

## Vaisala Corporation Financial Statement Release January–December 2021

Year of growth and excellent performance ended with strong net sales growth in Q4

### Fourth quarter 2021 highlights

- Orders received EUR 119.0 (111.9) million, increase 6%
- Order book at the end of the period EUR 160.0 (137.8) million, increase 16%
- Net sales EUR 125.0 (106.9) million, increase 17%
- Operating result (EBIT) EUR 11.9 (12.2) million, 9.5 (11.4) % of net sales
- Earnings per share EUR 0.21 (0.24)
- Cash flow from operating activities EUR 31.0 (24.3) million

### January–December 2021 highlights

- Orders received EUR 455.2 (382.8) million, increase 19%
- Net sales EUR 437.9 (379.5) million, increase 15%
- Operating result (EBIT) EUR 50.1 (44.8) million, 11.5 (11.8) % of net sales
- Earnings per share EUR 1.08 (0.91)
- Cash flow from operating activities EUR 80.0 (41.0) million
- The Board of Directors proposes to the Annual General Meeting that dividend of EUR 0.68 (0.61) per outstanding share be paid out of distributable earnings.

### Market development and business outlook for 2022

Markets for high-end industrial instruments, life science, power industry, and liquid measurements are expected to grow.

Markets for meteorology and ground transportation are expected to be stable. Aviation market is expected to recover towards pre-pandemic level. Renewable energy market is expected to grow.

Visibility to component availability remains weak and component supply constraints are expected to continue throughout 2022. Additional material costs related to spot purchases are expected to remain at high level during 2022. Vaisala estimates that its full-year 2022 net sales will be in the range of EUR 465–495 million and its operating result (EBIT) will be in the range of EUR 55–70 million.

<b>Key figures</b>						
<b>MEUR</b>	<b>10-12/ 2021</b>	<b>10-12/ 2020</b>	<b>Change</b>	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>	<b>Change</b>
Orders received	119.0	111.9	6%	455.2	382.8	19%
Order book	160.0	137.8	16%	160.0	137.8	16%
Net sales	125.0	106.9	17%	437.9	379.5	15%
Gross profit	66.6	59.7	12%	241.8	212.9	14%
Gross margin, %	53.3	55.8		55.2	56.1	
Operating expenses	53.8	48.0	12%	186.5	169.2	10%
Operating result	11.9	12.2		50.1	44.8	
Operating result, %	9.5	11.4		11.5	11.8	
Result before taxes	11.5	11.2		48.3	41.3	
Result for the period	7.8	8.6		39.5	32.8	
Earnings per share	0.21	0.24	-9%	1.08	0.91	19%
Return on equity, %				18.1	16.3	
Capital expenditure	5.3	7.0	-24%	19.2	31.0	-38%
Depreciation, amortization and impairment	5.6	5.4	4%	21.6	21.1	2%
Cash flow from operating activities	31.0	24.3	28%	80.0	41.0	95%
Cash and cash equivalents				77.9	45.4	72%
Interest-bearing liabilities				50.2	57.0	-12%
Gearing, %				-12.0	5.7	

## Vaisala's President and CEO Kai Öistämö

“2021 was a year of an exceptional operating environment with COVID-19 pandemic, strong economic recovery and significant component shortages. We exceeded all our expectations which we had in the beginning of the year. This well reflects our organization’s flexibility, commitment, and adaptability.

The year also ended with a solid fourth quarter. Our order intake grew by 6% year on year following a strong increase in demand in Industrial Measurements business area across all market segments resulting to 42% growth in orders received. On the other hand, order intake in Weather and Environment business area decreased partially due to strong comparison period especially in meteorology market segment. Our net sales growth was excellent 17% and the growth was strongest in industrial instruments, life science, renewable energy, and meteorology market segments. The result for the quarter was affected by the unprecedented component delivery situation. We made a choice to respond to the strong demand and took actions to ensure component availability matching the demand. With this approach we won market share and created even stronger foundation for years to come. The flip side of this effort was a three percentage point negative impact on the fourth quarter gross margin.

We recovered quickly from the previous year’s slowdown and delivered excellent performance during year 2021. Our order intake growth was excellent 19%. Strong demand in Industrial Measurements business area across all market segments led to an exceptional increase in orders received of 33%. Order intake in Weather and Environment business area was strong with 10% growth, following exceptional increase in renewable energy market segment and positive development of demand in aviation market segment. Our net sales grew by 15% and the growth was strong in both business areas. Operating result increased by 12% from previous year despite the challenging operating environment.

In 2021, we had strong momentum in our strategy execution, and we delivered on our strategic promise for profitable growth. Industrial Measurements business area succeeded in all market segments, exceeding our expectations in high-end humidity and high-end carbon dioxide, continuous monitoring systems and power industry applications, and winning market share with reliable delivery performance. Industrial Measurements business area made good progress on channel management development and the regional expansion continued well in focus areas. Weather and Environment business area's success in renewable energy market segment was excellent and expansion to new market segments progressed well in maritime, automotive, and urban weather segments. Large weather infrastructure opportunities continued to suffer from the exceptional market situation. We were able to continue to build technology leadership and renew our offering even though we had to refocus part of our R&D resources to mitigate component shortages. Digital services' gross margin improved, although net sales remained at previous year's level. In January 2022, we acquired US-based software company AerisWeather, to accelerate growth of weather and environmental data business. Through AerisWeather we expand our offering and open access to several new customer segments with our leading data offering.

In September 2021, we announced our revised strategy together with raised growth ambition and focus on operational excellence. Our strategy focuses on driving sustainable growth and global leadership in weather, environmental, and industrial measurements. Through our products and technologies, we enable business-critical decisions and operations for our customers. Thereby, we strongly contribute to solving global challenges related to climate change, resource efficiency, and well-being and health. Our contribution in this area was recognized last September when Finnish private investors voted Vaisala as the most sustainable company among the publicly listed Finnish companies in a reputation study.

I would like to thank all Vaisala employees for their commitment and contribution for the excellent performance in 2021. With confidence in our financial position and future cash generation, Vaisala's Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.68 per share for 2021.

Visibility to component availability remains weak and component supply constraints are expected to continue throughout 2022. Additional material costs related to spot purchases are expected to remain at high level during 2022. We estimate that full-year 2022 net sales will be in the range of EUR 465–495 million and operating result (EBIT) to be in the range of EUR 55–70 million.”

## Financial review Q4 2021

### Orders received and order book

MEUR	10-12/ 2021	10-12/ 2020	Change	FX*	1-12/ 2020
Orders received	119.0	111.9	6%	4%	382.8
Order book, end of period	160.0	137.8	16%		137.8

\* Change with comparable exchange rates

Fourth quarter 2021 orders received increased by 6% compared to previous year and totaled EUR 119.0 (111.9) million. Orders received increased mostly in industrial instruments, life science, and ground transportation market segments, whereas orders received decreased in meteorology market segment. Orders received increased in Industrial Measurements business area and decreased in Weather and Environment business area.

At the end of December 2021, order book amounted to EUR 160.0 (137.8) million and increased by 16% compared to previous year. Order book increased in both business areas. EUR 125.3 (100.1) million of the order book is scheduled to be delivered in 2022.

### Financial performance

MEUR	10-12/ 2021	10-12/ 2020	Change	FX**	1-12/ 2020
Net sales	125.0	106.9	17%	15%	379.5
Products	93.2	77.2	21%		267.3
Projects	17.1	15.7	9%		59.3
Services	14.0	14.0	0%		52.9
Lease income	0.7	-	-		-
Gross margin, %	53.3	55.8			56.1
Operating expenses	53.8	48.0	12%		169.2
R&D expenditure	15.6	14.6	7%		53.2
Amortization*	1.8	1.9			7.5
Operating result	11.9	12.2			44.8
% of net sales	9.5	11.4			11.8

\* Amortization of intangible assets related to the acquired businesses

\*\* Change with comparable exchange rates

Fourth quarter 2021 operating result was at previous year's level EUR 11.9 (12.2) million, 9.5 (11.4) % of net sales.

