

VAPO A/S

c/o Damgaard & Enevoldsen
Pugdølsvænget 2
7480 Vildbjerg

CVR no. 29 15 27 72

Annual report 2018

The annual report was presented and approved at
the Company's annual general meeting on

16 April 2019

Heikki Heiskanen
chairman

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VAPO A/S
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of VAPO A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Vildbjerg, 12 April 2019
Executive Board:

Erik Nieminen

Board of Directors:

Heikki Paavo Heiskanen
Chairman

Jan-Juhani Laitinen

The independent auditor's extended review report on the financial statements

To the shareholder of VAPO A/S

Conclusion

We have performed an extended review of the financial statements of VAPO A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, it is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibility for the extended review of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable 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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review comprises procedures primarily consisting of making enquiries of Management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on these financial statements.



The independent auditor's extended review report on the financial statements

Statement on the Management's review

Management is responsible for Management's Review.

Our conclusion 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 extended review 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.

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 Statements Act. We did not identify any material misstatement of Management's Review.

Aarhus, 12 April 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jakob Westerdahl
State Authorised
Public Accountant
mne31449

VAPO A/S
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Management's review

Company details

VAPO A/S
c/o Damgaard & Enevoldsen
Pugdølsvænget 2
7480 Vildbjerg

Telephone: +45 97 13 11 11
E-mail: vapo@vildbjerg.dk

CVR no.: 29 15 27 72
Established: 24 October 2005
Registered office: Herning
Financial year: 1 January – 31 December

Board of Directors

Heikki Paavo Heiskanen, Chairman
Jan-Juhani Laitinen

Executive Board

Erik Nieminen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's review

Operating review

Principal activities

The Company's principal activity consists of rental property.

Development in activities and financial position

Profit/loss for the year

The Company reported a profit of DKK 215 thousand for the year under review as against a loss of DKK 132 thousand for 2017.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Vapo A/S is expected to be merged with Vapo OY, Finland. The merger is expected to be approved at the General Meeting by the end of April 2019.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2018	2017
Gross profit		581,015	1,036,095
Staff costs	2	0	-294,108
Depreciation, amortisation and impairment		<u>-361,605</u>	<u>-871,262</u>
Operating profit/loss		219,410	-129,275
Financial expenses		<u>-4,049</u>	<u>-2,536</u>
Profit/loss before tax		215,361	-131,811
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>215,361</u>	<u>-131,811</u>
Proposed profit appropriation/distribution of loss			
Retained earnings		<u>215,361</u>	<u>-131,811</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2018	31/12 2017
ASSETS			
Fixed assets			
Property, plant and equipment	3		
Land and buildings		0	7,087,876
Plant and machinery		0	57,672
		0	7,145,548
Total fixed assets		0	7,145,548
Current assets			
Receivables			
Receivables from group entities		53,500,000	46,405,428
Other receivables		68,632	17,082
		53,568,632	46,422,510
Cash at bank and in hand		292,326	77,308
Total current assets		53,860,958	46,499,818
TOTAL ASSETS		53,860,958	53,645,366
EQUITY AND LIABILITIES			
Equity			
Contributed capital		2,000,000	2,000,000
Retained earnings		51,539,905	51,324,545
Total equity		53,539,905	53,324,545
Liabilities			
Current liabilities			
Trade payables		248,055	247,823
Other payables		72,998	72,998
		321,053	320,821
Total liabilities		321,053	320,821
TOTAL EQUITY AND LIABILITIES		53,860,958	53,645,366
Related party disclosures	4		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of VAPO A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Property, plant and equipment and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue is recognised in the income statement and consists of income from rental property. Revenue is recognised exclusive of VAT.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding refunds from public authorities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings as well as plant and machinery are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	25 years
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The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK	2018	2017
Wages and salaries	0	292,947
Other social security costs	0	1,161
	0	294,108

The Company did not any employees this year and last year.

3 Land and buildings

The Company has sold its land and buildings with 31 May 2018 as the date of transfer.

4 Related party disclosures

Vapo A/S is part of the consolidated financial statements of Vapo Oy, Yrjönkatu 42, FI-40101 Jyväskylä, Finland, which is the smallest group in which the Company is included as a subsidiary.

5 Contingent assets

The Company has a unrecognised deferred tax asset of DKK 12,490 thousand. The amount is primarily attributable to tax loss carryforwards.