

VMP Plc

Financial Statements and the Report of Board of Directors

1 January - 31 December 2018

VMP Plc

FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

FINANCIAL YEAR 1 JANUARY - 31 DECEMBER, 2018

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These financial statements must be stored for at least ten years from the end of the financial year, or until 31 December 2028.

The vouchers for the financial year must be stored for at least six years after the end of the year during which the financial year ended, or until 31 December 2024.

Report of the Board of Directors

Development of the market environment

The HR services market relevant to VMP's business includes staffing services, recruitment and organizational development services and self-employment services. The size of the entire HR services market in Finland according to an estimate by VMP's management was EUR 2.4 billion in 2018, growing by 9 percent year-on-year.

The share of staffing services of the entire market was EUR 2.1 billion in 2018, and it was thereby clearly the largest service area. Correspondingly, the market size of recruitment and organization development services was approximately EUR 130 million in 2018. The market size of self-employment services has been estimated as being approximately EUR 140 million.

According to The Private Employment Agencies Association (HPL), the staffing service market continued to grow during 2018. Total growth generated organically and through corporate acquisitions was 13 percent. Growth expectations of HPL's member companies have levelled out as Finland's GDP growth estimates for the ongoing year have been lowered. The management estimates that the recruitment market in 2018 has remained on the previous year's level. In the self-employment services market, the market leaders have continued strengthening their position. In addition to the Finnish market, VMP also operates in the Swedish market. The Swedish HR services market grew by approximately 3 percent in January-September 2018, with growth in staffing services at 5 percent and slightly slower in other services.

Recent positive economic development has resulted in labor shortages in some industries. Solutions are being sought through cooperation with educational institutions and by strengthening the recruitment of international labor. In addition, VMP increasingly produces more employment-promotion services through growth services pilot projects related to the health, social services and regional government reform across Finland. The company believes that the health, social services and regional government reform would grow the HR services industry in Finland and would open up demand for services offered by private HR service companies. In addition, market growth potential is seen in digital services such as in provision of software robot labor.

Looking at different industries, the manufacturing and construction sectors are more sensitive to economic fluctuations in comparison to service industries, where the demand for HR services grows more moderately during economic upturns. The relative proportion of staffing in the service industry has increased among the industries served by VMP, especially as a consequence of realized acquisitions.

In Finland, the share of flexible forms of working of all work remains significantly lower than in comparable European countries. The market will continue its structural growth as flexible forms of working become more prevalent.

Key financial figures

VMP Plc was incorporated on September 8, 2017, and it acquired Varamiespalvelu Group through a share transaction on October 31, 2017, due to which VMP Plc's consolidated financial statements for its first financial year of August 28 – December 31, 2017 include the business operations of VMP for two months only. Due to this, consecutive financial years are not comparable. Key financial figures are presented for financial year January 1 – December 31, 2018. VMP Group has no comparative years.

EUR million, unless otherwise specified	Jan 1-Dec 31, 2018
Revenue	124.9
Adjusted EBITDA	10.2
Adjusted EBITDA margin, %	8.2%
EBITDA	9.8
Operating profit	1.8
Operating profit margin, %	1.5%
Equity-to-assets ratio, %	55.4%
Earnings per share, EUR	-0.20 ¹

Revenue and result development

VMP's revenue amounted to EUR 124.9 million. Of the Group's revenue, 95.8% came from Finland and the rest was generated in Sweden and Estonia.

VMP's chain-wide revenue amounted to EUR 204 million and franchise fees totaled EUR 8.9 million.

EUR million	2018 VMP Group	Share of the Group's revenue
Staffing	70.0	56%
Recruitment and Organizational Development	8.7	7%
Self-employment	46.1	37%
Total	124.9	100%

The Group's EBITDA amounted to EUR 9.8 million or 7.8% of the revenue. The adjusted EBITDA amounted to EUR 10.2 million or 8.2% of the revenue. EUR 0.5 million of personnel expenses relating to severance payments and bonus payments for the corporate acquisition were entered as items affecting comparability.

The Group's operating profit amounted to EUR 1.8 million or 1.5% of the revenue. The operating profit was burdened by amortizations of consolidated goodwill and goodwill, which in the review period amounted to EUR 6.9 million. The increase in amortizations of consolidated goodwill stems from the share transaction carried out on October 31, 2017, in which VMP Plc acquired the majority of Varamiespalvelu-Group's share capital, and from the share exchange carried out on May 29, 2018, in which the Group's minority shareholders received VMP Plc's shares, with the Group receiving subsidiary shares in exchange.

The result for before taxes was EUR -2.5 million and the result for the period was EUR -3.0 million. Earnings per share were EUR -0.20¹. The result was burdened by EUR 3.0 million in listing expenses, included in financing costs, as well as items affecting comparability amounting to EUR 0.5 million included in personnel costs. A deferred tax asset of EUR 0.5 million was entered for the financial year.

¹ In the calculation of earnings per share, the number of shares is 14,799,198 (registered number of shares as of December 31, 2018).

Significant events during the financial period

VMP Group deepened its expertise on the recruitment of white-collar workers by acquiring Arja Raukola Oy in April 2018. In May, Juha Pesola was appointed as VMP's new CEO. VMP was listed on the First North marketplace of Nasdaq Helsinki on June 19, 2018.

In September, VMP clarified its service offering by merging Romana and Personnel and operations continue under a single Personnel brand. At the same time the company divested its operations in Estonia. The divestment of operations in Estonia had no effect on the Group's results.

VMP Group carried out acquisitions late in the year. In November, VMP Group strengthened its position in the Finnish HR services market by acquiring HenkilöstötaVoima and in December, VMP Group acquired Enjoy Group, which focuses on the HoReCa (hotel, restaurant and catering) industry.

Financial position and cash flow

VMP's consolidated balance sheet total on December 31, 2018 was EUR 100.7 million, of which equity made up EUR 55.7 million. In the beginning of the financial period, the Group's balance sheet total was EUR 79.0 million. VMP's share was listed on Nasdaq Helsinki's First North marketplace on June 19, 2018. In the initial public offering, VMP accumulated a total of EUR 34.5 million of new funds. The new funds were entered as part of the company's reserve for invested unrestricted equity.

Shareholder loans amounting to EUR 1.3 million were converted into the reserve for invested unrestricted equity, and an investment of EUR 7.5 million was made into the reserve. In May, a share exchange was carried out, in which the Group's minority shareholders received shares of VPM Plc and the company received subsidiary shares in exchange, and in which the total subscription price of the shares, EUR 15.3 million, was entered into the reserve for invested unrestricted equity. Furthermore, an increase of share capital from the reserve for invested unrestricted equity, amounting to EUR 0.1 million, was carried out.

