

*Annual report and
financial statements*
2018



Domicile: Helsinki
Business ID: 0486406-8
PricewaterhouseCoopers Oy

Contents

Annual report	3
Income statement	6
Balance sheet	7
Cash flow statement	8
Notes to financial statements	9
Signatures and auditor's note	16
List of accounting journals	16
Auditor's report	17

Annual report
for the financial period
1 July 2017 – 30 June 2018

Operations during the financial period

Owned by its employees, PricewaterhouseCoopers Oy (PwC Finland) is a Finnish company designated officially as an auditor of the public accounts community. PwC Finland's services range from consulting, deals, tax consulting and legal services to auditing and other assurance services. We have operations throughout Finland. Our company has regional branches in almost 20 locations. We are part of the global PwC network, through which our experts, numbering more than 250,000, serve clients in 158 countries.

Financial position, financial results and investments

For PwC Finland, the past financial period was extremely positive. Compared to the previous period, the company's revenue increased by 11.4% to EUR 150.7 million.

Both revenue and profitability increased in all business areas. The revenue of Auditing and other assurance services, our largest business area, increased by 9%. The revenue of tax consulting and legal services grew by 15% and that of consulting and deals by as much as 13% from the previous year.

During the financial period, the average number of personnel increased by 11.9% to 1,108 employees. Correspondingly, personnel expenses inclusive of performance bonuses increased by 10.2% to EUR 91.8 million.

Operating profit for the past financial period was EUR 15.5 (12.1) million, comprising 10.3% (9.0) of the revenue. Equity ratio was 35.4% (36.8) and return on equity was 64.8% (54.1). Our financial position remained firm throughout the financial period. PwC Finland has no interest-bearing liabilities.

Investments in tangible and intangible assets during the financial period amounted to EUR 1.3 (0.9) million. Investments focused primarily on furniture and equipment.

The key figures for the 2017 and 2016 financial periods concern the entire PwC Finland group. In the 2018 financial pe-

Key indicators

	2018	2017	2016
Liikevaihto	150,699,063	135,234,977	124,431,125
Operating profit	15,473,432	12,119,817	12,195,515
Equity ratio	35.4%	36.8%	38.4%
Return on equity	64.8%	54.1%	48.3%

riod, the company ceased to form a group.

Company structure and changes thereto

No changes took place in the company structure during the financial year 1 July 2017–30 June 2018. The company does not have subsidiaries, but it has an affiliate, PwC Julkistarkastus Oy.

Personnel and competence development

As a professional services firm, the competence, motivation and wellbeing of the personnel are key success factors of our company. The last financial period was the second in our four-year strategy period. One of our strategic goals is to be the best employer for our experts. In accordance with our strategy, we focus on developing our employees' professional skills by training supervisors and developing wellbeing at work.

During the last financial period, we participated in the Great Place to Work survey for the second time and were granted the Great Place to Work certificate in recognition of our equal treatment of all personnel groups and our comprehensive focus on wellbeing at work.

We also map employee satisfaction through monthly surveys and annual global employee surveys conducted with-

in the entire PwC network. During the last financial period, the People Engagement Index, according to the network's metrics, was 73% (73%).

All permanent employees are covered by the remuneration scheme tied to company-specific and individual objectives. The company's management decides on the amount and payment criteria of the annually distributed bonus.

Compared to the previous year, the total number of personnel at PwC Finland increased by 12.6%, totalling 1,119 (994) at the end of the financial period. The average number of personnel over the financial period was 1,108 (990), of whom 9.6% (9.7) worked part-time. At the end of the financial period, the average age of the company's personnel was 35.1 (36.1) years. The average length of employment was 6.0 (6.5) years. Of the personnel, 55% (55) were women and 45% (45) were men.

At the end of the financial period, 57.9% (57.1) of the personnel worked in auditing and assurance services, 18.6% (18.8) in tax counselling and legal services, 16.2% (16.0) in consulting and deals, and 8.2% (8.6) in support functions and internal services.

