package for the industry, which led to the initiation of negotiations on the national level, led by the Ministry of the Environment. These negotiations are still under way. Westenergy provides strong support to development projects and dissertations on the circular economy and climate matters. The company is working in close relationship with numerous cooperation partners in the areas mentioned above. Based on the strategy work, the financial period saw progress in development projects associated with, for example, carbon dioxide recovery and

utilisation, refining of green hydrogen and more efficient utilisation of biofuels.

In 2022, Westenergy launched the Energy Sampo CCU project together with several partners. In this project, the aim is to design and build a new next-generation synthetic methane (LSNG) production facility in connection of Westenergy's waste energy plant. Public funding is applied for the projects and, once it is granted, the investment decision for the project is expected to be confirmed in 2023. The Energy Sampo CCU project supports Finland's journey towards a carbon-neutral future in accordance with the EU's Fit for 55 targets. The project promotes the phasing out of imported fossil fuels, and is a step towards the carbon-neutral district heat solution in the Vaasa region. In Westenergy's strategy, this project is the first major step towards carbon neutrality.

Westenergy is committed to following the quality, environmental and occupational health and safety policies that the company has defined. Through certified systems, Westenergy aims to improve the overall quality and cost-effectiveness of its operations. An occupational health and safety system is used to manage known risks, maintain the health and working ability of employees and improve occupational health and safety. Westenergy aims at managing environmental risks with actions and programmes defined in the environmental system. Westenergy reports new developments concerning quality, the environment and occupational health and safety to interest groups primarily in the form of an annual report. Westenergy's management system complies with the standards of quality (ISO 9001:2015), the environment (ISO 14001:2015) and occupational health and safety (ISO 45001:2018). The systems were evaluated both internally and by an independent external auditor in 2022.

The company employed 34 people at the beginning of the financial period and 37 people at the end of the financial period. The average number of employees during the year was 36. The salaries and remuneration paid in 2022 totalled EUR 2,609,547. The following table includes some key figures related to the personnel.

| YEAR | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------|------|------|------|------|
| Number of employees, 1 Jan | 34 | 33 | 33 | 30 | 30 |
| Number of employees, 31 Dec | 37 | 34 | 33 | 33 | 32 |
| Average number of employees | 39 | 36 | 37 | 35 | 36 |
| Salaries and remuneration, MEUR | 2,61 | 2,33 | 2,37 | 2,27 | 2,25 |
| Absences due to illness, % of total working time (*) | 3,23 | 2,63 | 2,43 | 2,20 | 2,11 |
| Number of accidents at work | 0 | 0 | 1 | 0 | 0 |

*) Including sick leave, absences due to the illness of a child and absences due to accidents during work and leisure time

In the past financial period, the Board of Directors consisted of Paavo Eloniemi (Chair), Ragnvald Blomfeldt (Vice-Chair), Paavo Hankonen, Antti-Kalle Levijoki (until 16 June 2022), Jouko Huumarkangas (from 16 June 2022), Teuvo Suominen and Harri Virtanen.

An Extraordinary General Meeting was held on 25 November 2022. According to the valid Articles of Association, the term of members of the Board end at the end of the second General Meeting following the election, so the shareholders decided to re-elect the aforementioned members of the Board, i.e. Paavo Eloniemi (Chair), Ragnvald Blomfeldt (Vice-Chair), Paavo Hankonen, Jouko Huumarkangas, Teuvo Suominen and Harri Virtanen, without convening on 12 December 2022.

The Board met 11 times in total during the past financial period.

Olli Alhoniemi acted as the Managing Director of Westenergy. The company's regular auditor was the audit firm Ernst & Young Oy with Kristian Berg, CPA, acting as the principal auditor.

The Extraordinary General Meeting held on 25 November 2022 authorised the Board to decide on a share issue directed at Ab Ekorosk Oy, in which a maximum of 1,100,000 shares will be issued. On 15 December 2022, Westenergy Ltd's Board decided on the directed share issue, in which 1,062,819 new shares in the company were offered to Ab Ekorosk Oy, in deviation from the shareholders' pre-emptive rights, for a subscription price of EUR 2,48774 per share, i.e. a total of EUR 2,644,018. The directed share issue was based on weighty financial reasons as provided in Chapter 9 section 4(1) of the Limited Liability Companies Act, with the aim of strengthening the company's financial standing and securing sufficient supply of raw materials. The subscription period was 1–31 January 2023. All shares were subscribed and paid up by 17 January 2023. Of the share subscription price, EUR 1,062,819 is recognised in share capital and EUR 1,581,199 in reserve for invested unrestricted equity.

