

# Kempower Oy

Financial Statements  
31.12.2020

Business ID 2856868-5

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## INCOME STATEMENT, FAS

€	Note	2020	2019
<b>Revenue</b>	2	3 251 807	327 210
Other operating income	3	100 000	0
Change in inventories of finished goods and in work in progress		180 776	48 579
Raw materials and consumables used		-1 499 421	-142 124
External services		-3 761	-1 090
Personnel expenses	4	-2 223 070	-1 079 905
Depreciation and amortisation	6	-84 869	-39 265
Other operating expenses	7	-1 941 268	-1 334 484
<b>Total expenses</b>		<b>-5 752 389</b>	<b>-2 596 868</b>
<b>Operating profit</b>		<b>-2 219 806</b>	<b>-2 221 079</b>
Financial income	8	0	15
Financial expenses	8	-24 793	-897
<b>Financial income and expenses total</b>		<b>-24 793</b>	<b>-881</b>
<b>Profit before appropriations and taxes</b>		<b>-2 244 599</b>	<b>-2 221 961</b>
Appropriations	9	2 388 273	2 492 131
Income taxes	10	-40 962	-54 687
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>102 712</b>	<b>215 483</b>

## BALANCE SHEET, FAS

€	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	11	194 511	187 926
Tangible assets	11	485 922	110 475
<b>Non-current assets total</b>		<b>680 434</b>	<b>298 401</b>
<b>Current assets</b>			
Inventories	12	1 274 602	195 394
Trade and other receivables	13	3 755 541	753 034
Cash and cash equivalents		521 462	70 780
<b>Current assets total</b>		<b>5 551 605</b>	<b>1 019 208</b>
<b>ASSETS TOTAL</b>		<b>6 232 038</b>	<b>1 317 609</b>

€	Note	2 020	2 019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	14		
Share capital		2 500	2 500
Retained earnings		420 544	205 062
Profit/loss for the period		102 712	215 483
<b>Equity total</b>		<b>525 757</b>	<b>423 044</b>
<b>Appropriations</b>			
Cumulative accelerated depreciation	15	121 748	10 021
<b>Provisions</b>			
Other provisions	16	60 738	0
<b>Liabilities</b>			
Non-current liabilities	17	3 400 000	0
Current liabilities	18	2 123 795	884 543
<b>Liabilities total</b>		<b>5 523 795</b>	<b>884 543</b>
<b>EQUITY AND LIABILITIES TOTAL</b>		<b>6 232 038</b>	<b>1 317 609</b>

## STATEMENT OF CASH FLOW, FAS

€	2020	2019
<b>Cash flows from operating activities</b>		
Net profit/loss before taxes and extraordinary items	-2 244 599	-2 221 961
Adjustments:		
Depreciation and amortisation	84 869	39 265
Gains and losses of disposals of fixed assets and other non-current assets	771	0
Unrealised foreign exchange gains and losses	0	4 585
Change in provisions	60 738	0
Financial income and expenses	24 793	881
<b>Cash flow before changes in working capital</b>	<b>-2 073 428</b>	<b>-2 177 229</b>
<b>Change in working capital</b>		
Change in inventories	-1 079 208	-195 394
Change in trade and other receivables	-502 507	-687 494
Change in trade payables and short-term debts	1 199 331	678 367
<b>Cash flows from operating activities before financial items and taxes</b>	<b>-2 455 811</b>	<b>-2 381 749</b>
Interest paid	-24 793	-591
Other financial items	0	-290
Taxes	-1 812	-104 105
<b>Cash flow from operating activities ( A )</b>	<b>-2 482 416</b>	<b>-2 486 736</b>
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets	-466 902	-170 505
Proceeds from sale of tangible and intangible assets	0	1 323
<b>Cash flow from investing activities ( B )</b>	<b>-466 902</b>	<b>-169 183</b>
<b>Cash flow from financing activities</b>		
Proceeds from non-current loans	3 400 000	0
Group contribution received	0	2 500 000
<b>Cash flow from financing activities ( C )</b>	<b>3 400 000</b>	<b>2 500 000</b>
<b>Net change in cash and cash equivalents ( A + B + C )</b>	<b>450 682</b>	<b>-155 918</b>
Cash and cash equivalents beginning of the period	70 780	226 699
Cash and cash equivalents end of the period	521 462	70 780
<b>Net change in cash and cash equivalents</b>	<b>450 682</b>	<b>-155 918</b>

## 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.

### **Principles for valuation**

#### *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
Long-term expenditure	3 - 10 years
Machinery and equipment	3 - 10 years

#### *Valuation of inventories*

Inventories are presented on the FIFO principle at the lower of acquisition cost and probable realizable price..