The key figures for the 2017 and 2016 financial periods concern the entire PwC

Personnel

	2018	2017	2016
Number of personnel at the end of the financial year	1,119	994	933
Average number of personnel during the financial year	1,108	990	916
Average age at the end of the financial period	35.1	36.1	36.1
Average term of employment in years	6.0	6.5	6.6
Share of men of all employees	45.0%	45.3%	44.9%
Share of women of all employees	55.0%	54.7%	55.1%

Finland group. In the 2018 financial period, the company ceased to form a group.

The company's administration

According to the Articles of Association, the Annual General Meeting (AGM) elects the Board of Directors annually. The Board must consist of no fewer than five and no more than nine ordinary members. Until 13 November 2017, the Board of Directors consisted of Ylva Eriksson, Markku Katajisto, Jaakko Kilpeläinen, Martti Virolainen, Pekka Loikkanen (chairman) and Timo Takalo.

At the AGM on 13 November 2017, Ylva Eriksson, Markku Katajisto, Jaakko Kilpeläinen, Martti Virolainen, Pekka Loikkanen and Timo Takalo were elected to the Board of Directors. The AGM elected Pekka Loikkanen, APA, the chairman of the Board of Directors.

Audit firm Revico Grant Thornton Oy acted as the auditor throughout the financial period, with Joakim Rehn, APA, acting as the main auditor.

Mikko Nieminen, APA, served as the company's CEO for the financial period, this being his third period as the CEO.

Shareholders and changes in share capital

On 30 June 2018, the company had a total of 37,151 shares held by the company's 45 shareholders. The total number of shares is composed of three share types, and a redemption and consent clause has been included in the articles of association.

On 13 November 2017, the AGM authorised the Board to, at its own discretion, issue up to 10,000 A shares through directed issues. By 30 June 2018, a total of 1,200 A shares have been issued under this authorisation.

There was a single A share issue in the financial period. The number of A shares was increased by issuing 1,200 shares, which were directed as a new issue to partners who wished to increase their holdings to match their mapping category. The price of the A shares was the current price approved by the annual general meeting on 13 November 2017, EUR 320 per share.

On 13 November 2017, the AGM authorised the Board of Directors to acquire, at their own discretion, up to 10,000 A shares of company stock other than in proportion to the holdings of the shareholders. The authorisation will remain in effect until the next Annual General Meeting, which will be held no later than on 31 December 2018, and concerns the shares of the shareholders who resign from the company while the authorisation is still valid, or transfer from the Equity Partner category, or whose ownership of shares exceeds the maximum ownership under the annually confirmed mapping classification. On the basis of this authorisation, a total of 1,200 A shares were acquired during the financial period. All shares held by the company were annulled by 30 June 2018.

On 13 November 2017, the AGM decided to change the articles of association and included the possibility to issue C shares, which carry one vote more than the total number of votes carried by the other share types. By 30 June 2018, one C share had been issued according to the decision.

Risk management

The company's most significant risks are typical of the company's line of business and associated with the availability of professional workforce and regulation-driven changes in markets. The Board estimates business risks annually in connection with the drafting of business plans and strategy, and supervises compliance with the company's risk management policy. The company has prepared for hazard risks through an insurance programme.

By 30 October 2018, the company will publish a transparency report which will feature a description of the company's risk management and quality assurance system.

Outlook for the current financial period

The company's business has grown steadily in all service areas, and the positive trend is expected to continue during the new financial period. The upturn in the Finnish economy and the many business reorganisations increase the demand for our professional services. At the same

time, however, we face greater challenges posed by regulations and changing legislation, which require continuous development of our practices and personnel.

During the third year of our strategic four-year period, we will set out to further strengthen our competence in offering services in all stages of the business reorganisation process. At the same time, we will acquire and develop new resources in order to meet our customers' digitalisation and technology consultation needs and the increasing demand for risk management services particularly in the financial sector, but also in other sectors.

