Delete Group Oyj

BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2021

CONSOLIDATED FINANCIAL STATEMENTS

For the financial year 1.1.–31.12.2021

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Delete Group Oyj

BOARD OF DIRECTORS' REPORT 2021

Delete Group Oyj

Delete Group Oyj is the parent company of Delete Group. The company's main purpose is to serve as a holding company.

In January 2021, Delete Finland Oy, a group company of the Delete Group, sold all shares in Delete Demolition Oy, a fully owned subsidiary operating in the Demolition Services business area, to Lotus Maskin & Transport AB. In December 2021, Delete Sweden AB, a group company of the Delete Group, sold all its shares in loss making non-core business W-Tech Entreprenad AB, a fully owned subsidiary.

The Demolition Services business is reported in the Financial Statements 2021 in accordance with the IFRS 5 standard "Assets Held for Sale and Discontinued Operations" and is not included in the financial statements for continuing operations. In this Board of Directors' report, the Demolition Services business is referred to as Assets held for sale, and Cleaning Services and Recycling Services are presented as Continuing operations. Unless otherwise stated, all figures presented in this report include only Continuing operations.

Operations

Delete Group is one of the leading environmental full-service providers in the Nordic countries. Delete Group offers business-critical services that require specialist competences and specialised equipment through two business segments: Cleaning Services and Recycling Services. In January 2021, Delete Group's segments included also Demolition Services, which has been reported as discontinued operations.

THE CLEANING SERVICES business consists of a comprehensive industrial cleaning services offering as well as real estate services, such as high-power vacuuming and blowing services, industrial shutdown and maintenance services, exposure vacuuming of sewers and well emptying, blast cleaning services and washing and cleaning of facades.

THE RECYCLING SERVICES business segment provides services such as recycling and waste processing, reception of oily waste, open large waste container services and crushed concrete aggregate. Delete Group serves its customers at all stages of material processing: in re-use, recycling, and re-utilisation.

Delete Group's largest customers are industrial and construction companies, real estate developers and the public sector.

On 31 December 2021, Delete Group's Continuing operations employed 643 persons at 33 locations in Finland and Sweden.

Operating environment

Cleaning Services

The overall demand for cleaning services has been impacted to some degree by the coronavirus pandemic, but it is gradually recovering, and the underlying long-term core demand is relatively resilient and stable. Customers continue to demand capabilities to handle increasingly complex assignments with high-quality environmental, health and safety standards, which favours large professional players like Delete Group with the ability to deliver also in difficult times.

Recycling Services

Regulatory development in the EU Circular Economy Action plan and national legislation, as well as generally increasing sustainability awareness, continue to support the growing demand for recycling services. The market demand for recycled fuel (REF) has stabilised and is expected to grow through 2022, driven by the increased use of alternative fuels. The effects of the coronavirus pandemic are gradually easing up. There is currently some uncertainty related to building material supply shortages affecting our customers' operations to some degree.

Key events of the 2021 reporting period

In January 2021, Delete Finland Oy, a group company of the Delete Group, sold all its shares in Delete Demolition Oy, a fully owned subsidiary operating in the Demolition Services business area, to Lotus Maskin & Transport AB. After the transaction, Delete Group no longer operates in the Demolition services business.

In February 2021, the Group's financial restructuring was successfully completed. The significant decrease of interest-bearing debt and the new share capital raised had a net impact of EUR 34.8 million on improved consolidated equity. The financial restructuring is described in more detail in the section "Financing and financial position".

In December 2021, Delete Sweden AB, a group company of the Delete Group, sold all its shares in loss making non-core business W-Tech Entreprenad AB, a fully owned subsidiary.

Net sales, profitability and results

The Group's net sales in 2021 amounted to EUR 131.1 (116.8) million. The growth of 12% was enabled by the second quarter performance on the back of a non-recurring sizable shutdown, while the first quarter was slightly behind the previous year due to a harsh winter hindering demand for outdoor services, and the third and fourth quarters were on similar level to the previous year.

Net sales by segment

EUR million	2021	2020	Change
Cleaning Services	110.2	98.6	12%
Recycling Services	25.0	23.4	7%
Eliminations	-3.8	-5.2	-26%
GROUP TOTAL	**131.1**	**116.8**	**12%**

Post Emergency Services and Firestop Installation Services have been reclassified from Demolition Services to Cleaning Services in 2020. Comparative 2020 sales have been reclassified accordingly.

The Group's EBIT for 2021 amounted to EUR -3.1 (-4.1) million. The fair underlying development in 2021 was considerably suppressed by the aforementioned large one-off maintenance shutdown, with issues in field efficiency and higher than anticipated resourcing costs, affected to a high degree by additional subcontracting needs to service the expanded scope.

EBIT by segment

EUR million	2021	2020	Change
Cleaning Services	2.7	5.3	-48%
Recycling Services	2.0	-0.6	449%
Administration	-7.8	-8.8	10%
GROUP TOTAL	**-3.1**	**-4.1**	**23%**

Post Emergency Services and Firestop Installation Services have been reclassified from Demolition Services to Cleaning Services in 2020. Comparative 2020 sales have been reclassified accordingly.

In 2021, net financial expenses amounted to EUR 17.1 (6.6) million, favourably affected by the EUR 24.8 million write-down of the nominal value of senior secured notes. Gross financial expenses were EUR -7.0 (-6.6) million.

In the reporting period 2021, the net result for the financial period including assets held for sale amounted to EUR 12.0 (-30.1) million.

Key figures for Delete Group

EUR million	2021	2020	2019	2018*
Net sales	131.3	116.8	133.7	114.1
EBITDA	9.9	9.0	12.5	10.1
EBITDA, %	7.5%	7.7%	9.4%	9%
EBIT	-3.1	-4.1	-0.2	2.6
EBIT, %	-2.4%	-3.5%	-0.1%	2%
Return on equity	131.4%	-229.9%	-85.4%	-0.7%
Equity ratio	15.8%	-1.2%	14.5%	31.5%
Net debt	72.0	118.3	122.7	99.1

**) Implementation of the IFRS 16 standard in 2019 increased net debt and operating profit compared to previous years.*

Post emergency services and firestop installation services have been reclassified from Demolition Services to Cleaning Services in 2020. Comparative 2020 figures in the table above have been reclassified accordingly. Information about the formulas and Alternative Performance Measures are presented in the notes section of the Financial Statements. All figures presented are statutory unless stated otherwise.

Delete Group Oyj

Delete Group Oyj's main purpose is to serve as a holding company. In the reporting period, the company's net sales amounted to 0 EUR.

Key figures for Delete Group Oyj

EUR million	2021	2020	2019	2018
Net sales	0.0	0.0	0.0	0.0
Operating profit	-0.2	-0.2	-0.2	0.0
Return on equity	38.6%	-41.5%	-1.0%	0.4%
Equity ratio	56.1%	30.1%	37.9%	44.1%
Net debt	60.0	109.1	109.8	85.0

Financing and financial position

In 2021, cash flow from operating activities was EUR 13.9 (-0.8) million, with the non-recourse factoring contributing approximately EUR 9.4 million.

Delete Group's cash and cash equivalents at the end of December 2021 were EUR 5.2 (7.8) million. The Group's interest-bearing debt was EUR 79.4 (126.0) million, consisting mainly of EUR 60.0 million secured notes, an EUR 8.0 million drawn revolving credit (SSRCF), and lease liabilities of EUR 10.1 million. At the end of December, the Group had drawn EUR 8.0 million out of the EUR 10.0 million SSRCF facility, used for general corporate purposes, acquisitions, and capital expenditure. At year end 2021, the only measured covenant for the senior secured notes and the SSRCF was complied with.

At the end of December 2021, the Group's net debt amounted to EUR 72.0 (118.2) million. The decrease was mainly due to the financial restructuring completed in February 2021 with the following main items:

- The bond maturity was extended by three years to 19 April 2024.
- The bond nominal value was written off by EUR 24.8 million in February 2021.
- The bond was partially repaid by EUR 20.0 million in February 2021 and further by EUR 5.0 million on 14 May 2021.
- The repayment was funded by EUR 10.0 million newly raised equity in February 2021, EUR 5.0 million from Demolition Services divestment proceeds, and EUR 5.0+5.0 million by factoring proceeds.

The significant reduction of interest-bearing debt and new share capital raised in the first quarter 2021 had a net impact of EUR 34.8 million on improved consolidated equity, and the amount of the notes outstanding decreased from EUR 109.8 million to EUR 60.0 million.

On 14 April 2021, the SSRCF limit was increased by EUR 3 million to EUR 10 million.

On 30 April 2021, Delete announced that it had reached a factoring threshold of EUR 10 million. A committed EUR 5 million partial redemption of the notes due in 2024 was carried out on 14 May 2021, lowering the notes' nominal value further down to EUR 60 million.

After the reporting period, in January 2022, Delete extended its SSRCF facility with Collector Bank to February 2023, with the existing terms.

The balance sheet total at the end of December 2021 was EUR 126.8 (161.5) million, decreasing mainly because of the sale of W-Tech Entreprenad AB and the related impairment of assets. Property, plant and equipment totalled EUR 24.7 (31.2) million, decreasing due to deferred capital expenditure during the coronavirus pandemic period. The equity ratio at the end of December 2021 improved to 15.8% (-1.2%).

Since the completion of the Demolition Services divestment on 29 January 2021, Delete Group no longer carries assets classified under IFRS 5. IFRS 5 implications are reported in more detail in the notes section of the Financial Statements. W-Tech Entreprenad AB, divested on 30 December 2021, is not classified as an IFRS 5 asset, but after the divestment decision, the result has been reported as adjustment item to EBITDA in August–December 2021.

Capital expenditure and corporate transactions

In 2021, capital expenditure in intangible and tangible assets, excluding acquisitions, was EUR 1.8 (2.1) million. Capital expenditure was relatively low, partially due to deferred maintenance investments in preparation for coronavirus pandemic-related liquidity assurance.

On 29 January 2021, Delete Finland Oy, a group company of the Delete Group, sold all its shares in Delete Demolition Oy, a fully owned subsidiary operating in the Demolition Services business area, to Lotus Maskin & Transport AB. After the transaction, Delete Group no longer operates in Demolition services business.

On 29 December 2021, Delete Sweden AB, a group company of the Delete Group, sold all its shares in loss-making non-core business W-Tech Entreprenad AB, a fully owned subsidiary with a negative sales price.

There were no acquisitions in 2021.

Personnel

Delete Group's Continuing operations employed 643 (714) people at the end of December 2021. The average number of personnel in 2021 was 667 (744).

Changes in management

Sirpa Ojala replaced Tommi Kajasoja as Delete's CEO on 1 November 2021.

Group Management Team member Janika Vilkman re-joined Delete and was appointed General Counsel after the reporting period on 1 February 2022.

Composition of the Group Management Team as of 1 January 2022:

- Sirpa Ojala, CEO
- Ville Mannola, CFO
- Janika Vilkman, General Counsel (from February 2022)
- Peter Revay, Country Manager, Sweden

Research and development

In 2021, R&D-related expenditure was immaterial and was related to minor developments of processes and tools.

