

KE Holding Oy  
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**KE Holding Oy**  
**PARENT COMPANY**  
**FINANCIAL STATEMENTS**  
**CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**1 January 2017–**  
**31 December 2017**

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## **REPORT OF THE BOARD OF DIRECTORS 2017**

### **Material events during the financial year**

The Company's revenue for the year 2017 amounted to EUR 480 thousand (EUR 480 thousand for 2016). The revenue consisted of services provided to the Group companies.

The Company operates as the parent company of the Group, and it holds 100% of the shares in Kreate Oy.

In 2017, Kreate Oy acquired 100% of the share capital of Railtek Oy Insa and Railtek Oy Rata. The acquired companies are included in the consolidated financial statements as of 1 August 2017.

Kreate Oy holds 50% of the shares in KFS Finland Oy. In 2017, KFS Finland Oy acquired 100% of the share capital of Sotkamon Porapaalu Oy. Sotkamon Porapaalu is included in the consolidated financial statements as of 3 July 2017.

The Group's revenue amounted to EUR 149.3 million in 2017 (EUR 181.6 million in 2016). The most significant factor for the decrease was the smaller number of projects implemented in industrial construction.

In 2017, Kreate Oy decided to provide a group contribution to KE Holding Oy.

### **Restructuring and financing arrangements**

During the financial year, the Group has strengthened its competencies with business acquisitions. Kreate Oy acquired the entire share capital of Railtek Oy Insa and Railtek Oy Rata during the year. During the period, the joint venture KFS Finland Oy acquired Sotkamon Porapaalu Oy.

In addition to the share capital, KE Holding Oy's business operations are financed with investments from the reserve for invested unrestricted equity, capital loans and external loans from financial institutions.

The Company issued a total of 1,450,304 new shares based on share issue resolutions made during the financial year. The shares have been subscribed for and registered.

The shares were issued to the Group's key employees and strategic shareholders in deviation from the pre-emptive subscription rights of the shareholders. The purpose of the share issues was to strengthen the Company's capital structure and expand the Company's ownership base, as well as to motivate key employees of the Company and the Group companies and commit them to the Group's business operations. As such, there existed a weighty financial reason for the Company to deviate from the pre-emptive subscription rights of the shareholders referred to in chapter 9, section 4, subsection 1 of the Limited Liability Companies Act.

### **Material events after the end of the financial year**

On 3 April 2018, Kreate Oy, which is owned by KE Holding, signed an agreement on the acquisition the business operations of Varkauden Louhinta Oy.

### Estimate on likely future development

The Group's revenue is estimated to increase in 2018 from the level in 2017. The government's measures are estimated to support the development of the Group's volume and profitability. However, the market conditions are expected to remain tight. The number of offered construction sites is on a good level.

### Review of the scope and extent of research and development activities

In 2017, the Group's development activities focused on the continuation of the efforts aiming to harmonise the Group's operating methods. The Group's development work is estimated to be four FTE years.

### Estimate on the most significant risks and uncertainties in the business operations

The Group's most significant risks relate to the profitability of the implemented construction projects. The risks are aimed to be identified in the tendering phase according to the risk reviews and careful tender calculations included in the management system. The Group prepares for risks during the construction period by monitoring costs and estimating the outcome of the projects continuously.

The Group prepares for financial risks by controlling the level of working capital tied in the operating activities, as well as by utilising adequate credit limits for working capital and other financing buffers.

The Group prepares for liability risks related to construction projects by operating according to the management system and ultimately, with adequate liability insurances. Risks related to assets are covered with property insurances.

### Review and key figures of the financial position and result, as well as other factors impacting the development of the business

The following key figures reflect the **Group's** result and financial position:

	2017	2016
EUR million		
Revenue	149.3	181.6
Earnings before interests, taxes, depreciations and amortisations (EBITDA)	7.0	5.3
EBITDA (%)	4.7%	2.9%
Operating profit before amortisation of goodwill	4.7	3.4
Operating profit before amortisation of goodwill (%)	3.1%	1.8%
Operating profit	0.6	-0.2
Operating profit (%)	0.4%	-0.1%
Profit/Loss for the financial year	-3.2	-3.5
Profit/Loss for the financial year (%)	-2.2%	-1.9%
Equity ratio (%)*	39.1%	31.4%

*\*Capital loans, vendor loans granted by the shareholders to the Company and the unpaid interest on these loans are classified as equity when calculating the equity ratio for the Group.*

The following key figures reflect the **parent company's** result and financial position:

	2017	2016
EUR 1,000		
Revenue	480	480
EBITDA	273	-37
Operating profit	269	-40
Equity ratio (%)*	63.5%	46.8%

*\*Capital loans, vendor loans granted by the shareholders to the Company and the unpaid interest of these loans are classified as equity when calculating the parent company's equity ratio.*

## Employees

Key figures reflecting the **Group's** employees:

	2017	2016
Average number of employees during the financial year	278	286
Wages, salaries and fees during the financial year (EUR million)	16.6	16.2

Key figures of the **parent's** employees:

	2017	2016
Average number of employees during the financial year	1	2
Wages, salaries and fees during the financial year (EUR 1,000)	72	323

## Environmental issues

Activities are planned and carried out at the Group's working sites taking into account the requirements of the customer and the authorities, as well as the environmental impact of the operations. Operations are driven by the management system. As a rule, the customer prepares the environmental documents in civil engineering projects. The Group plans in its own operations matters relating to, for example, storage and handling of fuels and lubricants and work stages requiring specific permits (activities causing noise, dust, vibration, settling of structures and changes in ground water level). No significant environmental damage occurred in 2017.

### **The Board of Directors' proposal for the distribution of the Company's profit and other unrestricted equity**

The Company's distributable funds amount to EUR 6,386,022.27. The Board of Directors proposes to the General Meeting of the shareholders that no dividend is distributed.

### **The Company's shares**

The total number of the Company's shares was 6,797,220 on the balance sheet date. Each share carries equal rights to dividends and the Company's assets.