Distribution of profits

According to its financial statements, the company's distributable assets on 30 June 2018 amounted to EUR 22,923,585.36, of which the profit for the period comprises EUR 14,393,443.89.

No material changes have occurred in the company's financial position following the end of the financial period, and the solvency testing based on Section 13(2) of the Limited Liability Companies Act has no effect on the amount of assets subject to profit distribution.

The Board proposes to the Annual General Meeting that the distributable assets be used as follows:

EUR 120 per share distributed as dividends, i.e., 35,000 × EUR 120, totaling	4,200,000.00
Total amount to be distributed as input-based dividends	10,042,617.00
Earnings retained	8,680,968.36
Total distributable assets	22,923,585.36

Income statement

	1.7.2017 – 30.6.2018	%	1.7.2016 – 30.6.2017	%	Change-%
Income statement	150,699,063.33	100.0	132,895,636.88	100.0	13.4
Other operating income	286,312.68	0.2	2,069,316.07	1.6	-86.2
Materials and services					
External services	15,097,667.14	10.0	15,356,959.92	11.6	-1.7
Personnel expenses					
Salaries and remunerations	74,777,712.69	49.6	65,604,903.19	49.4	14.0
Other personnel expenses	16,996,198.51	11.3	16,673,092.75	12.5	1.9
	91,773,911.20	60.9	82,277,995.94	61.9	11.5
Depreciation and amortisation	1,283,415.89	0.9	1,285,086.56	1.0	-0.1
Other operating expenses	27,356,949.30	18.2	23,202,261.79	17.5	17.9
Operating profit	15,473,432.48	10.3	12,842,648.74	9.7	20.5
Financial income and expenses	187,611.25	0.1	93,507.09	0.1	100.6
Profit before appropriations and taxes	15,661,043.73	10.4	12,936,155.83	9.7	21.1
Appropriations	-116,418.26	0.1	-23,663.17	0.0	392.0
Income taxes	-1,151,181.58	0.8	-412,568.44	-0.3	179.0
Profit for the financial period	14,393,443.89	9.6	12,499,924.22	9.4	15.1

Balance sheet

	30.6.2018	%	30.6.2017	%
Assets				
Non-current assets				
Intangible assets	873,252.60		1,351,353.83	
Tangible assets	2,627,596.54		2,215,971.95	
Investments	152,358.32		153,681.03	
	3,653,207.46	5.4	3,721,006.81	6.5
Current assets				
Non-current receivables	948,770.22		109,390.78	
Current receivables	56,115,947.02		45,961,262.79	
Cash in hand and at bank	6,678,423.03		7,645,171.63	
	63,743,140.27	94.6	53,715,825.20	93.5
	67,396,347.73	100.0	57,436,832.01	100.0
Liabilities				
Shareholders' equity				
Share capital	915,260.00		915,260.00	
Share issue premium	0.00		2,270,353.71	
Invested non-restricted equity fund	6,667,040.71		4,012,686.00	
Retained earnings	1,863,100.76		876,783.54	
Profit for the financial period	14,393,443.89		12,499,924.22	
	23,838,845.36	35.4	20,575,007.47	35.8
Accumulated appropriations	726,769.08	1.1	610,350.82	1.1
Liabilities				
Non-current liabilities	35,608.00		66,165.00	
Current liabilities	42,795,125.29		36,185,308.72	
	42,830,733.29	63.6	36,251,473.72	63.1
	67,396,347.73	100.0	57,436,832.01	100.0

Cash flow statement (EUR 1,000)