Summary of significant risks and risk management

Delete Group conducts an extensive annual risk assessment analysis, as a result of which, risk management capabilities are updated and reviewed and approved by the Board of Directors.

The Group's key risks are divided into strategic, operational, and financing risks.

Operational risks are mainly related to uncertainty and a lack of visibility and resourcing due to the coronavirus pandemic, geopolitical developments in Europe, project execution, and the integration of acquired businesses, both in terms of quality and financially. The Group's business operations also inherently involve risks, such as environmental, health and safety risks, as well as dependence on suppliers and clients. The internal control environment is under constant development to improve preventative measures.

Financing risks are mainly related to refinancing, credit and liquidity, all of which may be further affected by coronavirus pandemic-related uncertainties.

Other uncertainties are related to the market environment and inflation of costs, especially for energy and fuel, as well as the successful implementation of the Group's transformation strategy, including risks related to the outcome of the operational improvement plan for increased profitability, uncertainty related to capturing synergies, and risks related to targeted bolt-on acquisitions, personnel, and recruitments.

The Group has not identified other relevant changes that can be expected to have a significant influence on the business, given the risks mentioned herein, at the end of 2021.

Estimates on future development

The underlying demand for Cleaning Services and Recycling Services is expected to grow in 2022. Delete Group's efficiency and productivity are expected to improve compared to the previous year.

Delete Group's operating profit is expected to improve in 2022.

Due to the coronavirus pandemic and the geopolitical developments, the outlook contains more uncertainty than usual and is based on the assumption that there are no material changes in the operating environment, postponements of scheduled work, or cancellations due to the pandemic and geopolitical development.

Corporate and social responsibility and non-financial report

Responsibility is an essential part of all Delete Group's operations. Delete Group utilises operating principles promoting responsible business methods and expects all those working for Delete Group to comply with them. Delete Group actively searches for opportunities to support its customers with services whose value is substantially based on responsibility and sustainable development.

Delete Group publishes a Corporate and Social Responsibility Report on the company's website as part of the Annual Report. The report includes the non-financial report.

Disclosure according to the EU Taxonomy Regulation

The EU Taxonomy Regulation, which will progress in phases, partially entered into force in 2021. The first delegated act, the Climate Delegated Act, was introduced in 2021 and covers the first two of the six environmental objectives: climate change mitigation and adaptation. In 2022, another delegated act will be published, the Environmental Delegated Act, which addresses four other environmental objectives.

In the reporting for 2021, the share of turnover, capital expenditure and operational expenditure that is taxonomy-eligible, i.e., in accordance with the Climate Delegated Act are published. For 2021, no assessment of Taxonomy alignment with detailed technical screening criteria is required.

We have assessed the taxonomy-eligibility of Delete's business based on the descriptions in Annex I (climate change mitigation) and Annex II (climate change adaptation) of the Climate Delegated Act as well as NACE codes. The EU Taxonomy Regulation will enter into force in stages and is therefore still unfinished. Delete's assessment of the taxonomy-eligibility of its operations may change with the new guidelines and regulations entering into force. With the entry into force of the Environmental Delegated Act, the targets will be extended to include the use of resources and the circular economy, which are closely related to Delete's Recycling Services business.

According to Delete's interpretation of NACE code, we have assessed certain operations of Delete Group as taxonomy-eligible. We estimate these businesses to account for 9% percent of our net sales.

Sustainable activity

EUR million	Revenue	OPEX	CAPEX
Cleaning Services			
Renewal of waste water collection and treatment	1.0	0.8	0.0
Collection and transport of non-hazardous waste in source segregated fractions	4.7	4.1	0.5
Recycling Services			
Collection and transport of non-hazardous waste in source segregated fractions	6.6	5.1	0.0
Material recovery from non-hazardous waste	9.8	7.7	0.1

Shares and shareholders

At year end 2021, the number of registered shares in Delete Group Oyj was 1,085,859,500 P-shares and 308,964,900 C-shares. Each share carries one vote. The Group is owned by Ax DEL Oy (86% of the shares) and a group of key employees and other minority investors (14%). The Group does not hold any of its own shares.

Corporate governance

In its decision-making and administration, Delete Group Oyj applies the Finnish Companies Act (624/2006, as amended), the Finnish Securities Markets Act (746/2012, as amended) as well as rules and guidelines of Nasdaq Helsinki Ltd. Delete Group primarily follows the Finnish Corporate Governance Code 2020, with a few exceptions due to its ownership structure. These exceptions relate to, among others, rules regarding Annual General Meetings and the composition of the Board. Delete Group publishes, together with the Annual Report, a separate Corporate Governance Statement on the company's website.

Annual General Meeting

Delete Group Oyj's Annual General Meeting (AGM) held on 13 April 2021 approved the financial statements for the financial year 1 January–31 December 2020 and discharged the members of the Board of Directors and the CEO from liability. The AGM resolved that no dividend would be paid for the fiscal year 2020.

Martin Forss, Åsa Söderström Winberg, Ronnie Neva-aho and Christian Schmidt-Jacobsen were re-elected as members of the Board of Directors. Convening after the Annual General Meeting, the Board of Directors elected Martin Forss as its chairman.

KPMG Oy Ab was elected to continue as the auditor of the company with Teemu Suoniemi, Authorised Public Accountant, acting as the principal auditor. The Group's auditor KPMG appointed a new principal auditor for Delete Group, Ari Eskelinen, CPA, effective from 30 June 2021.

The Chairman of the Board will be paid EUR 50,000 and the Board members EUR 22,000 as remuneration for 2021. The appointed members of the Audit Committee and the Project Committee will be paid EUR 4,000 as additional remuneration, and the appointed members of the Remuneration Committee EUR 2,000. No remuneration shall be paid for the representatives of Axcel Management A/S. It was resolved that the remuneration for the auditor shall be paid against an invoice.

The Board's proposal for distribution of profit

The consolidated net profit for the year 2021 including assets held for sale totalled EUR 12.0 million, and the net profit of the parent company was EUR 25.4 million. The parent company's distributable funds on 31 December 2021 totalled EUR 83.4 million. The Board of Directors will propose to the Annual General Meeting that no dividend will be paid.

Key events after the reporting period

Management Team member, General Counsel Janika Vilkman, re-joined Delete on 1 February 2022.

In January 2022, Delete extended its SSRCF facility with Collector Bank to February 2023, with the existing terms.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	1.1.-31.12.2021	1.1.-31.12.2020
CONTINUING OPERATIONS			
Revenue		**131,328**	**116,759**
Other operating income	8	536	206
Materials and services	9	-57,076	-46,950
Employee benefits	10	-51,996	-47,822
Depreciation, amortisation and impairment losses	11	-13,011	-13,068
Other operating expenses	12	-12,911	-13,194
Operating profit		**-3,131**	**-4,068**
Financial income	13	24,075	33
Financial expenses	13	-6,954	-6,605
Net financial expenses		**17,121**	**-6,571**
Profit (-loss) before taxes		**13,990**	**-10,640**
Income taxes	14	-18	483
Profit (-loss) for the financial year from the continuing operations		**13,972**	**-10,157**
Profit (-loss) for the financial year from the discontinued operations	6	**-2,048**	**-20,091**
Profit (-loss) for the financial year		**11,924**	**-30,248**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation difference		53	106
TOTAL COMPREHENSIVE INCOME (-LOSS) FOR THE YEAR		**11,977**	**-30,142**

The financial statements should be read in conjunction with the accompanying notes that are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

EUR thousand	Note	31.12.2021	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Goodwill	15	74,140	74,632
Intangible assets	15	2,767	3,602
Property, plant and equipment	16	24,699	31,172
Right of use assets	16	9,957	11,299
Investments	17	7	7
Deferred tax assets	18	1,690	1,999
TOTAL NON-CURRENT ASSETS		**113,261**	**122,711**
CURRENT ASSETS			
Inventories	19	1,185	1,392
Trade receivables and other current assets	20	7,134	11,889
Tax receivables		86	784
Cash and cash equivalents	21	5,151	7,752
TOTAL CURRENT ASSETS		**13,556**	**21,817**
Assets held for sale	6	0	16,952
TOTAL ASSETS		**126,817**	**161,480**

The financial statements should be read in conjunction with the accompanying notes that are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

EUR thousand	Note	31.12.2021	31.12.2020
EQUITY			
Share capital	22	80	80
Reserve for invested non-restricted equity		79,662	69,661
Translation reserve		-774	-827
Retained earnings		-70,829	-40,581
Profit (-loss) for the financial year		11,924	-30,248
TOTAL EQUITY		**20,063**	**-1,915**
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings from financial institutions	23	60,000	0
Lease liabilities	25	5,111	6,824
Instalment credit		19	161
Derivative liabilities		0	41
Deferred tax liabilities		2,181	2,543
CURRENT LIABILITIES			
Interest-bearing financial liabilities		6,995	114,084
Lease liabilities	25	5,036	4,899
Prepayments	7	8	11
Trade payables		7,975	10,044
Instalment credit		10	72
Other payables		7,715	3,471
Tax liabilities		38	79
Accrued expenses and deferred income	27	11,667	13,070
TOTAL LIABILITIES		**106,754**	**155,300**
Liabilities directly attributable to assets held for sale	6	0	8,096
TOTAL EQUITY AND LIABILITIES		**126,817**	**161,480**

The financial statements should be read in conjunction with the accompanying notes that are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	31.12.2021	31.12.2020
CONTINUOUS OPERATIONS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss) before taxes	**13,990**	**-10,640**
Adjustments:		
Depreciation, amortisation and impairment losses	13,011	13,068
Financial expenses	-17,121	6,571
Financial income	0	0
Other adjustments	739	-137
Change in net working capital:		
Change in trade and other receivables	9,734	8,987
Change in inventory	195	-169
Change in trade and other payables	1,969	-1,844
Received interest	0	0
Paid interest	-8,513	-7,164
Income taxes paid	-100	110
CASH FLOWS FROM OPERATING ACTIVITIES, CONTINUING OPERATIONS (A)	**13,906**	**8,782**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in intangible assets	-133	-104
Investments in property, plant and equipment	-1,910	-2,561
Proceeds from disposal of property, plant and equipment	232	552
Proceeds for business divestments	6,373	0
Change in other receivables	0	-2
CASH FLOWS FROM INVESTING ACTIVITIES, CONTINUING OPERATIONS (B)	**4,562**	**-2,114**

The financial statements should be read in conjunction with the accompanying notes that are an integral part of these consolidated financial statements.