### **The Company's organisation, management and auditors**

During the year, the members of the Board of Directors were Petri Rignell, Ronnie Neva-aho, Timo Kohtamäki, Janne Näränen and Vesa Uotila. The Chairman of the Board was Janne Näränen until 25 August 2017, and after that, Petri Rignell.

The Company's auditor was Ernst & Young Oy, a firm of Authorised Public Accountants, with Mikko Ryttilähti (Authorised Public Accountant, KHT) acting as the principal auditor.

### **Consolidated income statement**

	<b>1 Jan 2017–31 Dec 2017</b>		<b>1 Jan 2016–31 Dec 2016</b>	
<b>REVENUE</b>	<b>149,258,454.04</b>		<b>181,631,965.05</b>	
Other operating income	139,399.51		123,809.10	
Materials and services				
Materials, supplies and goods				
Purchases during the financial year	31,066,252.07		33,181,525.36	
Increase (–) or decrease (+) in inventories	-12,239.24		-764,625.06	
External services	<u>83,212,308.63</u>		<u>115,887,217.57</u>	
	114,266,321.46		148,304,117.87	
Employee expenses				
Wages, salaries and fees	16,611,252.22		16,214,711.61	
Social security expenses				
Pension expenses	2,668,791.15		3,467,321.10	
Other social security expenses	<u>783,775.81</u>		<u>860,705.06</u>	
	20,063,819.18		20,542,737.77	
Depreciation, amortisation and impairment				
Depreciation and amortisation according to plan	2,349,825.31		1,954,568.46	
Amortisation of consolidated goodwill	4,038,589.71		3,567,637.74	
	6,388,415.02		5,522,206.20	
Other operating expenses	<u>8,039,079.72</u>		<u>7,598,670.95</u>	
<b>OPERATING PROFIT/-LOSS</b>	<b>640,218.17</b>		<b>-211,958.64</b>	
Financial income and expenses				
From others	264,440.45		2,606.43	
To others (–)	-3,643,713.81	-3,379,273.36	-3,049,459.13	-3,046,852.70
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>-2,739,055.19</b>		<b>-3,258,811.34</b>	
Income taxes				
Taxes for the financial year (–)	<u>-501,372.66</u>		<u>-274,301.56</u>	
<b>PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b><u>-3,240,427.83</u></b>		<b><u>-3,533,112.90</u></b>	

## Consolidated balance sheet

	31 Dec 2017	31 Dec 2016
<b>Assets</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Intangible rights	392,120.57	249,854.68
Consolidated goodwill	33,022,139.64	25,986,182.71
Other non-current expenditures	<u>113,675.27</u>	<u>92,305.01</u>
	33,527,935.48	26,328,342.40
Tangible assets		
Land and water areas		
Owned	<u>886,576.23</u>	<u>885,649.23</u>
Buildings and structures	886,576.23	885,649.23
Owned	<u>2,278,574.93</u>	<u>1,946,592.88</u>
	2,278,574.93	1,946,592.88
Machinery and equipment	7 720 568,17	4 476 179,08
Other tangible assets	749,615.94	905,222.73
Prepayments and acquisitions in progress	<u>275,096.94</u>	<u>10,463.19</u>
	11,910,432.21	8,224,107.11
Investments		
Other shares	<u>117,906.46</u>	<u>117,906.46</u>
	117,906.46	117,906.46
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>45,556,274.15</u></b>	<b><u>34,670,355.97</u></b>
<b>CURRENT ASSETS</b>		
Inventory		
Materials and supplies	<u>138,152.42</u>	<u>89,301.23</u>
Non-current receivables	138,152.42	89,301.23
Other receivables	<u>35,862.64</u>	<u>20,426.14</u>
Current receivables	35,862.64	20,426.14
Trade receivables	15,585,574.91	20,001,124.42
Loan receivables	3,620.00	0.00
Deferred tax assets	0.00	4.85
Other receivables	715,084.47	15,205.25
Accrued income	<u>6,373,756.46</u>	<u>12,052,911.08</u>
	22,678,035.84	32,069,245.60
Investments		
Other securities	<u>2,400.00</u>	<u>2,400.00</u>
	2,400.00	2,400.00
Cash and bank deposits	<u>6,474,801.16</u>	<u>3,320,917.91</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>29,329,252.06</u></b>	<b><u>35,502,290.88</u></b>
<b>Total assets</b>	<b><u>74,885,526.21</u></b>	<b><u>70,172,646.83</u></b>

**Consolidated  
balance sheet**

**31 Dec 2017**

**31 Dec 2016**

**Equity and liabilities**

**EQUITY**

Share capital	2,500.00	2,500.00
Other reserves		
Reserve for invested unrestricted equity	7,197,395.02	5,396,794.84
Fair value reserve	0.00	-243,516.00
	<u>7,197,395.02</u>	<u>5,153,278.84</u>
Retained earnings	-4,373,841.06	-840,744.79
Profit/loss for the financial year	-3,240,427.83	-3,533,112.90
<b>TOTAL EQUITY</b>	<u>-414,373.87</u>	<u>781,921.15</u>
<b>PROVISIONS</b>		
Other provisions	462,512.23	1,397,691.05
<b>TOTAL PROVISIONS</b>	<u>462,512.23</u>	<u>1,397,691.05</u>

**LIABILITIES**

Non-current		
Capital loans	24,323,834.66	17,696,220.15
Loans from financial institutions	18,023,085.99	16,002,813.46
Other liabilities	1,700,000.00	1,700,000.00
Accrued liabilities	0.00	172,371.00
	<u>44,046,920.65</u>	<u>35,571,404.61</u>
Current		
Loans from financial institutions	2,806,834.87	9,643,347.96
Advance payments received	102,857.19	345,000.00
Trade payables	10,095,622.37	7,213,240.96
Other liabilities	1,891,823.24	3,431,375.32
Accrued liabilities	15,893,329.52	11,788,665.77
	<u>30,790,467.19</u>	<u>32,421,630.01</u>
<b>TOTAL LIABILITIES</b>	<u>74,837,387.84</u>	<u>67,993,034.62</u>