Net sales increased by 17% compared to previous year and were EUR 125.0 (106.9) million. In constant currencies, net sales increased by 15%. Net sales increased mostly in industrial instruments, life science, renewable energy, and meteorology market segments. Net sales grew in both business areas.

Gross margin decreased compared to previous year and was 53.3 (55.8) %. Additional costs related to component spot purchases had a three percentage point negative impact on gross margin.

Operating expenses increased to EUR 53.8 (48.0) million. The increase was mainly due to higher incentive costs, headcount increase and investments in IT system renewal.

Operating result included expenses arising from valuation increase of contingent considerations of acquired businesses based on 2021 financial results, as well restructuring costs in Weather and Environment business area, and legal fees related to a settlement payment to a business partner in the US. These expenses totaled EUR 1.1 million.

Fourth quarter 2021 financial income and expenses were EUR -0.6 (-1.2) million. Result before taxes was EUR 11.5 (11.2) million and result for the period EUR 7.8 (8.6) million. Earnings per share was EUR 0.21 (0.24).

## Financial review January–December 2021

### Orders received and order book

MEUR	1-12/ 2021	1-12/ 2020	Change	FX*
Orders received	455.2	382.8	19%	20%
Order book, end of period	160.0	137.8	16%	

\* Change with comparable exchange rates

January–December 2021 orders received were strong with 19% increase compared to previous year and totaled EUR 455.2 (382.8) million. Orders received increased mostly in industrial instruments, life science, renewable energy, and aviation market segments. Orders received increased in both business areas. Second quarter orders received included EUR 13 million weather infrastructure project order with the National Meteorology Agency in Ethiopia announced in October 2019.

### Financial performance

MEUR	1-12/ 2021	1-12/ 2020	Change	FX**
Net sales	437.9	379.5	15%	17%
Products	320.3	267.3	20%	
Projects	63.6	59.3	7%	
Services	51.8	52.9	-2%	
Lease income	2.1	-	-	
Gross margin, %	55.2	56.1		
Operating expenses	186.5	169.2	10%	
R&D expenditure	55.3	53.2	4%	
Amortization*	7.6	7.5		
Operating result	50.1	44.8		
% of net sales	11.5	11.8		

\* Amortization of intangible assets related to the acquired businesses

\*\* Change with comparable exchange rates

January–December 2021 operating result increased from previous year to EUR 50.1 (44.8) million, 11.5 (11.8) % of net sales following growth in net sales.

Net sales increased by 15% compared to previous year and were EUR 437.9 (379.5) million. In constant currencies, net sales increased by 17%. Operations outside Finland accounted for 98 (97) % of net sales. Net sales increased mostly in industrial instruments, life science, renewable energy, and meteorology market segments. In the comparison period, services net sales included discontinued assessment services provided for renewable energy customers and lease income.

Gross margin decreased compared to previous year and was 55.2 (56.1) %. Additional costs related to component spot purchases had a one percentage point negative impact on gross margin.

Operating expenses increased to EUR 186.5 (169.2) million. The increase was mainly due to higher incentive costs and headcount increase during the year.

Operating result included expenses arising from valuation increase of contingent considerations of acquired businesses based on 2021 financial results, as well as restructuring costs in Weather and Environment business areas and a settlement payment to a business partner, and related legal fees in the US. These expenses totaled EUR 6.9 million. Comparison period included EUR 1.8 million positive impact of valuation of contingent considerations of acquired businesses.

January–December 2021 financial income and expenses were EUR -2.1 (-3.6) million. This was mainly a result of valuation of USD denominated receivables and interest expenses. Income taxes were EUR 8.9 (8.5) million and effective tax rate 18.4 (20.6) %. Effective tax rate declined from previous year as Vaisala expects to utilize tax losses carried forward from acquired companies. Result before taxes was EUR 48.3 (41.3) million and result for the period EUR 39.5 (32.8) million. Earnings per share was EUR 1.08 (0.91).

### **Statement of financial position, cash flow and financing**

Vaisala's financial position remained strong during January–December 2021. Cash and cash equivalents increased to EUR 77.9 (45.4) million at the end of December despite EUR 22 million dividend payment and EUR 5 million repayment of revolving credit facility. At the end of December, statement of financial position totaled EUR 408.0 (351.8) million.

In January–December 2021, cash flow from operating activities increased to EUR 80.0 (41.0) million mainly as a result of increase in liabilities as well as improved net result.

On December 31, 2021, Vaisala had interest-bearing borrowings totaling EUR 50.2 (57.0) million. EUR 40.0 million of the interest-bearing borrowings related to a term loan, which has a financial covenant (gearing) tested semi-annually. On December 31, 2021, Vaisala was in compliance with the covenant. For short term liquidity purposes, Vaisala has a domestic commercial paper program and a committed revolving credit facility, which were both unutilized on December 31, 2021 (EUR 0 million and EUR 5 million respectively). In addition, interest-bearing lease liabilities totaled EUR 10.1 (11.9) million.

### **Capital expenditure**

In January–December 2021, capital expenditure in intangible assets and property, plant and equipment totaled EUR 19.2 (31.0) million. Capital expenditure was mainly related to investments in machinery and equipment to develop and maintain Vaisala's production and service operations as well as equipment for the R&D laboratories.

Depreciation, amortization, and impairment were EUR 21.6 (21.1) million. This included EUR 7.6 (7.5) million of amortization of identified intangible assets related to the acquired businesses.

### **Personnel**

The average number of personnel employed during January–December 2021 was 1,967 (1,929\*). At the end of December 2021, the number of employees was 1,979 (1,939\*). 77 (77) % of employees were located in EMEA, 15 (14) % in Americas and 8 (9) % in APAC. 66 (65) % of employees were based in Finland.

**Number of employees by region**

	Dec 31, 2021	Dec 31, 2020	Change
Americas	292	281	11
APAC	156	166	-10
EMEA (excluding Finland)	228	230	-2
Finland	1,303	1,262	41
<b>Total</b>	<b>1,979</b>	<b>*1,939</b>	<b>40</b>

**Number of employees by function**

	Dec 31, 2021	Dec 31, 2020	Change
Sales and marketing	368	373	-5
R&D	573	547	26
Operations	491	478	13
Services	331	337	-6
Administration	216	204	12
<b>Total</b>	<b>1,979</b>	<b>*1,939</b>	<b>40</b>

\* Number of employees includes persons in long-time absence as of January 1, 2021. Comparison period 2020 has been adjusted accordingly.

Number of employees increased in R&D as Vaisala continued in-sourcing of software development and strengthen resourcing and competences in order to secure future investments. Resource increase in operations followed increased production volumes. Administration prepared for ERP renewal project by increasing personnel.

In May 2021, Vaisala started co-operation negotiations in Finland in its Project and Customer Services unit within Weather and Environment business area following decrease in project orders. These negotiations covered 57 employees. As a result of the negotiations, nine positions were terminated. Redundancies were avoided as impacted employees were employed in open positions within the company.

In 2021, personnel expenses totaled EUR 174.3 (154.1) million.

**Share-based incentive plans**

The share issue without payment approved by Vaisala’s Annual General Meeting on April 10, 2018, doubled the total number of series K and A shares. All share related figures have been adjusted to reflect the increased number of shares.

Share-based incentive plans are targeted to the Group key employees. The performance criterion for 2017 and 2018 plans was based on the group’s profitability in respective calendar year. From 2019 onwards the performance criteria of the plans are based on the development of the total shareholder return (TSR) and the group’s profitability during the three-year plan period. The rewards are paid partly in Vaisala’s series A shares and partly in cash. The cash portion covers taxes and tax-related costs arising from the reward to a key employee. No reward is paid if a key employee’s employment or service ends before the reward payment date. From the plan 2019-2021 onwards, Vaisala’s Board of Directors requires that the President and CEO and each member of the Management Group retains his/her ownership of shares received under this plan until the value of his/her ownership in Vaisala corresponds to at least his/her annual gross base salary.



