

# **Cityvarasto Oy**

Financial Statement

for the period

**1.1.2016-31.12.2016**

**Cityvarasto Oy**  
Läkkisepänkuja 7  
00620 Helsinki  
Company ID  
1561027-4, Head  
Quarters, Helsinki

## **Table of contents**

Annual Report	1-3
Profit	4
Balance	5-6
Appendix Information	7-10
Signatures	11
Record of Financial Statement	12
Accounts used	13

This Financial Statement must be kept until  
31.12.2026. (ACCOUNTING ACT Section 2:10.1)

**CITYVARASTO OY**  
**ANNUAL REPORT for the accounting period 1.1.2016 - 31.12.2016**

***The operations, profit development and financial status***

During the accounting period of 1.1.2016-31.12.2016 Cityvarasto Oy grew its revenue from the previous period. The company's turnover was 5.14 million Euros, including the growth of 16% compared to the previous year. The company's profitability also grew from last year. The company's gross margin was 1.88 million Euros (36,6%) with growth of 26% from previous year. The profit was 763.873 Euros (14.9%) with growth from the previous year 87%.

The market value of the properties owned by the company on 31.12.2016 was 42 million Euros, with growth from last previous year of 7.4 million Euros (21,4%). The valuation of the properties was made by Cushman&Wakefield (DTZ). The company has 32 branches in most towns around Finland.

The corrected profit when using the current value of the properties is 2.853 million Euros, when the share-specific profit is 0.56 Euros. The corrected equity is 26 million Euros, which is 5.11 Euros per share. Due taxes are taken into account in the calculation.

The company expanded its operations by opening new branches and adding to the amounts of small storage facilities on existing sites.

In February the company bought from Homebox Finland Oy in Seinäjoki its small storage facility operations. The business transaction was partly paid for by Cityvarasto Oy's own shares.

In May 2016 we held the opening ceremony of Pori small storage facility. This branch was the first in this field in the city of Pori.

In May we bought from Nihtisilta in Espoo, the address Nihtisillankuja 5, a property with the area of 6,000m<sup>2</sup>. The premises will be changed to suit the operations as small storage facilities.

In November the company bought from Seinäjoki a furniture store and storage facility "Huonekaluliike Latvala", whose address is Kullervonkatu 5, Seinäjoki.

At the end of December the company bought two office / garage / storage buildings in Oulu for use as small storage facility operations and the properties are located in Alppila suburb, address Kaarnatie 24.

In addition to leasing small storage facilities, the company sells to its customers packaging materials, reception services and small storage insurance, as well as renting out removal crates and offering address services. The company has networked with co-operation partners who support its business, and is able to offer its customers comprehensive service relating storage and removals.

On 27.12.2016 the company took part in the shares issue targeted at Apuovelle.com Oy. Apuovelle.com Oy bought the whole share capital of KD Rent Oy (Pakuovelle.com). With this transaction Cityvarasto became one of the owners of Pakuovelle.com Oy. KD Rent Oy (PakuOvelle.com) is one of the biggest transit van rental companies in Finland and with the ownership the companies will increase co-operation and bring additional benefits to their customers.

***Company structure***

Kiinteistö Oy Tampereen Viinikankulma, which is wholly owned by Cityvarasto Oy and was its affiliated company, was merged with its parent company on 31.12.2016 and the consolidated structure was dissolved.

***Personnel***

The company's total staff in the accounting period was 58 employees, which corresponds with 28 person years. The company has both permanent and part-time employees.

**Wages and rewards**

The total sum of wages and rewards during the accounting period was 1,020,727.57 Euros. The company uses a reward system, which aims to support and guide the employees' operations in order to comply with its strategy.

**Occupational wellbeing**

The company measures annually the occupational environment in a survey sent to all personnel. The survey is made in co-operation with the Occupational Pension Company Elo. The reply percentage of the survey made in December 2016 was 76%.

Based on the survey results the overall situation of the company's occupational wellbeing is good and job satisfaction is better than in Finnish companies on average. Both strengths and developmental targets were found in operations and the environment. According to the results the strengths were the working environment and social support, the meaningfulness of work and physical wellbeing. According to the survey developmental targets were still issues relating to communications and messaging.