During the financial year and before the public listing, the Group drew new bank loans of EUR 44.5 million and repaid old bank loans amounting to EUR 43.7 million as well as a total of EUR 8.6 million in shareholder loans and their interests. Bank loans of EUR 24.6 million were repaid with the funds accumulated in the initial public offering. As of December 31, 2018, the Group has liabilities to credit institutions of EUR 20.3 million, of which EUR 20.2 million is non-current. In addition, the Group has an overdraft facility of EUR 3.0 million, which on December 31, 2018, was fully unused.

Equity-to-assets ratio stood at 55.4% and the Group's net debt on December 31, 2018 amounted to EUR 11.8 million. The net debt/adjusted EBITDA ratio was 1.2 x. VMP's long-term financial target for leverage is 1.5 x.

Operative free cash flow amounted to EUR 9.5 million and the cash conversion was 97.3%. Cash conversion was strong due to efficient working capital management. During the financial period, the Group's business required no significant investments.

Investments, acquisitions and changes in Group structure

VMP's investments in subsidiary shares amounted to EUR 8.7 million in 2018. Investments include the acquisitions of Arja Raukola Oy, HenkilöstötaVoima and Enjoy, acquiring of minority shares and the payments of additional purchase prices.

The acquisition of Arja Raukola Oy took place in April 2018. Arja Raukola Oy is a HR services company offering recruitment and staffing services, and it operates in Tampere and Helsinki. The company's revenue in 2018 was EUR 3.3 million and EBITDA was EUR 0.2 million. The fixed debt-free sale price was EUR 0.6 million.

VMP Group acquired HenkilöstötaVoima on November 28, 2018. The acquisition included the share capital of Yrityspalvelu Voima Oy, Voima Rakentaminen Oy and Työpalvelu Voima Oy. The companies' total revenue in the financial period in January 1 – December 31, 2018 was EUR 11.8 million, and the EBITDA was EUR 1.1 million. Companies employed 15 people in

total, in addition to staffed employees. VMP financed the acquisition with its cash in hand. The fixed debt-free sale price was EUR 2.8 million, in addition to which an extra sale price of no more than EUR 2.0 million is paid based on the EBITDA in January 1 – December 31, 2018.

VMP Group acquired Extremely Nice Job Oy (Enjoy) on December 31, 2018. Enjoy is a HR services company operating nationwide, with a focus on providing HR services in the HoReCa industry. Enjoy Group's revenue was EUR 18.6 million in 2018, and the EBITDA was EUR 0.8 million. The Enjoy Group employed 34 people in addition to staffed employees. VMP financed the acquisition with its cash in hand. The fixed debt-free sale price was EUR 2.7 million, in addition to which an extra sale price of no more than EUR 0.3 million is paid based on the EBITDA in January 1 – December 31, 2018.

VMP's investments in tangible and intangible assets totaled EUR 0.6 million in January–December. Investments in tangible and intangible assets were mainly related to IT investments and robotics development projects. VMP has no substantial research and development costs.

During the review period, intra group fusions were carried out. On September 30, 2018, the companies of the Romana subgroup merged into PD Personnel Oy Ltd. On December 31, Forshire BidCo Oy merged into Forshire MidCo Oy, and Forshire MidCo Oy merged to VMP Plc. The fusions had no impact on the Group's result or consolidated balance sheet.

Shares and share trading

Trading in VMP's share on Nasdaq Helsinki's First North marketplace began on June 19, 2018. In the initial public offering, which consisted of a public and personnel offering, VMP issued 6,038,819 new shares. The final subscription price of the share in the initial public offering was EUR 5.0 per share, corresponding to a market value of approximately EUR 69.5 million. In connection with the listing, VMP got over 1,100 new shareholders.

In a directed share issue, 905,822 additional shares were issued to Danske Bank A/S, Finland Branch, for potential stabilizing measures. The shares were subscribed in July 2018.

On December 31, 2018 VMP had 14,799,198 registered shares. The company holds no treasury shares. The company had 1,065 shareholders, including nominee registered shareholders.

By the end of December 1,839,717 VMP shares were traded in the Helsinki stock exchange and the total trading volume was EUR 9.3 million. During the time period, the highest quotation was EUR 5.80 and the lowest EUR 3.13. The volume-weighted average price of the share was EUR 5.03. The closing price of the share at the end of December was EUR 3.28 and the market value of VMP stood at EUR 48.5 million.

As of December 31, 2018, the members of the Board of Directors of VMP and the members of the management team own a total of 918,420 VMP shares, corresponding to approximately 6.2% of VMP's shares and of the votes to which they entitle. The share numbers include the direct holdings of the persons in question. In addition, Board members are employed in managerial duties by significant shareholders.

Personnel

VMP employs people in Group functions and as staffed employees assigned to customer companies. In financial year, the number of Group employees was on average 211 and the number of staffed employees was on average 1,361.

Due to the nature of the staffing service business, VMP's total number of personnel employed is higher than the number of personnel employed on average. In the calculation of the average number of staffed employees, the work input of the employees has been converted into person-years. The users of self-employment services are not included in the Group's personnel numbers.

Personnel expenses totaled EUR 105.0 million in the financial period. The total personnel expenses include salaries and remuneration, including indirect labor costs, for the Group's personnel and for the users of self-employment services.

Changes in company management

On September 27, 2018 VMP announced that VMP Plc's CFO Jarmo Korhonen had resigned from his position. On December 19, 2018 the company announced that Pauliina Soinio had been appointed interim CFO and member of the Management Team starting from January 1, 2019. Pauliina Soinio has been at VMP Group since 2012, working in several management positions in financial administration.

The composition of VMP Group's Management Team and changes to its composition during the financial period are presented in the Corporate Governance statement, published as a separate report on the company's website.

Governance

Annual General Meeting and Extraordinary General Meeting

The company's financial statements were adopted in the Annual General Meeting on March 27, 2018.

VMP's shareholders made on May 18, 2018 a unanimous decision to change the company into a public corporation and to change its name to VMP Plc. At the same time, the company's share capital was increased with an increase from reserves to the total of EUR 80,000 required from public corporations. Furthermore, it was decided that the company's shares be registered in a book-entry system. Joni Aaltonen, Heimo Hakkarainen, Tapio Pajuharju and Paul Savolainen were elected as new ordinary members of VMP Plc's Board of Directors. Liisa Harjula, Mika Uotila and Virva Vesanen continue as Board members. Liisa Harjula serves as Chairwoman of the Board.