On December 15, 2016, the Board of Directors resolved a share-based incentive plan 2017. On March 3, 2020, the reward corresponding to 237,900 series A shares, 65% of the maximum, was paid to 33 key employees. On June 28, 2019, the reward corresponding to 3,467 series A shares was paid to a key employee. Closing price of Vaisala’s series A share was EUR 17.90 on the grant date of the incentive plan. A total expense of this plan of EUR 4.2 million was recorded for 2017–2020.

On February 7, 2018, the Board of Directors resolved a share-based incentive plan 2018. On March 10, 2021, the reward corresponding to 166,200 series A shares, 55% of the maximum, was paid to 27 key employees. On June 28, 2019, the reward corresponding to 923 series A shares was paid to a key employee. On March 10, 2021, the reward corresponding to 8,000 series A shares was paid to Kai Öistämö, President and CEO. Closing price of Vaisala’s series A share was EUR 22.10 on the grant date of the incentive plan. A total expense of this plan of EUR 3.8 million was recorded for 2018–2021.

On February 12, 2019, the Board of Directors resolved a share-based incentive plan 2019–2021 for approximately 45 key employees. The reward will be paid in spring 2022. The maximum amount of this plan originally corresponded to 330,000 series A shares. The expenses of this plan are accrued from April 2019 to March 2022. Closing price of Vaisala’s series A share was EUR 19.06 on the grant date of the incentive plan. On March 10, 2021, the reward corresponding to 23,040 series A shares was paid to former President and CEO, Kjell Forsén.

On February 12, 2020, the Board of Directors resolved for a share-based incentive plan 2020–2022 for approximately 45 key employees. The reward will be paid in spring 2023. The maximum amount of this plan originally corresponded to 240,000 series A shares. The expenses of this plan are accrued from May 2020 to March 2023. Closing price of Vaisala’s series A share was EUR 28.65 on the grant date of the incentive plan. On March 10, 2021, the reward corresponding to 5,529 series A shares was paid to former President and CEO, Kjell Forsén.

On December 17, 2020, the Board of Directors resolved for a share-based incentive plan 2021–2023 for approximately 45 key employees. The reward will be paid in spring 2024. The maximum amount of this plan originally corresponded to 180,000 series A shares. The expenses of this plan are accrued from April 2021 to March 2024. Closing price of Vaisala’s series A share was EUR 32.10 on the grant date of the incentive plan.

**Expenses for share-based incentive plans**

EUR million	2017	2018	2019	2020	2021
Share-based incentive plan 2017	1.1	1.3	1.5	0.3	
Share-based incentive plan 2018		0.6	1.2	1.5	0.5
Share-based incentive plan 2019			0.6	1.6	1.8
Share-based incentive plan 2020				0.6	1.8
Share-based incentive plan 2021					1.0

## Q4 and January–December 2021 review by business area

### Industrial Measurements business area

MEUR	10-12/ 2021	10-12/ 2020	Change	FX**	1-12/ 2021	1-12/ 2020	Change	FX**
Orders received	58.2	41.1	42%	38%	194.4	146.0	33%	35%
Order book, end of period	32.9	18.0	83%		32.9	18.0	83%	
Net sales	50.1	39.9	26%	24%	181.0	143.9	26%	27%
Products	46.2	36.3	27%		165.9	129.9	28%	
Services	3.9	3.6	9%		15.1	14.1	7%	
Gross margin, %	59.9	63.3			62.8	64.4		
Operating expenses	20.2	17.0	19%		69.8	61.5	14%	
R&D expenditure	6.0	5.2	15%		21.1	19.2	10%	
Amortization*	0.4	0.4			1.7	1.7		
Operating result	9.8	8.3			43.9	31.6		
of net sales, %	19.6	20.8			24.3	21.9		

\* Amortization of intangible assets related to the acquired businesses

\*\* Change with comparable exchange rates

### Q4 2021 review

Industrial Measurements business area's fourth quarter 2021 orders received increased by 42% compared to previous year totaling to EUR 58.2 (41.1) million. Orders received increased strongly in industrial instruments, life science, power industry and liquid measurements market segments.

At the end of December 2021, Industrial Measurements business area's order book amounted to EUR 32.9 (18.0) million and increased by 83% compared to previous year. EUR 30.7 (16.6) million of the order book is scheduled to be delivered in 2022. Order book increased in all market segments.

Industrial Measurements business area's fourth quarter 2021 operating result increased compared to previous year and totaled EUR 9.8 (8.3) million, 19.6 (20.8) % of net sales.

Fourth quarter 2021 net sales were EUR 50.1 (39.9) million and increased by 26% compared to previous year. In constant currencies, net sales increased by 24%. Net sales growth was strong in industrial instruments, life science, liquid measurements, and power industry market segments.

Gross margin decreased compared to previous year and was 59.9 (63.3) %. Additional costs related to component spot purchases had a four percentage point negative impact on gross margin.

Operating expenses increased to EUR 20.2 (17.0) million. The increase was mainly due to higher incentive costs, continued investments in R&D and headcount increase.

**January–December 2021 review**

Industrial Measurements business area's January–December 2021 orders received increased strong 33% compared to previous year totaling to EUR 194.4 (146.0) million. Increase in orders received was strong in industrial instruments, life science, power industry, and liquid measurements market segments.

Industrial Measurements business area's January–December 2021 operating result increased compared to previous year and totaled EUR 43.9 (31.6) million, 24.3 (21.9) % of net sales.

January–December 2021 net sales were EUR 181.0 (143.9) million and increased by 26% compared to previous year. In constant currencies, net sales increased by 27%. Net sales growth was strong in industrial instruments, life science, and power industry market segments. Net sales for liquid measurements market grew slightly from previous year.

Gross margin decreased to 62.8 (64.4) %. Additional costs related to component spot purchases had a two percentage point negative impact on gross margin.

Operating expenses increased to EUR 69.8 (61.5) million. The increase was mainly due to higher incentive costs, continued investments in R&D and headcount increase.

## Weather and Environment business area

MEUR	10-12/ 2021	10-12/ 2020	Change	FX**	1-12/ 2021	1-12/ 2020	Change	FX**
Orders received	60.8	70.8	-14%	-15%	260.8	236.9	10%	11%
Order book, end of period	127.1	119.8	6%		127.1	119.8	6%	
Net sales	74.9	67.0	12%	10%	256.9	235.5	9%	10%
Products	47.0	40.9	15%		154.4	137.4	12%	
Projects	17.1	15.7	9%		63.6	59.3	7%	
Services	10.1	10.4	-3%		36.7	38.8	-5%	
Lease income	0.7	-	-		2.1	-	-	
Gross margin, %	48.9	51.5			49.9	51.0		
Operating expenses	33.4	29.6	13%		115.2	106.3	8%	
R&D expenditure	9.6	9.4	2%		34.2	34.1	0%	
Amortization*	1.4	1.5			5.9	5.8		
Operating result	2.3	5.2			7.6	14.6		
of net sales, %	3.1	7.8			3.0	6.2		

\* Amortization of intangible assets related to the acquired businesses

\*\* Change with comparable exchange rates

### Q4 2021 review

Weather and Environment business area's fourth quarter 2021 orders received decreased by 14% compared to previous year and totaled EUR 60.8 (70.8) million. Orders received decreased in meteorology market segment partially due to strong comparison period. Orders received increased in ground transportation and were at previous year's level in aviation and renewable energy market segments.