The following table shows the number of shares and share of ownership by owner after the share issue arrangements.

| NUMBER OF SHARES HELD AND SHARE OF OWNERSHIP AFTER CHANGES | Shares | Ownership, % |
|--|------------|--------------|
| Oy Botnjarosk Ab | 1 050 000 | 6,19 % |
| Millespakka Oy | 600 000 | 3,54 % |
| Vestia Oy | 3 100 000 | 18,27 % |
| Lakeuden Etappi Oy | 4 200 000 | 24,75 % |
| Ab Stormossen Oy | 3 953 873 | 23,30 % |
| Loimi-Hämeen Jätehuolto Oy | 3 000 000 | 17,68 % |
| Ab Ekorosk Oy | 1 062 819 | 6,26 % |
| New subscribed capital, EUR | 16 966 692 | 100,00 % |



An Extraordinary General Meeting convened on 31 January 2023. A new member was elected to Westenergy Ltd's Board in the General Meeting. The new member of the Board is Stefan Storholm. The General Meeting also made a few changes to the company's Articles of Association.

The objective of the ownership arrangements is to strengthen the ownership base of Westenergy Ltd, which would guarantee a sufficient waste supply until a distant future and enable Westenergy to provide cost-effective services to its shareholders. Until now, the current shareholders of Westenergy have acquired non-recyclable waste for energy production also outside their own operating areas through contractual arrangements.

With the ownership arrangements, the shareholders' agreements and the supply agreements, which determine the relationship and operations between the shareholders and the company, were updated accordingly. The share of ownership still directly correlates with the supply quotas of each shareholder.

There have been no significant events after the end of the financial period.

The company's registered share capital was EUR 15,903,873 and there were 15,903,873 shares in the company at the end of the financial period. The redemption clause set in the Articles of Association is applied to the shares, according to which other shareholders have the primary right to redeem shares, and the company itself has the secondary right if the shares are to be transferred to a third party.

Because of the absorption principle, it is not appropriate to compare the key figures to profit-making companies when analysing Westenergy's operations, financial position and results.

In compliance with Section 3 of the articles of association, the company does not distribute dividends. The Board of Directors proposes that the result for the period of EUR -9,799.71 be transferred to the profit and loss account as the company's equity.

Vaasa, 23 February 2023

Westenergy Ltd, Company Board

Profit and loss statement

| Currency EUR | 1.1.2022 - 31.12.2022 | 1.1.2021 - 31.12.2021 |
|--|-----------------------|-----------------------|
| TURNOVER | 16 563 990,07 | 19 696 732,21 |
| Other income from operating activities | 0,00 | 3 782,21 |
| Raw materials and services | | |
| Raw materials, supplies and consumables | | |
| Purchases during the financial period | -3 041 121,84 | -2 325 268,89 |
| Increase/decrease in inventories | -126 521,05 | -2 049,47 |
| External services | -1 829 885,77 | -956 114,78 |
| Raw materials and services total | -4 997 528,66 | -3 283 433,14 |
| Personnel costs | | |
| Wages and salaries | -2 599 946,53 | -2 357 632,27 |
| Social security expenses | | |
| Pension expenses | -462 407,32 | -390 941,59 |
| Other social security expenses | -78 767,06 | -75 137,98 |
| Personnel costs, total | -3 141 120,91 | -2 823 711,84 |
| Amortisation, depreciation and impairment | | |
| Depreciation according to the plan | -6 423 184,64 | -7 434 654,00 |
| Other operating expenses | -2 030 986,58 | -1 402 017,88 |
| OPERATING PROFIT (LOSS) | -28 830,72 | 4 756 697,56 |
| Financial income and expenses | | |
| Other interest and financial income | 204,79 | 3,87 |
| Interest and other financial expenses | -699 197,57 | -723 386,02 |
| Financial income and expenses total | -698 992,78 | -723 382,15 |
| PROFIT (LOSS) BEFORE EXTRAORDINARY APPROPRIATIONS AND TAXES | -727 823,50 | 4 033 315,41 |
| Appropriations | | |
| Increase (-) or decrease (+) in depreciation difference | 716 000,00 | -4 037 308,67 |
| Income taxes | 2 023,79 | 0,00 |
| PROFIT/LOSS FOR THE FINANCIAL PERIOD | -9 799,71 | -3 993,26 |