	1.7.2017 – 30.6.2018	1.7.2016 – 30.6.2017
Cash flow from operating activities		
Profit before extraordinary items	15,661	12,936
Adjustments		
(Net) profit/loss from non-current assets	-156	-176
Depreciation and amortisation according to plan	1,283	1,285
Financial income and expenses	-188	-93
Cash flow before change in working capital	16,601	13,952
Change in working capital		
Increase (-)/decrease (+) in short-term zero-interest debtors	-10,396	-2,873
Increase (-)/decrease (+) in short-term zero-interest creditors	5,788	3,060
Cash flow from operating activities before financial items and taxes	11,994	14,139
Interest paid and other financial expenses arising from operations	-108	-129
Dividends received from operations	43	24
Interest received from operations	253	199
Direct taxes paid	-82	-2,255
Cash flow from operating activities (A)	12,100	11,978
Cash flow from investing activities		
Investments in tangible and intangible assets	-1,356	-899
Investments in other financial assets	0	0
Gains from divestments of tangible and intangible assets	294	432
Gains from divestment of other financial assets	3	211
Cash flow from investing activities (B)	-1,058	-256
Cash flow from financing activities		
Rights issue	384	1,134
Acquisition of company's own shares	-390	-1,952
Increase (-)/decrease (+) in loan receivables	-846	0
Increase (-)/decrease (+) in non-current loans	-31	-5
Dividends paid	-11,123	-11,897
Cash flow from financing activities (C)	-12,007	-12,720
Change in cash for the year (A+B+C) increase (+)/decrease (-)	-965	-998
Cash and cash equivalents at the beginning of the financial period	6,678	7,645
Cash and cash equivalents at the end of the financial period	-7,645	-8,643
Change in cash and cash equivalents	-967	-998

Accounting principles

Presentation of revenue and external services

Revenue is presented in accordance with Decision 2007/1799 of the Finnish Accounting Board by recording subcontracts of globally administered assignments as revenue, i.e., net sales include the subcontracts for which PwC Finland has the full financial responsibility. However, revenue does not comprise any foreign, statutory audits performed by a local PwC company. The corresponding payments made to foreign PwC companies for the above-mentioned subcontracted tasks are recorded as external services.

The tasks subcontracted to foreign PwC offices incorporated in the revenue amounted to EUR 14,929,433 for the financial year (EUR 15,696,506 for the previous financial year).

Valuation of fixed assets

Fixed assets are valued on the basis of their current acquisition cost less depreciation according to plan.

The amount of depreciation according to plan is calculated according to the depreciation plan prepared in advance as straight-line depreciation from the initial acquisition cost of the fixed asset. The depreciation times, which are based on esti-

mated useful life, are presented in the notes to the income statement.

Lease charges

Lease charges are presented in the income statement as rents, except for PC equipment lease charges, which are recorded as IT expenditure incorporated in other operating expenses.

Receivables and liabilities denominated in foreign currency

Receivables and liabilities denominated in foreign currency are valued on the basis of the average rate on the balance sheet date.

Pension arrangements

The statutory pension plan for personnel is covered through the pension insurance company Ilmarinen. PwC Finland has taken out separate voluntary group pension insurances for all its partners.

Appropriations

Appropriations include the depreciation difference and voluntary reserves, which are presented in the balance sheet as accumulated appropriations.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are presented in the notes on the financial statements in connection with income taxes.

Notes to the 30 June 2018 financial statements

Notes to income statement	2018	2017
1. Revenue per business area		
Auditing and other assurance services	85,329,149.23	77,954,072.66
Tax consulting and legal services	32,042,929.16	27,778,201.58
Consulting and Deals	33,326,984.94	27,163,362.64
Total	150,699,063.33	132,895,636.88
2. Other operating income		
Capital gains from fixed assets	159,385.27	181,608.52
Merger gains	0.00	1,773,848.55
Other operating income	126,927.41	113,859.00
Total	286,312.68	2,069,316.07
3. Personnel expenses		
Salaries and remunerations	74,777,712.69	65,604,903.19
Pension expenses	14,249,957.02	13,273,402.69
Other personnel expenses	2,746,241.49	3,399,690.06
Total	91,773,911.20	82,277,995.94

Notes concerning personnel and members of PwC bodies are presented later in Section 18.