**Environment and responsibility**

Energy efficiency is taken into account in all company branches and the company has committed to save energy and water consumption. In lighting the fluorescent lights were changed to longer-lasting and more energy-efficient LED fluorescent lights and we seek energy-efficient solutions to heating our branches. The example of this is the new Pitkämäki branch in Turku, which is heated with an air source heat pump. With invoicing and purchase ledgers we have moved to using e-mails e-invoices in order to reduce paper consumption.

**Research and development operations**

The company applies, develops and seeks digital applications suitable for small storage facility operations in order to ease the customers' daily activities and to simplify operations. The development targets include, amongst others, further improving the user experience of the e-commerce and to simplify the purchase path.

**Investments**

The company's investments on physical and non-physical commodities during the accounting period were 6,343,935.23 Euros. The majority of investments was targeted on new properties and to their conversions to small storage facilities.

**Board, Managing Director and Auditor**

Cityvarasto Oy board comprises 3 members: Ville Stenroos, Matti Heiskanen and Kim Väisänen. Ville Stenroos acts as the chairman of the board and the company's managing director. KHT (Finnish: Authorised Public Accountant) Jari Paloniemi has acted as the company auditor.

**Shareholders and the changes in the share capital**

On 31.12.2016 the company's total amount of shares was 5,084,018 shares, of which the company had 43,265 shares under its control. The amount of shares comprises of two types of shares (A and B series). A-share has 1 vote and B-share has 20. Each share has an equal right to dividing the company's resources. The owners of B-shares have a right to change their B-shares into A-shares on one-to-one ratio by informing the board about it in writing.

**Subordinated loans**

The company has 1,500,000 Euros of interest-free subordinated loans.

**Risks and risk management**

The most significant risks for the company's business are typical for the industry and relate to the possible increases in

regulations as well as to the challenges of long-term financing and the tightening competition. The tightening competition shows as a price war, where the risk is a decrease in profitability. We have protected ourselves against risks from accidental damages with insurances.

#### ***Future scenarios***

Small storage business is still a young and developing area in Finland. Global trends such as urbanisation, smaller homes and storage, as well as the amount of goods owned by people create demand for small storage facilities. Single households and immigration become more common and people's need for more space grows. Finns are some of the most enthusiastic movers in Europe. On average a Finn moves house 6 times during a lifetime and often during the move there will be a need for temporary additional space. Those moving house are our biggest group of customers. The growing developing field of business and trends support the company's growth targets and the future scenarios look good. The company's growth takes place by buying and/or renting properties and, by constructing small storage facilities, as well as by private purchasing.

#### ***Use of profit funds***

The company's profit sharing funds on 31.12.2016 are, in the financial statement, 4,884,133.85 Euros, from which the profit for the accounting period is 519,142.54 Euros. There has not been any substantial changes in the company's financial situation after the end of the accounting period, and the solvency estimate based on the Section 13, Paragraph 2 of the Limited Liability Companies Act (624/2006) does not affect the amount of profit sharing funds. The board suggests to the company meeting that the profit sharing funds are used as follows: Shares will be 0.02 Euros per share, i.e. a total of 101,680.36 Euros and 417,462.18 Euros are left in profit funds.