Balance sheet

| Currency EUR | 31.12.2022 | 31.12.2021 |
|---|----------------------|----------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Intangible assets | | |
| Intangible rights | 166 234,03 | 244 109,57 |
| Tangible assets | | |
| Land and waters | 1 297 460,86 | 1 122 445,36 |
| Buildings and structures | 24 519 763,16 | 25 014 956,94 |
| Machinery and equipment | 29 232 939,16 | 33 516 367,13 |
| Other tangible assets | 1 834 578,19 | 1 259 599,91 |
| Advance payments and construction in progress | 27 599,40 | 0,00 |
| Tangible assets total | 56 912 340,77 | 60 913 369,34 |
| NON-CURRENT ASSETS TOTAL | 57 078 574,80 | 61 157 478,91 |
| CURRENT ASSETS | | |
| Inventories | | |
| Raw materials and consumables | 1 673 824,58 | 1 800 345,63 |
| Receivables | | |
| Current | | |
| Trade receivables | 1 094 290,72 | 1 901 368,07 |
| Other receivables | 183 963,30 | 201 689,89 |
| Accrued income | 644 335,32 | 262 184,91 |
| Receivables, current total | 1 922 589,34 | 2 365 242,87 |
| Cash in hand and at banks | 1 019 969,97 | 2 080 645,85 |
| CURRENT ASSETS TOTAL | 4 616 383,89 | 6 246 234,35 |
| ASSETS TOTAL | 61 694 958,69 | 67 403 713,26 |

| Currency EUR | 31.12.2022 | 31.12.2021 |
|---|---------------|---------------|
| LIABILITIES | | |
| EQUITY | | |
| Subscribed capital | 15 903 873,00 | 15 903 873,00 |
| Other reserves | | |
| Reserve for invested non-restricted equity | 3 903 873,00 | 3 903 873,00 |
| Fair value reserve | 443 833,60 | -801 272,00 |
| Retained earnings (losses) | -20 487,17 | -16 493,91 |
| Profit/loss for the financial period | -9 799,71 | -3 993,26 |
| EQUITY, TOTAL | 20 221 292,72 | 18 985 986,83 |
| ACCUMULATED APPROPRIATIONS | | |
| Depreciation difference | 4 397 131,09 | 5 113 131,09 |
| APPROPRIATIONS TOTAL | 4 397 131,09 | 5 113 131,09 |
| LIABILITIES | | |
| Long-term | | |
| Loans from credit institutions | 21 300 000,00 | 10 150 000,00 |
| Current | | |
| Loans from credit institutions | 13 700 000,00 | 29 025 000,00 |
| Deferred income | 30 287,48 | 458 977,50 |
| Accounts payable | 1 207 983,86 | 1 676 914,29 |
| Other liabilities | 192 013,61 | 301 199,10 |
| Accrued liabilities | 646 249,93 | 1 692 504,45 |
| Current, total | 15 776 534,88 | 33 154 595,34 |
| LIABILITIES TOTAL | 37 076 534,88 | 43 304 595,34 |
| LIABILITIES TOTAL | 61 694 958,69 | 67 403 713,26 |



Financial statement

| Currency EUR | 31.12.2022 | 31.12.2021 |
|--|----------------------|----------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit (loss) before appropriations and taxes | -727 823,50 | 4 033 315,41 |
| Adjustments: | | |
| Depreciation according to the plan | 6 423 184,64 | 7 434 654,00 |
| Financial income and expenses | 698 992,78 | 723 382,15 |
| Cash flow before change in working capital | 6 394 353,92 | 12 191 351,56 |
| Change in working capital: | | |
| Increase(-)/decrease(+) in short-term interest-free receivables | 799 151,32 | -771 138,08 |
| Increase(-)/decrease(+) in inventories | 126 521,05 | 2 049,47 |
| Increase(+)/decrease(-) in short-term interest-free liabilities | -1 162 428,86 | 436 771,38 |
| Cash flow from operations before financial items and taxes | 6 157 597,43 | 11 859 034,33 |
| Interest paid and payments for financial expenses from operations | -699 197,57 | -723 386,02 |
| Financial income received from operations | 204,79 | 3,87 |
| Cash flow before extraordinary items | 5 458 604,65 | 11 135 652,18 |
| CASH FLOW FROM OPERATING ACTIVITIES (A) | 5 458 604,65 | 11 135 652,18 |
| CASH FLOW FROM INVESTMENTS: | | |
| Investments in tangible and intangible assets | -2 356 140,53 | -4 390 795,64 |
| Capital losses from tangible and intangible assets | 11 860,00 | |
| CASH FLOW FROM INVESTMENTS (B) | -2 344 280,53 | -4 390 795,64 |
| CASH FLOW FROM FINANCING: | | |
| Repayment of long-term loans | -4 175 000,00 | -6 825 000,00 |
| CASH FLOW FROM FINANCING (C) | -4 175 000,00 | -6 825 000,00 |
| CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) INCREASE(+)/DECREASE(-) | -1 060 675,88 | -80 143,46 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 2 080 645,85 | 2 160 789,31 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 1 019 969,97 | 2 080 645,85 |