At the end of December 2021, Weather and Environment business area's order book amounted to EUR 127.1 (119.8) million and increased by 6% compared to previous year. EUR 94.6 (83.6) million of the order book is scheduled to be delivered in 2022. Order book grew in ground transportation and meteorology market segments, whereas order book in aviation and renewable energy market segments decreased.

Weather and Environment business area's fourth quarter 2021 operating result decreased compared to previous year and totaled EUR 2.3 (5.2) million, 3.1 (7.8) % of net sales.

Fourth quarter 2021 net sales were EUR 74.9 (67.0) million and increased by 12% compared to previous year. In constant currencies, net sales increased by 10%. Net sales grew in renewable energy and meteorology market segments and were at previous year's level in aviation and ground transportation market segments.

Gross margin decreased to 48.9 (51.5) %. Additional costs related to component spot purchases had a two percentage point negative impact on gross margin.

Operating expenses increased to EUR 33.4 (29.6) million. The increase was mainly due to higher incentive costs and investments in IT system renewal.

Operating result included expenses arising from valuation increase of contingent considerations of acquired businesses based on 2021 financial results, as well as restructuring costs. These expenses totaled EUR 0.9 million.

### **January–December 2021 review**

Weather and Environment business area's January–December 2021 orders received increased by 10% compared to previous year and totaled EUR 260.8 (236.9) million. Increase in orders received was strong in renewable energy market segment and good in aviation market segment. Orders received in meteorology market segment were at previous year's level and decreased in ground transportation market segment. Second quarter orders received included EUR 13 million weather infrastructure project order with the National Meteorology Agency in Ethiopia announced in October 2019.

Weather and Environment business area's January–December 2021 operating result decreased compared to previous year and totaled EUR 7.6 (14.6) million, 3.0 (6.2) % of net sales.

January–December 2021 net sales were EUR 256.9 (235.5) million and increased by 9% compared to previous year. In constant currencies, net sales increased by 10%. Net sales growth was strong in renewable energy and meteorology market segments, were at previous year's level in aviation market segment, and decreased in ground transportation. In the comparison period, services net sales included discontinued assessment services provided for renewable energy customers and lease income.

Gross margin was decreased to 49.9 (51.0) %. Additional costs related to component spot purchases had a one percentage point negative impact on gross margin.

Operating expenses increased to EUR 115.2 (106.3) million. The increase was mainly due to higher incentive costs and investments in IT system renewal.

Operating result included expenses arising from valuation increase of contingent considerations of acquired businesses based on 2021 financial results, as well as restructuring costs and a settlement payment to a business partner in the US. These expenses totaled EUR 5.5 million. Comparison period included EUR 1.8 million positive impact of valuation of contingent considerations of acquired businesses.

## Impact of the COVID-19 pandemic

The COVID-19 pandemic continued to impact operation through-out the company during the whole year. However, global economy recovered during the year, and in some market segments, the recovery was stronger and faster than anticipated in the beginning of the year. Picked up demand was reflected in increased demand especially in Industrial Measurements business area. However, it is not possible to quantify the impact of the pandemic on financial results.

Following decrease in project orders, Vaisala's co-operation negotiations in Finland in its Project and Customer Services unit within Weather and Environment business area resulted to termination of nine positions. Redundancies were avoided as other positions were found within the company.

Shortage of components did not affect Vaisala's delivery capability during January–December 2021. However, shortage of components generated additional material costs and had a one percentage point negative impact on Vaisala's gross margin in January–December 2021. Visibility to component availability remains weak and component supply constraints are expected to continue throughout 2022. Additional material costs related to spot purchases are expected to remain at high level during 2022.

Vaisala's financial position and cash flow remained strong. Gearing was -12.0% at the end of December 2021. No material changes were identified in customers' payment behavior and credit loss allowance did not materially change during January–December.

## Strategy implementation in 2021

In 2021, Vaisala had strong momentum in its strategy execution and delivered on the strategic promise for profitable growth. Vaisala continued to build technology leadership and renew offering even though the company had to refocus part of its R&D resources to mitigate component shortages. Vaisala progressed in further developing its scalability in high mix low volume operations.

Industrial Measurements business area drives profitable growth through product leadership strategy. Goal is to exceed Vaisala's average growth target. In 2021, Industrial Measurements business area succeeded in all market segments, exceeding expectations in high-end humidity and high-end carbon dioxide, continuous monitoring systems and power industry applications, and winning market share with reliable delivery performance. Industrial Measurements business area made good progress on channel management development and the regional expansion continued well in focus areas.

Industrial Measurement business area's product leadership strategy is based on continuously creating new products. In 2021, business area introduced a new instrument for off-gas methane and carbon dioxide measurements in the biomethane production process. This robust, reliable, and compact multigas instrument provides continuous and accurate measurement data to help optimize and control the biogas upgrading process for greater biomethane yield, process efficiency, and environmental benefits.

In addition, Industrial Measurements business area launched a new next-generation humidity and temperature transmitter series to take advantage of advancements in technology and to meet and exceed current hazardous area regulations. The new transmitter series offers improved user experience, better corrosion resistance, and the latest Vaisala humidity measurement performance. Typical applications for these transmitters include paint booths in automotive industry, hydrogen cooled generators in electricity

generation, chemical plants and processes, baking industry, pharmaceuticals manufacturing, oil and gas drilling platforms, and fuel storage tanks.

Industrial Measurements business area also launched an easy-to-install wireless carbon dioxide measurement solution to simplify incubator monitoring and enable cost savings for customers. This new life science environmental measurement solution combines Vaisala's carbon dioxide probe GMP251 with Vaisala wireless RFL100 data logger. The new configuration leverages the superior measurement stability and accuracy and provides reliable carbon dioxide percentage measurements for incubators used for example in cell culturing, gene therapy, and vaccine research.

Moreover, Industrial Measurements business area expanded its modular Indigo-family by introducing streamlined Indigo510 Transmitter. This new transmitter is compatible with all Indigo measurement probes and its features include modular support for one probe at a time, and a large touchscreen display for local data visualization. The Vaisala Indigo510 Transmitter is an ideal choice for demanding industrial applications where precise and accurate measurements are needed for a single parameter at a time. With Indigo510 transmitter, customers benefit from regular platform and software updates.

Weather and Environment business area's strategy strives to offer industry-leading products for weather observations, to excel in large project deliveries, to grow in renewable energy market, to develop digital solutions for selected weather critical operations, and to expand into environmental measurements. In 2021, Weather and Environment business area's success in renewable energy market segment was excellent and expansion to new market segments progressed well in maritime, automotive, and urban weather segments. Large weather infrastructure opportunities continued to suffer from the exceptional market situation. Digital services' gross margin improved, although net sales remained at previous year's level. In January 2022, Vaisala acquired US-based software company AerisWeather, to accelerate growth of weather and environmental data business. AerisWeather enables Vaisala to expand its offering and opens access for Vaisala's leading data offering to several new customer segments.

Weather and Environment business area's strategic objective is to build technology leadership and renew its product and service offering. In 2021, business area launched an unprecedented lidar ceilometer that improves standard ceilometer reporting by leveraging depolarization technology, providing more refined and accurate data for greater situational awareness. The depolarization measurement capabilities enable accurate liquid/frozen differentiation, detection of dust, sand, and volcanic ash layers. This will enable nowcasting for safer air travel and operations, improved air quality modelling, and the ability to make short-term forecasts of precipitation.

Weather and Environment business area also launched world-class air quality sensor to enhance quality of life, safety, efficiency, and sustainability in communities. By identifying pollutant gases and particles in real time, the new sensor advances Vaisala's offering to improve decision-making and empower stakeholders in urban communities around the world. This new sensor can be connected to customer's own system or to Vaisala's innovative weather and environmental intelligence platform. When paired with Vaisala Beacon Weather Station and Wx Beacon UI for measurement data, stakeholders also gain access to additional key weather parameters, plus connectivity to transfer, manage, and visualize all of the data.

