

Palmu Denmark ApS

Weidekampsgade 6

2300 København S

Central Business Registration No

29619735

Annual report 2016

The annual general meeting adopted the annual report on 03.03.2017

Dirigent

Name: Peter Patrick Barkmann

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Entity details

Entity

Palmu Denmark ApS
Weidekampsgade 6
2300 København S

Central Business Registration No: 29619735

Registered in: København

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Jussi Antinpoika Olkkonen
Peter Patrik Barkman, chairman

Executive Board

Jussi Antinpoika Olkkonen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Palmu Denmark ApS for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Helsinki, 03.03.2017

Executive Board

Jussi Antinpoika Olkkonen

Board of Directors

Jussi Antinpoika Olkkonen

Peter Patrik Barkman
chairman

Independent auditor's report

To the shareholders of Palmu Denmark ApS

Opinion

We have audited the financial statements of Palmu Denmark ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

Material uncertainty related to going concern

The entity has lost its equity and is at the present not able to meet its financial obligations. We refer to the notes on page 11 in which appears that the parent company, Palmu Group OY, has guaranteed that it will provide the necessary liquidity up until 31.12.2017 so the entity can meet its obligations as they fall due. As a consequence the financial statements has been prepared in accordance with the going concern condition.

Emphasis of matter regarding circumstances in the financial statements

The parent company, Palmu Group OY, Finland, has cancelled its receivable from Palmu Denmark ApS in accordance with the Danish Financial Statements Act, the amount has been recognized as equity.

Management's responsibilities 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 as 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 in the aggregate, 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent auditor's report

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 03.03.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Sten Peters
State-Authorised Public Accountant

Anders Lillelund
State-Authorised Public Accountant

Management commentary

Primary activities

The company's primary activity is to act as a consultant within service design.

Development in activities and finances

The company's income statement shows a minor deficit for 2016 which is expected by management.

Due to accumulating deficits in prior years, the company has lost its equity and is unable to honor its current financial obligations. As a consequence the parent company, Palmu Group OY, has guaranteed that it will provide the necessary liquidity up until 31.12.2017 as mentioned on page 11.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Gross loss		(28.782)	(40.539)
Staff costs	2	65.343	0
Operating profit/loss		36.561	(40.539)
Other financial income		(1.742)	13.941
Profit/loss for the year		34.819	(26.598)
Proposed distribution of profit/loss			
Retained earnings		34.819	(26.598)
		34.819	(26.598)

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Cash		<u>33.836</u>	<u>40.018</u>
Current assets		<u>33.836</u>	<u>40.018</u>
Assets		<u>33.836</u>	<u>40.018</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital	3	100.000	100.000
Retained earnings		<u>(186.504)</u>	<u>(813.346)</u>
Equity		<u>(86.504)</u>	<u>(713.346)</u>
Trade payables		0	3.055
Payables to group enterprises		0	559.523
Payables to shareholders and management		82.437	82.437
Other payables		<u>37.903</u>	<u>108.349</u>
Current liabilities other than provisions		<u>120.340</u>	<u>753.364</u>
Liabilities other than provisions		<u>120.340</u>	<u>753.364</u>
Equity and liabilities		<u>33.836</u>	<u>40.018</u>
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Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100.000	(813.346)	(713.346)
Other equity postings	0	592.023	592.023
Profit/loss for the year	0	34.819	34.819
Equity end of year	100.000	(186.504)	(86.504)

“Other equity postings” relates to the cancellation of debt from the parent company, Palmu Group OY, Helsinki Finland.

Notes

1. Going concern

The company has lost its equity and is unable to honour its current financial obligations. As a consequence the parent company, Palmu Group OY, has guaranteed that it will provide the necessary liquidity up until 31.12.2017 so the entity can meet its obligations as they fall due. As a consequence the financial statements have been prepared in accordance with the going concern condition.

	2016	2015
	DKK	DKK'000
2. Staff costs		
Wages and salaries	(65.343)	0
	(65.343)	0

	Number	Par value	Nominal
		DKK	value
			DKK
3. Contributed capital			
Ordinary shares	1.000	100	100.000
	1.000		100.000

4. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Palmu Group OY, Helsinki Finland

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year. balancedag.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Accounting policies

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Pre-payment Scheme etc.

Balance sheet

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.