



# Krogius Scandinavia ApS

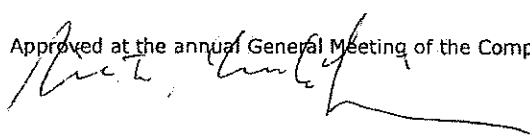
*Lindevangs Alle 6, 1. 2000 Frederiksberg*

**Company reg. no.: 20042680**

**Annual report  
1<sup>st</sup> January – 31<sup>st</sup> December 2016**

(4<sup>th</sup> Financial year)

Approved at the annual General Meeting of the Company on \_\_\_\_/\_\_\_\_/2017

  
\_\_\_\_\_  
Chairman of the meeting  
Risto Erkki Ilman Kurki-Suonio

**TABLE OF CONTENTS**

---

**Statements and reports**

Management's statement	3
Independent auditor's report	4

**Management commentary and other company details**

Company information	7
Management commentary	8

**Financial statements 1 January – 31 December 2016**

Accounting policies	9
Income statement	12
Balance sheet	13
Notes	14

## MANAGEMENT'S STATEMENT

---

Today the Executive Board has discussed and approved the Annual Report of Krogius Scandinavia ApS for the period 1<sup>st</sup> January – 31<sup>st</sup> December 2016.

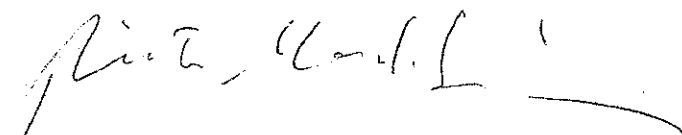
The Annual Report has been prepared in conformity with the Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. December 2016 and of its financial performance for the period 1 January – 31 December 2016.

We recommend that the Annual General Meeting approve the Annual Report.

Frederiksberg, / 2017

Management



✓ Risto Erkki Ilman Kurki-Suonio

## **INDEPENDENT AUDITOR'S REPORT**

---

### **To the shareholders of Krogius Scandinavia ApS**

#### **Opinion**

We have audited the Financial Statements for the period 1 January - 31 December 2016, which comprise Income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company operations for the period 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter**

Without affecting our conclusion, we draw attention to the notes that outline conditions to be met in order to continue operations. Management's assessment that conditions can be met and report accordingly the financial statements assuming its continued operation.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

## **INDEPENDENT AUDITOR'S REPORT**

---

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on Management commentary**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

**INDEPENDENT AUDITOR'S REPORT**

---

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

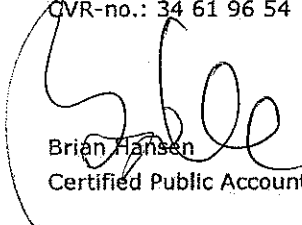
Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management's Review.

Frederiksberg, <sup>28</sup>/12 2017

**Revision København**

Certified Public Accountants (Ltd.)

CVR-no.: 34 61 96 54



Brian Hansen

Certified Public Accountant FSR - Danske Revisorer

## **COMPANY INFORMATION**

---

The Company	Krogius Scandinavia ApS Lindevangs Alle 6, 1. 2000 Frederiksberg  CVR-no.: 20 04 26 80 Financial year: 1. January - 31. December
Executive board	Risto Erkki Ilman Kurki-Suonio
Bank	Nordea
Accountant	Revision København Godkendt Revisionspartnerselskab Nimbusparken 24, 3. 2000 Frederiksberg
Main activity	The company's purpose is to inspect and validate damages for third parties and perform all related activities, including acting as agents for Danish and foreign insurance companies.

## **MANAGEMENT COMMENTARY**

---

### **Main activities of the Company**

As in previous years, the main activities of the Company were is to inspect and validate damages for third parties and perform all related activities, including acting as agents for Danish and foreign insurance companies.

### **Unusual circumstances**

There have not been any significant events during the financial year, which has been of considerable importance, that it has to be mentioned in the management's review.

Disclosure related to the company's revenue are omitted due to competitive considerations.