4. Depreciation and amortisation		
Depreciation according to plan	1,283,415.89	1,285,086.56
Total	1,283,415.89	1,285,086.56

The breakdown of depreciation and change in depreciation difference by balance-sheet item is included in the items of non-current assets and accumulated appropriations.

Depreciation according to plan is based on the initial acquisition cost and estimated useful life of the fixed asset concerned. Depreciation periods according to plan are as follows:

	Years
Cars, incl. accessories	5
IT equipment and hardware	2-3
Other machinery and equipment	8
IT software	4
Renovation expenses of rented apartments	5-7

Notes to the 30 June 2018 financial statements

Notes to income statement	2018	2017
5. Financial income and expenses		
Dividends received from other investments held as non-current assets		
From affiliates	42,750.00	23,940.00
Dividends received from other investments held as non-current assets	42,750.00	23,940.00
Other interest income and financial income	253,281.32	198,914.29
Interest and other financial expenses	108,420.07	129,347.20
Financial income and expenses in total	187,611.25	93,507.09
6. Appropriations		
Depreciation difference increase (-)/decrease (+)	-116,418.26	-23,663.17
Total	-116,418.26	-23,663.17
7. Income taxes		
Income taxes from ordinary activities in the financial period (+/-)	1,376,893.71	420,928.74
Income taxes from ordinary activities in previous financial periods	-225,712.13	-8,360.30
Taxes based on PwC's taxable income	1,151,181.58	412,568.44
Deferred tax liability	145,353.82	122,070.16

Notes to the 30 June 2018 financial statements

Notes to balance sheet assets	2018	2017
8. Intangible and tangible assets		
Intangible assets		
Intangible rights		
Acquisition cost 1 July	2,315,511.69	2,019,591.19
Increases 1 July – 30 June	105,283.50	295,920.50
Decreases 1 July – 30 June	-465,933.71	0.00
Acquisition cost 30 June	1,954,861.48	2,315,511.69
Accumulated amortisation 1 July	1,587,493.47	1,287,178.30
Accumulated amortisation of the decreases	-465,213.84	
Amortisation during the financial period	324,597.14	300,315.17
Accumulated amortisation 30 June	1,446,876.77	1,587,493.47
Book value 30 June	507,984.71	728,018.22
Other long term expenses to be spread		
Acquisition cost 1 July	2,052,269.24	2,052,269.24
Increases 1 July – 30 June	0.00	0.00
Acquisition cost 30 June	2,052,269.24	2,052,269.24
Accumulated amortisation 1 July	1,428,933.63	1,129,457.79
Amortisation during the financial period	294,624.72	299,475.84
Accumulated amortisation 30 June	1,723,558.35	1,428,933.63
Incomplete acquisitions 30 June 2018	36,557.00	
Book value 30 June	365,267.89	623,335.61
Intangible assets in total	873,252.60	1,351,353.83
Tangible assets		
Machinery and equipment		
Acquisition cost 1 July	6,813,905.05	7,800,672.21
Increases 1 July – 30 June	1,213,742.59	603,026.07
Decreases 1 July – 30 June	-1,477,908.16	-1,589,793.23
Acquisition cost 30 June	6,549,739.48	6,813,905.05
Accumulated depreciation 1 July	4,597,933.10	5,246,224.95
Accumulated depreciation of the decreases	-1,339,985.04	-1,333,587.40
Depreciation during the financial period	664,194.88	685,295.55
Accumulated depreciation 30 June	3,922,142.94	4,597,933.10
Book value 30 June	2,627,596.54	2,215,971.95
Tangible assets in total	2,627,596.54	2,215,971.95

Acquisition cost decreases and accumulated amortisation of the decreases include other long term expenses written off by the start of the financial year.