VMP's shareholders made on May 18, 2018 a unanimous decision to increase the number of VMP shares by splitting the shares with a share issue without any compensation. Three new shares were given per each existing share and the number of the company's shares increased from 1,188,000 to 4,752,000. Additionally, the Board of Directors was authorized to decide on a share issue to be implemented in connection with a share exchange. Based on this authorization, the Board of Directors decided on May 29, 2018 to implement a share exchange in which the Group's minority shareholders received a total of 3,102,557 VMP Plc's shares and the subscription price was paid with subsidiary shares.

The company's Articles of Association previously included redemption and consent clauses. In a decision made on May 18, 2018, the company's shareholders resolved to remove these clauses from the Articles of Association in connection with the listing. VMP's shareholders authorized the Board of Directors on May 18, 2018 to resolve on a directed share issue in connection with the listing of the Company. The number of new shares to be issued on the basis of the authorization is 11,000,000 at maximum. Based on the aforementioned authorization, VMP's Board of Directors resolved on June 5, 2018 on a directed share issue in which a total of 6,038,819 shares were issued in a public and personnel offering. Furthermore, the Board of Directors resolved on June 18, 2018 on a directed share issue to Danske Bank A/S, Finland Branch concerning additional shares. 905,822 shares in total were issued for potential stabilization measures.

An Extraordinary General Meeting on May 30, 2018 authorized the Board of Directors to resolve on approving the placing agreement and offering circular and on submitting a listing application to the First North marketplace maintained by Nasdaq Helsinki. Based on this authorization, the Board of Directors of VMP resolved on June 5, 2018 that the company will apply for its shares to be listed on the First North marketplace of Nasdaq Helsinki. Trading in the shares began on June 19, 2018.

Authorizations given to the Board of Directors

VMP's shareholders authorized on May 18, 2018 the Board of Directors to decide on the issuance of new shares or special rights under chapter 10 section 1 of the Finnish Limited Liability Companies Act that entitle to shares in one or several lots. The authorization concerns both the issuance of new shares as well as the transfer of own shares held by the company, and the aggregate number of shares to be issued on the basis of the authorization may not exceed 2,000,000 shares. New shares may be issued or special rights may be granted otherwise than in proportion to the shareholdings of the shareholders (directed share issue). The authorization remains in force until the end of the next Annual General Meeting, however, no longer than until June 30, 2019.

VMP's shareholders authorized on May 18, 2018 the Board of Directors to resolve on the repurchase of the company's own shares. The maximum number of treasury shares to be acquired under the authorization is 1,000,000 shares. However, the

Company may not, together with its subsidiaries, hold more than 10 percent of all the Company's shares at any time. The authorization remains in force until the end of the next Annual General Meeting, however, no longer than until June 30, 2019.

Corporate Governance Statement

The company's Corporate Governance Statement is published separate from the report of the Board of Directors on the company's website at <https://www.vmpgroup.fi/en/investors/reports-and-presentations/>.

Assessment of the most significant business risks and uncertainties

VMP's risk management principles are based on the Finnish Corporate Governance Code for Listed Companies (2015). The objective of risk management is to ensure that the group's targets are reached and to safeguard the continuity of operations. Risk management is part of internal control.

VMP's risk management is part of the Group's ERP and thus an integral part of the Group's management system. Risk management is systematic, predictive and comprehensive, and, taking into account the Group's activities, comprehensively covers all risk areas.

The Group's risks are related to its operational environment, or business or financial risks. Risks related to the operational environment may include business development risks, market risks or legislative risks. Business level risks may include personnel risks, risks related to management, process risks, service risks, information security risks, accident risks, growth-related risks or partner risks. Financial risks include, for example, financing and credit risks. During 2018, no substantial changes have occurred in the Group's view of its risks.

Poor economic development in Finland or Sweden may have an indirect adverse impact on VMP's business and result. In economic downturns it is possible that companies use less staffing services and other HR services offered by VMP. The future development of the labor market may affect VMP's business. Substantial short-term risks also include tighter competition in the HR and recruitment market, changes in legislation or collective agreements, and the cyclical nature of the business.

VMP manages its activities according to its strategy. Therefore, the company's business operations include risks in case the company is unable to successfully realize its strategy. In its operations, VMP is reliant on its ability to find, recruit and manage a sufficient number of staffed workers, and on the successful execution of recruitment, headhunting and personal evaluation assignments. Identifying targets for corporate acquisitions, realizing corporate acquisitions and integrating the acquired companies into the Group's operations may present a risk for VMP's business. Development of new products and services include risks to business operations. In addition, there are risks related to the functionality of the Group's IT systems, data privacy, and the competence and skills of key employees. The Group's business also includes reputational risk.

More information about VMP's risk management is available on the company website at <https://www.vmpgroup.fi/en/>.

Long term financial targets

The Board of Directors has approved the following long-term financial targets.

- **Growth:** Revenue growth exceeding market growth
- **Profitability:** 10 percent adjusted EBITDA margin
- **Leverage:** Net debt / adjusted EBITDA ratio of 1.5 x
- **Dividends:** The target is to pay out 30–50 percent of the annual net result adjusted with amortization of goodwill as dividends to shareholders. The company's Board of Directors assesses annually the balance between the dividend to be paid and the company's financial standing, cash flow and growth investments and gives a proposal of the amount of dividend to be paid based on this assessment.

Outlook for 2019

VMP expects adjusted EBITDA to grow significantly during the financial period ending December 31, 2019 compared to the financial period ended December 31, 2018.

Significant events after the review period

After the end of the financial period, VMP has strengthened its position in staffing in the retail sector by acquiring Henkilöstöratkaisu Extraajat Oy on February 14, 2019. Extraajat provides staffing services nationwide and is especially focused on customers and employees in the retail sector. Henkilöstöratkaisu Extraajat Oy's revenue in the previous financial period was EUR 19.8 million and the EBITDA was EUR 1.7 million. VMP financed the acquisition by bank loan and its cash in hand. The fixed debt-free sale price is EUR 7 million.

VMP sold Alina Hoivatiimi Oy to Norlandia Care Oy with a sales contract signed on February 15, 2019. Alina is a nationwide franchise chain offering home care, domestic work and home medical care services. Alina Group's revenue in 2018 was EUR 1.5 million. The debt-free sale price paid in cash was EUR 1.5 million. Outside of profit from the sale, approximately EUR 0.7 million, the sale has no significant impact on VMP Group's result.

Board proposal for utilization of distributable funds

The parent company's distributable funds in the financial statement on December 31, 2018, was EUR 63.1 million, of which profit for the financial period was EUR 3.7 million. The Board proposes to the Annual General Meeting that dividend be paid EUR 0.08 per share, corresponding to a total of EUR 1.2 million.

The Board proposes paying dividends in full on April 8, 2019 to shareholders who on the record date of April 1, 2019 are listed in the company's register of shareholders maintained by Euroclear Finland Oy.