Helsinki, on \_\_\_ the day of the month of \_\_\_\_\_, 2017

CITYVARASTO OY  
The Board

**PROFIT AND LOSS ACCOUNT**

	<b>1.1.2016 - 31.12.2016</b>	<b>1.1.2015 - 31.12.2015</b>
<b>Revenue</b>	<b>5,144,661.34</b>	<b>4,428,661.31</b>
<b>Other business profits</b>	<b>202,021.35</b>	<b>0.00</b>
<b>Materials and services</b>		
<b>Materials, equipment and devices</b>		
Purchases during the accounting period	-7,052.79	-15,675.94
Storages increase (+) or decrease (-)	-6,797.07	-364.69
External services	-224.00	-990.00
<b>Total materials and services</b>	<b>-14,073.86</b>	<b>-17,030.63</b>
<b>Personnel expenses</b>		
Wages and rewards	-577,695.19	-570,097.23
<b>Other personnel expenses</b>	<b>-150,903.72</b>	<b>-141,498.27</b>
Pension expenses	-102,049.05	-102,240.18
Other personnel expenses	-48,854.67	-39,258.09
<b>Total personnel expenses</b>	<b>-728,598.91</b>	<b>-711,595.50</b>
<b>Write-offs and decreases of value</b>		
Planned write-offs	-1,112,547.33	-1,081,109.19
<b>Total write-offs and decreases of value</b>	<b>-1,112,547.33</b>	<b>-1,081,109.19</b>
<b>Other business expenses</b>	<b>-2,727,589.26</b>	<b>-2,210,918.24</b>
<b>Profit (loss)</b>	<b>763,873.33</b>	<b>408,007.75</b>
<b>Financing profits and expenses</b>		
<b>Income from other permanent assets' investments</b>		
From others	942.01	816.90
<b>Other income from interest and financing</b>		
From others	8,992.90	4,409.05
Decreases of value from variable assets' finance documents	-100.00	0.00
<b>Interest expenditure and other finance expenses</b>		
To others	-124,398.59	-140,541.31
<b>Total financing profits and expenses</b>	<b>-114,563.68</b>	<b>-135,315.36</b>
<b>Return before closing entries and taxes</b>	<b>649,309.65</b>	<b>272,692.39</b>
<b>Income tax</b>	<b>-129,961.11</b>	<b>-55,098.11</b>
<b>Other direct taxes</b>	<b>-206.00</b>	<b>0.00</b>
<b>Profit (loss) for the accounting period</b>	<b>519,142.54</b>	<b>217,594.28</b>

<b>BALANCE</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Business value	113,659.04	121,088.62
Other long-term expenses	172,437.93	182,789.27
Advances paid	229,071.70	318,485.37
<b>Total intangible assets</b>	<b>515,168.67</b>	<b>622,363.26</b>
<b>Tangible assets</b>		
Land areas and water areas	1,448,793.32	610,862.20
Buildings and structures	12,750,856.21	8,377,345.66
Machinery and equipment	1,259,621.68	1,111,301.41
Other tangible assets	0.00	5,371.73
<b>Total tangible assets</b>	<b>15,459,271.21</b>	<b>10,104,881.00</b>
<b>Investments</b>		
Shares in the companies in the same group	0.00	612,000.00
Other stocks and shares	549,153.05	519,153.05
<b>Total investments</b>	<b>549,153.05</b>	<b>1,131,153.05</b>
<b>Total non-current assets</b>	<b>16,523,592.93</b>	<b>11,858,397.31</b>
<b>Current assets</b>		
<b>Inventories</b>		
Materials and equipment	17,316.77	24,113.84
<b>Total inventories</b>	<b>17,316.77</b>	<b>24,113.84</b>
<b>Receivables</b>		
<b>Long-term</b>		
Other receivables	182,260.53	74,725.00
<b>Total long-term receivables</b>	<b>182,260.53</b>	<b>74,725.00</b>
<b>Short-term</b>		
Trade receivables	538,362.91	390,449.91
Other receivables	167,999.56	53,689.76
Accrued income	119,448.35	103,011.80
<b>Total short-term receivables</b>	<b>825,810.82</b>	<b>547,151.47</b>
<b>Total receivables</b>	<b>1,008,071.35</b>	<b>621,876.47</b>
<b>Finance documents</b>		
Other stocks and shares	33,863.26	26,812.30
<b>Total finance documents</b>	<b>33,863.26</b>	<b>26,812.30</b>
Money and bank receivables	222,790.34	104,854.76
<b>Total current assets</b>	<b>1,282,041.72</b>	<b>777,657.37</b>

<b>TOTAL ASSETS</b>	<b>17,805,634.65</b>	<b>12,636,054.68</b>
<b>BALANCE</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share and stock capital or other similar capital	33,637.60	33,637.60
Current value fund	6,083.92	5,241.05
<b>Other funds</b>		
Invested unregistered equity fund	3,525,751.45	3,377,945.33
<b>Total other funds</b>	<b>3,525,751.45</b>	<b>3,377,945.33</b>
Profit (loss) for previous accounting periods	833,155.94	665,942.64
Return on the account period	519,142.54	217,594.28
<b>Total equity</b>	<b>4,917,771.45</b>	<b>4,300,360.90</b>