Notes to the 30 June 2018 financial statements

Notes to balance sheet assets	2018	2017
9. Investments		
Participations in participating interests		
Acquisition cost 1 July	2,875.91	2,875.91
Increases 1 July – 30 June	0.00	0.00
Decreases (distribution of dividends for previous years) 1 July – 30 June	0.00	0.00
Acquisition cost 30 June	2,875.91	2,875.91
Book value 30 June	2,875.91	2,875.91
Participations in participating interests in total	2,875.91	2,875.91
Other shares and similar rights of ownership		
Acquisition cost 1 July	150,805.12	150,805.12
Increases 1 July – 30 June	2,881.99	
Decreases 1 July – 30 June	-4,204.70	0.00
Acquisition cost 30 June	149,482.41	150,805.12
Book value 30 June	149,482.41	150,805.12
Investments in total	152,358.32	153,681.03
10. Holdings in other undertakings		
Associated company	Equity holding (%)	30,00
PwC Julkistarkastus Oy	Shareholders' equity	587 599,55
Registered office: Helsinki	Profit for the period	207 425,66
11. Non-current receivables		
Loan receivables	846,444.44	0.00
Rental deposits	102,325.78	109,390.78
Total	948,770.22	109,390.78
12. Current receivables		
Trade receivables	42,532,682.42	31,600,157.26
Receivables from participating interests		
Prepayments and accrued income	14,382.63	17,609.70
Total	14,382.63	17,609.70
Other receivables	54,393.19	33,420.99
Prepayments and accrued income	13,514,488.78	14,310,074.84
Current receivables in total	56,115,947.02	45,961,262.79
Material items included in the prepayments and accrued income		
Personnel expenses	10,488,992.57	10,045,597.37
Other	3,039,878.84	4,264,477.47
Prepayments and accrued income in total	13,528,871.41	14,310,074.84

Notes to the 30 June 2018 financial statements

Notes on the balance sheet liabilities	2018	2017
13. Shareholders' equity		
Share capital 1 July	915,260.00	915,260.00
Share capital 30 June	915,260.00	915,260.00
Share premium account 1 July	2,270,353.71	2,270,353.71
Transfer to invested unrestricted equity fund	-2,270,353.71	0.00
Share premium account 30 June	0.00	2,270,353.71
Invested non-restricted equity fund 1 July	4,012,686.00	5,378,226.00
Transfer from share premium account	2,270,353.71	0.00
Transfer from invested unrestricted equity fund	0.00	-2,500,000.00
Rights issue	384,001.00	1,134,460.00
Invested non-restricted equity fund 30 June	6,667,040.71	4,012,686.00
Retained earnings 1 July	13,376,707.76	12,226,019.54
Dividends paid	-11,123,453.00	-11,896,992.00
Acquisition of company's own shares	-390,154.00	-1,952,244.00
Transfer from invested unrestricted equity fund	0.00	2,500,000.00
Retained earnings 30 June	1,863,100.76	876,783.54
Profit for the financial period	14,393,443.89	12,499,924.22
	16,256,544.65	13,376,707.76
Shareholders' equity in total	23,838,845.36	20,575,007.47
Distributable assets	22,923,585.36	17,389,393.76
14. Accumulated appropriations		
Depreciation difference		
Intangible rights	86,041.93	89,734.59
Machinery and equipment	640,727.15	520,616.23
Total	726,769.08	610,350.82
15. Non-current liabilities		
Other non-current liabilities, pension liability	35,608.00	66,165.00
Total	35,608.00	66,165.00
16. Current liabilities		
Accounts payable	7,311,365.86	5,403,226.73
Other current liabilities	12,670,759.11	10,838,837.37
Liabilities to participating interests		
Accruals and deferred income	14,919.18	0.00
Total	14,919.18	0.00
Accruals and deferred income	22,798,081.14	19,943,244.62
Current liabilities in total	42,795,125.29	36,185,308.72
Material items included in the prepayments and deferred income		
Personnel expenses	21,002,291.12	18,447,428.81
Other	1,810,709.20	1,495,815.81
Accruals and deferred income in total	22,813,000.32	19,943,244.62