#### *Foreign currency items*

Foreign currency receivables and liabilities are translated into euros at the average exchange rate on the closing date. The exchange rate differences arising from this and actual exchange rate differences during the financial period for trade receivables and trade payables are recorded as adjustment items for sales and purchases. Exchange rate differences for other commitments, receivables and liabilities are included in financial income and expenses.

## 2 REVENUE BY MARKET AREA

	2020	2019
Europe	3 130 311	327 210
Others	121 496	0
<b>Total</b>	<b>3 251 807</b>	<b>327 210</b>

## 3 OTHER OPERATING INCOME

	2020	2019
Government grants	100 000	0
<b>Total</b>	<b>100 000</b>	<b>0</b>

#### 4 PERSONNEL

Average number of personnel during financial period	2020	2019
Blue collar	4	0
White collar	25	13
<b>Total</b>	<b>29</b>	<b>13</b>

Personnel expenses	2020	2019
Wages and salaries	-1 877 986	-893 409
Pension costs	-290 458	-163 089
Social security costs	-54 626	-23 407
<b>Total</b>	<b>-2 223 070</b>	<b>-1 079 905</b>

Management salaries	2020	2019
Managing director, management team and members of Board of Directors	-719 833	-423 085

#### 5 AUDITORS FEES

	2020	2019
Audit fees	-4 900	-4 300
Tax consultation	-8 500	0
<b>Total</b>	<b>-13 400</b>	<b>-4 300</b>

#### 6 DEPRECIATION AND IMPAIRMENT

	2020	2019
Intangible rights	-19 518	-16 285
Other long-term expenditures	-2 439	-1 950
Machinery and equipment	-62 913	-21 030
<b>Total</b>	<b>-84 869</b>	<b>-39 265</b>

## 7 OTHER OPERATING EXPENSES

	2020	2019
Sales and marketing expenses	-265 918	-270 377
Administration expenses	-159 038	-78 996
IT expenses	-182 035	-61 439
Real estate and vehicle expenses	-507 192	-191 302
Product development expenses	-599 438	-685 831
Other	-227 647	-46 538
<b>Total</b>	<b>-1 941 268</b>	<b>-1 334 484</b>

## 8 FINANCIAL INCOME AND EXPENSES

	2020	2019
Other interest and financial income		
From Group companies	0	0
From others	0	15
<b>Total</b>	<b>0</b>	<b>15</b>

	2020	2019
Interest expenses and other financial expenses		
To Group companies	-23 708	0
To others	-1 084	-897
<b>Total</b>	<b>-24 793</b>	<b>-897</b>

## 9 APPROPRIATIONS

	2020	2019
Change in cumulative accelerated depreciation	-111 727	-7 869
Group contribution received	2 500 000	2 500 000
<b>Total</b>	<b>2 388 273</b>	<b>2 492 131</b>

## 10 INCOME TAXES

	2020	2019
Income tax on main business operations	-40 962	-54 687
<b>Total</b>	<b>-40 962</b>	<b>-54 687</b>



## 11 ASSETS

### Intangible assets

<b>Intangible rights</b>	<b>2020</b>	<b>2019</b>
Acquisition cost, Jan 1	186 214	158 000
Increases	27 411	28 214
Decreases	0	0
Acquisition cost, Dec 31	213 625	186 214
Accumulated amortisation, Jan 1	-20 235	-3 950
Amortization for financial year	-19 518	-16 285
Accumulated amortisation Dec 31	-39 753	-20 235
<b>Carrying amount, Dec 31</b>	<b>173 872</b>	<b>165 979</b>
<b>Other long-term expenses</b>	<b>2020</b>	<b>2019</b>
Acquisition cost, Jan 1	23 898	23 898
Increases	1 130	0
Decreases	0	0
Acquisition cost, Dec 31	25 028	23 898
Accumulated amortisation, Jan 1	-1 950	0
Amortization for financial year	-2 439	-1 950
Accumulated amortisation, Dec 31	-4 389	-1 950
<b>Carrying amount, Dec 31</b>	<b>20 639</b>	<b>21 947</b>
<b>Total intangible assets</b>	<b>2020</b>	<b>2019</b>
Acquisition cost, Jan 1	210 112	181 898
Increases	28 541	28 214
Acquisition cost, Dec 31	238 653	210 112
Accumulated amortisation, Jan 1	-22 186	-3 950
Amortization for financial year	-21 957	-18 236
Accumulated amortisation, Dec 31	-44 142	-22 186
<b>Carrying amount, Dec 31</b>	<b>194 511</b>	<b>187 926</b>