Annual General Meeting 2019

VMP's Annual General Meeting will be held on March 28, 2019. The Board of VMP will convene the Annual General Meeting separately at a later date.

Statement of non-financial information

VMP's business operations

VMP Group consists of the parent company, VMP Plc and its subsidiaries. VMP's business operations are divided into three service areas: staffing, recruitment and organizational development and self-employment services.

In staffing services, we provide temporary labor to our corporate customers, where the employee is in an employment relationship to the staffing company, but works for the agreed period of time at the customer company. In staffing we operate under the VMP Varamiespalvelu, Staffplus, Henkilöstötalo Voima and Enjoy brands. VMP offers staffing services both through its own units and through franchisees. The recruitment and organizational development services offered by Personnel consist of services related to finding permanent staff and from training and development services for a company's personnel. Through the Eezy self-employment services, a private individual can operate independently as an entrepreneur without establishing their own company by billing customers through VMP's service. VMP Group also offers home care services under the Alina brand.

With its comprehensive service offering, VMP aims to respond to the changing needs of employers and employees. Thanks to its wide offering, VMP is able to operate as a full-service HR partner to its customers. VMP serves customers in Finland and Sweden, in addition to which the Group maintains a staffer recruitment office in Romania.

Environment

VMP's operations do not involve significant environmental considerations. Due to the nature of VMP's business operations, the direct environmental impact of the company's services is estimated to be minor.

Social and personnel matters

VMP's goal is to help employers and employees succeed in a changing world of work. VMP's business, growth and success are based on our skilled personnel, including both our Group employees and our staffed employees. In addition to staff knowhow, our focus is on advancing well-being.

To VMP, it is important that staffed work is fair for both the employee and for the company employing staffed personnel. Working in accordance with the rules of working life, legislation and collective labor agreements is emphasized in the Group's activities. VMP cooperates with labor unions and takes care of the occupational safety of staffed employees in cooperation with our customers.

VMP plays a significant role in preventing social exclusion. Young people and persons with migrant backgrounds are employed through VMP. In addition, VMP participates in the growth services reform related to the public sector's health, social services and regional government reform, where the aim is to promote employment, the availability of skilled labor and to respond to changes in the labor market.

VMP sees the availability of skilled personnel for both customer companies and for positions in the Group as its most significant social and personnel risk.

Key themes in VMP's personnel affairs are well-being at work and occupational safety. Well-being at work is measured continuously with personnel NPS reporting. In addition, development of well-being is monitored based on the sickness absence rate of employees. Occupational accidents are monitored together with the occupational health care service in order to improve occupational safety.

Respect for human rights and prevention of corruption and bribery

At VMP we honor and follow human rights. We do not discriminate against our employees nor our applicants under any basis. We seek to create sought-after employment for all our employees, where they are treated with uniform respect, and we promote a culture of diversity. We do not accept harassment or workplace bullying in any form. VMP has received no reports of human rights violations related to its operations during the financial period. VMP Group does not have comparative years.

During the year, VMP carried out a project relating to the EU's General Data Protection Regulation (GDPR), where an information safety organization was created for the company, and new processes to ensure appropriate data protection were implemented.

In addition, VMP is committed to combating corruption in all its forms, including blackmailing and bribery. Services, gifts or benefits that could reasonably be assumed to affect decision-making in a company are not offered nor received. Personnel have the possibility to report cases of misuse or suspected misuse to their supervisor or to the company's management. VMP has received no reports of misuse or suspected misuse during the financial period. VMP Group does not have comparative years.

Helsinki, February 27, 2019

VMP Plc
Board of Directors

CONSOLIDATED BALANCE SHEET	31 Dec 2018	31 Dec 2017
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	169,971.07	224,118.51
Goodwill	65,596.48	137,720.31
Group goodwill	67,491,678.42	54,934,465.32
Other non-current expenditures	1,864,749.46	2,108,383.26
Advance payments	104,740.33	0.00
Total intangible assets	69,696,735.76	57,404,687.40
Tangible assets		
Machinery and equipment	624,118.62	415,692.52
Other tangible assets	26,848.02	23,848.02
Advance payments	0.00	7,385.2
Total tangible assets	650,966.64	446,925.74
Investments		
Participating interests	106,232.98	0.00
Other shares and similar rights of ownership	225,278.11	180,655.39
Total investments	331,511.09	180,655.37
TOTAL NON CURRENT ASSETS	70,679,213.49	58,032,268.53
CURRENT ASSETS		
Inventories		
Finished products	0.00	421.00
Total inventories	0.00	421.00
Non-current receivables		
Receivables from participating interest companies	50,000.00	0.00
Loan receivables	23,125.00	11,000.00
Other receivables	284,251.85	77,832.02
Total non-current receivables	357,376.85	88,832.02
Current receivables		
Trade receivables	17,816,043.43	14,522,819.07
Receivables from participating interest companies	40,000.00	0.00
Loan receivables	66,325.55	105,896.13
Deferred tax asset	527,000.00	0.00
Other receivables	581,017.60	415,454.76
Prepayments and accrued income	2,000,342.42	1,044,468.23
Total current receivables	21,030,729.00	16,088,638.19
Cash at bank and in hand	8,645,447.81	4,830,115.24
TOTAL CURRENT ASSETS	30,033,553.66	21,008,006.45
TOTAL ASSETS	100,712,767.15	79,040,274.98

CONSOLIDATED BALANCE SHEET	31 Dec 2018	31 Dec 2017
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	2,500.00
Translation differences	-103,396.67	-5,559.84
Other reserves		
Reserve for invested unrestricted equity	59,788,713.50	1,185,500.00
Retained earnings	-1,047,309.22	0.00
Profit (loss) for the financial year	-2,974,820.09	-1,550,406.30
TOTAL EQUITY	55,743,187.51	-367,966.14
Minority shares	0.00	5,576,291.67
LIABILITIES		
Non-current liabilities		
Liabilities to credit institutes	20,171,214.78	42,834,000.00
Trade payables	0.00	4,135.63
Liabilities to group companies	0.00	1,268,142.40
Other liabilities	203,733.90	9,186,094.61
Accruals and deferred income	0.00	71,198.06
Total non-current liabilities	20,374,948.68	53,363,570.70
Current liabilities		
Liabilities to credit institutes	93,348.96	1,666,000.00
Advances received	3,194.00	15,183.64
Trade payables	2,218,321.78	1,863,788.65
Other liabilities	9,303,739.73	7,223,976.36
Accruals and deferred income	12,976,026.50	9,699,430.10
Total current liabilities	24,594,630.96	20,468,378.75
TOTAL LIABILITIES	44,969,579.64	73,831,949.45
TOTAL EQUITY AND LIABILITIES	100,712,767.15	79,040,274.98