In addition, Weather and Environment business area launched industry leading automatic weather station to empower communities across the world to keep citizens safe and secure. This automatic weather station is a

comprehensive measurement, communication, and data monitoring solution that makes modern observation networks easy to create, manage, and maintain over a long lifespan.

Moreover, Weather and Environment business area introduced a state-of-the-art sounding system that delivers industry-first capabilities, including readiness to conduct simultaneous upper air observations, to provide unprecedented visibility into rapidly changing weather conditions and enhance forecasting accuracy. It enables superior operational performance and dependability over a long life cycle and its compact design is purpose built for operating in versatile environments. The system is intuitive and easy to use with access to real-time sounding status information and comprehensive diagnostics, and its data security provides protection against data threats and unauthorized access.

Weather and Environment business area also launched a new Strike Damage Potential solution that quickly identifies and locates lightning strikes with greater potential to cause damage or start a fire, allowing preventative action to stop escalation of a problem. The user interface, Lightning Exporter, was updated to make the information easy to access and to be clearly presented on the map display. Customers can incorporate the information in their own applications using the Lightning Integrator API.

In addition, Weather and Environment business area upgraded its solution for road asset management. This version provides better user experience through new segment-based data model, whole network wide map layer, and improved performance. Also traffic sign classification models for Australia and United States were added enabling traffic sign mapping in these countries. RoadAI API was updated allowing more functionalities to be done over the interface including modifying and deleting annotations and using different coordinate systems.

Vaisala Operations manufactures products for both business areas and develops operational excellence in high mix low volume supply chain through Vaisala Production System. Strategic programs are productivity improvement, early involvement to product creation, as well as scouting and deploying latest smart factory technologies.

In 2021, operations expanded its production space as well as warehouse capacity through automation in order to respond to strong increase in demand. Despite shortage of components and capacity increases, delivery capability was solid through-out the year. Operations also introduced several new measures and practices to improve product quality. Operations participated in multiple product development projects together with business areas in order to ensure good producibility and timely production ramp-up.

Vaisala's process development focused on customer facing processes. Implementation of CPQ (Configure Price and Quote) progressed well in both business areas. Development project of new ERP (Enterprise Resource Planning) solution was kicked-off, and project for developing data and analytics solution was initiated.

## **Strategy update and long-term financial targets**

In September, Vaisala's Board of Directors approved the company's strategy and updated long-term financial targets for the next three years.

Vaisala's strategy focuses on driving sustainable growth and global leadership in weather, environmental, and industrial measurements. Through its products and technologies, Vaisala enables business-critical decisions



and operations for its customers. Thereby, the company strongly contributes to solving global challenges related to climate change, resource efficiency, and well-being and health.

Vaisala aims to be market leader in the markets where it operates. The company has identified four drivers for successful strategy implementation:

- Product and technology leadership from sensors to digital solutions
- Deep customer understanding and application knowhow
- Scalability in high-mix, low-volume business
- Engaged and talented people

Following updated strategy and increased focus in sustainability, the Board of Directors decided to revise the scope of the Remuneration and HR Committee and consequently, the name was changed to People and Sustainability Committee from the beginning of 2022. This highlights importance of sustainability issues in Vaisala's strategy execution.

### **Long-term financial targets**

Based on the revised strategic objectives with raised growth ambition and focus on operational excellence, Vaisala updated its long-term financial targets. Vaisala's long-term target is to achieve an average annual net sales growth of 7% and an operating result margin (EBIT) of 15% during the strategy period.

Earlier Vaisala's objective was profitable growth with an average annual growth exceeding 5% and operating result margin (EBIT) exceeding 12%.

Vaisala does not consider the long-term financial targets as market guidance for any given year.

### **Changes in Management Group**

In January, Olli Nastamo was appointed Executive Vice President, Operational Excellence. He started in his position on March 1, 2021. In July, Timo Leskinen was appointed as Executive Vice President, Human Resources. He started in this position on October 1, 2021. Nastamo and Leskinen are members of the Vaisala Management Group and report to President and CEO Kai Öistämö.

### **Annual General Meeting 2021**

Vaisala Corporation's Annual General Meeting was held on March 30, 2021. The meeting approved the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial period January 1–December 31, 2020.

### **Dividend**

The Annual General Meeting decided a dividend of EUR 0.61 per share. The record date for the dividend payment was April 1, 2021, and the payment date was April 12, 2021.

### **Board of Directors**

The Annual General Meeting confirmed that the number of Board members is eight. Petri Castrén, Antti Jääskeläinen, Petra Lundström, Jukka Rinnevaara, Kaarina Ståhlberg, Tuomas Syrjänen, Raimo Voipio and Ville Voipio will continue as members of the Board of Directors.

The Annual General Meeting confirmed that that the annual remuneration payable to the Chair of the Board of Directors is EUR 55,000 and each Board member EUR 40,000 per year. Approximately 40% of the annual

remuneration will be paid in Vaisala Corporation's series A shares acquired from the market and the rest in cash. In addition, the Annual General Meeting confirmed that the meeting fee for the Chair of the Audit Committee will be EUR 1,500 per attended meeting and EUR 1,000 for each member of the Audit Committee and Chair and each member of the Remuneration and HR Committee and any other committee established by the Board of Directors for a term until the close of the Annual General Meeting in 2022. The meeting fees are paid in cash. Possible travel expenses will be reimbursed according to the travel policy of the company.

### **Auditor**

The Annual General Meeting re-elected Deloitte Oy as the auditor of the company and APA Reeta Virolainen will act as the auditor with the principal responsibility. The Auditors are reimbursed according to invoice presented to the company.

### **Authorization for the directed repurchase of own series A shares**

The Annual General Meeting authorized the Board of Directors to resolve on the directed repurchase of a maximum of 500,000 of the company's own series A shares in one or more instalments by using company's unrestricted equity. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than September 30, 2022.

### **Authorization on the issuance of the company's own series A shares**

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of a maximum of 835,794 company's own series A shares. The issuance of own shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization entitles the issuance of treasury series A shares as a directed issue without payment as part of the company's share based incentive plan. The subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind. The authorization is valid until September 30, 2022. The authorization for the company's incentive program shall however be valid until March 30, 2025.

## **The organizing meeting of the Board of Directors**

At its organizing meeting held after the Annual General Meeting, the Board elected Ville Voipio as the Chair of the Board of Directors and Raimo Voipio as the Vice Chair.

Kaarina Ståhlberg was elected as the Chair and Petri Castrén, Antti Jääskeläinen and Raimo Voipio as members of the Audit Committee. Ville Voipio was elected as the Chair and Petra Lundström, Jukka Rinnevaara and Tuomas Syrjänen as members of the Remuneration and HR Committee. The Chair and all members of the Audit Committee as well as the Remuneration and HR Committee are independent both of the company and of significant shareholders.

## **Shares and shareholders**

### **Share capital and shares**

Vaisala's share capital totaled EUR 7,660,808 on December 31, 2021. Vaisala has 36,436,728 shares, of which 6,731,092 are series K shares and 29,705,636 series A shares. The series K shares and series A shares are differentiated by the fact that each series K share entitles its owner to 20 votes at a General Meeting of Shareholders while each series A share entitles its owner to 1 vote. The series A shares represented 81.5% of the total number of shares and 18.1% of the total votes. The series K shares represented 18.5% of the total number of shares and 81.9% of the total votes.

### **Trading and share price development**

In January–December 2021, a total of 2,939,088 series A shares with a value totaling EUR 115.8 million were traded on the Nasdaq Helsinki Ltd. During the year, the share price increased by 32% while OMXHCAPPI index increased by 21%. The closing price of the series A share on the Nasdaq Helsinki stock exchange was EUR 53.30. Shares registered a high of EUR 55.80 and a low of EUR 30.00. Volume-weighted average share price was EUR 39.45.