**Total equity and liabilities**

**74,885,526.21**

**70,172,646.83**



## **Consolidated cash flow statement**

	<b>1 Jan 2017–31 Dec 2017</b>	<b>1 Jan 2016–31 Dec 2016</b>
<b>Cash flow from operating activities:</b>		
Sales proceeds	162,089,692.35	172,207,296.25
Proceeds from other operating income	139,399.51	123,809.10
Payments for other operating expenses (–)	<u>-142,919,267.72</u>	<u>-175,457,649.89</u>
Cash flow before financial items and taxes	19,309,824.14	-3,126,544.54
Interest paid and payments for other financial expenses of operating activities (–)	-1,878,161.98	-3,353,758.21
Interest received in operating activities	264,440.45	306,905.51
Direct taxes paid (–)	<u>157,455.27</u>	<u>-274,301.56</u>
Cash flow before extraordinary items	<u>17,853,557.89</u>	<u>-6,447,698.79</u>
<b>Cash flow from operating activities</b>	<b>17,853,557.89</b>	<b>-6,447,698.79</b>
<b>Cash flow from investing activities:</b>		
Capital expenditure in tangible and intangible assets (–)	-3,676,805.41	-1,558,525.35
Sales proceeds from tangible and intangible assets	716,296.77	1,370,141.02
Acquired shares in subsidiaries	-11,446,999.91	0.00
Acquired shares in associated companies	<u>-2,449,981.81</u>	<u>0.00</u>
<b>Cash flow from investing activities</b>	<b>-16,857,490.36</b>	<b>-188,384.33</b>
<b>Cash flow from financing activities:</b>		
Increase in equity against consideration	1,899,900.18	134,996.48
Acquisition of treasury shares (–)	-99,300.00	0.00
Drawdown of current loans	185,380.14	0.00
Repayment of current loans (–)	-6,585,779.10	0.00
Drawdown of non-current loans	24,627,614.51	6,175,704.71
Repayment of non-current loans (–)	<u>-17,870,000.00</u>	<u>-3,067,181.85</u>
<b>Cash flow from financing activities</b>	<b>2,157,815.73</b>	<b>3,243,519.35</b>
<b>Change of cash, increase (+) / decrease (–)</b>	<b>3,153,883.25</b>	<b>-3,392,563.76</b>
<b>Cash at the beginning of the financial year</b>	<b>3,323,317.91</b>	<b>6,715,881.69</b>
<b>Cash at the end of the financial year</b>	<b>6,477,201.16</b>	<b>3,323,317.91</b>

## ***Accounting principles applied in the consolidated financial statements***

### **Valuation and recognition principles and methods**

#### *Valuation of non-current assets*

Intangible and tangible assets are measured on the balance sheet at cost less accumulated depreciation/amortisation according to plan. The cost includes the variable costs of the purchase and production. The depreciation/amortisation plan is based on maximum depreciation/amortisation levels allowed for taxation purposes.

Depreciation and amortisation periods:

Earth material areas usage method of depreciation

Other non-current expenditures 4 years straight-line

Buildings 4–7% reducing balance

Constructions 20 % reducing balance

Machinery and equipment 25% reducing balance

Trucks/traffic licenses: degressive straight-line amortisation

(Act on the Taxation of Business Income, Section 33, Sub-section 3)

Other tangible assets 10 years straight-line

Consolidated goodwill 10 years

Costs of non-current assets with a probable useful life of less than 3 years and small purchases (under EUR 850.00) are recognised in full as expenses for the financial year in which the purchase took place.

Associated company: the depreciation/amortisation plan of KFS Finland Oy is based on straight-line depreciation/amortisation over 4–8 years. For the Group figures, the depreciation/amortisation has been adjusted to correspond to the Group's depreciation/amortisation plan which is based on the maximum depreciation/amortisation levels allowed for taxation purposes.

#### *Valuation of inventories*

Inventories are measured on the balance sheet in accordance to the FIFO principle at the lowest of cost, replacement cost and probable selling price. In addition to the variable costs, the cost of inventory includes their share of fixed costs of sourcing and production. Similar raw materials and supplies with a low cost included in the inventories are recorded in the balance sheet using the same monetary value from year to year.

#### *Revenue accruals*

Revenue for work in progress on the balance sheet date is recognised based on the stage of completion.

### **Comparability of the figures for the previous period**

Expenses and income attributable to the current year are taken into account in the accruals.

On 3 July 2017, KFS Finland Oy acquired the entire share capital of Sotkamon Porapaalu Oy.

On 1 August 2017, Kreate Oy acquired the entire share capital of Railtek Oy Insa and Railtek Oy Rata.

### **Items in foreign currencies**

Receivables and payables in foreign currencies have been translated into euro using the exchange rates prevailing on the balance sheet date.

### **Accounting principles applied to the cash flow statement**

The cash flow statement has been prepared according to the general guidelines of the Accounting Board (30 January 2007).

### ***Scope of the consolidated financial statements***

The consolidated financial statements include all Group companies and associated companies.

### ***Internal shareholding***

The consolidated financial statements have been prepared according to the acquisition method. The difference between the cost of subsidiaries and the amount of equity allocated to the acquired assets is presented in full as consolidated goodwill. Consolidated goodwill is amortised over 10 years, as the acquisition of subsidiaries is a strategic measure where achievement of permanent synergies in the long term is considered as the most significant factor.