### **Uncertainty connected with recognition or measurement**

During the financial year there has not been ascertained any considerable uncertainty connected with recognition or measurement.

### **Development in the activities and the financial situation of the Company**

The company has continued its operations and has presented an unsatisfactory result, and therefore reduces the company's equity.

The Company's status as a going concern depends on the willingness of the bank and other external creditors to continue making available the capital required. We expect this to be the case. Reference is made to note one of the financial statements.

The Company has lost more than half of the share capital, but expects to restore its capital through earnings.

### **Material events after the reporting date**

No events have occurred after the reporting date that may materially affect the financial position of the company.



## **ACCOUNTING POLICIES**

---

### **GENERAL INFORMATION**

The financial statements of Krogius Scandinavia ApS for the financial year 2015 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

#### **Recognition and measurement in general**

The financial statements have been prepared under the historical cost convention.

Income is recognized in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortized cost are also recognized in the income statement. Costs incurred to generate the earnings for the year are also recognized in the income statement, including amortization, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognized in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Certain financial assets and liabilities are measured at amortized cost, whereby a constant effective interest rate is recognized over the life of the individual asset or liability. Amortized cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortization of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

## ACCOUNTING POLICIES

---

### INCOME STATEMENT

#### General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

#### Gross profit

Gross profit is a combination of the items of 'Revenue' and 'Other external costs'.

#### Revenue

Revenue from the sale of finished goods is recognized in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognized exclusive of VAT and net of sales discounts.

#### Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

#### Staff costs

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

#### Financial income and expenses

Financial income and expenses are recognized in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realized and unrealized capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognized as income in the financial year in which the dividends are declared.

#### Extraordinary income and expenses

Extraordinary income and expenses include income and expenses attributable to events or transactions that are clearly distinct from the ordinary operations and are expected to be non-recurring.

#### Tax on net profit for the year

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognized in the income statement, and the share attributable directly to equity is recognized directly in equity.

## **ACCOUNTING POLICIES**

---

### **BALANCE SHEET**

#### **Deposits**

Deposits are measured at cost.

#### **Receivables**

Receivables are measured at amortized cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

#### **Contract work in progress**

Contract work in progress is measured at the selling price of work carried out. The selling price is measured by reference to the stage of completion at the reporting date and total expected income from the work in progress.

Where it is difficult to determine a reliable selling price, the selling price is measured at the lower of costs incurred and the net realizable value.

Work in progress is recognized in the balance sheet under receivables or payables depending on the net value of the selling price less billings on account and prepayments.

Advertising and promotional costs and costs of negotiating contracts are expensed when incurred.

#### **Corporate income tax and deferred tax**

Current tax liabilities and current tax receivables are recognized in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on the taxable income for previous years and for prepaid taxes.

Deferred tax is measured using the balance-sheet liability method on any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the relevant asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated realizable values, either by elimination in tax on future earnings or by being offset against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realizable values.

#### **Payables**

Financial liabilities are recognized initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between proceeds and nominal value is recognized in the income statement over the life of the financial instrument(s).

**INCOME STATEMENT 1. JANUARY - 31. DECEMBER 2016**

	2016 kr.	2015 kr.
<b>GROSS PROFIT</b>	<b>602.859</b>	<b>569.029</b>
2 Staff costs	-826.060	-839.757
<b>OPERATING PROFIT OR LOSS</b>	<b>-223.201</b>	<b>-270.728</b>
Other financial income	20.176	25.108
Financial expenses arising from Group enterprises	-81.058	-80.522
Other financial expenses	-21.992	-39.066
<b>PROFIT OR LOSS BEFORE EXTRAORDINARY ITEMS</b>	<b>-306.075</b>	<b>-365.208</b>
Extraordinary income	0	107.745
Extraordinary expenses	-70.762	0
<b>PROFIT OR LOSS BEFORE TAX</b>	<b>-376.837</b>	<b>-257.463</b>
3 Tax on net profit for the year	0	-187.661
<b>PROFIT OR LOSS FOR THE YEAR</b>	<b>-376.837</b>	<b>-445.124</b>
<b>PROPOSED DISTRIBUTION OF NET PROFIT</b>		
Retained earnings	-376.837	-445.124
<b>SETTLEMENT OF DISTRIBUTION TOTAL</b>	<b>-376.837</b>	<b>-445.124</b>