CONTINUES

EUR thousand	31.12.2021	31.12.2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Maksullinen osakeanti	10,001	0
Repayments of non-current loans and borrowings	-148	-819
Change in current loans and borrowings	-24,406	-2,263
Principal elements of lease payments	-5,831	-5,925
CASH FLOWS FROM FINANCING ACTIVITIES, CONTINUING OPERATIONS (C)	**-20,384**	**-9,007**
CHANGE IN CASH FLOWS, CONTINUING OPERATIONS (A+B+C)	**-1,916**	**-2,338**
Cash and cash equivalents on 1 January	7,752	5,211
Exchange rate differences	0	0
Net change in cash from Continued operations	-1,916	-2,338
Net change in cash from discontinued operations	-685	4,879
Cash and cash equivalents on 31 December	5,151	7,752
Change	-2,601	2,541

The financial statements should be read in conjunction with the accompanying notes that are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders of the parent company

EUR thousand	Share capital	Reserve for invested non-restricted equity	Translation reserve	Retained earnings	Total
Equity on 1 January 2021	80	69,661	-827	-70,829	-1,915
Share capital increase	0	10,001			10,001
Comprehensive income					
Profit for the reporting period	0	0	0	11,924	11,924
Other comprehensive income					
Translation differences	0	0	53	0	53
Total comprehensive income	**0**	**0**	**53**	**11,924**	**11,977**
EQUITY ON 31 DECEMBER 2021	**80**	**79,662**	**-774**	**-58,905**	**20,063**
Equity on 1 January 2020	80	69,661	-933	-40,581	28,227
Share capital increase	0	0			0
Comprehensive income					
Profit for the reporting period	0	0	0	-30,248	-30,248
Other comprehensive income					
Translation differences	0	0	106	0	106
Total comprehensive income	**0**	**0**	**106**	**-30,248**	**-30,142**
EQUITY ON 31 DECEMBER 2020	**80**	**69,661**	**-827**	**-70,829**	**-1,915**

The consolidated financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIC INFORMATION FOR THE GROUP

Delete Group is a service company that operates in Finland and Sweden providing environmental services to corporate customers and the public sector. Industrial Cleaning business provides services to industry, power plants, shipyards and customers in construction business in Finland and Sweden. The recycling business receives and processes construction and industrial waste in the Helsinki metropolitan area and in the Tampere region. The Demolition Services business has been divested and is presented as Discontinued operations and is not included in the financial statements for continuing operations. The figures in the statement of income and the items related to it, including comparison figures, have been stated to show the discontinued operations separately from continuing operations.

The parent company in the Group is Delete Group Oyj that is domiciled in Helsinki, Finland (business ID 2565169-4). The parent company's registered address is Postintaival 7, 00230 Helsinki, Finland.

The Board of Directors of Delete Group Oyj has authorised these consolidated financial statements for issue on 24 March 2022. According to the Finnish Limited Liability Companies Act, shareholders may approve or reject the financial statements in the Annual General Meeting held after their publication. The General Meeting may also decide to amend the financial statements.

NOTE 2. BASIS FOR PREPARATION FOR THE FINANCIAL STATEMENTS

These consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by EU and in force on 31 December 2021. The International Financial Reporting Standards refer to the standards and associated interpretations in the Finnish Accounting Act and in regulations issued under it that are endorsed by the EU in accordance with the procedure laid down in Regulation (EC) No. 1606/2002. The Group has not early adopted any standards or interpretations. The notes to the consolidated financial statements are also in accordance with the requirements of the Finnish accounting and corporate legislation supplementing the IFRS rules.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) at fair value through profit.

The preparation of financial statements in conformity with IFRS requires the Group's management to make estimates and assumptions and to make choices when applying the accounting principles. Judgements that the management has made when applying the accounting principles as well as the assumptions on future development and the key assumptions related to estimates are discussed in the section "Critical accounting judgments and sources of estimation uncertainty".

IFRIC's new agenda decision regarding cloud computing and related guidance for capitalisation of certain implementation costs has no material effect on Delete Group's accounting principles or financial reporting.

The amended standards in force from the beginning of the reporting period have not had material impacts on the Group's consolidated financial statements.

NOTE 3. ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidation principles

The consolidated financial statements include the parent company Delete Group Oyj and all companies over which the parent company has control. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All subsidiaries are 100 percent owned.

The consolidated financial statements are prepared using the acquisition method, according to which the separately identified assets, liabilities and contingent liabilities of the acquired company are measured at their fair value at the date of acquisition. A subsidiary is consolidated from the date of acquisition until the date when the parent company loses control over the subsidiary. Intra-Group transactions, balances, income and expenses are eliminated when preparing consolidated financial statements. Unrealised losses are not eliminated in case losses are due to impairment.

Items in foreign currency

The income statement and balance sheet of each individual Group company is measured in the currency of the primary economic environment in which the company is operating (functional currency). The consolidated financial statements are presented in Euro, which is the functional and presentation currency of the Group's parent company. Subsidiaries' financial statement items are recognised in the functional currency of each company.

Transactions in foreign currency are translated into Euros at the exchange rates prevailing at the transaction date.

- Foreign currency-denominated receivables and liabilities are translated into Euros at the exchange rates prevailing at the reporting date.
- Foreign exchange gains and losses arising from translation of assets and liabilities in foreign currency in respect of operating items are presented in the consolidated income statement affecting operating profit and in respect of financial items in finance income and expenses.

Income statements for those subsidiaries with a non-Euro functional currency are translated into Euros at the average exchange rates of the financial year. Balance sheets of such companies are translated into Euros at the closing exchange rates of the financial year. The resulting exchange differences as well as exchange differences arising from the elimination of acquired net assets of foreign subsidiaries are recognised as translation differences in other comprehensive income.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with the customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The Group has mostly written agreements with the customers. For some customers there are frame agreements. In those cases, a contract is established as a combination of the frame agreement and each purchase order that the customer has placed and the Group has approved.

Typically, one service contract includes one performance obligation. In some contracts there may be a discount as a variable component. There are no significant financing components. Each delivery of scrap metal forms one performance obligation.

If a contract which includes two or more performance obligations, the transaction price is allocated by their stand-alone selling prices, either based on their list prices or if not available, based on expected cost plus margin.

Most of the Group's contracts are service type contracts. Revenues from short term services are recognised when the services have been rendered or evenly over the contract term when the work is being carried out. Revenues from long-term contracts are recognised over time and the completion of the project is measured through cost incurred of the estimated total costs.

Goodwill and intangible assets

Goodwill is measured as the excess of the sum of consideration transferred and the acquisition date fair value of any previous equity interest in the acquired equity over the fair value of the net identifiable assets acquired. It represents a consideration made by the acquirer in anticipation of future economic benefits from assets that cannot be individually identified and separately recognised as assets. Goodwill is not amortised, but instead it is subject to impairment testing once a year, or more frequently if circumstances indicate that it might be impaired. Subsequent to its initial recognition, goodwill acquired in a business combination is carried at initial cost less any accumulated impairment charges.

The Group's intangible assets mainly consist of enterprise resource planning systems, licenses, electricity connections and customer relationships that are recognised through business combinations. Intangible assets with a finite useful life are measured at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets. The Group applies average depreciation period of 3-5 years for all intangible assets, except for electricity connections which are not amortised. Intangible assets with indefinite useful lives are not amortised but tested annually for impairment.

Cloud-based software where the Group does not have control over the software but only license to use the software under the contract period is classed as service contracts.

Research and development

Research costs are expensed as incurred. Development costs are capitalised when it is probable that a development project will generate future economic benefits, and the cost can be measured reliably. Other development costs are expensed. Currently, the Group has no major ongoing development projects.

Property, plant and equipment

The Group's property, plant and equipment consist of land, buildings, machinery and equipment, other tangible assets and assets under construction. These items of property, plant and equipment are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group and their cost can be measured reliably.

The Group's property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. The cost includes all expenditure attributable to bringing the asset ready for it to be capable of operating in the intended use. However, after the initial recognition cost are capitalized only if it is probable that they will generate more future economic benefit compared with earlier circumstances. Otherwise, the costs are recognised as an expense in the income statement.

The Group's property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, except for land.

The Group applies following average depreciation periods:

- Constructions 10 years
- Buildings 20-30 years
- Installed technical devices 10 years
- Other property, plant and equipment 10 years
- Machinery and equipment 5-15 years

The Group's gains or losses related to sale of property, plant and equipment are recognised as other operating income or other operating expenses in the income statement.

Impairment of intangible and property, plant and equipment

Non-current assets are regularly reviewed for identifying any indications of impairment. Goodwill is tested annually for impairment. For this purpose, goodwill has been allocated to the cash-generating units.

Allocation is made to such cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that the goodwill relates to.

Assets that are depreciated or amortised are subject to assessment whether there are any changes in the circumstances that would indicate that the carrying amounts may not be recoverable. An impairment loss is the amount by which the carrying amount exceeds the recoverable amount. For non-current assets the recoverable amount is its fair value less cost to sell or value in use whichever is greater. Value in use is determined by discounting the future cash flows expected to be generated by the asset.

An impairment charge on goodwill is recognised in the consolidated income statement, if the impairment test shows that its carrying amount exceeds its estimated recoverable amount. In that case, the carrying amount of goodwill is written down to its recoverable amount. An impairment loss on goodwill is never reversed.

Leases

The Group leases assets such as premises, machinery and equipment and vehicles as a lessee. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. the Group has elected to separate non-lease components from the lease component at commencement of a contract.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, incentives received, initial direct costs incurred and an estimate of costs to restore the underlying asset. The right-of-use asset is depreciated using the straight-line method during the lease term with same principles as the Group's property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

Lease payments included in the measurement of the lease liability comprise the following: fixed payments and variable lease payments that depend on an index or a rate. The options related to extension of the lease term is included in the lease term if it is reasonably certain that the option is exercised.

The Group applies the exemptions provided by the standard not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Discontinued operations and non-current assets held for sale

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group, and which represents a separate major line of business or geographic area of operations. Classification as a discontinued operation occurs at the disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparatives in statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Non-current assets, or disposal groups are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The comparatives in the balance sheet are not reclassified.

Held for sale assets, or disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

In case the plan of sale changes so that the classifying criteria no longer are fulfilled, the asset or the disposal group classified as held for sale is transferred back to assets in continuous use. The asset or the group of assets is either measured at its carrying value before classification, adjusted for any depreciation, amortisation or revaluations that would have been recognised without classification, or at the lower recoverable amount.

Inventory

The Group's inventory consists mainly of materials used in connection with providing services.

Inventories are measured at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale in the ordinary course of business. The cost is based on the FIFO (first in, first out) principle.

Financial assets

Financial assets are classified based on the Group's business model for managing financial assets and the asset's contractual cash flow characteristics into the following categories: financials assets measured at amortised cost and financial assets measured at fair value through profit or loss. The asset is classified according to the objective of the business model and the contractual cash flow characteristics of the asset, or by applying the fair value option at initial acquisition.

Purchases and sales of financial assets are recognised at trade date, which is the date on which the Group commits to purchase or sell the financial instrument. Transaction costs are included in the original carrying amount of the financial asset when the asset is not measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are measured at fair value at initial recognition and the transaction costs are recognised in profit or loss.

Financial assets measured at amortised cost

Financial assets whose business model's objective is to hold financial assets to maturity in order to collect contractual cash flows are classified as financial assets measured at amortised cost. The cash flows of these assets consist solely of payments of principal and interest on the principal amounts outstanding.

Trade receivables and other receivables that are non-derivative assets are classified as financial assets measured at amortised cost. The carrying amount of current trade receivables and other receivables is considered to be equal to their fair value. Trade receivables and other receivables are presented on the balance sheet as current assets if they are expected to be realized within 12 months after the end of the reporting period.