**Notes to the consolidated income statement****Revenue**

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Revenue	149,258,454.04	181,631,965.05
Amount recognised for the year and during the previous years based on the stage of completion from long-term projects that have not been handed over to customers	221,847,343.50	209,797,239.00
Unrecognised revenue from long-term projects	122,047,478.50	71,847,076.00

**Other operating income**

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Other income	139,399.51	123,809.10

**Materials and services**

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Materials and supplies		
Purchases during the financial year	31,066,252.07	33,181,525.36
Change in inventories	-12,239.24	-764,625.06
External services	83,212,308.63	115,887,217.57
	<u>114,266,321.46</u>	<u>148,304,117.87</u>

**Notes concerning the personnel***Average number of employees during the financial year*

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Blue-collar	135	143
White-collar	143	143
	<u>278</u>	<u>286</u>

*Average number of employees in associated companies during the financial year*

Blue-collar	27	16
White-collar	22	13
	<u>49</u>	<u>29</u>

*Wages, salaries, fees and pension expenses for the financial year*

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Wages, salaries and fees	16,611,252.22	16,214,711.61
Pension expenses	2,668,791.15	3,467,321.10
Other social security expenses	783,775.81	860,705.06
	<u>20,063,819.18</u>	<u>20,542,737.77</u>

*Management remuneration*

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
CEO, Managing Directors and members of the Board of Directors	492,959.64	321,798.55

## Depreciation, amortisation and impairment

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Depreciation and amortisation according to plan	2,349,825.31	1,954,568.46
Amortisation of consolidated goodwill	<u>4,038,589.71</u>	<u>3,567,637.74</u>
	<b>6,388,415.02</b>	<b>5,522,206.20</b>

## Auditor's fees

	Group		Parent	
	2017	2016	2017	2016
Audit	23,144.93	33,071.25	24,234.95	23,427.80

## Financial income and expenses

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Other interest income		
From others	<u>264,440.45</u>	<u>2,606.43</u>
Total interest income	<b>264,440.45</b>	<b>2,606.43</b>
<b>Total financial income</b>	<b>264,440.45</b>	<b>2,606.43</b>
Other interest and financial expenses		
Other financial expenses	<u>-3,643,713.81</u>	<u>-3,049,459.13</u>
Total other financial expenses	<b>-3,643,713.81</b>	<b>-3,049,459.13</b>
<b>Total financial expenses</b>	<b>-3,643,713.81</b>	<b>-3,049,459.13</b>
<b>Total financial income and expenses</b>	<b>-3,379,273.36</b>	<b>-3,046,852.70</b>

## Income tax

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Income tax on ordinary operations	<b>501,372.66</b>	<b>274,301.56</b>

## Environmental expenses

The Company's environmental expenses did not have a material impact on the result for the financial year or financial position.

**Details of consolidated non-current assets**

	Intangible assets			Total
	Intangible rights	Goodwill	Other non-current expenditures	
Cost as at 1 Jan 2017	249,854.68	25,986,182.71	92,305.01	26,328,342.40
Transferred in acquisition	0.00	11,074,546.64	0.00	11,074,546.64
Increases	211,312.50	0.00	95,548.38	306,860.88
Decreases	0.00	0.00	0.00	0.00
Transfers between classes	0.00	0.00	0.00	0.00
Cost as at 31 Dec 2017	461,167.18	37,060,729.35	187,853.39	37,709,749.92
Accrued amortisation of decreases and transferred items	0.00	0.00	0.00	0.00
Amortisation for the year	-69,046.61	-4,038,589.71	-74,178.12	-4,181,814.44
Impairment	0.00	0.00	0.00	0.00
Accrued amortisation and impairment as at 31 Dec 2017	-69,046.61	-4,038,589.71	-74,178.12	-4,181,814.44
Carrying amount as at 31 Dec 2017	<b>392,120.57</b>	<b>33,022,139.64</b>	<b>113,675.27</b>	<b>33,527,935.46</b>
Carrying amount as at 31 Dec 2016	249,854.68	25,986,182.71	92,305.01	26,328,342.40

	Tangible assets					Total
	Land areas	Buildings	Machinery and equipment	Other tangible assets	Prepayments and acquisitions in progress	
Cost as at 1 Jan 2017	885,649.23	1,946,592.88	4,476,179.08	905,222.73	10,463.19	8,224,107.11
Transferred in acquisition	0.00	0.00	2,187,172.56	0.00		2,187,172.56
Increases	927.00	534,868.74	3,619,068.90	2,551.50	264,633.75	4,422,049.89
Decreases	0.00	0.00	-716,296.77	0.00	0.00	-716,296.77
Transfers between classes	0.00	0.00	0.00	0.00	0.00	0.00
Cost as at 31 Dec 2017	886,576.23	2,481,461.62	9,566,123.78	907,774.23	275,096.94	14,117,032.79
Accrued amortisation and impairment as at 1 Jan 2017	0.00	0.00	0.00	0.00	0.00	0.00
Accrued amortisation of decreases and transferred items	0.00	0.00	0.00	0.00	0.00	0.00
Amortisation for the year		-202,886.69	-1,845,555.60	-158,158.29	0.00	-2,206,600.58
Impairment	0.00		0.00	0.00	0.00	0.00
Accrued amortisation and impairment as at 31 Dec 2017	0.00	-202,886.69	-1,845,555.60	-158,158.29	0.00	-2,206,600.58
Revaluations as at 1 Jan 2017	0.00	0.00	0.00	0.00	0.00	0.00
Increases	0.00	0.00	0.00	0.00	0.00	0.00
Decreases	0.00	0.00	0.00	0.00	0.00	0.00
Revaluations as at 31 Dec 2017	0.00	0.00	0.00	0.00	0.00	0.00
Carrying amount as at 31 Dec 2017	<b>886,576.23</b>	<b>2,278,574.93</b>	<b>7,720,568.18</b>	<b>749,615.94</b>	<b>275,096.94</b>	<b>11,910,432.21</b>
Carrying amount as at 31 Dec 2016	885,649.23	1,946,592.88	4,476,179.08	905,222.73	10,463.19	8,224,107.11

	Investments		Total
	Others shares		
Cost as at 1 Jan 2017	117,906.46		117,906.46
Increases	0.00		0.00
Decreases	0.00		0.00
Transfers between classes	0.00		0.00
Cost as at 31 Dec 2017	117,906.46		117,906.46
Accrued impairment as at 1 Jan 2017	0.00		0.00
Impairment	0.00		0.00
Accrued impairment as at 31 Dec 2017	0.00		0.00
Revaluations	0.00		0.00
Carrying amount as at 31 Dec 2017	<b>117,906.46</b>		<b>117,906.46</b>
Carrying amount as at 31 Dec 2016	117,906.46		117,906.46

## ***Group's shareholdings in other companies***

### **Group companies**

	<b>The Company's shareholding, %</b>
Kreate Oy, Helsinki	100
Railtek Oy Insa, Helsinki	100
Railtek Oy Rata, Helsinki	100

Kreate Oy holds 100% of Railtek Oy Insa and Railtek Oy Rata. No sub-group financial statements for Kreate Oy were prepared on the basis of chapter 6, section 1, sub-section 4 of the Accounting Act. All Group companies are incorporated into KE Holding Oy's consolidated financial statements.