CONSOLIDATED INCOME STATEMENT	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
REVENUE	124,892,314.51	20,978,438.46
Other operating income	274,846.87	4,497.51
Materials and services		
Materials and consumables		
Purchases during the financial year	-618,428.36	-136,157.48
Change in inventories	-421.00	-1,397.09
External services	-1,591,523.59	-281,180.99
Total materials and services	-2,210,372.95	-418,735.56
Personnel expenses		
Wages and salaries	-92,943,702.37	-14,751,033.67
Pension expenses	-8,680,328.66	-1,323,929.82
Other social security expenses	-3,352,059.80	-750,307.71
Total social security expenses	-12,032,388.46	-2,074,237.53
Total personnel expenses	-104,976,090.83	-16,825,271.20
Depreciation, amortization and impairment losses		
Depreciation and amortization according to plan	-7,901,578.73	-1,282,292.99
Impairment losses on non-current assets	-23,956.90	0.00
Total depreciation, amortization and impairment losses	-7,925,535.63	-1,282,292.99
Other operating expenses	-8,228,866.42	-2,998,303.99
OPERATING PROFIT (LOSS)	1,826,295.54	-541,667.77
Financial income and expenses		
Income from other investments held as non-current	644.24	0.00
Other interest income and other financial income	22,900.20	16,702.36
Interest expenses and other financial expenses	-4,363,155.91	-1,580,086.33
Total financial income and expenses	-4,339,611.47	-1,563,383.97
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-2,513,315.93	-2,105,051.74
Income taxes		
Taxes for the financial year and previous financial years	-988,504.16	-231,731.66
Deferred taxes	527,000.00	0.00
Total income taxes	-461,504.16	-231,731.66
Minority shares	0.00	786,377.10
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-2,974,820.09	-1,550,406.30

CONSOLIDATED CASH FLOW STATEMENT

1 Jan - 31 Dec 2018

28 Aug - 31 Dec 2017

CASH FLOW FROM OPERATING ACTIVITIES

Cash receipts from customers	126,082,428.78	20,586,950.31
Cash receipts from other operating income	274,846.93	4,497.51
Cash paid to suppliers and employees	-116,225,064.60	-18,799,649.72
Cash flow from operating activities before financial items and taxes	10,132,211.11	1,791,798.10
Interest and expenses paid from other operating financial expenses	-82,833.54	-8,929.40
Interest received from operating activities	21,373.68	16,702.36
Dividends received from operating activities	484.40	0.00
Direct taxes paid	-1,653,591.22	-178,965.26

NET CASH FROM OPERATING ACTIVITIES

8,417,644.43

1,620,605.80

CASH FLOW FROM INVESTING ACTIVITIES

Investments in tangible and intangible assets	-643,123.57	-214,095.78
Proceeds from sale of tangible and intangible assets	52,640.00	0.00
Granted loans	-220,500.00	0.00
Investments in subsidiaries	-8,658,375.52	-33,119,291.25

NET CASH USED IN INVESTING ACTIVITIES

-9,184,908.78

-33,333,387.03

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issuance of share capital	42,034,372.50	1,960,750.00
Change in current receivables	480,733.74	-79,284.83
Repayment of current loans and borrowings	-1,180,599.80	0.00
Change in non-current receivables	-131,492.66	4,618.44
Proceeds from non-current loans and borrowings	18,833,000.00	35,052,330.00
Repayment of non-current loans and borrowings	-50,787,001.00	-9,751.89
Interest and other financial expenses paid	-4,666,415.86	-385,765.25

NET CASH USED IN FINANCING ACTIVITIES

4,582,596.92

36,542,896.47

Net increase/decrease in cash and cash equivalents

3,815,332.57

4,830,115.24

Cash and cash equivalents at beginning of financial year	4,830,115.24	0.00
Cash and cash equivalents at end of financial year	8,645,447.81	4,830,115.24
Net increase/decrease in cash and cash equivalents	3,815,332.57	4,830,115.24

PARENT COMPANY'S BALANCE SHEET	31 Dec 2018	31 Dec 2017
ASSETS		
NON-CURRENT ASSETS		
Investments		
Holdings in group companies	56,350,175.51	9,693,000.00
Total investments	56,350,175.51	9,693,000.00
TOTAL NON-CURRENT ASSETS	56,350,175.51	9,693,000.00
CURRENT ASSETS		
Non-current receivables		
Receivables from group companies	3,518,555.56	9,822,240.00
Total non-current receivables	3,518,555.56	9,822,240.00
Current receivables		
Receivables from group companies	15,275,908.24	0.00
Other receivables	11,586.60	0.00
Prepayments and accrued income	32,990.09	0.00
Total current receivables	15,320,484.93	0.00
Cash at bank and in hand	174,263.67	779,185.36
TOTAL CURRENT ASSETS	19,013,304.16	10,601,425.36
TOTAL ASSETS	75,363,479.67	20,294,425.36
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	2,500.00
Other reserves		
Reserve for invested unrestricted equity	59,788,713.50	1,185,500.00
Retained earnings	-341,121.71	0.00
Profit (loss) for the financial year	3,700,810.48	-341,121.71
TOTAL EQUITY	63,228,402.27	846,878.29
LIABILITIES		
Non-current liabilities		
Liabilities to credit institutes	10,832,999.00	18,000,000.00
Liabilities to group companies	0.00	1,268,142.40
Other liabilities	0.00	51,859.40
Accruals and deferred income	0.00	704.72
Total non-current liabilities	10,832,999.00	19,320,706.52
Current liabilities		
Trade payables	282,329.06	6,161.89
Liabilities to group companies	34,854.99	0.00
Other liabilities	21,296.93	0.00
Accruals and deferred income	963,597.42	120,678.66
Total current liabilities	1,302,078.40	126,840.55
TOTAL LIABILITIES	12,135,077.40	19,447,547.07
TOTAL EQUITY AND LIABILITIES	75,363,479.67	20,294,425.36

PARENT COMPANY'S INCOME STATEMENT	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
REVENUE	303,800.00	0.00
Personnel expenses		
Wages and salaries	-285,268.33	0.00
Pension expenses	-48,407.53	0.00
Other social security expenses	-5,963.40	0.00
Total social security expenses	-54,370.93	
Total personnel expenses	-339,639.26	0.00
Other operating expenses	-242,495.82	-2,521.40
OPERATING PROFIT (LOSS)	-278,335.08	-2,521.40
Financial income and expenses		
Income from holdings in group companies	6,000,000.00	0.00
Other interest income and other financial income		
From other companies	211.13	0.00
From group companies	1,246,220.27	129,240.00
Interest expenses and other financial expenses		
To other companies	-3,156,683.48	-450,838.51
To group companies	-110,602.36	-17,001.80
Total financial income and expenses	3,979,145.56	-338,600.31
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	3,700,810.48	-341,121.71
PROFIT (LOSS) FOR THE FINANCIAL YEAR	3,700,810.48	-341,121.71