**Liabilities****Long-term liabilities**

Subordinated loans	1,500,000.00	1,580,000.00
Loans from finance institutions	9,012,081.12	4,648,473.85
Accounts payable	36,316.24	284,444.54
Other loans	500,000.00	575,000.00
<b>Total long-term liabilities</b>	<b>11,048,397.36</b>	<b>7,087,918.39</b>
<b>Short-term liabilities</b>		
Loans from finance institutions	752,880.97	548,722.23
Accounts payable	621,224.04	396,899.87
Other loans	292,581.80	182,620.68
Accrued expenses	171,258.05	118,222.35
Estimated taxes due	1,520.98	1,310.26
<b>Total short-term liabilities</b>	<b>1,839,465.84</b>	<b>1,247,775.39</b>
<b>Total liabilities</b>	<b>12,887,863.20</b>	<b>8,335,693.78</b>
<b>TOTAL LIABILITIES</b>	<b>17,805,634.65</b>	<b>12,636,054.68</b>

**Accounting principles**

(PMA 3:1)



**Non-current assets** Business value

Activated acquisition costs are removed in straight-line depreciation in 5 years (presumed 10 years)

**Other long-term expenses**

Cityvarasto Oy Company ID 1561027-4 Financial Statement 1.1.2016-31.12.2016  
 Activated acquisition costs are removed in straight-line depreciation in 5 years (presumed 10 years)

**Buildings and structures, land areas**

Buildings and structures have been appreciated reduced into the acquisition cost with planned write-offs.

Land areas have been appreciated into their acquisition costs.

The unremoved acquisition costs of buildings in the balance on 31.12.2016 is 12,750,856.21 Euros and the acquisition costs of land areas are 1,448,793,32 Euros.

According to a statement from a third-party expert their current value is a total of 42, 000,000.00 Euros.

**Current assets** Finance documents

The finance documents of the current assets have been appreciated to the market value at the time of the Financial Statement. The acquisition cost is 22,124.99 Euros and the market value is 33,863.26 Euros.

Comparable information from 2015 has been changed to match the market value. The 2015 market value at the time of the Financial Statement was 20,260.99 Euros and the market value was 26,812.30 Euros.

Changes in the current value fund	2016	2015
Opening 1.1.	5,241.05	0.00
Addition	842.87	5,241.05
End balance 31.12.	6,083.92	5,241.05

Otherwise the Financial Statement was written complying with the presumed principles and methods on appreciation and dividing as stipulated in the small business Financial Statements regulation,

Section 3, Chapter 1 Paragraphs 2 and 3.

**Given collateral and the commitments and arrangements outside the balance, as well as pension liabilities**

(PMA 3:7)

Given collateral by type	Amount of debt	Collateral
Loans from financial institutions	9,729,962.09	Mortgages
Instalment debts	82,336.87	Other collateral
<b>Total</b>	<b>9,812,298.96</b>	

**Information on essential arrangements outside the balance**

(PMA 3:7.1,3)

<b>Rental guarantees</b>		<b>97,279.90</b>
<b>Leasing obligations</b>	1.1.2017-31.12.2017	1,474.04
	<b>1.1.2018-31.12.2018</b>	<b>737.02</b>
<b>Total obligations</b>		<b>99,490.96</b>

**Review liability**

The company is obliged to review the value added tax deductions made to the basic improvements by the time of the Financial Statement, if the taxable use of the property is reduced during the review period.

The maximum amount of the liability is 189,274.96 Euros. The last revision year is 2025.

**Loans to related parties**

(PMA 3:9)

	<b>2016</b>	<b>2015</b>
Loans given to related parties	55,764.61	58,400.00

The company has loaned to its related party (member of the board) a total of 55,764.61 Euros for purchasing the company's shares. The loan interest is 0.25 % and the loan is due by 30.4.2040. The loans are not guaranteed.

**Personnel**

(PMA 3:11)

During the accounting period the company employed on average 28 people.

**Own shares owned by the company**

(PMA 3:12.1,4)

The company owns a total of 43,265 A-series shares.

During the account period 5057 own shares were released at the price of 25,960.00 Euros.