**BALANCE SHEET AT 31. DECEMBER 2016 ASSETS**

	2016 kr.	2015 kr.
Deposits	6.585	29.263
<b>Investments</b>	<b>6.585</b>	<b>29.263</b>
<b>NON-CURRENT ASSETS</b>	<b>6.585</b>	<b>29.263</b>
Trade receivables	925.174	705.491
4 Contract work in progress	300.145	362.246
Receivables from group enterprises	36.593	51.615
Other receivables	60.948	181.295
Deferred tax asset	0	0
Accruals	0	1.684
<b>Receivables</b>	<b>1.322.860</b>	<b>1.302.331</b>
<b>Cash</b>	<b>113.056</b>	<b>217.086</b>
<b>CURRENT ASSETS</b>	<b>1.435.916</b>	<b>1.519.417</b>
<b>ASSETS</b>	<b>1.442.501</b>	<b>1.548.680</b>

**BALANCE SHEET AT 31. DECEMBER 2016 EQUITY AND LIABILITIES**

	2016 kr.	2015 kr.
Contributed capital	125.000	125.000
Retained earnings	-3.170.328	-2.793.491
<b>5 EQUITY</b>	<b>-3.045.328</b>	<b>-2.668.491</b>
Credit institutions	13	0
Trade creditors	757.953	788.916
Amounts owed to group enterprises	3.603.855	3.305.461
Other accounts payable	126.008	122.794
<b>Short-term payables</b>	<b>4.487.829</b>	<b>4.217.171</b>
<b>PAYABLES</b>	<b>4.487.829</b>	<b>4.217.171</b>
<b>EQUITY AND LIABILITIES</b>	<b>1.442.501</b>	<b>1.548.680</b>

6 Charges and securities

7 Related parties

**NOTES**

	2016 kr.	2015 kr.
<b>1 Uncertainty regarding the going concern status</b>		
There is considerable uncertainty regarding the going concern status of the enterprise. The management declares that their debt stands behind all external creditors, and the financial statements have accordingly been prepared using the going concern assumption.		
Management's assessment that conditions can be met and report accordingly the financial statements assuming its continued operation.		
It is the management's assessment, that the parent company is liable for the company's debts and that the necessary liquidity will be supported, so the company is able to continue its operations for the next 12 to 18 months.		
<b>2 Staff costs</b>		
Number of people employed	2	2
Wages and salaries	797.648	820.797
Other social security costs	28.412	18.960
	<b>826.060</b>	<b>839.757</b>
<b>3 Tax on net profit for the year</b>		
Write down tax asset	0	187.661
	<b>0</b>	<b>187.661</b>
<b>4 Contract work in progress</b>		
Contract work in progress	300.145	362.246
	<b>300.145</b>	<b>362.246</b>

**NOTES**

	Opening balance	Proposed distribution of net profit	Closing balance
<b>5 Equity</b>			
Contributed capital	125.000	0	125.000
Retained earnings	-2.793.491	-376.837	-3.170.328
	<b>-2.668.491</b>	<b>-376.837</b>	<b>-3.045.328</b>

The share capital is divided as follows:

125 shares of nom. DKK 1.000	-125.000
	<b>-125.000</b>

**6 Charges and securities**

The company has from previous years a tax asset of DKK 231.882 and by year-end 2016 a total of DKK 314.666. As the tax asset no longer meets the requirements for recognition, as well as the justified uncertainty about future utilization, the tax asset has been written down to a total of DKK 0.

**7 Related parties**

According to the company's list of shareholders, the following shareholders own a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

OY Lars Krogius AB, Finland  
Sörnäisten rantatie 25  
00500 Helsinki  
Finland