### **Other associated companies**

	<b>The Company's shareholding, %</b>	<b>Equity</b>	<b>Result for the financial year</b>
KFS Finland Oy, Tuusula	50	2,621,148.31	-4,897.63
Sotkamon Porapaalu Oy, Tuusula	50	2,227,603.60	574,263.64

The joint control is based on the shareholder agreement concluded between the shareholders.

KFS Finland Oy holds 100% of Sotkamon Porapaalu Oy, and it is the company's parent company. The consolidated financial statements are available at the address Haarakaari 42, 04360 Tuusula, Finland.

**Notes to the assets in the consolidated balance sheet**

**Inventories**

	31 Dec 2017	31 Dec 2016
Materials and supplies	138,152.42	89,301.23
	<u>138,152.42</u>	<u>89,301.23</u>

**Details of the Group's receivables**

**Non-current receivables**

	31 Dec 2017	31 Dec 2016
<b>Receivables from others</b>		
Other receivables	35,862.64	20,426.14
<b>Total</b>	<b>35,862.64</b>	<b>20,426.14</b>
<b>Total non-current receivables</b>	<u><b>35,862.64</b></u>	<u><b>20,426.14</b></u>

**Current receivables**

	31 Dec 2017	31 Dec 2016
<b>Receivables from others</b>		
Trade receivables	15,585,574.91	20,001,124.42
Loan receivables	3,620.00	0.00
Deferred tax assets	0.00	4.85
Other receivables	715,084.47	15,205.25
Accrued income	6,373,756.46	12,052,911.08
<b>Total</b>	<b>22,678,035.84</b>	<b>32,069,245.60</b>
<b>Total current receivables</b>	<u><b>22,678,035.84</b></u>	<u><b>32,069,245.60</b></u>

**Accrued income**

*Material items in accrued income*

	31 Dec 2017	31 Dec 2016
Receivables related to percentage-of-completion method	5,928,430.28	10,980,935.36
Tax assets	121,789.55	453,162.13
Other	323,536.63	618,813.60
	<u><b>6,373,756.46</b></u>	<u><b>12,052,911.08</b></u>



## **Consolidated equity**

	31 Dec 2017	31 Dec 2016
<b>Restricted equity</b>		
Share capital as at 1 Jan	2,500.00	2,500.00
Payment of share capital	0.00	0.00
<b>Share capital as at 31 Dec</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Total restricted equity</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Unrestricted equity</b>		
Reserve for invested unrestricted equity as at 1 Jan	5,396,794.84	5,261,798.36
Share issue	1,899,900.18	134,996.48
Refund to shareholders	-99,300.00	0.00
<b>Reserve for invested unrestricted equity as at 31 Dec</b>	<b>7,197,395.02</b>	<b>5,396,794.84</b>
Fair value reserve as at 1 Jan	-243,516.00	-300,551.00
Increases	0.00	0.00
Decreases	243,516.00	57,035.00
<b>Fair value reserve as at 31 Dec</b>	<b>0.00</b>	<b>-243,516.00</b>
Retained earnings as at 1 Jan	-4,373,857.69	-840,744.79
Adjustment to the equity transferred in acquisition	16.63	0.00
<b>Retained earnings as at 31 Dec</b>	<b>-4,373,841.06</b>	<b>-840,744.79</b>
<b>Profit/loss for the financial year</b>	<b>-3,240,427.83</b>	<b>-3,533,112.90</b>
<b>Total unrestricted equity</b>	<b>-416,873.87</b>	<b>779,421.15</b>
<b>Total equity</b>	<b>-414,373.87</b>	<b>781,921.15</b>

## **Distributable unrestricted equity**

<i>Calculation of distributable equity</i>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Retained earnings	-4,373,841.06	-840,744.79
Profit/loss for the financial year	-3,240,427.83	-3,533,112.90
Reserve for invested unrestricted equity	7,197,395.02	5,396,794.84
Fair value reserve	0.00	-243,516.00
	<b>-416,873.87</b>	<b>779,421.15</b>

## **Notes to the liabilities in the consolidated financial statements**

### **Provisions**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Provision for warranty	399,949.23	1,362,142.05
Provisions for costs in long-term projects	<u>62,563.00</u>	<u>35,549.00</u>
	<b>462,512.23</b>	<b>1,397,691.05</b>

In 2017, provisions were reversed in the amount of EUR 935,178.82.

Warranty obligations based on the general terms and conditions are recognised in the balance sheet as provisions.

### **Non-current liabilities**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Capital loans	24,323,834.66	17,696,220.15
Loans from financial institutions	18,023,085.99	16,002,813.46
Other non-current liabilities	1,700,000.00	1,700,000.00
Accrued liabilities	<u>0.00</u>	<u>172,371.00</u>
	<b>44,046,920.65</b>	<b>35,571,404.61</b>

The Company's capital loan from its shareholders amounts to EUR 24,323,834.66. These loans and unpaid interest accrued on them fall due for repayment in one instalment in connection with the exit of the principal shareholder. The unpaid principal of the loans carries an interest of ten per cent (10%) per annum. The capital loans from the shareholders have the same level of seniority, but they are subordinated to all other loans of the Company. These loans are capital loans as defined in chapter 12 of the Limited Liability Companies Act (624/2006, as amended), and the provisions of this chapter are applied to them. The principal and interest of the loans may be paid in case of the Company's liquidation or bankruptcy only with a weaker seniority than all other loans. In other cases, the principal of the loans can be repaid and the interest paid only for the part that the amount of the Company's unrestricted equity and all capital loans exceeds the loss presented in the Company's balance sheet to be adopted for the latest financial year or the loss on the balance sheet from more recent financial statements on the payment date. The Company or any of its subsidiaries has not issued collateral for the payment of the principal or interest of the loans. Unpaid interest accrued on the loans have been recorded in expenses.