After initial recognition, these financial assets are measured at amortised cost using the effective interest rate method and by deducting any impairment. At each reporting date the Group recognises an allowance for expected credit losses for financial assets recognised at amortised cost.

Expected credit losses are estimated in accordance with so-called simplified approach allowed in IFRS 9 where credit losses are recognised at an amount equal to expected credit losses over the entire lifetime of the asset. The Group applies the simplified approach to receivables measured at amortised cost. Expected credit losses are recognised using a provision matrix. Expected credit losses for trade receivables and assets based on customer contracts are estimated based on historical information on credit losses and estimation of future prospects. Expected credit losses are recognised under other operating expenses in the statement of profit or loss.

Financial assets measured at fair value through profit or loss

Financial assets that have been acquired to be held for trading or that are designated as at fair value through profit or loss at initial recognition are classified as financial assets measured at fair value through profit or loss. Financial assets held for trading are acquired primarily for the purpose of obtaining profit in the short or long term and are presented in either non-current or current financial assets. Financial assets measured at fair value through profit or loss consist of shares and derivatives that are not subject to hedge accounting.

Realised and unrealised gains and losses arising from changes in fair value are recognised in profit or loss. If there are no quoted prices for investments, the Group applies valuation techniques to their measurement.

Financial liabilities

Financial liabilities are recognised at trade date and measured using the effective interest rate method at amortised cost. Transaction costs for those financial liabilities that are measured at amortised cost are included in the initial cost. Financial liabilities are included in both non-current and current liabilities. Financial liabilities are classified as current unless the Group has an unconditional right to defer payment for at least 12 months from the reporting date. Financial liabilities are derecognised when the liability is paid or becomes due. In this case, gains or losses on derecognition are recognised in profit or loss.

Derivative instruments

The Group's financial instruments measured at fair value through profit or loss include derivative instruments. The company's derivatives include interest rate swaps, with which part of the company's variable rates are swapped fixed. The Group does not apply hedge accounting in accordance with IFRS 9. Derivative financial instruments are included in current assets or liabilities, and changes in the unrealized fair value are recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call bank deposits and other short-term liquid investments. Cash and cash equivalents have a maturity of up to three months from the acquisition date and are recognised on the trade date and measured at cost. Foreign currency items are translated into Euros on the closing date exchange rates.

Borrowing costs

The costs directly related to a specific loan from financial institutions are deducted from the original amount of the loan and recognised as financial expenses using the effective interest rate method. Other interest and other costs related to interest-bearing liabilities are recognised in profit or loss as incurred.

Operating profit

Operating profit consists of revenue and other operating income less costs of materials and services, employee benefits expenses and other operating expenses as well as depreciation, amortisation and impairment losses. Exchange rate differences resulting from working capital items are included in operating profit.

Employee benefits

Pension liability

All pension plans in the Group are classified to defined contribution plans as the Group pays fixed contributions into a separate entity and the Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay retirement benefits. The contributions are recognised in the income statement during the financial period, to which the charged contribution applies. There are no defined benefit plans in the Group.

Current income taxes and deferred taxes

Income taxes consist of current taxes, income taxes related to prior periods and deferred taxes. The income tax charge for the financial year is based on taxable income for all Group companies, which is calculated according to the local tax rates for each Group company. Current taxes and changes in deferred taxes that relate to items recognised in other comprehensive income are recognised in other comprehensive income.

Generally deferred taxes are calculated for all temporary differences between the carrying amount and tax bases of assets and liabilities. Deferred tax liability is not recognised for initial recognition of goodwill, or if it arises from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit at the time of the transaction. Deferred tax liabilities are not recognised for the retained earnings of subsidiaries, unless it is probable that the temporary differences will reverse in a foreseeable future. Deferred tax liabilities shall be measured at the local tax rates that have been enacted by the end of the reporting period.

Deferred tax assets are recognised when it is probable that the future taxable profit will be available against which the temporary difference can be utilized. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period.

Critical accounting judgments and sources of estimation uncertainty

Revenue recognition

Revenue recognised over time requires management judgments in relation to expected revenue and cost as well as to reliable measurement of the Group's progress towards complete satisfaction of a performance obligation.

Impairment testing

Impairment testing is affected by the forecasts prepared by management, which impairment testing calculations are based on. The disclosures required under IAS 36 on impairment tests are presented in Note 15.

Business combination: measurement of acquired assets

In connection with business combinations IFRS 3 standard is applied, which requires the valuation of assets and liabilities acquired at the acquisition date at fair value. This fair value measurement requires management estimates. Information related to business combinations is presented in Note 5.

Adoption of new and amended standards and interpretations applicable in future financial years

The Group has not early adopted the new or amended standards and interpretations issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. The published amended standards are not expected to have any significant effect on the Group's consolidated financial statements.

NOTE 4 SEGMENTS

The Group has two reportable segments, Industrial Cleaning Services and Recycling Services, which are the Group's business areas. The reporting segments have been aggregated from the group's three operating segments: the operating segments for Industrial Cleaning Services in Finland and Sweden have been combined as a reportable segment as they are considered to be similar and having similar economic characteristics. Demolition Services, which was previously reported as a reportable segment, has been classified as discontinued operations.

The Industrial Cleaning Services segment consists of a comprehensive industrial service offering as well as property services, such as high-power vacuuming and blowing services, industrial shutdown and maintenance, exposure vacuuming of sewers and well emptying, industrial cleaning, blast cleaning services and washing and cleaning of facades.

The Recycling Services Segment provides services such as recycling and waste processing, reception of oily waste, open large waste container services and crushed concrete in the Helsinki metropolitan area and in the Tampere region.

Segment information is based on IFRS accounting principles applied in the group, and it is consistent with the group's internal reporting.

The measure of profit or loss for the reportable segment is operating profit, which is regularly reviewed by the Group's management team to make decisions about resources to be allocated to the segment and to assess its performance.

Administration costs are not allocated to segments but are presented separately. Any transactions between segments are based on market prices.

One external customer exceeded 10 per cent share of Group revenues in 2021, due to a non-recurring sizable shut-down.

EUR thousand		**2021**			**2020**	
Net sales	**External**	**Intra group**	**Total**	**External**	**Intra group**	**Total**
Industrial Cleaning	107,558	2,610	110,168	95,596	2,959	98,555
Recycling Services	23,770	1,222	24,993	21,162	2,247	23,410
Elimination		3,833	-3,833		5,206	-5,206
GROUP	**131,328**		**131,328**	**116,759**		**116,759**

CONTINUES

DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

EUR thousand	2021	2020
Industrial Cleaning	-8,151	-8,203
Recycling Services	-2,973	-2,939
Administration	-1,887	-1,925
GROUP	**-13,011**	**-13,068**

OPERATING PROFIT (EBIT)	2021	2020
Industrial Cleaning	2,718	5,261
Recycling Services	1,999	-572
Administration	-7,848	-8,758
Operating profit (EBIT)	**-3,131**	**-4,068**
Net financial expenses	17,121	-6,571
PROFIT (-LOSS) BEFORE TAXES	**13,990**	**-10,640**

GEOGRAPHICAL INFORMATION	2021		2020	
EUR thousand	Net sales	Non-current assets	Net sales	Non-current assets
Finland	91,398	90,187	78,871	96,402
Sweden	39,930	23,074	37,888	26,309
TOTAL	**131,328**	**113,261**	**116,759**	**122,711**

NOTE 5 BUSINESS COMBINATIONS AND GROUP STRUCTURE

Changes in ownership in subsidiaries during 2021

Delete Group had no business combinations during 2021. Delete Demolition Oy was divested in January 2021 and W-Tech Entreprenad AB in December 2021.

Group structure

Parent company in Delete Group is Delete Group Oyj which is domiciled in Helsinki. The company acts as the Group's parent company and manages holdings in subsidiaries. The company's purpose is to provide intra-group management services and raise funding.

Subsidiary	Domicile	Ownership interest %
Ax DEL2 Oy	Finland	100.0
• Delete Oy	Finland	100.0
• Delete Finland Oy	Finland	100.0
• Delete Ympäristöpalvelut Oy	Finland	100.0
• Sertech Oy	Finland	100.0
• Delete Sweden AB	Sweden	100.0
• Delete Service AB	Sweden	100.0
• Waterjet Entreprenad Karlstad AB	Sweden	100.0
• Waterjet Entreprenad i Oslo AS	Norway	100.0
• Waterjet Entreprenad i Stockholm AB	Sweden	100.0

All subsidiaries have been consolidated in the financial statements.

On 30 June 2020, Delete incorporated its Recycling Services business in Finland into Delete Ympäristöpalvelut Oy.

NOTE 6 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Demolition Services business is reported in this report in accordance with IFRS 5 “Assets Held for Sale and Discontinued Operations” and is not included in the Financial Statements Bulletin for continuing operations. The figures in the statement of income and the items related to it, including comparison figures, have been stated to show the discontinued operations separately from continuing operations.

On 29 January 2021, Delete Finland Oy, a group company of the Delete Group, sold all its shares in Delete Demolition Oy, a fully owned subsidiary operating in the Demolition Services business area, to Lotus Maskin & Transport AB for a purchase price of EUR 7.3 million. After the transaction, Delete Group no longer operates in the Demolition Services business. Any post-transaction costs related to Demolition Services are reported under IFRS 5 during 2021.

In 2021, revenue from services recognised over time was EUR 2.0 (32.0) milion.

Result for the financial period from the assets held for sale

EUR thousand	2021	2020
Net sales	2,828	51,715
Expenses	-4,839	-51,357
TOTAL	**-2,011**	**358**
Goodwill impairment		-15,081
Impairment on tangible assets		-5,220
OPERATING RESULT	**-2,011**	**-19,942**
Net financial expenses	-32	-408
Result before taxes	**-2,043**	**-20,350**
Income taxes	-5	259
RESULT FOR THE FINANCIAL PERIOD	**-2,048**	**-20,091**

Assets held for sale, items on statement of financial position

EUR thousand	2021	2020
Intangible assets and property, plant and equipment		5,742
Inventories		269
Other receivables		10,941
Trade payables and other liabilities		-8,096
NET ASSETS	**0**	**8,856**

Cash flows from assets held for sale

EUR thousand	2021	2020
Cash flow from operating activities	-677	6,422
Cash flow from investing activities	-7	-512
Cash flow from financing activities	-1	-1,031
TOTAL	**-685**	**4,879**

NOTE 7 REVENUE

Delete Group's revenue from continuing operations consist of the following activities: Industrial Cleaning and Recycling Services. Distribution of revenue between different reportable segments and between geographical districts is described in Note 4 Segments.

Disaggregation of revenue

The distribution of revenue from contracts with customers is presented by timing of revenue recognition.