PARENT COMPANY'S CASH FLOW STATEMENT	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	303,800.00	0.00
Cash paid to suppliers and employees	-553,102.53	-79.00
Cash flow from operating activities before financial items and taxes	-249,302.53	-79.00
Interest and expenses paid from other operating financial expenses	-46.01	0.0
Interest received from operating activities	211.13	0.00
NET CASH FROM OPERATING ACTIVITIES	-249,137.41	-79.00
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in subsidiaries	-245,445.46	-9,693,000.00
Interest received from investing activities	446,143.56	0.00
NET CASH USED IN INVESTING ACTIVITIES	200,698.10	-9,693,000.00
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	42,037,372.50	1,188,000.00
Change in current receivables	-6,378,794.17	0.00
Proceeds from non-current loans and borrowings	0.00	19,303,000.00
Repayment of non-current loans and borrowings	-18,000,000.00	0.00
Change in non-current receivables	-14,904,577.40	-9,693,000.00
Interest and other financial expenses paid	-3,405,613.01	-325,735.64
NET CASH USED IN FINANCING ACTIVITIES	-651,612.08	10,472,264.36
Net increase/decrease in cash and cash equivalents	-700,051.39	779,185.36
Cash and cash equivalents at beginning of financial year	779,185.36	0.00
Cash and cash equivalents at end of financial year	174,263.67	779,185.36
Net increase/decrease in cash and cash equivalents	-604,921.69	779,185.36
Cash and cash equivalents transferred in intra-group merger	95,129.70	

ACCOUNTING PRINCIPLES FOR FINANCIAL STATEMENTS

Comparability of financial year and comparative year

Financial statements are prepared for the financial year 1 January - 31 December, 2018. Comparative year is financial year 28 August - 31 December, 2017.

VMP Plc acquired Varamiespalvelu Group through a share transaction on October 31, 2017, due to which VMP Plc's consolidated financial statements for 2017 include the business operations of VMP for two months only.

Due to this, consecutive financial years are not comparable.

Measurement and recognition principles and methods

Intangible assets are carried at cost less amortization according to plan, and tangible assets at cost consisting of related variable expenditures less depreciation according to plan, and are presented under non-current assets. Investments presented under non-current assets are carried at cost.

Trade, loan and other receivables held under current assets are carried at the lower of nominal value and probable value.

Intangible and tangible assets held under non-current assets are amortised / depreciated in accordance with a pre-determined plan, by applying the maximum amortisation / depreciation allowed under the Finnish Business Tax Act (BTA).
The cost of an asset, less its residual value, is amortised / depreciated over its estimated useful life.

Asset	Estimated useful life / years	Depreciation / amortisation percentage and method
Other non-current expenditures	5-10	10% or 20% straight-line method
Group goodwill	10	10% straight-line method
Machinery and equipment	appr. 8	maximum depreciation allowed under BTA
IT software	5	20% straight-line method

Foreign currency transactions

The receivables in foreign currencies are translated into Finnish currency using the exchange rate quoted on the balance sheet date.

Consolidation principles

The consolidated financial statements are prepared using the purchase method of accounting to eliminate intra-group holdings.
Intra-group transactions as well as mutual receivables and liabilities are eliminated.

Notes to subsidiaries

		The aggregate holding of the group companies in the subsidiary as of 31 Dec 2018
Name of the subsidiary	Domicile	
Bework Oy	Helsinki	100 %
Castanea Oy	Helsinki	100 %
Conrator Oy	Helsinki	100 %
Sonire Oy	Helsinki	100 %
Staff Ok Oy	Helsinki	100 %
Staffservice Finland Oy	Helsinki	100 %
Workcontrol Oy	Helsinki	100 %
Caperea Oy	Helsinki	100 %
VMP Power Oy	Helsinki	100 %
Kapera Oy	Helsinki	100 %
Alina Hoivatiimi Oy	Kuopio	80 %
Kotihoito Saga Oy	Kuopio	
Eezy Osk	Helsinki	100 %
VMP Ura Oy	Helsinki	100 %
PD Personnel Development Oy Ltd	Tampere	100 %
Staff Plus Oy	Helsinki	100 %
Yrityspalvelu Voima Oy	Tampere	100 %
Työpalvelu Voima Oy	Tampere	100 %
Voima Rakentaminen Oy	Tampere	100 %
Extremely Nice Job Oy	Jyväskylä	100 %
Enjoy Bar Oy	Helsinki	
Enjoy Piisi Oy	Helsinki	
Enjoy Prikka Oy	Helsinki	
Enjoy Bar Itä Oy	Jyväskylä	
Enjoy Bar Länsi Oy	Tampere	
Enjoy Bar Pohjoinen Oy	Oulu	
Enjoy Piisi Itä Oy	Jyväskylä	
Enjoy Piisi Länsi Oy	Tampere	
Enjoy Piisi Pohjoinen Oy	Oulu	
Enjoy Prikka Itä Oy	Jyväskylä	
Enjoy Prikka Länsi Oy	Tampere	
Enjoy Prikka Pohjoinen Oy	Oulu	
Enjoy Respa Oy	Helsinki	
Enjoy Management Oy	Helsinki	
VMP Group OÜ	Tallinna	100 %
VMP-Group Sweden AB -konserni	Tukholma	92,69 %
VMP Bemanning AB		
VMP Karriär & Utveckling AB		
Protorent AB		
KOLMI Logistik AB		

Enjoy Management Oy's financial statements are no consolidated in the consolidated financial statements, since the company has not had business operations.

Mergers

Romana Management Oy merged to Romana Executive Oy, and Romana Excutive Oy and Romana Image Oy to PD Personnel Oy Ltd on September 30, 2018.
Forshire BidCo Oy merged to Forshire MidCo Oy and Forshire MidCo Oy to VMP Plc on December 31, 2018.

Ownerships in other companies

	Domicile	Percentage of ownership
Enjoy Festival Oy	Helsinki	42 %
Zigmund Oy	Turku	40 %

Participating interest companies are consolidated to consolidated financial statements using the equity method.

Events after the reporting period

On February 14, 2019 VMP acquired Henkilöstöratkaisu Extraajat Oy.
On February 15, 2019 VMP divested Alina Hoivatiimi Oy and Kotihoito Saga Oy.