Accounting policies

ACCOUNTING POLICIES

Applied provisions

The financial statements are prepared in accordance with the valid Accounting Act.

Derivates

The company has signed a derivate contract in order to manage the volatility of interest rates. Hedge accounting is applied to the derivates. Hedge instruments' impact on profit is recognised together with the hedged item. Unrealised changes in value are recognised in the fair value reserve of equity. The fair value is calculated taking into account the deferred tax receivables.

VALUATION AND MATCHING PRINCIPLES AND METHODOLOGY

Tangible and intangible assets recorded in the fixed assets of the company are valued at the historical cost of acquisition.

The acquisition costs of reproducible assets are written off in accordance with the established plan. The depreciation plan is determined on the basis of economic life.

THE ESTIMATED BASIS OF PLANNED DEPRECIATION AND THE CHANGES THEREOF:

| CLASS OF ASSETS | Assumed life, years / residue of initial outlay, % | Depreciation method |
|--|---|--------------------------------|
| Intangible rights | 5 | straight-line depreciation |
| Building | 7% | declining-balance depreciation |
| Administrative building's share depreciation | 4% | declining-balance depreciation |
| Machinery and equipment, production machines and tools | 5-20 | straight-line depreciation |

VALUATION OF INVENTORIES

Inventories are valued at the historical cost of acquisition in accordance with the FIFO principle.

PENSIONS

The pension cover of the company's employees is managed by an external pension insurance company. Pension costs are recognised as expenses in the year of accrual.

COMPARABILITY OF THE RESULT

The results for this and the previous period are comparable.



NOTES TO THE PROFIT AND LOSS STATEMENT

| WAGES AND SALARIES | 2022 | 2021 |
|--|---------------------|----------------------|
| In the financial period, the company employed an average of | 39 pers. | 36 pers. |
| Remuneration for the member of Board and the Managing Director | 225 329,90 | 205 715,60 |
| DEPRECIATION AND AMORTISATION | 2022 | 2021 |
| Depreciation according to the plan | | |
| Intangible rights depreciation | 77 875,54 | 65 722,81 |
| Depreciation of other long-term expenses | 96 493,59 | 1 706 013,47 |
| Depreciation of buildings and structures | 1 835 217,21 | 1 190 3974,34 |
| Depreciation of machinery and equipment | 4 413 598,30 | 4 472 523,38 |
| Total | 6 423 184,64 | 7 434 654,00 |
| OTHER OPERATING EXPENSES | 2022 | 2021 |
| Voluntary social security expenses | 215 255,53 | 134 735,89 |
| Property and premises expenses | 670 867,17 | 464 234,52 |
| Other expenses | 1 144 863,88 | 803 047,47 |
| Total | 2 030 986,58 | 1 402 017,88 |
| Auditors' fees | 14 000,00 | 14 000,00 |
| FINANCIAL INCOME AND EXPENSES | 2022 | 2021 |
| Interest income | 204,79 | 3,87 |
| Interest expenses | -699 197,57 | -723 386,02 |
| Financial income and expenses, total | -698 992,78 | -723 382,15 |