	Products and services transferred over time		Products and services transferred at a point in time					
	Projects (POC)		Materials		Services		TOTAL	
EUR thousand	**1-12 2021**	**1-12 2020**	**1-12 2021**	**1-12 2020**	**1-12 2021**	**1-12 2020**	**1-12 2021**	**1-12 2020**
Industrial Cleaning	11,454	13,198		-	98,715	85,357	**110,168**	**98,555**
Recycling Services		-	24,993	23,410		-	**24,993**	**23,410**
Eliminations		-		-		-	**-3,833**	**-5,206**
GROUP TOTAL	**11,454**	**13,198**	**24,993**	**23,410**	**98,715**	**85,357**	**131,328**	**116,759**

Contract balances on contracts with customers

Information on trade receivables, contract asset and liabilites is described in the following table

EUR thousand	**2021**	**2020**
Trade receivables	4,714	13,300
Contract assets	0	1,784
Contract liabilities	-8	-11
TOTAL	**4,707**	**15,074**

The contract asset relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities mainly relate to advances received from customers.

More information on trade receivables is included in Note 24.

Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTE 8 OTHER OPERATING INCOME

EUR thousand	2021	2020
Rental income	108	54
Sale of property, plant and equipment	184	87
Other income	245	64
TOTAL	**536**	**206**

Other operating income mainly consist of the sale of property, plant and equipment as well as other non-recurring income.

NOTE 9 MATERIALS AND SERVICES

EUR thousand	2021	2020
Materials and services		
Purchases during reporting period	-14,698	-13,725
Change in inventories	-168	232
Purchased services	-42,210	-33,457
TOTAL	**-57,076**	**-46,950**

NOTE 10 EMPLOYEE BENEFITS

The Group's personnel expenses consist of wages, salaries and remuneration and pension costs as well as other social costs. The Group's pension plans are classified as defined contribution plans, where contributions are recorded as an expense in the reporting period. Other personnel expenses consist of statutory and voluntary insurance and social security contributions.

Salaries and wages

EUR thousand	2021	2020
Salaries and wages	-40,197	-37,301
Pension costs – defined contribution plans	-6,074	-4,823
Other social security costs	-5,725	-5,698
TOTAL	**-51,996**	**-47,822**

Delete Group had an average number of employees during the reporting period of 667 (744 in 2020). The number of Group personnel at the end of the reporting period were 643 employees (714 in 2020).

More detailed information on key management's employee benefits is presened in Note 30 Related party transactions.

NOTE 11 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Below the depreciation, amortisation and impairment losses are presented by asset category.

EUR thousand	2021	2020
Intangible assets		
Intangible rights	-232	-1,153
Other intangible assets	-457	-4
TOTAL	**-689**	**-1,157**
Property, plant and equipment		
Buildings	-536	-449
Buildings, right-of-use	-3,006	-3,274
Machinery and equipment	-5,729	-5,012
Machinery and equipment, right-of-use	-2,914	-2,949
Other tangible assets	-137	-227
TOTAL	**-12,322**	**-11,911**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	**-13,011**	**-13,068**

During 2021, a total of EUR 285 thousand of impairment losses was recorded (EUR 0 in 2020). Impairments are regonised in intagible rights and machinery and equipment.

NOTE 12 OTHER OPERATING EXPENSES

EUR thousand	2021	2020
Travel expenses	-2,366	-1,784
Premises and land rents, maintenance charges	-1,364	-1,413
Sale and marketing expenses	-604	-471
Vehicle expenses	-1,832	-1,691
Expected credit losses	-30	-91
Other expenses	-6,715	-7,744
TOTAL	**-12,911**	**-13,194**

The Group's rental expenses consist of premises, plots of land and equipment rental expenses. More detailed information on rentals in the consolidated income statement is disclosed in Note 25. Other expenses include vehicle expenses, ICT expenses and consulting and professional fees, among others.

Auditor's fees	2021	2020
Audit	102	131
Auditors' statements	5	5
Tax services	28	24
Other services	3	4
TOTAL	**138**	**165**

NOTE 13 FINANCE INCOME AND EXPENSES

Financial income

Interest income and other financial income include:

EUR thousand	2021	2020
Interest and financial income from others	24,807	33
Exchange rate gains	0	0
Change in fair value of derivatives	41	0
Other finance income	-772	0
TOTAL	**24,075**	**33**

Financial expenses

Interest and other financial expenses include:

EUR thousand	2021	2020
Interest expenses on borrowings from financial institutions	-6,529	-7,312
Transaction costs of repaid loan	0	0
Exchange rate losses	-425	707
Change in fair value of derivatives	0	0
TOTAL	**-6,954**	**-6,605**

NOTE 14 INCOME TAXES

Income taxes recognised in profit or loss

EUR thousand	2021	2020
Current tax for the reporting year	-101	-149
Current tax adjustments for prior years	0	0
Change in deferred taxes	84	632
TOTAL	**-18**	**483**

Reconciliation between income tax expense in profit or loss and tax expense calculated by the Finnish tax rate

EUR thousand	2021	2020
Profit before tax	13,990	-10,640
Tax calculated using Finnish tax rate 20% (20% in year 2020)	-2,798	2,128
Effect of tax rate in foreign subsidiaries	9	14
Non-deductible expenses	-1,729	-1,707
Non-taxable income	4,593	21
Current tax adjustments for prior years	-94	-4
Other differences	0	31
INCOME TAXES IN THE STATEMENT OF PROFIT OR LOSS	**-18**	**482**
Effective tax rate %	**0.1%**	**4.5%**

NOTE 15 INTANGIBLE ASSETS AND GOODWILL

EUR Thousand	Goodwill	Intangible rights	Other long-term expenditure	Work in progress	Other intangible assets	Total
Cost 1 January 2021	74,632	2,468	20	18	7,737	84,875
Exchange rate differences	-491				-40	-531
Additions		133				133
Additions through business combinations						0
Disposals					-210	-210
Assets held for sale						0
Transfers			12	-12		0
COST 31 DECEMBER 2021	**74,140**	**2,601**	**32**	**6**	**7,488**	**84,267**
Accumulated amortisation and impairment losses 1 January 2021		-2,201	-12	-6	-4,423	-6,641
Exchange rate differences					-29	-29
Amortisation		-127	0		-457	-584
Additions through business combinations						0
Impairment		-105				-105
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES 31 DECEMBER 2021	**0**	**-2,433**	**-12**	**-6**	**-4,909**	**-7,359**
CARRYING AMOUNT 31 DECEMBER 2021	**74,140**	**169**	**20**	**-0**	**2,579**	**76,908**
Cost 1 January 2020	69,469	2,365	20	58	7,737	79,649
Exchange rate differences	163					163
Additions		104				104
Additions through business combinations				-41		-41
Assets held for sale	5,000					5,000
Transfers						0
COST 31 DECEMBER 2020	**74,632**	**2,468**	**20**	**18**	**7,737**	**84,875**
Accumulated amortisation and impairment losses 1 January 2020	0	-2,045	-8	-6	-3,427	-5,485
Exchange rate differences					1	1
Amortisation		-156	-4		-997	-1,157
Impairment						0
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES 31 DECEMBER 2020	**0**	**-2,201**	**-12**	**-6**	**-4,423**	**-6,641**
CARRYING AMOUNT 31 DECEMBER 2020	**74,632**	**268**	**8**	**12**	**3,314**	**78,234**

Goodwill and impairment testing

The Group's goodwill is tested for impairment annually. The recoverable amount is measured based on value in use. In addition, the Group monitors the internal and external indications and changes in circumstances, which may indicate an impairment of goodwill. Impairment test is performed at a cash-generating unit level that can be determined independent cash flows.

Goodwill is allocated for impairment testing purposes to cash-generating units, which are Cleaning Services Finland, Recycling Services Finland and Cleaning Services Sweden. The Group's management monitors goodwill at the level of these units. In addition, the Group's management estimates that the efficiencies through management system and cost structure savings enabled by the occurred business divestments are allocated to the above mentioned Cleaning Services and Recycling Services. Demolition Services Finland and Demolition Services Sweden have been classified as discontinued operations.

EUR million	**31.12.2021**	**31.12.2020**
Goodwill allocated to Cash Generating Units		
Industrial Cleaning Finland	49.3	49.3
Recycling Services Finland	12.5	12.5
Industrial Cleaning Sweden	12.8	12.8
TOTAL	**74.6**	**74.6**

Goodwill is determined in local currencies and changes in exchange rates will affect the goodwill in euros. Forecast period used in impairment test is three years, after which a terminal growth rate has been used in calculation terminal value.

Key assumptions used in the impairment testing

The financial modelling used for the impairment testing is based on Board approved management budget for the coming year and strategic financial planning for the following years. The budget and strategic planning both are based on market outlook information, historical performance and planned business development initiatives. The terminal growth rates are assessed by a reputable global consulting group for which a reduction for prudency is made by the management.

2021	Industrial Cleaning Finland	Recycling Services Finland	Industrial Cleaning Sweden
Terminal growth rate (%)	2.4%	2.5%	2.3%
WACC (post-tax)	6.9%	6.9%	6.9%
WACC (pre-tax)	8.1%	8.0%	8.1%
2020	**Industrial Cleaning Finland**	**Recycling Services Finland**	**Industrial Cleaning Sweden**
Terminal growth rate (%)	2.4%	2.5%	2.3%
WACC (post-tax)	8.2%	8.2%	7.9%
WACC (pre-tax)	9.8%	9.7%	9.2%

The recoverable amount to exceed the carrying amount

EUR million

CASH GENERATING UNITS	31.12.2021	31.12.2020
Industrial Cleaning Finland	65.1	14.8
Recycling Services Finland	43.7	24.4
Industrial Cleaning Sweden	12.9	4.4

For the year 2021 impairment testing business area Industrial Cleaning Services Sweden is closest to impairment. In Industrial Cleaning Services Sweden, a decrease of -0.5 percentage points in operating profit margin would lead to the recognition of an impairment loss as well as 1.0 percentage points increase in the discount rate (WACC).

For Industrial Cleaning Sweden, the comparable 2021 operating profit was 4.4%. The used level for testing on years 2021-2024 is between 1.8%-5.8% and the terminal period operating profit 5.5%. Relative working capital efficiency is expected to remain unchanged for the testing period and the capital investments are expected to grow from 2021 expenditure and terminal period investments are set to exceed depreciations slightly.