The market value of series A shares on December 31, 2021, was EUR 1,565.4 million, excluding company's treasury shares. Valuing the series K shares – which are not traded on the stock market – at the rate of the series A share's closing price on the last trading day of December, the total market value of all the series A and series K shares together was EUR 1,924.2 million, excluding company's treasury shares.

### **Treasury shares**

In March 2021, a total of 87,100 of treasury shares were conveyed without consideration to the 28 key employees who participated in the Share-based incentive plan 2018 under the terms and conditions of the plan. Of these shares, 4,000 were conveyed to the President and CEO Kai Öistämö and 13,850 to the previous President and CEO Kjell Forsén. In addition, 11,520 shares were conveyed to Kjell Forsén related to the Share-based incentive plan 2019–2021 and 2,764 shares related to the Share-based incentive plan 2020–2022 under the terms and conditions of the plans. This directed share issue was based on an authorization given by the Annual General Meeting held on June 3, 2020.

Following this directed share issue, the number of series A treasury shares on December 31, 2021, was 335,655, which represents 1.1% of series A shares and 0.9% of total shares.

### **Shareholders**

At the end of December 2021, Vaisala had 12,658 (10,717) registered shareholders. Ownership outside of Finland and nominee registrations represented 20.2 (19.3) % of the company's shares. Households owned 40.1 (40.3) %, private companies 13.2 (13.3) %, financial and insurance institutions 12.6 (13.2) %, non-profit organizations 10.6 (10.8) % and public sector organizations 3.4 (3.2) % of the shares.

### **Shareholding by the Board of Directors and the Management Group**

On December 31, 2021, the Board of Directors held and controlled 989,565 (985,646) series A shares. These shares accounted for 3.3 (3.3) % of series A shares and 2.7 (2.7) % of total shares. The number of series K shares held and controlled by the Board was 551,008 (551,008). Total votes attached to the series A and K shares held and controlled by the Board were 12,009,725 (12,005,806), which accounted for 7.3 (7.3) % of the total votes of all shares.

On December 31, 2021, Kai Öistämö, the President and CEO, held and controlled 4,000 series A shares but no series K shares. Other Management Group members held and controlled 118,018 (101,778) series A shares but no series K shares.

More information about Vaisala's shares and shareholders are presented on the company's website at [vaisala.com/investors](http://vaisala.com/investors).

### **Near-term risks and uncertainties**

COVID-19 pandemic's impact on Vaisala's business is depending on the duration of this exceptional situation and development of possible new virus variants. Component shortage may cause delays or interruptions in

deliveries or generate additional material costs. Vaisala's delivery capability may deteriorate due to disruptions in suppliers' operations, Vaisala's production or project delivery organization, or disruptions in incoming and/or outgoing logistics. Demand may fluctuate materially by country or market segment.

Uncertainties in geopolitical situation may reduce or delay demand for Vaisala's products and services or cause delays or interruptions in deliveries. New and changing regulations impacting product acceptance, operation's capability to meet changing compliance requirements, and changes in international trade policies may cause delays or interruptions in supply chain. Cyber risk and downtime of IT systems may impact operations and delivery capability.

Customers' preference for local manufacturing may reduce demand for Vaisala's products and services. Customers' budgetary constraints, complex decision-making processes, and missing financing solutions may postpone closing of infrastructure contracts in Weather and Environment business area.

### **Measures taken to mitigate impacts of the COVID-19 pandemic**

#### *Employees*

Ensuring employees' wellbeing and their health and safety has been the most important focus area during the COVID-19 pandemic. To enforce containment actions and safe work environment for production workers, access to factories has been limited. Post-COVID-19 pandemic working practices were planned with implementations beginning in the second half of 2021.

#### *Customers*

Remote customer meetings, electronic signatures, re-routing of shipments, remote acceptance testing and cooperation with local field service companies and their remote support are examples of measures, which have been taken to fulfill customer expectations.

#### *Supplier relationships and cooperation*

Strategic suppliers, which are critical to ongoing business operations, have been assessed for their business continuity and information reliability. Impacts of component shortages have been mitigated by close cooperation and delivery planning together with suppliers, purchases from spot market, and using variant components.

#### *Communications*

Vaisala has communicated regularly with multiple stakeholders: employees, customers, suppliers, and authorities to ensure continuity of core operations, including support and services for customers. Digital marketing efforts have been intensified to compensate for absence of conventional marketing events.

#### *Liquidity*

Vaisala's financial position and liquidity have been assessed on regular basis.

#### *Scenario planning*

Vaisala has done scenario planning and contingency planning in order to make sound decisions in a highly volatile operating environment. Vaisala has identified risks related to delivery capability and demand outlook as well as diverse challenges emerging in the operating environment. Scenario plans and related assumptions have been continuously updated and followed up.

Further information about risk management and risks are available on Annual Report's Corporate Governance/Risk management section and on the company's website at [vaisala.com](http://vaisala.com).

### **Events after reporting period**

On January 27, 2022, Vaisala announced acquisition of US-based Whether or Knot, LLC (dba AerisWeather), a subscription-based software company providing weather and environmental information. The purchase price (cash and debt free) was USD 26 million (EUR 23 million), and it was paid with cash. This acquisition supports execution of Vaisala's Weather and Environment business area's strategy to drive growth in Data as a Service and Software as a Service recurring revenue businesses.

AerisWeather's unaudited net sales in 2021 amounted to USD 3.2 million (EUR 2.7 million), operating result (EBIT) was at break-even level, and statement of financial position totaled USD 1.3 million (EUR 1.1 million). The company's net sales are recurring with above 100% net revenue retention and have reached strong double-digit growth during the past years. Following this acquisition, 17 professionals, located in the US, transferred to Vaisala. Vaisala will report AerisWeather's results as part of Weather and Environment business area's financial results as of February 2022.

### **Board of Directors' proposal for dividend**

The parent company's distributable earnings amount to EUR 166,440,852.21, of which the result for the period is EUR 14,983,135.68.

The Board of Directors proposes to the Annual General Meeting that dividend of EUR 0.68 per share be paid out of distributable earnings totaling approximately EUR 24.5 million and the rest to be carried forward in the shareholders' equity. No dividend will be paid for treasury shares held by the company.

There have been no significant changes in the company's financial position since the close of the financial period. According to the Board of Directors, the proposed dividend distribution does not endanger the company's financial standing.

### **Annual General Meeting 2022**

Vaisala Corporation's Annual General Meeting will be held on Tuesday March 29, 2022. Board of Directors of Vaisala has resolved on exceptional procedure for the meeting based on the temporary legislative act approved by the Finnish Parliament on May 7, 2021. The company has resolved to take actions enabled by the act in order to hold the meeting in a predictable manner, taking into account the health and safety of the company's shareholders, personnel and other stakeholders. Notice to the Annual General Meeting is available on the company's website [vaisala.com/agm](http://vaisala.com/agm) where the shareholders also can follow the meeting via live webcast.

### **Financial calendar 2022**

Annual Report 2021, week 9

Interim Report January–March 2022, April 29, 2022

Half Year Financial Report 2022, July 22, 2022

Interim Report January–September 2022, October 28, 2022

Vantaa, February 17, 2022

Vaisala Corporation  
Board of Directors

The forward-looking statements in this release are based on the current expectations, known factors, decisions and plans of Vaisala's management. Although the management believes that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that these expectations would prove to be correct. Therefore, the results could differ materially from those implied in the forward-looking statements, due to for example changes in the economic, market and competitive environments, regulatory or other government-related changes, or shifts in exchange rates.

## **Financial information and changes in accounting policies**

This Financial Statement Release has been prepared in accordance with IAS 34 Interim Financial Reporting, following the same accounting policies and principles as in the annual financial statements for 2021. All figures in this Financial Statement Release are group figures. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented. The figures in this Financial Statement Release are based on Vaisala's audited 2021 financial statements.