NOTES TO INCOME STATEMENT

Revenue

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Revenue by service area				
Staffing	303,800.00	0.00	70,027,556.09	12,059,253.06
Recruitment and organizational development	0.00	0.00	8,737,051.20	1,618,367.49
Self-employment	0.00	0.00	46,127,707.22	7,300,817.91
	303,800.00	0.00	124,892,314.51	20,978,438.46

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Revenue by geographical area				
Finland	303,800.00	0.00	119,642,823.66	19,561,630.86
Other countries	0.00	0.00	5,249,490.85	1,416,807.60
	303,800.00	0.00	124,892,314.51	20,978,438.46

Notes to the personnel and management

Average number of personnel during the financial year

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Salaried employees	1	0	211	199
Workers	0	0	1,361	1,312
	1	0	1,553	1,511

Management remuneration

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
CEO and his deputy	160,419.53	0.00	739,816.71	71,933.16
Board members	32,000.00	0.00	42,000.00	8,000.00

Auditor's fees

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
KPMG Oy Ab				
Audit fees	138,032.50	2,430.40	232,379.66	15,542.16
Tax advisory fees	31,820.00	0.00	88,444.86	16,045.92
Other fees	359,677.65	0.00	544,880.63	72,871.73
	529,530.15	2,430.40	865,705.15	104,459.81

NOTES TO INCOME STATEMENT

Financial income and expense

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Income from other investments held as non-current				
From group companies	6,000,000.00	0.00	0.00	0.00
From other companies	0.00	0.00	484.40	0.00
Total dividends income	6,000,000.00	0.00	484.40	0.00
Interest income from non-current investments				
From other companies	0.00	0.00	159.84	0.00
Other interest income				
From group companies	1,246,220.27	129,240.00	0.00	0.00
From other companies	211.13	0.00	19,379.42	16,294.77
Total interest income	1,246,431.40	129,240.00	19,539.26	16,294.77
Other financial income				
From other companies	0.00	0.00	3,520.78	407.59
Total other financial income	0.00	0.00	3,520.78	407.59
Total financial income	7,246,431.40	129,240.00	23,544.44	16,702.36
Interest expenses				
For group companies	-42,528.77	-17,001.80	-40,584.95	-17,001.80
For other companies	-301,051.58	-121,371.38	-1,277,823.15	-386,528.52
Total interest expenses	-343,580.35	-138,373.18	-1,318,408.10	-403,530.32
Other financial expenses				
For group companies	-68,073.59	0.00	0.00	0.00
For other companies	-2,855,631.90	-329,467.13	-3,044,747.81	-1,176,556.01
Total other financial expenses	-2,923,705.49	-329,467.13	-3,044,747.81	-1,176,556.01
Total financial expenses	-3,267,285.84	-467,840.31	-4,363,155.91	-1,580,086.33
Total financial income and expenses	3,979,145.56	-338,600.31	-4,339,611.47	-1,563,383.97

Income taxes

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Income tax on operating activities	0.00	0.00	-988,504.16	-231,731.66
Deferred tax assets	0.00	0.00	527,000.00	0.00
	0.00	0.00	-461,504.16	-231,731.66

NOTES TO THE BALANCE SHEET / ASSETS

	Parent company		Group	
NON-CURRENT ASSETS	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
INTANGIBLE ASSETS				
Intangible rights				
Cost at 1 Jan	0.00	0.00	230,511.10	0.00
Changes in the group structure	0.00	0.00	136.10	288,802.56
Increases	0.00	0.00	32,516.40	40,738.03
Transfers between classes	0.00	0.00	0.00	-99,029.49
Cost at 31 Dec	0.00	0.00	263,163.60	230,511.10
Accumulated depreciation and impairment losses at Jan 1	0.00	0.00	-6,392.59	0.00
Depreciation	0.00	0.00	-86,799.94	-6,392.59
Accumulated depreciation and impairment losses at 31 Dec	0.00	0.00	-93,192.53	-6,392.59
Book value at 31 Dec	0.00	0.00	169,971.07	224,118.51
Goodwill				
Cost at 1 Jan	0.00	0.00	170,574.08	0.00
Changes in the group structure	0.00	0.00	0.00	170,574.08
Cost at 31 Dec	0.00	0.00	170,574.08	170,574.08
Accumulated amortization and impairment losses at Jan 1	0.00	0.00	-32,853.77	0.00
Amortization	0.00	0.00	-72,123.83	-32,853.77
Accumulated amortization and impairment losses at 31 Dec	0.00	0.00	-104,977.60	-32,853.77
Book value at 31 Dec	0.00	0.00	65,596.48	137,720.31
Group goodwill				
Cost at 1 Jan	0.00	0.00	55,994,727.56	0.00
Changes in the group structure	0.00	0.00	0.00	11,830,774.06
Increases	0.00	0.00	19,410,452.36	44,163,953.50
Cost at 31 Dec	0.00	0.00	75,405,179.92	55,994,727.56
Accumulated amortization and impairment losses at Jan 1	0.00	0.00	-1,060,262.24	0.00
Translation differences	0.00	0.00	-1,204.15	-2,940.34
Amortization	0.00	0.00	-6,852,035.11	-1,057,321.90
Accumulated amortization and impairment losses at 31 Dec	0.00	0.00	-7,913,501.50	-1,060,262.24
Book value at 31 Dec	0.00	0.00	67,491,678.42	54,934,465.32
Other non-current expenditures				
Cost at 1 Jan	0.00	0.00	2,252,961.80	0.00
Changes in the group structure	0.00	0.00	132,003.76	2,066,191.46
Increases	0.00	0.00	412,989.97	87,740.85
Transfers between classes	0.00	0.00	0.00	99,029.49
Cost at 31 Dec	0.00	0.00	2,797,955.53	2,252,961.80
Accumulated depreciation and impairment losses at Jan 1	0.00	0.00	-144,578.54	0.00
Amortization	0.00	0.00	-788,627.53	-144,578.54
Accumulated depreciation and impairment losses at 31 Dec	0.00	0.00	-933,206.07	-144,578.54
Book value at 31 Dec	0.00	0.00	1,864,749.46	2,108,383.26

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Advance payments				
Cost at 1 Jan	0.00	0.00	0.00	0.00
Increases	0.00	0.00	104,740.33	0.00
Cost at 31 Dec	0.00	0.00	104,740.33	0.00
Book value at 31 Dec	0.00	0.00	104,740.33	0.00
Total intangible assets	0.00	0.00	69,696,735.76	57,404,687.40