NOTE 16 PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE

EUR thousand	Land areas	Buildings	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other property, plant and equipment	Construction in progress	Total
Cost 1 January 2021	79	9,596	12,473	83,044	10,393	1,865	27	117,478
Exchange rate differences		-3	10	-476	49			-420
Additions through business combinations				-1,525				-1,525
Additions		171	2,223	1,714	3,101	97	16	7,323
Disposals			-173	-236	-621			-1,030
Assets held for sale								0
Transfers								0
COST 31 DECEMBER 2021	**79**	**9,765**	**14,534**	**82,520**	**12,922**	**1,962**	**43**	**121,826**
Accumulated depreciation and impairment losses 1 January 2021	7	-3,757	-6,738	-58,442	-4,829	-1,247	-0	-75,006
Exchange rate differences		2	-8	169	-4			159
Additions through business combinations								0
Disposals								0
Depreciation for the reporting period		-536	-3,006	-5,553	-2,914	-137		-12,146
Impairment				-176				-176
Transfers								0
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES 31 DECEMBER 2021	**7**	**-4,291**	**-9,752**	**-64,002**	**-7,746**	**-1,383**	**-0**	**-87,169**
CARRYING AMOUNT 31 DECEMBER 2021	**86**	**5,473**	**4,782**	**18,518**	**5,176**	**579**	**43**	**34,657**

EUR thousand	Land areas	Buildings	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other property, plant and equipment	Construction in progress	TOTAL
Cost 1 January 2020	113	7,415	9,836	81,545	5,761	1,613	1,557	107,840
Exchange rate differences	1	6	56	330	134	14	-0	541
Additions through business combinations								0
Additions		795	2,714	1,391	5,656	239	26	10,820
Disposals	-35		-132	-221	-1,159		-177	-1,724
Assets held for sale								0
Transfers		1,380					-1,380	0
COST 31 DECEMBER 2020	**79**	**9,596**	**12,473**	**83,044**	**10,393**	**1,865**	**26**	**117,477**
Accumulated depreciation and impairment losses 1 January 2018	-14	-3,286	-3,415	-53,388	-1,833	-1,020	-66	-63,022
Exchange rate differences	-1	-2	-48	-42	-47			-140
Additions through business combinations	21						46	67
Depreciation for the reporting period		-449	-3,274	-5,012	-2,949	-227		-11,911
Impairment								0
Transfers		-20					20	-0
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES 31 DECEMBER 2020	**7**	**-3,757**	**-6,738**	**-58,442**	**-4,829**	**-1,247**	**-0**	**-75,006**
CARRYING AMOUNT 31 DECEMBER 2020	**86**	**5,840**	**5,735**	**24,602**	**5,564**	**619**	**26**	**42,471**

NOTE 17 INVESTMENTS

Investments consist of following items:

EUR thousand	2021	2020
Non-listed shares	0	0
Other investments	7	7
TOTAL	**7**	**7**

NOTE 18 CHANGES IN DEFERRED TAX ASSETS AND LIABILITIES

2021

EUR thousand	1.1.2021	Recognised through profit or loss	Exchange rate differences	Business combinations	Reclassifications to assets held for sale	31.12.2021
DEFERRED TAX ASSETS						
Lease	36	91	-0			127
Tax losses carried forward	1,963	-394	-6			1,563
TOTAL DEFERRED TAX ASSETS	**1,999**	**-303**	**-6**	**0**	**0**	**1,690**
DEFERRED TAX LIABILITIES						
Intangible assets and property, plant and equipment	1,309	-79	9			1,239
Transaction costs on loans and borrowings	92	-25				67
Voluntary provisions in taxation	1,142	-283	16			875
TOTAL DEFERRED TAX LIABILITIES	**2,543**	**-387**	**24**	**0**	**0**	**2,180**

In the financial statements, deferred tax assets and deferred tax liabilities are determined in accordance with each country's corporate tax rate. Deferred tax assets of EUR 3,755 thousand (4,483) have not been recognised for accumulated and partially unconfirmed tax losses. Accumulated tax losses expires from 2023 until 2030.

2020

EUR thousand	1.1.2020	Recognised through profit or loss	Exchange rate differences	Business combinations	Reclassifications to assets held for sale	31.12.2020
Deferred tax assets						
Lease	30	7	-0			36
Tax losses carried forward	1,620	343	0			1,963
TOTAL DEFERRED TAX ASSETS	**1,650**	**350**	**-0**	**0**	**0**	**1,999**
DEFERRED TAX LIABILITIES						
Intangible assets and property, plant and equipment	1,598	13		-301		1,309
Transaction costs on loans and borrowings	117	-25				92
Voluntary provisions in taxation	1,411	-270	1			1,142
TOTAL DEFERRED TAX LIABILITIES	**3,126**	**-282**	**1**	**-301**	**0**	**2,543**

The Group presents deferred tax assets and liabilities on a net basis if, and only if, the Group has a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to the income taxes levied by same tax authority.

NOTE 19 INVENTORY

Inventories include materials and supplies used in the production of services.

EUR thousand	2021	2020
Materials and consumables	1,185	1,392
Finished goods	0	0
TOTAL	**1,185**	**1,392**

In the financial year and the comparison year no write-downs of inventories were recognised.

NOTE 20 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

EUR thousand	2021	2020
Trade receivables	4,714	13,300
Accrued income and prepayments	1,977	3,207
Other receivables	443	261
Reclassifications to assets held for sale		-4,879
TOTAL	**7,134**	**11,889**

Specification for accrued income and prepayments

EUR thousand	2021	2020
Contract assets		1,784
Rent deposit	311	226
Other deposits	651	366
Employee benefits	375	9
Other accruals	641	822
TOTAL	**1,977**	**3,207**

The carrying amount of trade receivables and other current receivables is a reasonable estimate of their fair value.

The Group has recognised credit losses of EUR 16 thousand (EUR 89 thousand in 2020). Carrying amounts of trade receivables and other receivables correspond to the risk of maximum credit losses.

Aging of trade receivables and trade and other receivables by currency are presented in Note 24 Financial risk management.

NOTE 21 CASH AND CASH EQUIVALENTS

EUR thousand	2021	2020
Cash at hand and bank balances	5,151	7,752
TOTAL	**5,151**	**7,752**

The Group has pledged cash and cash equivalents, which are described in note 28.

NOTE 22 EQUITY, RESERVES AND CAPITAL MANAGEMENT

	Number of P shares	Number of C shares	TOTAL SHARES
1.1.2021	10,858,595	3,089,649	**13,948,244**
Change	1,075,000,905	305,875,251	**1,394,824,400**
31.12.2021	1,085,859,500	308,964,900	**1,394,824,400**
1.1.2020	10,858,595	3,089,649	**13,948,244**
31.12.2020	10,858,595	3,089,649	**13,948,244**

Share capital

The company's shares are divided into two series: C series and P-series. All shares have equal voting rights. The shares have no nominal value. When distributing the company's assets, the C shares holders must always receive the amount corresponding to their relative (pro rata) share of the total number of shares issued by the company. Total shares outstanding are equal to shares authorised. The company has no treasury shares.

Translation reserve

Translation reserve consist of exchange rate differences arising from the translation of foreign subsidiaries' financial statements.

Profit

The parent company's profit for the period was EUR 25,353 thousand (EUR -19,933 thousand in 2020). The Board of Directors proposes that no dividend be paid and that the profit be transferred to retained earnings.

Reserve for invested non-restricted equity

Reserve for invested non-restricted equity includes other equity type investments and share subscription prices to the extent that it is not recognised to share capital. During the reporting period 2021, EUR 10,0 million was invested in the Group.

Capital management

The Group's capital management objective is to maintain a capital structure that allows preservation of the Group's operating requirements under various conditions. The objective of capital management is to ensure the adequacy of funding, availability of financing and financial cost management. The Group's management has not explicitly specified what items are taken into account in capital management and no numerical objectives has been set for capital management. The Group's loans and borrowings and covenants are described in Note 25 Interest-bearing loans and borrowings.

NOTE 23 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The table below presents carrying amounts and fair values of financial assets and liabilities by valuation category

2021 – Carrying amount

EUR thousand	Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities at amortised cost	TOTAL CARRYING AMOUNT	TOTAL FAIR VALUE	Fair value hierarchy
NON-CURRENT FINANCIAL ASSETS						
Other investments	0	7	0	**7**	**7**	level 2
CURRENT FINANCIAL ASSETS						
Trade and other receivables	0	5,157	0	**5,157**	**5,157**	
Other financial assets	0	0	0	**0**	**0**	level 2
Cash and cash equivalents		5,151	0	**5,151**	**5,151**	
TOTAL FINANCIAL ASSETS	**0**	**10,315**	**0**	**10,315**	**10,315**	
NON-CURRENT FINANCIAL LIABILITIES						
Loans from financial institutions	0	0	60,000	**60,000**	**60,000**	level 2
Lease liabilities	0	0	5,111	**5,111**		
Instalment credit	0	0	19	**19**	**19**	level 2
Derivative liabilities	0	0	0	**0**	**0**	level 2
CURRENT FINANCIAL LIABILITIES						
Loans from financial institutions	0	0	6,995	**6,995**	**6,995**	level 2
Lease liabilities	0	0	5,036	**5,036**	**5,036**	level 2
Trade payables	0	0	7,975	**7,975**	**7,975**	
Instalment credit	0	0	10	**10**	**10**	level 2
TOTAL FINANCIAL LIABILITIES	**0**	**0**	**85,147**	**85,147**	**85,147**	

2020 – Carrying amount

EUR thousand	Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities at amortised cost	TOTAL CARRYING AMOUNT	TOTAL FAIR VALUE	Fair value hierarchy
OTHER INVESTMENTS						
Other investments	0	8	0	**8**	**8**	level 2
CURRENT FINANCIAL ASSETS						
Trade and other recaivables	0	13,561	0	**13,561**	**13,561**	
Other financial assets	0	0	0	**0**	**0**	level 2
Cash and cash equivalents		7,749	0	**7,749**	**7,749**	
TOTAL FINANCIAL ASSETS	**0**	**21,318**	**0**	**21,318**	**21,318**	
NON-CURRENT FINANCIAL LIABILITIES						
Loans from financial institutions	0	0	0	**0**	**0**	level 2
Finance lease liabilities	0	0	6,824	**6,824**	**6,824**	level 2
Instalment credit	0	0	161	**161**	**161**	level 2
Derivative liabilities	41	0	0	**41**	**41**	level 2
CURRENT FINANCIAL LIABILITIES						
Loans from financial institutions	0	0	114,084	**114,084**	**114,084**	level 2
Finance lease liabilities	0	0	4,899	**4,899**	**4,899**	level 2
Trade payables	0	0	10,044	**10,044**	**10,044**	
Instalment credit	0	0	72	**72**	**72**	level 2
TOTAL FINANCIAL LIABILITIES	**41**	**0**	**136,084**	**136,125**	**136,125**	

Determination of fair values

Level 1 = Fair values are based on identical assets or liabilities quoted (unadjusted) in active markets

Level 2 = Fair values are based on other than level 1 quoted prices and are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3 = Fair values are not based on observable market data

Transfers between levels

There were no significant transfers between fair value levels in 2021 and 2020.

NOTE 24 FINANCIAL RISK MANAGEMENT

The principles and organisation of financial risk management

Group and its operational functions are exposed to financial risks. Financial risks arise from interest rates, exchange rates and other fluctuations in market prices. The Company's management monitors the financial risks related to businesses. The Group does not apply IFRS 9 hedge accounting at the balance sheet date.

Liquidity and refinancing risk

Liquidity risk relates to maintaining adequacy and sustainability of funding required for the Group's working capital, debt repayment and investment. The purpose of liquidity risk management is to constantly maintain an adequate level of liquidity. The Group primary source of funding are operating cash flows and loan funding. At the end of the reporting period, the Group's cash and cash equivalents amounted to EUR 5.2 million.

Interest rate risk

Maturity of financial liabilities is presented in the table below. The Group has limited interest rate risk, as 50% of the senior secured notes are hedged for a fixed interest rate 0.0% (EURIBOR 3mo) interst rate cap. Group loan contracts are further described in Note 25 Interest bearing loans and borrowings. The loan agreement contain conventional covenants, which are described in more detail in Note 25. The Group has met all covenants during the reporting period.