Notes to the 30 June 2018 financial statements

Audit fees	2018	2017
17.		
Auditing	31,810.00	27,395.00
Certificates and opinions	0.00	610.00
Audit fees in total	31,810.00	28,005.00
Notes about personnel and members of PwC bodies	2018	2017
18 a. Average number of personnel	1108	990
18 b. Number of personnel by business area at the end of the financial period		
Auditing and other assurance services	642	565
Tax consulting and legal services	206	186
Consulting and Deals	180	158
Support functions and internal services	91	85
Total	1119	984
18 c. The salaries of the CEO and members of the Board of Directors subject to prepayment tax were:	2,924,751.08	3,738,758.90
Collaterals and contingent liabilities	2018	2017
19. Contingent liabilities		
Pledges and contingent liabilities		
Other forms of collateral:		
Pledges as collateral for rent	102,325.78	109,390.78
Other collaterals:	0.00	570,000.00
Total	102,325.78	679,390.78
Other liabilities		
Leasing liabilities:		
Payments the following year	1,529,128.19	1,241,129.48
Payments later	1,221,741.35	1,382,971.03
Total	2,750,869.54	2,624,100.51
Leasing liabilities from long-term lease agreements that cannot be terminated	Agreement terms 2019–2026 35,588,042.94	The following financial period 4,744,234.17
Client assets held	477.73	19,965.16

Signatures for annual report and financial statements

In Helsinki on 19 September 2018



Pekka Loikkanen
Chairman of the Board



Markku Katajisto



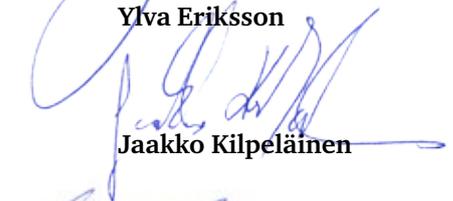
Timo Takalo



Mikko Nieminen
CEO



Ylva Eriksson



Jaakko Kilpeläinen



Martti Virolainen

Auditor's note

A report has been given today on the audit performed.

In Helsinki on 19 September 2018



Reviso Grant Thornton Oy – Audit firm
Joakim Rehn
Authorised Public Accountant

List of accounting journals

Balance sheet book	bound book
General ledger	electronic archive
General ledger	electronic archive
Income statement and balance sheet	electronic archive

List of document types and means of storage

Bank documents	electronic archive
Memorandum documents	on paper
Accounts payable	electronic archive
Accounts receivable	electronic archive

Auditor's report

For PricewaterhouseCoopers Oy's Annual General Meeting

Audit of financial statements

Conclusion

We have audited PricewaterhouseCoopers Oy's (Business ID 0486406-8) financial statements for the financial period of 1 July 2017 to 30 June 2018. The financial statements include the balance, income statement, cash flow statement and additional notes.

In our conclusion, we state that the financial statements present a correct and sufficient picture of the company's performance and financial position in accordance with the regulations concerning financial statements that are applicable in Finland and meet the statutory requirements.

Grounds for the conclusion

We have performed the audit in accordance with good auditing practice in Finland. Our obligations according to good auditing practice are described in more detail under The auditor's obligations with regard to the audit of the financial statements. We are independent of the company in accordance with the ethical requirements that apply in Finland regarding our audit and we have fulfilled our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit's conclusion.

Obligations of the Board of Directors and CEO with regard to the financial statements

The Board of Directors and CEO are responsible for ensuring that the financial

statements give a correct and sufficient picture in accordance with the regulations concerning financial statements that are applicable in Finland and meet the statutory requirements. The Board of Directors and CEO are also responsible for such internal control which they consider necessary for the preparation of financial statements that are free from significant inaccuracies caused by malpractice or errors.

When preparing the financial statements, the Board of Directors and CEO are obliged to assess the ability of the company to continue their operations and, where appropriate, to present the facts relating to the continuity of operations and to the fact that the financial statements have been prepared based on the continuity of operations. The financial statements are prepared based on the continuity of operations, except if the company is to be dissolved or the operations are to be discontinued or there is no realistic alternative to doing so.

