

Kempower Oy

Financial Statements
31.12.2019

Business ID 2856868-5

These financial statements have been created for the listing prospectus.

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INCOME STATEMENT, FAS

€	2019	2018
Revenue	327 210,00	19 502,69
Change in inventories of finished goods and in work in progress	48 578,72	0,00
Raw materials and consumables used	-142 124,00	-1 263,70
External services	-1 090,02	0,00
Personnel expenses	-1 079 904,83	-295 456,68
Depreciation and amortisation	-39 265,13	-6 407,16
Other operating expenses	-1 334 484,19	-357 808,31
Total expenses	-2 596 868,17	-660 935,85
Operating profit	-2 221 079,45	-641 433,16
Financial income	15,37	0,45
Financial expenses	-896,59	-119,01
Financial income and expenses total	-881,22	-118,56
Profit before appropriations and taxes	-2 221 960,67	-641 551,72
Appropriations	2 492 130,57	897 848,22
Income taxes	-54 686,94	-51 229,93
PROFIT FOR THE FINANCIAL YEAR	215 482,96	205 066,57

BALANCE SHEET, FAS

€	2019	2018
ASSETS		
Non-current assets		
Intangible assets	187 926,19	154 050,00
Tangible assets	110 474,57	19 018,61
Non-current assets total	298 400,76	173 068,61
Current assets		
Inventories	195 393,55	0,00
Trade and other receivables	753 034,45	65 540,44
Cash and cash equivalents	70 780,26	226 698,55
Current assets total	1 019 208,26	292 238,99
ASSETS TOTAL	1 317 609,02	465 307,60

€	2019	2018
EQUITY AND LIABILITIES		
Equity		
Share capital	2 500,00	2 500,00
Retained earnings	205 061,52	-5,05
Profit/loss for the period	215 482,96	205 066,57
Equity total	423 044,48	207 561,52
Appropriations		
Cumulative accelerated depreciation	10 021,21	2 151,78
Liabilities		
Non-current liabilities		
Trade payables	632 726,16	127 687,59
Other payables	32 778,82	9 416,62
Accrued liabilities	219 038,35	118 490,09
Non-current liabilities total	884 543,33	255 594,30
Liabilities total	884 543,33	255 594,30
EQUITY AND LIABILITIES TOTAL	1 317 609,02	465 307,60

STATEMENT OF CASH FLOW, FAS

€	2019	2018
Cash flows from operating activities		
Net profit/loss before appropriations and taxes	-2 221 961	-641 552
Adjustments:		
Depreciation and amortisation	39 265	6 407
Unrealised foreign exchange gains and losses	0	0
Change in provisions	4 585	0
Financial income and expenses	881	119
Cash flow before changes in working capital	-2 177 229	-635 026
Change in working capital		
Change in inventories	-195393,55	
Change in trade and other receivables	-687 494	-65 540
Change in trade payables and short-term debts	678 367	204 364
Cash flows from operating activities before financial items and taxes	-2 381 749	-496 202
Interest paid	-591	-107
Other financial items	-290	-12
Taxes	-104 105	0
Cash flow from operating activities (A)	-2 486 736	-496 321
Cash flow from investing activities		
Investments in tangible and intangible assets	-170 505	-179 476
Proceeds from sale of tangible and intangible assets	1 323	0
Cash flow from investing activities (B)	-169 183	-179 476
Cash flow from financing activities		
Proceeds from non-current loans	0	0
Group contribution received	2 500 000	900 000
Cash flow from financing activities (C)	2 500 000	900 000
Net change in cash and cash equivalents (A + B + C)	-155 918	224 204
Cash and cash equivalents beginning of the period	226 699	2 495
Cash and cash equivalents end of the period	70 780	226 699
Net change in cash and cash equivalents	-155 918	224 204

1 ACCOUNTING PRINCIPLES

Parent company information

Kempower Oy is part of Kemppi Group Oy Group, whose parent company is Kemppi Group Oy. Kempower Oy and Kemppi Group Oy are domiciled in Lahti, Finland and their registered address is Kempinkatu 1, FI-15800 Lahti, Finland. Copies of the financial statements for Kempower Oy and the consolidated financial statements for Kemppi Group Oy Group can be obtained from the head office of the parent company.

Accounting principles

The financial statements have been prepared by the Government Decree on the information presented in the financial statements of a small and micro company, according to the chapter 2 and 3 for small companies.

The financial statements for the financial period 1.1.-31.12.2019 have been approved by the annual general meeting on 29.4.2020. The cash flow statement has been added to these supplemented financial statements. No other changes have been made. The supplemented financial statements have been prepared only to be included in the prospectus that have been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council and Commission Delegated Regulation (EU) 2019/980.

Valuation of fixed assets

Intangible and tangible assets are entered in the balance sheet at acquisition cost less planned depreciation. Planned depreciation is calculated on a straight line basis over the useful economic life of the asset.

The useful economic lives of assets are as follows:

Intangible assets 10 years
Machinery and equipment 3 - 10 years

2 NOTES ON EXCEPTIONAL ITEMS

Appropriations includes group contribution from parent company 2.500.000,00 euros.

3 PERSONNEL

Average number of personnel during financial period	2019	2018
White collar	13	4
Total	13	4

4 COMMITMENTS AND CONTINGENCIES

Amount payable under leases	2019	2018
Due for payment in next financial year	199 984,70	43 093,32
Due for payment at a later date	101 636,14	54 839,98
Total	301 620,84	97 933,30

5 EQUITY

Changes in equity	2019	2018
Share capital, Jan 1	2 500,00	2 500,00
Share capital, Dec 31	2 500,00	2 500,00
Retained earnings, Jan 1	205 061,52	-5,05
Retained earnings, Dec 31	205 061,52	-5,05
Profit for the financial year	215 482,96	205 066,57
Total equity	423 044,48	207 561,52

The distributable assets total 420.544,48 €.

The Board of Directors proposes to the annual general meeting that no dividend shall be distributed and the profit for the financial year will be transferred to the retained earnings account.

Signatures of the financial statements

Antti Kemppi
Chairman of the Board

Teresa Kemppi-Vasama
Member of the Board

Kimmo Kemppi
Member of the Board

Tero Era
Member of the Board

Juha-Pekka Helminen
Member of the Board

Eriikka Söderström
Member of the Board

Vesa Laisi
Member of the Board

Tomi Ristimäki
Chief executive officer

Auditor's note

A report on the audit carried out has been submitted today.

Ernst & Young Oy

Jari Havukainen
KHT

THE LIST OF LEDGERS AND MATERIALS

The company's accounting has been prepared in an accounting system called Epicor, the cash register system is Analyste banking system, purchase invoices are in Palette system, travel invoices in Trip & Expense and fixed asset accounting in Kasper system.

Financial Statements		electronic
General ledger and journal report		electronic
Ledger reports		electronic
Bank vouchers	BS journal	electronic
Purchase invoices	PJ journal	electronic
Sales invoices	SJ journal	electronic
Payroll vouchers	PA journal	electronic
Travel invoices	TJ journal	electronic
Inventory journals	IJ journal	electronic
General journals	GJ journal	electronic