Credit risk

The Group's customer base consists of broad range of customers thus the credit risk is low. Payment terms for customers are usual. Credit losses are recorded on trade receivables, when there is objective evidence that the receivables will not be paid as a whole at the original terms. Ageing of trade receivables and credit losses recorded are presented below.

The Group uses an allowance matrix, a simplified approach allowed by IFRS 9, to measure expected credit losses for trade receivables from customers and contract assets. The loss allowance is measured at an amount equal to lifetime expected credit losses for trade receivables and contract assets. The Group uses its previous credit losses and historical credit loss experience for trade receivables to estimate the lifetime expected credit losses on financial assets.

Exchange rate risk

The exchange rate risk is associated with transactions and cash flows in foreign currencies and net investments in Group companies. The majority of the Group's income and expenses arise in the Euro area and in Swedish crowns. The exchange rate risk was not significant during the reporting period. Hedge accounting is not applied and derivative instruments are not used to hedge the exchange rate risk.

Maturity of the Group's financial liabilities

The Group's financial liabilities are due as follows:

2021	2022	2023	2024	2025	2026 and later
Borrowings from financial institutions			60,000		
Interest on borrowings from financial institutions	3,569				
Derivative liabilities	0				
Lease liabilities, incl. interest	5,058	2,726	1,293	541	660
Trade payables	7,975				
TOTAL	**16,602**	**2,726**	**61,293**	**541**	**660**

2020	2021	2022	2023	2024	2025 and later
Borrowings from financial institutions	114,280				
Interest on borrowings from financial institutions	3,966				
Derivative liabilities	41				
Finance lease liabilities, incl. interest	5,567	3,889	1,943	954	895
Trade payables	10,044				
TOTAL	**133,898**	**3,889**	**1,943**	**954**	**895**

Ageing of trade receivables and expected credit losses

The following table provides information about the exposure to credit risk and the amount of expected credit losses for trade receivables and contract assets at reporting date:

2021	**Gross value**	**Expected credit loss rate %**	**Loss allowance**	**Net**
TRADE RECEIVABLES				
Not past due	4,152	0.0%	0	4,152
Past due				
Less than 30 days	176	0.0%	0	176
31-60 days	17	0.0%	-1	17
61-90 days	11	0.0%	-0	11
Past due over 90 days	388	0.6%	-29	359
TOTAL	**4,744**	**0.6%**	**-30**	**4,714**
TOTAL	**4,744**	**0.6%**	**-30**	**4,714**

2020	**Gross value**	**Expected credit loss rate %**	**Loss allowance**	**Net**
CONTRACT ASSETS	1,784	0.0%		1,784
TRADE RECEIVABLES				
Not past due	12,285	0.0%	0	12,285
Past due				
Less than 30 days	596	0.0%	0	596
31-60 days	106	0.0%	-2	105
61-90 days	52	0.0%	-1	50
Past due over 90 days	351	0.7%	-89	263
TOTAL	**13,391**	**0.5%**	**-91**	**13,300**
TOTAL	**15,175**	**0.6%**	**-91**	**15,084**

The Group uses an allowance matrix to measure the expected credit losses of trade receivables. The calculation of expected credit losses is described in risk management section above.

The carrying amount of trade receivables represent the maximum credit exposure on the reporting date. The Group does not require collateral in respect of trade and other receivables. No signifigant concentration of credit risk relate to receivables. The carrying amount of trade receivables and other receivables is a reasonable estimate of their fair value. As at 31 December 2021, the company had EUR 12.5 million sold receivables under non-recourse factoring agreement.

Trade and other receivables by currency:

EUR thousand	2021	2020
EUR	5,363	14,657
SEK	1,858	8,306
TOTAL	**7,221**	**12,673**

Movements in the allowance for impairment

EUR thousand	2021	2020
Loss allowance at 1 January	-93	-91
Reclassifications to assets held for sale	0	0
Expected credit losses on trade receivables	-30	-91
Expected credit losses on contract assets		
Credit losses	16	89
ALLOWANCE FOR IMPAIRMENT 31 DECEMBER	**-108**	**-93**

Current liabilities by currency:

EUR thousand	2021	2020
EUR	26,306	136,225
SEK	13,137	9,506
TOTAL	**39,443**	**145,731**

NOTE 25 INTEREST BEARING LOANS AND BORROWINGS

Below are presented terms and repayment program of the Group's interest bearing non-current and current loans from financial institutions measured at amortised cost.

In Note 24 Financial risk management are described maturities of loans from financial institutions. Furthermore, the note includes a description of the Group's exposure to interest rate risk, foreign currency risk and credit risk.

	Carrying amount	
EUR thousand	**2021**	**2020**
NON-CURRENT LIABILITIES		
Borrowings from financial institutions	60,000	0
Lease liabilities	5,111	6,824
CURRENT LIABILITIES		
Borrowings from financial institutions	6,995	114,084
Lease liabilities	5,036	4,899

Terms and repayment of interest-bearing liabilities

	Currency	Average interest rate	Maturity
Borrowings from financial institutions	euro	5,47	2021-2024

Loans from financial institutions

The Group's financing was restructured during the financial year through a voluntary procedure. The nominal value of the bond was cut by EUR 25 million and repaid by EUR 25 million. Following the transaction, the nominal value of Delete's bond is EUR 60 million. In addition, Delete Group has a confirmed super senior revolving credit facility to be used to finance the company's operations, acquisitions and capital expenditures.

Covenants

The Group's revolving credit facility includes covenants defined in the financing agreement. The Group has complied with the requirements of these covenants during the period.

Amounts recognised in statement of income	
Short term leases	2,420
Leases of low value assets	106
Interest expense on leases	466
TOTAL	**2,991**

Cash flow from leases	**8,822**
Amounts recognised in statement of income	
Interest expense on leases	466
Short term leases	2,420
Leases of low value assets	106

	1 January 2021	Cash flows	Non-cash changes					31 December 2021
			Paid in kind interests capitalised	Foreign exchange movements	Effective interest rate	New agreements	Muut muutokset	
Interest-bearing financial liabilities	114,084	-24,406	1,187	-10	-300		-23,562	66,995
Lease liabilities	11,723	-5,831		83		4,173		10,147
Instalment credit	233	-193		-11				29
TOTAL	**126,040**	**-30,430**	**1,187**	**62**	**-300**	**4,173**	**-23,562**	**77,171**

	1 January 2020	Cash flows	Non-cash changes					31 December 2020
			Paid in kind interests capitalised	Foreign exchange movements	Effective interest rate	New agreements	Muut muutokset	
Interest-bearing financial liabilities	116,303	-2,263		-7	51			114,084
Lease liabilities	10,473	-5,925		59		7,115		11,723
Instalment credit	822	-533		-57				233
TOTAL	**127,598**	**-8,721**	**-**	**-4**	**51**	**7,115**		**126,040**

NOTE 26 DERIVATIVE INSTRUMENTS

Derivative instruments at fair value through profit or loss

Interest rate swaps

	Nominal value	
EUR thousand	**2021**	**2020**
Interest rate swaps	30,061	73,337
TOTAL	**30,061**	**73,337**

	Fair value	
EUR thousand	**2021**	**2020**
Interest rate swaps	99	41
TOTAL	99	41

The Group's interest rate cap agreement is fixed at EURIBOR 3 months at 0.0%. In accordance with the interest rate cap agreement, the company will be reimbursed the portion of interest that exceeds the interest rate cap; in 2021 the interest rate cap was not exceeded. Hedge accounting in accordance with IFRS 9 is not applied to the interest rate cap agreement, but the derivatives have been entered into for hedging purposes.

Fair values of the derivative financial instruments are determined using publicly quoted market prices in an active market. The determination of fair value is described in Note 23 Classification of financial assets and liabilities.

Maturity of derivative instruments is presented in Note 24 Financial risk management.

NOTE 27 TRADE PAYABLES, OTHER PAYABLES AND PREPAYMENTS

Below is presented balance sheet items accounts payable, other liabilities, hire purchase liabilities and received advance payments.

EUR thousand	2021	2020
Trade payables	7,975	10,044
Other payables	7,715	3,471
Instalment credit	29	233
Contract liabilities (see note 6)	8	11
Accrued expenses	11,667	13,070
TOTAL	**27,394**	**26,830**
Total current	27,374	26,668
Total non-current	19	161

Carrying amount of trade payables and other payables approximate their fair value.

In Note 24 Financial risk management a maturity analysis of financial liabilities and trade payables by currency is presented. In Note 24 the Group exposure to exchange rate risk and liquidity risk is described in more detail.

Other liabilities

Other liabilities are mainly related to VAT, withholding taxes and social security liability.

Instalment credit

The Group companies are partly funding capital expenditure by instalment credit.

In the table below, the major items of accruals are presented.

EUR thousand	2021	2020
Personnel expenses	8,578	9,073
Finance items	626	1,145
Waste debt accrual	38	894
Other	2,425	1,958
TOTAL	**11,667**	**13,070**

CONTINGENT ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees

EUR thousand	2021	2020
Corporate mortgage, nominal value	1,847,167	1,847,197

Commitments

EUR thousand	2021	2020
Bank guarantee facility	1,763	827
of which available	237	192
Other bank guarantees	132	884
Other	638	773

Pledges

EUR thousand	2021	2020
Pledged cash and cash equivalents	248	592
Carrying amount of pledged shares	241,759	273,076

Borrowings from financial institutions includes covenants, which are described in Note 25 Interest bearing loans and borrowings.

NOTE 29 RELATED PARTY TRANSACTIONS

The Related Parties of the group in addition to parent company and subsidiaries are members of the Board of Directors, Chief Executive Officer and members of the group management team (Chief Financial Officer Ville Mannola, and country managers (Peter Revay, Sweden and Sirpa Ojala, Finland).

The Group structure is described in Note 5.

Management and related party compensation and benefits 2021

EUR thousand	Short-term employee benefits	Additional pension benefits	Post employment benefits
Chief Executive Officer			
Sirpa Ojala from 1.11.2021	60		
Tommi Kajasoja until 1.11.2021	611	0	0
Management	1,134	0	0
Board of Directors			
Martin Forss, Chair of the Board	52	0	0
Åsa Söderström Winberg, Member of the Board	30	0	0
Ronnie Neva-aho, Member of the Board	26	0	0
Christian Schmidt-Jacobsen, Member of the Board	0	0	0

Management and related party compensation and benefits 2020

EUR thousand	Short-term employee benefits	Additional pension benefits	Post employment benefits
Chief Executive Officer			
Tommi Kajasoja	277	0	0
Management	805	0	0
Board of Directors			
Martin Forss, Chair of the Board from 9th of January 2020	43	0	0
Åsa Söderström Winberg, Chair of the Board until 9th of January 2020	24	0	0
Holger C. Hansen, Member of the Board until 8th of April 2020	0	0	0
Ronnie Neva-aho, Member of the Board	22	0	0
Vilhelm Sundström, Member of the Board until 8th of April 2020	0	0	0
Christian Schmidt-Jacobssen	0	0	0

Other related party transactions

EUR thousand	2021	2020
Real Estate rental payment to RNAH Invest Oy an entity under Ronnie Neva-aho's control	142	122
Consultancy fee to Amnis Quartum Oy an entity under Martin Forss's control	50	50
TOTAL	**193**	**172**

Fair market values are always applied to Related Party Transactions.