NOTES TO THE BALANCE SHEET

| INTANGIBLE ASSETS | 2022 | 2021 |
|--|-------------------|-------------------|
| Intangible rights | | |
| Historical cost, 1 Jan | 389 377,70 | 323 930,70 |
| Increase | 0,00 | 65 447,00 |
| Historical cost, 31 Dec | 389 377,70 | 389 377,70 |
| Accumulated amortisation, depreciation and impairment, 1 Jan | 145 268,13 | 79 545,32 |
| Amortisation in the financial period | 77 875,54 | 65 722,81 |
| Accumulated amortisation | 223 143,67 | 145 268,13 |
| Carrying amount | 166 234,03 | 244 109,57 |

| TANGIBLE ASSETS | 2022 | 2021 |
|--|----------------------|----------------------|
| Land areas | | |
| Historical cost, 1 Jan | 1 122 445,36 | 1 122 445,36 |
| Increase | 175 015,50 | 0,00 |
| Historical cost, 31 Dec | 1 297 460,86 | 1 122 445,36 |
| Buildings and structures | | |
| Historical cost, 1 Jan | 36 012 096,72 | 32 978 379,40 |
| Increase | 1 340 023,43 | 3 033 717,32 |
| Depreciations | | |
| Historical cost, 31 Dec | 37 352 120,15 | 36 012 096,72 |
| Accumulated amortisation, depreciation and impairment, 1 Jan | 10 997 139,78 | 9 806 745,44 |
| Amortisation in the financial period | 1 835 217,21 | 1 190 394,34 |
| Accumulated amortisation | 12 832 356,99 | 10 997 139,78 |
| Carrying amount | 24 519 763,16 | 25 014 956,94 |
| Machinery and equipment | | |
| Historical cost, 1 Jan | 68 140 271,13 | 67 934 471,15 |
| Increase | 130 170,33 | 205 799,98 |
| Depreciations | | |
| Historical cost, 31 Dec | 68 270 441,46 | 68 140 271,13 |
| Accumulated amortisation, depreciation and impairment, 1 Jan | 34 623 904,00 | 30 151 380,62 |
| Amortisation in the financial period | 4 413 598,30 | 4 472 523,38 |
| Accumulated amortisation | 39 037 502,30 | 34 623 904,00 |
| Carrying amount | 29 232 939,16 | 33 516 367,13 |



| TANGIBLE ASSETS | 2022 | 2021 |
|---|----------------------|----------------------|
| Other tangible assets | | |
| Historical cost, 1 Jan | 1 259 599,91 | 173 768,57 |
| Increase | 683 331,87 | 1 085 831,34 |
| Depreciations | 11 860,00 | 0,00 |
| Historical cost, 31 Dec | 1 931 071,78 | 1 259 599,91 |
| Accumulated amortisation, depreciation and impairment, 1 Jan | 0,00 | 0,00 |
| Amortisation in the financial period | 96 493,59 | 0,00 |
| Accumulated amortisation | 0,00 | 0,00 |
| Carrying amount | 1 834 578,19 | 1 259 599,91 |
| | | |
| RECEIVABLES | 2022 | 2021 |
| Current | | |
| Trade receivables | 1 094 290,72 | 1 901 368,07 |
| Other receivables | 181 939,51 | 1 371,89 |
| Deferred tax assets | 2 023,79 | 200 318,00 |
| Accrued income | 89 543,32 | 262 184,91 |
| Derivates | 554 792,00 | 0,00 |
| Current receivables, total | 1 922 589,34 | 2 365 242,87 |
| | | |
| EQUITY | 31.12.2022 | 31.12.2021 |
| Committed | | |
| Share capital 1 Jan | 15 903 873,00 | 15 903 873,00 |
| Change in the financial period | 0,00 | 0,00 |
| Share capital 31 Dec | 15 903 873,00 | 15 903 873,00 |
| Fair value reserve | 443 833,60 | -801 272,00 |
| Committed capital, total, 31 Dec | 16 347 706,60 | 15 102 601,00 |
| Free | | |
| Reserve for invested non-restricted equity at the beginning of the period | 3 903 873,00 | 3 903 873,00 |
| Change in the financial period | 0,00 | 0,00 |
| Reserve for invested non-restricted equity at the end of the period | 3 903 873,00 | 3 903 873,00 |
| Retained earnings | -20 487,17 | -16 493,91 |
| Distribution of dividends | 0,00 | 0,00 |
| Profit/loss for the financial period +/- | -9 799,71 | -3 993,26 |
| Unrestricted equity, total | 3 873 586,12 | 3 883 385,83 |
| EQUITY, TOTAL | 20 221 292,72 | 18 985 986,83 |

| | 2022 | 2021 |
|----------------------|-------------------|-------------------|
| Distributable equity | 3 873 586,12 | 3 883 385,83 |
| Number of shares | 15 903 873 | 15 903 873 |