Preparation of Financial Statement Release in accordance with IFRS requires Vaisala's management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and the recognition of income and expenses in statement of income. Although estimates are based on management's best knowledge at the date of Financial Statement Release, actual results may differ from those estimates.

### **Lessor accounting**

In 2021, Vaisala amended the accounting principles on leases presented in its annual financial statements to include accounting by a lessor due to the increase of lease arrangements, where Vaisala is acting as a lessor.

In Vaisala, all lease agreements are classified as operating leases as those do not transfer substantially all the risks and rewards incidental to ownership of the underlying assets. Lease payments are recognized on straight-line basis as lease income. Lease income is presented as part of net sales and disclosed in the notes. Leased assets are included in property, plant and equipment and depreciated according to the depreciation policy for similar assets. Vaisala recognizes costs incurred in earning the lease income as an expense in the cost of goods sold. Leased assets are tested for impairment in accordance with IAS 36 Impairment of assets.

### **New and amended IFRS standards effective for the year 2021**

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 have been adopted from January 1, 2021. The adoption of the amendments is not expected to have a material impact on the financial statements of the group in future periods.

<b>Consolidated statement of income</b>				
EUR million	<b>10-12/ 2021</b>	<b>10-12/ 2020</b>	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>
Net sales	125.0	106.9	437.9	379.5
Cost of goods sold	-58.4	-47.2	-196.0	-166.6
<b>Gross profit</b>	<b>66.6</b>	<b>59.7</b>	<b>241.8</b>	<b>212.9</b>
Sales, marketing and administrative costs	-38.2	-33.4	-131.2	-116.0
Research and development costs	-15.6	-14.6	-55.3	-53.2
Other operating income and expenses	-0.9	0.5	-5.2	1.1
<b>Operating result</b>	<b>11.9</b>	<b>12.2</b>	<b>50.1</b>	<b>44.8</b>
Share of result in associated company	0.2	0.2	0.2	0.2
Financial income and expenses	-0.6	-1.2	-2.1	-3.6
<b>Result before taxes</b>	<b>11.5</b>	<b>11.2</b>	<b>48.3</b>	<b>41.3</b>
Income taxes	-3.7	-2.7	-8.9	-8.5
<b>Result for the period</b>	<b>7.8</b>	<b>8.6</b>	<b>39.5</b>	<b>32.8</b>
<b>Attributable to</b>				
Owners of the parent company	7.7	8.5	39.0	32.8
Non-controlling interests	0.0	0.1	0.5	0.0
<b>Result for the period</b>	<b>7.8</b>	<b>8.6</b>	<b>39.5</b>	<b>32.8</b>
<b>Earnings per share for result attributable to the equity holders of the parent company</b>				
Earnings per share, EUR	0.21	0.24	1.08	0.91
Diluted earnings per share, EUR	0.21	0.23	1.07	0.91



<b>Consolidated statement of comprehensive income</b>				
<b>EUR million</b>	<b>10-12/ 2021</b>	<b>10-12/ 2020</b>	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>
<b>Items that will not be reclassified to profit or loss (net of taxes)</b>				
Actuarial profit (loss) on post-employment benefits	-0.1	0.0	-0.1	0.0
<b>Total</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences	1.5	-0.5	4.5	-4.0
<b>Total</b>	<b>1.5</b>	<b>-0.5</b>	<b>4.5</b>	<b>-4.0</b>
<b>Total other comprehensive income</b>	<b>1.3</b>	<b>-0.5</b>	<b>4.3</b>	<b>-4.0</b>
<b>Comprehensive income for the period</b>	<b>9.1</b>	<b>8.1</b>	<b>43.8</b>	<b>28.9</b>
<b>Attributable to</b>				
Owners of the parent company	9.1	8.0	43.4	28.8
Non-controlling interests	0.0	0.1	0.5	0.0
<b>Comprehensive income for the period</b>	<b>9.1</b>	<b>8.1</b>	<b>43.8</b>	<b>28.9</b>

## Consolidated statement of financial position

EUR million

<b>Assets</b>	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
<b>Non-current assets</b>		
Intangible assets	56.9	63.6
Property, plant and equipment	94.1	83.9
Right-of-use assets	11.1	12.5
Investments in shares	0.1	0.1
Investment in associated company	1.3	1.1
Non-current receivables	0.9	0.9
Deferred tax assets	9.2	7.3
<b>Total non-current assets</b>	<b>173.5</b>	<b>169.5</b>
<b>Current assets</b>		
Inventories	49.9	44.5
Trade and other receivables	73.5	64.0
Contract assets and other accrued revenue	28.1	24.2
Income tax receivables	5.1	4.3
Cash and cash equivalents	77.9	45.4
<b>Total current assets</b>	<b>234.5</b>	<b>182.4</b>
<b>Total assets</b>	<b>408.0</b>	<b>351.8</b>

<b>Equity and liabilities</b>	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
<b>Equity</b>		
Share capital	7.7	7.7
Other reserves	7.0	5.6
Translation differences	1.7	-2.8
Treasury shares	-4.6	-6.3
Retained earnings	218.0	200.8
<b>Total equity attributable to owners of parent company</b>	<b>229.6</b>	<b>205.1</b>
<b>Non-controlling interests</b>	<b>0.7</b>	<b>0.4</b>
<b>Total equity</b>	<b>230.3</b>	<b>205.5</b>
<b>Non-current liabilities</b>		
Interest-bearing borrowings	40.0	40.0
Interest-bearing lease liabilities	7.7	9.2
Post-employment benefits	2.7	2.3
Deferred tax liabilities	6.7	7.7
Provisions	0.3	0.1
Other non-current liabilities	1.3	2.6
<b>Total non-current liabilities</b>	<b>58.6</b>	<b>62.0</b>
<b>Current liabilities</b>		
Interest-bearing borrowings	0.1	5.2
Interest-bearing lease liabilities	2.4	2.7
Trade and other payables	83.9	52.3
Contract liabilities and other deferred revenue	29.0	20.9
Income tax liabilities	1.8	1.5
Provisions	2.0	1.7
<b>Total current liabilities</b>	<b>119.1</b>	<b>84.3</b>
<b>Total liabilities</b>	<b>177.7</b>	<b>146.2</b>
<b>Total equity and liabilities</b>	<b>408.0</b>	<b>351.8</b>

<b>Consolidated cash flow statement</b>		
EUR million	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>
Result for the period	39.5	32.8
Depreciation, amortization and impairment	21.6	21.1
Financial income and expenses	2.1	3.6
Gains and losses on sale of intangible assets and property, plant and equipment	0.0	-0.1
Share of result in associated company	-0.2	-0.2
Income taxes	8.9	8.5
Other adjustments	3.1	-5.6
Inventories, increase (-) / decrease (+)	-6.7	-1.8
Non-interest bearing receivables, increase (-) / decrease (+)	-11.5	12.6
Non-interest bearing liabilities, increase (+) / decrease (-)	34.7	-18.4
Changes in working capital	16.6	-7.5
Financial items paid/received	-0.2	-3.5
Income taxes paid	-11.2	-8.2
<b>Cash flow from operating activities</b>	<b>80.0</b>	<b>41.0</b>
Acquisition of subsidiaries, net of cash acquired	-	-0.2
Capital expenditure on intangible assets and property, plant and equipment	-19.2	-31.0
Proceeds from sale of intangible assets and property, plant and equipment	0.1	0.1
Proceeds from sale of shares	-	0.1
<b>Cash flow from investing activities</b>	<b>-19.1</b>	<b>-31.0</b>
Dividends paid	-22.0	-22.0
Change in loan receivables	-0.0	0.1
Proceeds from borrowings	45.0	100.1
Repayment of borrowings	-49.9	-95.0
Principal payments of lease liabilities	-3.1	-3.3
<b>Cash flow from financing activities</b>	<b>-30.0</b>	<b>-20.0</b>
<b>Change in cash and cash equivalents increase (+) / decrease (-)</b>	<b>30.8</b>	<b>-10.0</b>
Cash and cash equivalents at the beginning of period	45.4	56.4
Change in cash and cash equivalents	30.8	-10.0
Effect from changes in exchange rates	1.7	-1.0
<b>Cash and cash equivalents at the end of period</b>	<b>77.9</b>	<b>45.4</b>