### **Current liabilities**

#### **Liabilities to others**

Loans from financial institutions	2,806,834.87	9,643,347.96
Advance payments received	102,857.19	345,000.00
Trade payables	10,095,622.37	7,213,240.96
Other liabilities	1,891,823.24	3,431,375.32
Accrued liabilities	<u>15,893,329.52</u>	<u>11,788,665.77</u>
	<b>30,790,467.19</b>	<b>32,421,630.01</b>

### **Material items in accrued liabilities**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Wages and salaries including social security expenses	4,818,796.91	4,431,094.71
Interest	3,632,844.42	1,867,292.59
Taxes	749,576.03	22,865.04
Liabilities related to percentage-of-completion method	5,941,632.59	4,951,191.45
Other	<u>750,479.57</u>	<u>516,221.99</u>
	<b>15,893,329.52</b>	<b>11,788,665.78</b>

## ***Consolidated collaterals and commitments***

### **Liabilities secured by mortgages and shares**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Loans from financial institutions	28,000,000.00	27,870,000.00
Carrying amount of pledged shares	52,023,870.12	52,141,776.58
Real estate mortgages given	5,392,400.00	7,092,400.00
Floating charges given	55,900,000.00	51,677,315.50

### **Pension obligations**

The Company's pension obligations are insured in external pension insurance companies. The pension obligations are fully covered.

### **Amounts to be paid for lease agreements**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Payable in the next financial year	629,968.51	405,498.37
Payable later	952,952.65	680,379.67
	<b>1,582,921.16</b>	<b>1,085,878.04</b>

### **Other commitments**

Guarantees given on behalf of associated companies	390,855.31	213,680.00
Other guarantees	100,000.00	100,000.00
Guarantees for the work and warranty period	30,380,551.93	25,942,514.13
Credit card limit used	11,432.97	8,414.86

The Company has a lease obligation for a land area with a remaining lease period of 6 years (fixed term). The remaining lease obligation is EUR 585,000.00 (EUR 682,500.00 in the previous year). The rent is linked to the cost-of-living index (1951:10=100). The base level is the index value 1861 in July 2012.

### **Other off-balance sheet financial obligations**

The Company is obliged to revise VAT deductions made on a real estate investment in Tuusula in 2010 if the taxable utilisation of the real estate decreases during the review period. The maximum amount of the obligation is EUR 521,147.33, of which EUR 104,229.51 are outstanding, and the final review year is 2019.

The Company is obliged to revise VAT deductions made on an office/service hall investment completed in 2014 in Lappeenranta if the taxable utilisation of the real estate decreases during the review period. The maximum amount of the obligation is EUR 333,992.96, of which EUR 233,795.06 are outstanding, and the final review year is 2024.

The secured loans include covenants. The agreed special terms and conditions are related to the Company's profitability and liquidity. Non-compliance with the covenants could lead to an increase in the cost of financing or termination of the financing agreements. According to the management, the Company is in compliance with the covenants, which are monitored continuously.

**Income statement**

	1 Jan 2017–31 Dec 2017		1 Jan 2016–31 Dec 2016	
<b>REVENUE</b>	<b>480,000.00</b>		<b>480,000.00</b>	
Employee expenses				
Wages, salaries and fees	72,334.68		322,532.81	
Social security expenses				
Pension expenses	15,754.49		48,248.59	
Other social security expenses	<u>2,695.60</u>	90,784.77	<u>8,429.99</u>	379,211.39
Depreciation, amortisation and impairment		3,400.00		3,400.00
Amortisation according to plan				
Other operating expenses		<u>116,684.09</u>		<u>137,508.96</u>
<b>OPERATING PROFIT/-LOSS</b>	<b>269,131.14</b>		<b>-40,120.35</b>	
Financial income and expenses				
From others	2.03		4.91	
Interest and other financial expenses				
To Group companies (–)	-182,049.44		-149,962.74	
To others (–)	<u>-3,200,281.15</u>	<u>-3,382,328.56</u>	<u>-2,747,140.02</u>	<u>-2,897,097.85</u>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>-3,113,197.42</b>		<b>-2,937,218.20</b>	
Appropriations				
Group contribution		3,800,000.00		1,900,000.00
Income tax		<u>-379,537.56</u>		<u>-20,805.12</u>
<b>PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b><u>307,265.02</u></b>		<b><u>-1,058,023.32</u></b>	

### ***Balance sheet***

	31 Dec 2017	31 Dec 2016
<b>Assets</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Intangible rights	0.00	3,400.00
Investments		
Shareholdings in Group companies	52,023,870.12	52,023,870.12
<b>TOTAL NON-CURRENT ASSETS</b>	<b>52,023,870.12</b>	<b>52,027,270.12</b>
<b>CURRENT ASSETS</b>		
Current receivables		
Receivables from Group companies	3,800,000.00	1,900,000.00
Other receivables	2,927.24	960.59
	3,802,927.24	1,900,960.59
Cash and bank deposits	910,875.91	95,093.11
<b>TOTAL CURRENT ASSETS</b>	<b>4,713,803.15</b>	<b>1,996,053.70</b>
<b>Total assets</b>	<b>56,737,673.27</b>	<b>54,023,323.82</b>