**Corresponding information for the annual report**

(PMA 3:13 and KPL 3:1.1a)

**Essentials events during the account period**

On 18.2.2016 the company bought from Homebox Finland Oy its small storage facility business in Seinäjoki and the transaction was partly paid for with Cityvarasto Oy's own shares. The opening ceremony of Pori small storage facility was held in May 2016, and this branch was the first in its field in the city of Pori. On 30.5.2016 Cityvarasto Oy bought a large property for small storage use in Nihtisilta in Espoo, at the address Nihtisillankuja 5 and on 23.11.2016 shop and storage building for small storage use in Seinäjoki, at the address Kullervonkatu 5, and on 22.12.2016 in Oulu two office / garage / storage buildings for small storage use at the address Kaarnatie 24. On 27.12.2016 the company also took part in the shares issue targeted at Apuovelle.com Oy. Apuovelle.com Oy bought the whole share capital of KD Rent Oy (Pakuovelle.com). KD Rent Oy (PakuOvelle.com) is one of the biggest transit van rental companies in Finland. Kiinteistö Oy Tampereen Viinikankulma, which is wholly owned by Cityvarasto Oy and was its affiliated company, was merged with its parent company on 31.12.2016.

<b>Changes in equity</b>		
(PMA 1:1.4,2)		
Equity	<b>2016</b>	<b>2015</b>
Share capital	33,637.60	33,637.60
Current value fund	6,083.92	5,241.05
Invested unrestricted equity fund 1.1.	3,377,945.33	2,369,560.83
Formed in merging	121,846.12	0.00
Additions	25,960.00	1,008,384.50
Invested unrestricted equity fund 31.12.	3,525,751.45	3,377,945.33
Profit from previous account periods	883,536.92	665,942.64
Dividend payout	-50,380.98	0.00
Return of the account period	519,142.54	217,594.28
Equity	<b>4,917,771.45</b>	<b>4,300,360.90</b>
Total unrestricted equity	4,884,133.85	4,266,723.30

### Capital loans

The shareholder has given the company capital loan of 1,500,000.00 Euros. The loan fulfils the requirements of the Companies Act OYL 12 for a capital loan. The main loan conditions:

1. The capital loan is due to be paid annually either in its entirety or partly by the last day of the month following the regular general meeting, if the debtor so demands.
2. The principal and interest are subordinate to all other debts in the liquidation and bankruptcy of the company.
3. The principal may be otherwise repaid and interest paid only in so far as the sum total of the unrestricted equity and all of the capital loans of the company at the time of payment exceed the loss on the balance sheet to be adopted for the latest financial period or the loss on the balance sheet from more recent financial statements.
4. The company shall not post security for the payment of the principal and interest.
5. Capital loan is interest-free.

### Estimate on the sufficiency of the company's resources

(OYL 20:23.2 and KPL 3:2.1)

Equity	4,917,771.45	
	Capital loan	1,500,000.00
Total	6,417,771.45	

**The board's suggestion for the use of the distributable unrestricted equity**

(PMA 1:1.4,2 and OYL 8:5.2 §)

The board suggests that the profit for the accounting period of 519,142.54 Euros is transferred to the profit / loss account of the previous accounts periods and dividends will be shared from profits at 0.02 Euros per share, total of 100,863.46 Euros.

**LIST OF ACCOUNT BOOKS USED**

(KPL 2:7 a)

**Accountancy and receipt types and their method of storage****Financial Statement and Accountancy**

Financial Statement	Electronic archive
Balance breakdowns	Electronic archive
Attachments	Electronic archive
Account-specific income statement	Electronic archive
Account-specific balance	Electronic archive
Nominal ledger	Electronic archive

**Receipt types**

Sales invoices	Electronic archive
Purchase invoices	Electronic archive
Online invoices (purchase invoices)	Electronic archive
Travel and service invoices	Electronic archive
Memo receipts	Electronic archive
Wages	Electronic archive
Bank statements, payment vouchers, VAT	Electronic archive
Unprompted tax declarations	Electronic archive

Original paper purchase invoices are kept on paper by the person accountable on paper. If the paper invoice has been scanned, the invoice is kept only in the paper-free archive electronically.

Original receipts attached to the travel and service invoices are kept by the person accountable on paper. If the paper invoice or its attachments has been scanned, the invoice is kept only in the paper-free archive electronically.