Shares of the Company

The company's share capital consists of 1,085,859,500 P-shares and 308,964,900 C-shares. Ax DEL Oy owns 86% of the shares. Rest 14% of the shares are owned by key employees of the company (including the Board of Directors and Group Management) and certain other minority shareholders.

NOTE 30 EVENTS AFTER BALANCE SHEET DATE

Management team member, General Counsel Janika Vilkman, re-joined Delete on 1 February 2022.

In January 2022, Delete extended its SSRCF facility with Collector Bank to February 2023, with the existing terms.

PARENT COMPANY INCOME STATEMENT (FAS)

EUR	1.1.–31.12.2021	1.1.–31.12.2020
REVENUE	**0**	**0**
Other operating expenses	-236,700	-230,982
OPERATING PROFIT	**-236,700**	**-230,982**
Impairment on non-current investments	0	-20,300,610
Other financial income and expenses	25,590,168	598,818
Financial income and expenses	25,590,168	-19,701,792
PROFIT BEFORE APPROPRIATIONS AND TAXES	**25,353,468**	**-19,932,775**
Income taxes	0	0
PROFIT/LOSS FOR THE PERIOD	**25,353,468**	**-19,932,775**

PARENT COMPANY BALANCE SHEET (FAS)

EUR	31.12.2021	31.12.2020
ASSETS		
NON-CURRENT ASSETS		
Shares and securities in subsidiaries	53,830,722	49,440,606
TOTAL NON-CURRENT ASSETS	**53,830,722**	**49,440,606**
CURRENT ASSETS		
Receivables		
Long term receivables	91,048,063	107,438,178
Short term receivables	3,877,973	1,941,098
Cash and cash equivalents	9,518	721,980
TOTAL CURRENT ASSETS	**94,935,554**	**110,101,257**
TOTAL ASSETS	**148,766,276**	**159,541,863**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000	80,000
Reserve for invested non-restricted equity	79,661,957	69,661,220
Retained earnings	-21,654,110	-1,721,336
Profit and loss for the year	25,353,468	-19,932,775
TOTAL EQUITY	**83,441,315**	**48,087,110**
LIABILITIES		
Non-current liabilities	60,000,000	0,00
Current liabilities	5,324,960	111,454,753
TOTAL LIABILITIES	**65,324,960**	**111,454,753**
TOTAL EQUITY AND LIABILITIES	**148,766,276**	**159,541,863**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Group information

Delete Group Oyj is part of Ax DEL Oy Group. Parent company in Ax DEL Group is Ax DEL Oy which is domiciled in Helsinki.

The consolidated financial statements of Ax DEL Oy are available at Delete Group's office at Postintaival 7, 00230 Helsinki, Finland.

Measurement and timing principles and methods applied in the preparation of the financial statements

The acquisition cost of non-current assets includes the variable costs arising from the acquisition. Receivables and debts are measured at their nominal value or their lower probable value.

The financial statements have been prepared with the Government Decree on the Information presented in the Financial Statements of a Micro-Undertaking 1753/2015.

Comparability of the previous financial year

The previous financial year is comparable.

The Board of Directors' proposal regarding the use of profit

The company's distributable funds amount to EUR 83,361,315.18, of which the result for the financial year is EUR 25,353,468.28.

The Board of Directors proposes to the Annual General Meeting that no dividend be paid.

The company's share capital is distributed as follows:

	2021	2020
C-shares	308,964,900	3,089,649
P-shares	1,085,859,500	10,858,595
TOTAL	1,394,824,400	13,948,244

Notes to the income statement

2 FINANCIAL INCOME AND EXPENSES

EUR	2021	2020
Interest income from Group companies	5,720,092,65	6,305,429,38
Other finance income	24,780,000,00	0,00
Interest expenses to Group companies	-155,790,00	0,00
Interest and financial expenses to others	-4,754,134,43	-5,706,611,59
TOTAL	**25,590,168,22**	**598,817,79**

Notes on balance sheet assets

Holdings in other companies

Group companies	2021	2020
Ax DEL2 Oy	49 440 606,35	49 440 606,35
Delete Sweden AB	4 390 115,41	0,00
TOTAL	**53 830 722,76**	**49 440 607,35**

RECEIVABLES

3 NON-CURRENT RECEIVABLES

EUR	2021	2020
Receivables from Group companies		
Loan receivables	91,048,063.63	107,438,178,44
TOTAL	**91,048,063.63**	**107,438,178,44**

RECEIVABLES FROM GROUP COMPANIES	**91,048,063.63**	**107,438,178,44**

4 CURRENT RECEIVABLES	2021	2020
Receivables from Group companies		
Other receivables	3,751,712,67	2,624,252,71
TOTAL	**3,751,712,67**	**2,624,252,71**
RECEIVABLES FROM OTHERS		
Accrued income and prepayments	126,259,84	38,825,39
TOTAL	126,259,84	38,825,39
CURRENT RECEIVABLES TOTAL	**3,877,972,51**	**2,663,078,10**

5 ITEMISATION OF SHAREHOLDERS' EQUITY

EUR	2021	2020
Restricted shareholders' equity		
Share capital 1.1.	80,000.00	80,000.00
Share capital 31.12.	80,000.00	80,000.00
RESTRICTED SHAREHOLDERS' EQUITY	**80,000.00**	**80,000.00**

Unrestricted shareholders' equity	2021	2020
Invested unrestricted equity reserve 1.1.	69,661,220.00	69,661,220.00
Invested unrestricted equity reserve 31.12.	10,000,737.32	0.00
Invested unrestricted equity reserve 31.12.	79,661,957.32	69,661,220.00
Retained earnings 1.1.	-21,654,110.42	-1,721,335.81
Retained earnings 31.12.	-21,654,110.42	-1,721,335.81
Profit for the financial year	25,353,468.28	-19,932,774.61
UNRESTRICTED SHAREHOLDERS' EQUITY TOTAL	**83,361,315.18**	**48,007,109.58**
SHAREHOLDERS' EQUITY TOTAL	**83,441,315.18**	**48,087,109.58**

CALCULATION OF DISTRIBUTABLE SHAREHOLDERS' EQUITY	2021	2020
Invested unrestricted equity reserve	79,661,957.32	69,661,220.00
Retained earnings	-21,654,110.42	-1,721,335.81
Profit for the financial year	25,353,468.28	-19,932,774.61
TOTAL	**83,361,315.18**	**48,007,109.58**

6 NON-CURRENT LIABILITIES

EUR	2021	2020
Liabilities to Group companies	0.00	0.00
From others	60,000,000.00	0.00
TOTAL	**60,000,000.00**	**0.00**
NON-CURRENT LIABILITIES TOTALS	**60,000,000.00**	**0.00**

7 CURRENT LIABILITIES

7 CURRENT LIABILITIES	2021	2020
Liabilities to Group companies		
Other payables	4,669,868.94	30,102.30
TOTAL	**4,669,868.94**	**30,102.30**
Trade payables	20,446.06	449,560.36
Other debt	8,824.00	109,780,000.00
Accrued liabilities and deferred income	625,821.47	1,194,090.65
TOTAL	**655,091.53**	**111,423,651.01**
CURRENT LIABILITIES TOTAL	**5,324,960.47**	**111,454,753.31**

DEBTS, COLLATERAL AND CONTINGENT LIABILITIES

EUR	2021	2020
Collateral pledged		
Book value of pledged shares	49,440,606.35	49,440,606.35

SIGNATURES OF THE FINANCIAL STATEMENTS

In Helsinki, 24 March 2022.

Martin Forss
Chairman of the Board

Åsa Söderström Winberg
Member of the Board

Christian Schmidt-Jacobsen
Member of the Board

Ronnie Neva-aho
Member of the Board

Sirpa Ojala
CEO

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

In Helsinki, 25 March 2022

KPMG Oy Ab
Authorised Public Accountants

Ari Eskelinen
Authorised Public Accountant, KHT

AUDITOR'S REPORT

To the Annual General Meeting of Delete Group Oyj

KPMG

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Delete Group Oyj (business identity code 2565169-4) 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 and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and 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.

Our opinion is consistent with the additional report submitted to the Audit Committee.

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.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 12 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Revenue recognition – Accounting principles and notes 4, 6 and 7

The key audit matter

- The consolidated revenue amounted to 131.3 M€ and consists of revenues from two business segments: Cleaning services and Recycling services.
- Revenue is recognized when the ownership of the product or service is transferred to the customer or the service is completed.
- Revenue recognition is considered a key audit matter due to the considerable number of sales transactions and risk that revenue is recognized in an incorrect period.

How the matter was addressed in the audit

- Our audit procedures have included an assessment of the internal control environment associated with the sales processes and testing of the effectiveness of the key controls. We have conducted also analytical and substantial procedures to sales items.
- We have analysed the revenue recognition principles against IFRS, accounting principles and contractual terms of projects. We analysed also the ongoing projects' income and cost forecasts.
- The audit procedures included interviews with key personnel in the process to form a complete understanding and to assess the appropriateness of the Group's revenue recognition policies and practices.
- Additionally, we have assessed the appropriateness of the notes in the financial statements for revenue items.

Valuation of goodwill and investment in subsidiaries in the parent company's balance sheet – consolidated balance sheet and parent company's balance sheet and note 15

- At the year-end 2021 the goodwill amounted to 74.1 M€ and accounted for 58.5 % of total assets. The goodwill decreased from previous year with 0.5 M€ as demolition business was divested from the Group in early 2021.
- Goodwill is tested for impairment at least annually. An impairment arises when the recoverable amount is less than the carrying value of the asset.
- Delete Group Oyj determines recoverable amounts for impairments tests based on value in use. Preparation of cash flow projections underlying impairment tests requires management making judgements over profitability, long term growth rate and discount rate.
- The valuation of goodwill is a key audit matter, as the presumptions and forecasts that relate to impairment testing include managements' judgements and the total value of goodwill is substantial.
- The value of the subsidiary shares on parent company's balance sheet at year end 2021 is 49.4 M€. Receivables from group companies amount to 99.2 M€ in total.
- The valuation of the subsidiary shares and receivables from group companies in parent company's balance sheet is dependent on development of the future profitability of the group.
- We have conducted the following audit procedures relating to impairment testing:
    - We have reviewed the presumptions used in the calculations as profitability, discount rate and long-term growth rate.
    - We have reviewed the realization of the forecasts for previous years, prepared by the management, against actual cash flows.
    - Valuation experts from KPMG have participated in the audit, and they have tested the technical accounting and compared the presumptions against market and industry data.
- Additionally, we have assessed the appropriateness of the notes in the financial statements for these items.
- We have assessed the methods applied in the valuation of the subsidiary shares and receivables from group companies.

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 a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

Delete Group Oyj has become a public interest entity on 19 April 2018. KPMG Oy Ab has been company's auditor during the time it has been public interest entity.

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.

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 the 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, 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, 25 March 2022

KPMG Oy Ab

Ari Eskelinen
Authorised Public Accountant, KHT

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