## Balance sheet

	31 Dec 2017	31 Dec 2016
<b>Equity and liabilities</b>		
<b>EQUITY</b>		
Share capital	2,500.00	2,500.00
Other reserves		
Reserve for invested unrestricted equity	7,197,395.02	5,396,794.84
Fair value reserve	0.00	-243,516.00
	<u>7,197,395.02</u>	<u>5,153,278.84</u>
Retained earnings	-1,118,637.77	-60,614.45
Profit/loss for the financial year	307,265.02	-1,058,023.32
<b>TOTAL EQUITY</b>	<b><u>6,388,522.27</u></b>	<b><u>4,037,141.07</u></b>
<b>LIABILITIES</b>		
Non-current		
Capital loans	24,323,834.66	17,696,220.15
Loans from financial institutions	16,200,000.00	15,094,000.00
Other liabilities	1,700,000.00	1,700,000.00
Accrued liabilities	0.00	172,371.00
	<u>42,223,834.66</u>	<u>34,662,591.15</u>
Current		
Loans from financial institutions	1,800,000.00	2,776,000.00
Trade payables	30,154.99	8,027.51
Liabilities to other Group companies	2,182,049.44	10,339,962.74
Other liabilities	82,734.22	87,296.59
Accrued liabilities	4,030,377.69	2,112,304.76
	<u>8,125,316.34</u>	<u>15,323,591.60</u>
<b>TOTAL LIABILITIES</b>	<b><u>50,349,151.00</u></b>	<b><u>49,986,182.75</u></b>
<b>Total equity and liabilities</b>	<b><u>56,737,673.27</u></b>	<b><u>54,023,323.82</u></b>

## ***Accounting principles applied in the financial statements***

### **Valuation and recognition principles and methods**

#### *Valuation of non-current assets*

Intangible assets are measured on the balance sheet at cost less amortisation according to plan. The cost includes the variable costs of the purchase and production. Intangible assets are amortised according to plan on a straight-line basis over their useful life.

The amortisation plan is based on maximum amortisation levels allowed for taxation purposes.

Amortisation periods:

Other non-current expenditures: straight-line amortisation over 4 years

Costs of non-current assets with a probable useful life of less than 3 years and small purchases (under EUR 850.00) are recognised in full as expenses for the financial year in which the purchase took place.

### **Accounting principles applied in the consolidated financial statements**

#### *Scope of the consolidated financial statements*

KE Holding Oy is the Group's parent company. The parent company KE Holding Oy holds 100% of the Group's subsidiary Kreate Oy.

Kreate Oy holds 100% of Railtek Oy Insa and Railtek Oy Rata, and they are incorporated into KE Holding Oy's consolidated financial statements.

The parent company's consolidated financial statements are available at the following address: KE Holding Oy, Haarakaari 42, 04360 Tuusula, Finland.



## Notes to the income statement

### Revenue

1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
480,000.00	480,000.00

### Notes related to the employees

#### Average number of employees during the financial year

1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
1	2

White-collar

#### Wages, salaries, fees and pension expenses for the financial year

1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
72,334.68	322,532.81
15,754.49	48,248.59
2,695.60	8,429.99
<hr/>	<hr/>
<b>90,784.77</b>	<b>379,211.39</b>
1,526.20	12,000.00

### Depreciation, amortisation and impairment

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Amortisation according to plan	3,400.00	3,400.00

### Other operating expenses

#### Auditor's fees

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Auditing	24,234.95	23,427.87

### Financial income and expenses

	1 Jan 2017–31 Dec 2017	1 Jan 2016–31 Dec 2016
Other interest income		
From others	2.03	4.91
Total interest income	2.03	4.91
<b>Total financial income</b>	<b>2.03</b>	<b>4.91</b>

Interest expenses		
To Group companies	-182,049.44	-149,962.74
Others	<u>-2,693,914.27</u>	<u>-2,707,009.50</u>
Total interest expenses	<b>-2,875,963.71</b>	<b>-2,856,972.24</b>
Other financial expenses		
Other financial expenses	<u>-506,366.88</u>	<u>-40,130.52</u>
Total other financial expenses	<b>-506,366.88</b>	<b>-40,130.52</b>
<b>Total financial expenses</b>	<b>-3,382,330.59</b>	<b>-2,897,102.76</b>
<b>Total financial income and expenses</b>	<b>-3,382,328.56</b>	<b>-2,897,097.85</b>
<b>Appropriations</b>		
	<b>1 Jan 2017–31 Dec 2017</b>	<b>1 Jan 2016–31 Dec 2016</b>
Group contribution	3,800,000.00	1,900,000.00
<b>Income taxes</b>		
	<b>1 Jan 2017–31 Dec 2017</b>	<b>1 Jan 2016–31 Dec 2016</b>
Income taxes on ordinary operations	379,537.56	20,805.12
<b>Environmental expenses</b>		

The Company's environmental expenses did not have a material impact on the result for the financial year or financial position.

### ***Details of non-current assets***

#### **Intangible assets**

	<b>Intangible rights</b>	<b>Total</b>
Cost as at 1 Jan 2017	3,400.00	3,400.00
Increases	0.00	0.00
Decreases	0.00	0.00
Transfers between classes	0.00	0.00
Cost as at 31 Dec 2017	3,400.00	3,400.00
Accrued amortisation and impairment as at 1 Jan 2017	0.00	0.00
Accrued amortisation of decreases and transferred items	0.00	0.00
Amortisation for the year	-3,400.00	-3,400.00
Impairment	0.00	0.00
Accrued amortisation and impairment as at 31 Dec 2017	-3,400.00	-3,400.00
Carrying amount as at 31 Dec 2017	<b>0.00</b>	<b>0.00</b>
Carrying amount as at 31 Dec 2016	3,400.00	3,400.00

#### **Investments**

	<b>Other shares</b>	<b>Total</b>
Cost as at 1 Jan 2017	52,023,870.12	52,023,870.12
Increases	0.00	0.00
Decreases	0.00	0.00
Transfers between classes	0.00	0.00
Cost as at 31 Dec 2017	52,023,870.12	52,023,870.12
Accrued impairment as at 1 Jan 2017	0.00	0.00
Impairment	0.00	0.00
Accrued impairment as at 31 Dec 2017	0.00	0.00
Revaluations	0.00	0.00
Carrying amount as at 31 Dec 2017	<b>52,023,870.12</b>	<b>52,023,870.12</b>
Carrying amount as at 31 Dec 2016	52,023,870.12	52,023,870.12

***Shareholdings in other companies***

**Group companies**

	<b>The Company's shareholding, %</b>
Kreate Oy, Helsinki	100

All Group companies have been incorporated in the parent's consolidated financial statements.