### Consolidated statement of changes in equity

	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
EUR million								
<b>Equity at Dec 31, 2019</b>	<b>7.7</b>	<b>7.0</b>	<b>1.3</b>	<b>-7.9</b>	<b>190.0</b>	<b>198.0</b>	<b>0.3</b>	<b>198.3</b>
Result for the period					32.8	32.8	0.0	32.8
Other comprehensive income		-0.0	-4.0		0.0	-4.0		-4.0
Dividend distribution					-22.0	-22.0		-22.0
Share-based payments		-1.4		1.6		0.2		0.2
Transfer between items		0.0			-0.0			
Changes in non-controlling interests that did not result in changes in control					-0.0	-0.0	0.0	
<b>Equity at Dec 31, 2020</b>	<b>7.7</b>	<b>5.6</b>	<b>-2.8</b>	<b>-6.3</b>	<b>200.8</b>	<b>205.1</b>	<b>0.4</b>	<b>205.5</b>

	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
EUR million								
<b>Equity at Dec 31, 2020</b>	<b>7.7</b>	<b>5.6</b>	<b>-2.8</b>	<b>-6.3</b>	<b>200.8</b>	<b>205.1</b>	<b>0.4</b>	<b>205.5</b>
Result for the period					39.0	39.0	0.5	39.5
Other comprehensive income		0.0	4.4		-0.1	4.3		4.3
Dividend distribution					-22.0	-22.0		-22.0
Share-based payments		1.3		1.7		2.9		2.9
Transfer between items		0.0			-0.0			
Changes in non-controlling interests that did not result in changes in control					0.2	0.2	-0.2	
<b>Equity at Dec 31, 2021</b>	<b>7.7</b>	<b>7.0</b>	<b>1.7</b>	<b>-4.6</b>	<b>218.0</b>	<b>229.6</b>	<b>0.7</b>	<b>230.3</b>

## Notes to the report

### Orders received by business area

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Industrial Measurements	58.2	41.1	194.4	146.0
Weather and Environment	60.8	70.8	260.8	236.9
<b>Total</b>	<b>119.0</b>	<b>111.9</b>	<b>455.2</b>	<b>382.8</b>

### Net sales by business area

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Industrial Measurements				
Products	46.2	36.3	165.9	129.9
Services	3.9	3.6	15.1	14.1
<b>Total</b>	<b>50.1</b>	<b>39.9</b>	<b>181.0</b>	<b>143.9</b>
Weather and Environment				
Products	47.0	40.9	154.4	137.4
Projects	17.1	15.7	63.6	59.3
Services	10.1	10.4	36.7	38.8
Lease income	0.7	-	2.1	-
<b>Total</b>	<b>74.9</b>	<b>67.0</b>	<b>256.9</b>	<b>235.5</b>
<b>Total net sales</b>	<b>125.0</b>	<b>106.9</b>	<b>437.9</b>	<b>379.5</b>

### Operating result by business area

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Industrial Measurements	9.8	8.3	43.9	31.6
Weather and Environment	2.3	5.2	7.6	14.6
Other	-0.3	-1.3	-1.4	-1.4
<b>Total</b>	<b>11.9</b>	<b>12.2</b>	<b>50.1</b>	<b>44.8</b>

### Net sales by region

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Americas	42.5	37.8	150.2	134.9
APAC	42.1	32.0	144.7	110.4
EMEA	40.4	37.1	143.0	134.2
<b>Total</b>	<b>125.0</b>	<b>106.9</b>	<b>437.9</b>	<b>379.5</b>

### Timing of revenue recognition

EUR million	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Performance obligations satisfied at a point in time	100.7	84.3	346.6	295.5
Performance obligations satisfied over time	23.5	22.6	89.2	84.0
Lease income recognized on a straight-line basis	0.7	-	2.1	-
<b>Total</b>	<b>125.0</b>	<b>106.9</b>	<b>437.9</b>	<b>379.5</b>

<b>Personnel</b>				
	<b>10-12/ 2021</b>	<b>10-12/ 2020</b>	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>
Average personnel	1,974	1,937	1,967	1,929
Personnel at the end of period	1,979	1,939	1,979	1,939

<b>Derivative financial instruments</b>			
EUR million		<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
Nominal value of derivative financial contracts		35.2	31.4
Fair values of derivative financial contracts, assets		0.0	1.2
Fair values of derivative financial contracts, liabilities		1.3	0.2

Derivative financial instruments consist solely of foreign exchange forward contracts, and they are measured based on price information derived from active markets and commonly used valuation methods (Fair value hierarchy 2). Derivative financial contracts are executed only with counterparties that have high credit ratings.

<b>Share information</b>				
EUR/thousand	<b>10-12/ 2021</b>	<b>10-12/ 2020</b>	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>
Number of shares outstanding	36,101	36,000	36,101	36,000
Number of treasury shares	336	437	336	437
Number of shares, weighted average, diluted	36,392	36,210	36,354	36,223
Number of shares, weighted average	36,101	36,000	36,082	35,979
Number of shares traded	828	919	2,939	3,852
Share price, highest	55.80	42.50	55.80	42.50
Share price, lowest	37.35	34.25	30.00	21.65

<b>Key ratios</b>				
EUR	<b>10-12/ 2021</b>	<b>10-12/ 2020</b>	<b>1-12/ 2021</b>	<b>1-12/ s2020</b>
Earnings per share	0.21	0.24	1.08	0.91
Diluted earnings per share	0.21	0.23	1.07	0.91
Equity per share			6.36	5.70
Return on equity, %			18.1	16.3
Cash flow from operating activities per share	0.86	0.67	2.21	1.14
Solvency ratio, %			57.2	59.0
Gearing, %			-12.0	5.7

<b>Key exchange rates</b>				
	<b>Average rates</b>		<b>Period end rates</b>	
	<b>1-12/ 2021</b>	<b>1-12/ 2020</b>	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
USD	1.1894	1.1384	1.1326	1.2271
CNY	7.6758	7.8807	7.1947	8.0225
JPY	130.00	121.51	130.38	126.49
GBP	0.8633	0.8853	0.8403	0.8990

**Further information**

Kaarina Muurinen, CFO

Tel. +358 40 577 5066

Vaisala Corporation

**Conference call**

A conference call for analysts, investors and media will be held in English today on February 18, 2022, starting at 3:00 p.m. (Finnish time). Numbers for conference call, during which questions may be presented, are:

Finland: +358 9 8171 0310

UK: +44 33 3300 0804

Sweden: +46 8 5664 2651

US: +1 63 1913 1422

PIN: 98371868#

**Audiocast**

The presentation by Kai Öistämö, President and CEO, can also be followed through a live audiocast at [vaisala.com/investors](https://vaisala.com/investors) starting at 3:00 p.m. A recording will be published at the same address by 5:00 p.m.

**Distribution**

Nasdaq Helsinki

Key media

[vaisala.com](https://vaisala.com)

**Vaisala** is a global leader in environmental and industrial measurement. Building on over 85 years of experience, Vaisala provides observations for a better world. We are a reliable partner for customers around the world, offering a comprehensive range of innovative observation and measurement products and services. Headquartered in Finland, Vaisala employs over 1,900 professionals worldwide and is listed on the Nasdaq Helsinki stock exchange. [vaisala.com](https://vaisala.com) [twitter.com/VaisalaGroup](https://twitter.com/VaisalaGroup)