The auditor's obligations with regards to the audit of the financial statements

Our goal is to reach reasonable certainty of whether the financial statements as a whole contain significant inaccuracies caused by malpractice or errors, and to provide an auditor's report containing our conclusion. Reasonable certainty is a high degree of certainty, but this is not a guarantee that significant inaccuracies are always detected in an audit performed in accordance with good auditing practice. Inaccuracies may occur because of malpractice or errors, and are considered significant if they alone or jointly

can reasonably be expected to influence the financial decisions made by users on the basis of the financial statements.

Auditing in accordance with good auditing practice includes using our professional judgment and maintaining professional scepticism throughout the audit. Additionally:

- We recognise and assess significant risks of inaccuracies arising from malpractice or errors, plan and implement auditing practices to manage these risks and obtain sufficient and appropriate evidence as the basis for our conclusion. The risk that a significant inaccuracy caused by malpractice is not detected is greater than the risk that a significant inaccuracy caused by an error is not detected, as malpractice may be associated with collusion, forgery, intentional non-disclosure of information, presentation of incorrect information or ignoring of internal control.
- We form an understanding of the internal control relevant to the audit in order to be able to plan appropriate auditing practices, but not in order to be able to provide a statement on the effectiveness of the company's internal control.
- We assess whether the principles applied to the preparation of the financial statements are appropriate and whether the accounting estimates made by the management and the information contained therein are reasonable.
- We conclude whether it was appropriate for the Board of Directors and the CEO to prepare financial statements based on the assumption of continuity of operations, and based on the evidence we have obtained, we conclude whether there is such uncertainty related to transactions or circumstances that may give rise to significant doubt as to the ability of the company to continue to operate. If our conclusion is that there is significant uncertainty,

we must ensure that the reader of the auditor's report becomes aware of the information in the financial statements associated with the uncertainty or, if the information associated with the uncertainty is not sufficient, adjust our conclusion. Our conclusion is based on the evidence we have obtained prior to presenting the auditor's report. However, future events or circumstances may result in the company being unable to continue operating.

- We evaluate the general presentation, structure and content of the financial statements, including all the information that is presented therein, and assess whether the statements reflect the business operations and transactions on which they are based in such a way that they present a correct and sufficient picture.

We communicate with the governing bodies about, for example, the planned scope and scheduling of the audit and significant findings, including any significant inadequacies of the internal control that we may identify during the audit.

Other reporting obligations

Other information

The Board of Directors and the CEO are responsible for other information. Other information includes the information contained in the annual report. Our conclusion concerning the audit does not apply to other information.

It is our obligation to read the information in the annual report in connection with the audit and to assess whether the information in the annual report significantly contradicts the information that we have gained from the financial statements or during the audit, or otherwise appears to be significantly incorrect. It is also our obligation to assess whether the annual re-

port has been written in accordance with the applicable regulations.

In our conclusion, we state that the information in the annual report and the financial statements is consistent and that the annual report has been written in accordance with applicable regulations.

If we, based on our work, reach the conclusion that there are significant inaccuracies in the information contained in the annual report, we must report this. We have nothing to report on this matter.

Helsinki 19 September 2018



Revico Grant Thornton Oy
Audit firm
Joakim Rehn
Authorised Public Accountant

www.pwc.fi

PricewaterhouseCoopers Oy, P.O.Box 1015 (Itämerentori 2), FI-00101 Helsinki. Tel +358 20 787 7000.

PwC helps companies to improve their efficiency, promote growth and to report reliably in a constantly changing environment. With over 1000 professionals across Finland at your service, we are committed to delivering quality in consulting, deals, tax, legal, risk assurance, audit and other assurance services. Our purpose is to build trust in society and solve important problems. To find out more, please visit www.pwc.fi. Twitter: @PwC_Suomi.

We are a network of firms in 158 countries with more than 250 000 people. The name PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

© 2018 PricewaterhouseCoopers. All rights reserved.

PwC Suomi:     