***Details of receivables***

**Current receivables**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
<b>Receivables from Group companies</b>		
Accrued income	3,800,000.00	1,900,000.00
<b>Total</b>	<b>3,800,000.00</b>	<b>1,900,000.00</b>
 <b>Receivables from others</b>		
Accrued income	2,927.24	960.59
<b>Total</b>	<b>2,927.24</b>	<b>960.59</b>
 <b>Total current receivables</b>	 <b><u>3,802,927.24</u></b>	 <b><u>1,900,960.59</u></b>

## Equity

	31 Dec 2017	31 Dec 2016
<b>Restricted equity</b>		
Share capital as at 1 Jan	2,500.00	2,500.00
<b>Share capital as at 31 Dec</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Total restricted equity</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Unrestricted equity</b>		
Reserve for invested unrestricted equity as at 1 Jan	5,396,794.84	5,261,798.36
Share issue	1,899,900.18	134,996.48
Refund to shareholders	-99,300.00	0.00
<b>Reserve for invested unrestricted equity as at 31 Dec</b>	<b>7,197,395.02</b>	<b>5,396,794.84</b>
Fair value reserve as at 1 Jan	-243,516.00	-300,551.00
Increases	0.00	0.00
Decreases	243,516.00	57,035.00
<b>Fair value reserve as at 31 Dec</b>	<b>0.00</b>	<b>-243,516.00</b>
Retained earnings as at 1 Jan	-1,118,637.77	-60,614.45
<b>Retained earnings as at 31 Dec</b>	<b>-1,118,637.77</b>	<b>-60,614.45</b>
<b>Profit (loss) for the financial year</b>	<b>307,265.02</b>	<b>-1,058,023.32</b>
<b>Total unrestricted equity</b>	<b>6,386,022.27</b>	<b>4,034,641.07</b>
<b>Total equity</b>	<b>6,388,522.27</b>	<b>4,037,141.07</b>

## Distributable unrestricted equity

### Calculation of distributable equity

	31 Dec 2017	31 Dec 2016
Retained earnings	-1,118,637.77	-60,614.45
Profit (loss) for the financial year	307,265.02	-1,058,023.32
Reserve for invested unrestricted equity	7,197,395.02	5,396,794.84
Fair value reserve	0.00	-243,516.00
	<b>6,386,022.27</b>	<b>4,034,641.07</b>

## **Notes to the liabilities in the balance sheet**

### **Non-current liabilities**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Capital loans	24,323,834.66	17,696,220.15
Loans from financial institutions	16,200,000.00	15,094,000.00
Other non-current liabilities	1,700,000.00	1,700,000.00
Accrued liabilities	0.00	172,371.00
	<b>42,223,834.66</b>	<b>34,662,591.15</b>

### **Current liabilities**

#### **Liabilities to other Group companies**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Trade payables	182,049.44	149,962.74
Other liabilities	2,000,000.00	10,190,000.00
	<b>2,182,049.44</b>	<b>10,339,962.74</b>

#### **Liabilities to others**

Loans from financial institutions	1,800,000.00	2,776,000.00
Trade payables	30,154.99	8,027.51
Other liabilities	82,734.22	87,296.59
Accrued liabilities	4,030,377.69	2,112,304.76
	<b>5,943,266.90</b>	<b>4,983,628.86</b>

#### **Material items in accrued liabilities**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Wages, salaries and fees including social security expenses	13,857.67	61,732.56
Interest	3,632,210.41	1,860,516.20
Taxes	382,718.51	22,865.04
Other	1,591.10	167,190.96
	<b>4,030,377.69</b>	<b>2,112,304.76</b>

## ***Collaterals and commitments***

### **Liabilities secured by mortgages**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Loans from financial institutions	18,000,000.00	17,870,000.00
Floating charges given	55,900,000.00	43,000,000.00
Total liabilities	18,000,000.00	17,870,000.00
Total mortgages given as collateral	55,900,000.00	43,000,000.00

### **Collaterals and guarantees given on behalf of Group companies**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Other guarantees	<u>12,898,581.72</u>	<u>14,150,000.00</u>
	<b>12,898,581.72</b>	<b>14,150,000.00</b>

### **Guarantees given on behalf of related parties**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Guarantees	<u>100,000.00</u>	<u>100,000.00</u>
	<b>100,000.00</b>	<b>100,000.00</b>

### **Pension obligations**

The Company's pension obligations are insured in external pension insurance companies. The pension obligations are fully covered.

### **Amounts to be paid for lease agreements**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Payable in the next financial year	0.00	8,260.84
Payable later	0.00	0.00
	<b>0.00</b>	<b>8,260.84</b>

### **Other commitments**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Credit card limit used	344.00	48.80
	<b>84,344.00</b>	<b>92,548.80</b>

### **Derivatives**

#### **Interest rate swaps**

##### **Under hedge accounting**

	<b>2017</b>	<b>2016</b>
Fair value	0.00	-243,516.00
Value of the underlying asset	0.00	9,982,500.00



***Signatures to the financial statements and the report of the Board of Directors***

In Tuusula on                      day                      month 2018

\_\_\_\_\_  
Petri Rignell  
Chairman of the Board of Directors

\_\_\_\_\_  
Timo Kohtamäki  
Member of the Board of Directors

\_\_\_\_\_  
Ronnie Neva-aho  
Member of the Board of Directors

\_\_\_\_\_  
Janne Näränen  
Member of the Board of Directors

\_\_\_\_\_  
Vesa Uotila  
Member of the Board of Directors

***Auditor's note***

A report on the audit performed has been issued today.

In Tuusula on                      day                      month 2018

Ernst & Young Oy  
Firm of Authorised Public  
Accountants

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Mikko Ryttilähti, Authorised Public Accountant, KHT