| SPECIFICATION OF LIABILITIES | 2022 | 2021 |
|-------------------------------------|----------------------|----------------------|
| Non-current | | |
| Loans from credit institutions | 21 300 000,00 | 10 150 000,00 |
| Current | | |
| Loans from credit institutions | 13 700 000,00 | 29 025 000,00 |
| Accounts payable | 1 207 983,86 | 1 676 914,29 |
| Accrued liabilities | 646 249,93 | 1 692 504,45 |
| Other liabilities | 81 055,21 | 301 199,10 |
| Deferred tax liabilities | 110 958,40 | 0,00 |
| Deferred income | 30 287,48 | 458 977,50 |
| TOTAL | 37 076 534,88 | 43 304 595,34 |

| CONTINGENT LIABILITIES AND OTHER COMMITMENTS | 2022 | 2021 |
|---|-----------------------|-----------------------|
| Debt guaranteed by a mortgage on the real estate or company | | |
| Financial loans | 35 000 000,00 | 39 175 000,00 |
| Business mortgage | 110 000 000,00 | 110 000 000,00 |
| Real estate mortgage | 110 000 000,00 | 110 000 000,00 |
| The terms of the loan contain special conditions | | |
| Bank account limits | 200 000,00 | 200 000,00 |
| of which used | 0,00 | 0,00 |
| Other collateral | | |
| Bank guarantee | 3 100 000,00 | 600 000,00 |
| OTHER LIABILITIES | 2022 | 2021 |
| Leasing | 39 980,51 | 6 864,39 |
| of which maturing in 2023 | 15 424,92 | 3 050,84 |
| Liability to refund VAT for real estate investments | 2 058 634,59 | 2 724 624,22 |



DETAILS ON THE DERIVATIVE CONTRACTS THAT HEDGE AGAINST THE INTEREST RATE RISK

The notional amount of the interest rate swap contract is EUR 15,000,000 from 8 December 2017 to 8 December 2027, with the interest rate being 3-month Euribor. The company receives 3-month Euribor and pays fixed interest.

This interest rate swap contract hedges Westenergy Ltd's loan of MEUR 15.

The interest rate swap cash flows are recognised in profit or loss for the same periods as the interest flows of the hedged loan until 8 December 2027.

The fair value of the contract at the date of closure of the accounts:

| 2022 | 2021 |
|------------|----------------|
| 554 792,00 | - 1 001 590,00 |

| LIABILITIES DUE IN MORE THEN FIVE YEARS | 2022 | 2021 |
|---|--------------|--------------|
| Financial institution loans | 6 500 000,00 | 7 200 000,00 |

THE BOARD OF DIRECTORS' PROPOSAL ON THE USE OF THE NON-RESTRICTED EQUITY

The Board proposes that no dividends will be paid.

ACCOUNTING BOOKS USED IN THE FINANCIAL PERIOD

| | |
|------------------------------------|--------------------------------------|
| Financial statements | Digital in the archive for documents |
| Balance sheet specifications | Digital in the archive for documents |
| Chart of accounts and balance list | Digital in the archive for documents |
| General journal | Digital in the archive for documents |
| General ledger | Digital in the archive for documents |

VOUCHER TYPES AND STORING METHODS

| | |
|----------------------------|------------------------------|
| ACC – Matching | Digital in the Fennoa system |
| BA1 – Bank account 1 | Digital in the Fennoa system |
| GL – Memo | Digital in the Fennoa system |
| IN – Sales invoice | Digital in the Fennoa system |
| OLD – Import | Digital in the Fennoa system |
| PU – Purchase invoice | Digital in the Fennoa system |
| TI – Travel expense report | Digital in the Fennoa system |
| VAT – Value added tax | Digital in the Fennoa system |

SIGNING OF THE FINANCIAL STATEMENTS



Paavo Eloniemi
Chair of the Board



Olli Alhoniemi
Managing Director



Ragnvald Blomfeldt
Board member



Paavo Hankonen
Board member



Jouko Huumarkangas
Board member



Stefan Storholm
Board member



Teuvo Suominen
Board member



Harri Virtanen
Board member

Auditor's note

Based on the audit I performed, I have issued an audit report today. Vaasa 4.4.2023 Ernst & Young Oy, Kristian Berg, CGR.



Auditor's report

To the Annual General Meeting of Westenergy Oy Ab

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Westenergy Oy Ab (business identity code 2165379-9) for the year ended 31 December, 2022. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board

of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER REPORTING REQUIREMENTS

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Vaasa 4.4.2023

Ernst & Young Oy
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KRISTIAN BERG
Authorized Public Accountant



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