## Tangible assets

<b>Machinery and equipment</b>	<b>2020</b>	<b>2019</b>
Acquisition cost, Jan 1	133 006	18 436
Increases	325 905	121 434
Decreases	0	-6 863
Acquisition cost, Dec 31	458 911	133 006
Accumulated depreciation, Jan 1	-22 532	-2 457
Accumulated depreciation on decreases	0	955
Depreciation for the financial year	-62 913	-21 030
Accumulated depreciation, Dec 31	-85 445	-22 532
<b>Carrying amount, Dec 31</b>	<b>373 466</b>	<b>110 475</b>
<b>Advance payments and purchases in progress</b>	<b>2020</b>	<b>2019</b>
Acquisition cost, Jan 1	0	0
Increases	112 456	0
Decreases	0	0
Acquisition cost, Dec 31	112 456	0
<b>Carrying amount, Dec 31</b>	<b>112 456</b>	<b>0</b>
<b>Total tangible assets</b>		
Acquisition cost, Jan 1	133 006	18 436
Increases	438 361	121 434
Decreases	0	-6 863
Acquisition cost, Dec 31	571 367	133 006
Accumulated depreciation, Jan 1	-22 532	-2 457
Accumulated depreciation on decreases	0	955
Depreciation for financial year	-62 913	-21 030
Accumulated depreciation, Dec 31	-85 445	-22 532
<b>Carrying amount, Dec 31</b>	<b>485 922</b>	<b>110 475</b>

## 12 INVENTORIES

	2020	2019
Raw materials and consumables	1 045 247	146 815
Work in progress	25 216	1
Finished goods	204 139	48 578
<b>Total</b>	<b>1 274 602</b>	<b>195 394</b>

## 13 RECEIVABLES

<b>Current receivables</b>	2020	2019
Receivables from others		
Trade receivables	720 398	275 651
Other receivables	188 108	53 499
Prepayments and accrued income	246 322	10 242
<b>Total</b>	<b>1 154 829</b>	<b>339 392</b>

Receivables from Group companies		
Trade receivables	100 713	13 643
Other receivables	2 500 000	400 000
<b>Total</b>	<b>2 600 713</b>	<b>413 643</b>

**Total current receivables** 3 755 541 753 034

<b>Accruals</b>	2020	2019
Accrued government grants	30 000	0
Costs paid in advance	203 599	0
Other accruals	12 723	10 242
<b>Accruals, total</b>	<b>246 322</b>	<b>10 242</b>

## 14 EQUITY

Changes in equity	2020	2019
Share capital, Jan 1	2 500	2 500
Share capital, Dec 31	2 500	2 500
Retained earnings, Jan 1	420 544	205 062
Retained earnings, Dec 31	420 544	205 062
Profit for the financial year	102 712	215 483
Total equity	525 757	423 044

The distributable assets total 523.256,84 €. 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.

## 15 APPROPRIATIONS

	2020	2019
Cumulative accelerated depreciation, Jan 1	10 021	2 152
Change in accelerated depreciation	111 727	7 869
Cumulative accelerated depreciation, Dec 31	121 748	10 021

## 16 PROVISIONS

	2020	2019
Provision for warranty expenses	60 738	0
Total	60 738	0

## 17 NON-CURRENT LIABILITIES

Loans from Group companies	2020	2019
Capital loan	3 400 000	0
Total	3 400 000	0

The capital loan may only be repaid if the company's restricted equity and other non-distributable items remain fully covered according to the balance sheet to be confirmed for the most recently ended financial year. Interest may be paid only if the amount to be paid can be used for profit distribution according to the balance sheet to be established for the most recently ended financial year. The Loan is unsecured.

## 18 CURRENT LIABILITIES

### Current liabilities

Debts to others	2020	2019
Trade payables	488 156	134 730
Advances received	226 649	0
Other payables	62 562	32 779
Accrued liabilities	618 104	219 038
<b>Total</b>	<b>1 395 471</b>	<b>386 547</b>

Debts to Group companies		
Trade payables	728 324	497 996
<b>Total</b>	<b>728 324</b>	<b>497 996</b>

**Total current liabilities** 2 123 795 884 543

Accrued liabilities	2020	2019
Liabilities allocated to the period relating to staff costs	460 127	204 991
Costs allocated to the period	17 956	12 236
Tax liabilities	40 962	1 812
Other accruals	99 060	0
<b>Total</b>	<b>618 104</b>	<b>219 038</b>

## 19 COMMITMENTS AND CONTINGENCIES

Amount payable under leases	2020	2019
Due for payment in next financial year	571 115	199 985
Due for payment at a later date	524 179	101 636
<b>Total</b>	<b>1 095 294</b>	<b>301 621</b>

## Signatures of the financial statements

Lahti, 26th of March 2021

Antti Kemppi  
Chairman of the Board

Teresa Kemppi-Vasama  
Member of the Board

Katri Sahlman  
Member of the Board

Ville Vuori  
Member of the Board

Tero Era  
Member of the Board

Juha-Pekka Helminen  
Member of the Board

Tomi Ristimäki  
Managing Director

## Auditor's note

A report on the audit carried out has been submitted today

Lahti, 26th of March 2021

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 Analyte 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