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
TANGIBLE ASSETS				
Machinery and equipment				
Cost at 1 Jan	0.00	0.00	456,838.71	0.00
Changes in the group structure	0.00	0.00	261,859.03	374,609.45
Increases	0.00	0.00	127,086.77	82,229.26
Decreases	0.00	0.00	-56,150.13	0.00
Cost at 31 Dec	0.00	0.00	789,634.38	456,838.71
Accumulated depreciation and impairment losses at Jan 1	0.00	0.00	-41,146.19	0.00
Depreciation	0.00	0.00	-124,369.57	-41,146.19
Accumulated depreciation and impairment losses at 31 Dec	0.00	0.00	-165,515.76	-41,146.19
Book value at 31 Dec	0.00	0.00	624,118.62	415,692.52
Other tangible assets				
Cost at 1 Jan	0.00	0.00	23,848.02	0.00
Changes in the group structure	0.00	0.00	0.00	23,848.02
Increases	0.00	0.00	3,000.00	0.00
Cost at 31 Dec	0.00	0.00	26,848.02	23,848.02
Book value at 31 Dec	0.00	0.00	26,848.02	23,848.02
Advance payments and construction in progress				
Cost at 1 Jan	0.00	0.00	7,385.20	0.00
Changes in the group structure	0.00	0.00	-7,385.20	0.00
Increases	0.00	0.00	0.00	7,385.20
Cost at 31 Dec	0.00	0.00	0.00	7,385.20
Book value at 31 Dec	0.00	0.00	0.00	7,385.20
Total tangible assets	0.00	0.00	650,966.64	446,925.74

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
INVESTMENTS				
Shares in group companies				
Cost at 1 Jan	9,693,000.00	0.00	0.00	0.00
Changes in the group structure	0.00	9,693,000.00	0.00	0.00
Increases	46,657,175.51	0.00	0.00	0.00
Cost at 31 Dec	56,350,175.51	9,693,000.00	0.00	0.00
Book value at 31 Dec	56,350,175.51	9,693,000.00	0.00	0.00
Participating companies				
Cost at 1 Jan	0.00	0.00	0.00	0.00
Changes in the group structure	0.00	0.00	106,232.98	0.00
Cost at 31 Dec	0.00	0.00	106,232.98	0.00
Book value at 31 Dec	0.00	0.00	106,232.98	0.00
Other shares and similar rights of ownership				
Cost at 1 Jan	0.00	0.00	180,655.39	0.00
Changes in the group structure	0.00	0.00	44,622.72	130,653.25
Increases	0.00	0.00	0.00	50,002.14
Cost at 31 Dec	0.00	0.00	225,278.11	180,655.39
Book value at 31 Dec	0.00	0.00	225,278.11	180,655.39
Other receivables				
Cost at 1 Jan	0.00	0.00	0.00	0.00
Changes in the group structure	0.00	0.00	0.00	135,000.00
Decreases	0.00	0.00	0.00	-135,000.00
Cost at 31 Dec	0.00	0.00	0.00	0.00
Book value at 31 Dec	0.00	0.00	0.00	0.00
Investments	56,350,175.51	9,693,000.00	331,511.09	180,655.39
TOTAL NON-CURRENT ASSETS	56,350,175.51	9,693,000.00	70,679,213.49	58,032,268.83

CURRENT ASSETS	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Receivables from group companies				
Non-current receivables				
Loan receivables	3,518,555.56	9,693,000.00	0.00	0.00
Prepayments and accrued income	0.00	129,240.00	0.00	0.00
Total non-current receivables	3,518,555.56	9,822,240.00	0.00	0.00
Current receivables				
Trade receivables	297,378.07	0.00	0.00	0.00
Prepayments and accrued income	132,933.93	0.00	0.00	0.00
Other receivables	14,845,596.24	0.00	0.00	0.00
Total current receivables	15,275,908.24	0.00	0.00	0.00
Total receivables from group companies	18,794,463.80	9,822,240.00	0.00	0.00
Receivables from participating interest companies				
Non-current receivables				
Loan receivables	0.00	0.00	50,000.00	0.00
Total non-current receivables	0.00	0.00	50,000.00	0.00
Current receivables				
Other receivables	0.00	0.00	40,000.00	0.00
Total current receivables	0.00	0.00	40,000.00	0.00
Total receivables from participating interest companies	0.00	0.00	90,000.00	0.00

CHANGES IN EQUITY	Parent company		Group 31 Dec 2018	31 Dec 2017
	31 Dec 2018	31 Dec 2017		
Restricted equity				
Share capital at 1 Jan	2,500.00	0.00	2,500.00	0.00
Rights issue	0.00	2,500.00	0.00	2,500.00
Increase in share capital	77,500.00	0.00	77,500.00	
Share capital at 31 Dec	80,000.00	2,500.00	80,000.00	2,500.00
Total restricted equity	80,000.00	2,500.00	80,000.00	2,500.00
Unrestricted equity				
Reserve for invested unrestricted equity at 1 Jan	1,185,500.00	0.00	1,185,500.00	0.00
Issue of shares	0.00	1,185,500.00	0.00	1,185,500.00
Initial public offering	34,529,112.50	0.00	34,529,112.50	0.00
Investments	7,505,260.00	0.00	7,505,260.00	0.00
Converted loan capital	1,306,000.00	0.00	1,306,000.00	0.00
Share exchange	15,340,341.00	0.00	15,340,341.00	0.00
Transfers between classes, increase in share capital	-77,500.00	0.00	-77,500.00	0.00
Reserve for invested unrestricted equity at 31 Dec	59,788,713.50	1,185,500.00	59,788,713.50	1,185,500.00
Translation differences at 1 Jan	0.00	0.00	-5,559.84	0.00
Change in translation differences	0.00	0.00	-97,836.83	-5,559.84
Translation differences at 31 Dec	0.00	0.00	-103,396.67	-5,559.84
Retained earnings at 1 Jan	-341,121.71	0.00	-1,550,406.30	0.00
Translation differences	0.00	0.00	94,787.78	0.00
Removal of minority shares	0.00	0.00	408,309.30	0.00
Retained earnings at 31 Dec	-341,121.71	0.00	-1,047,309.22	0.00
Profit (loss) for the financial year	3,700,810.48	-341,121.71	-2,974,820.09	-1,550,406.30
Total retained earnings	3,359,688.77	-341,121.71	-4,022,129.32	-1,550,406.30
Total unrestricted equity	63,148,402.27	844,378.29	55,663,187.51	-370,466.14
TOTAL EQUITY	63,228,402.27	846,878.29	55,743,187.51	-367,966.14
SPECIFICATION OF DISTRIBUTABLE FUNDS				
Retained earnings at 31 Dec	-341,121.71			
Profit (loss) for the financial year	3,700,810.48			
Reserve for invested unrestricted equity at 31 Dec	59,788,713.50			
Total distributable funds	63,148,402.27			
Liabilities to group companies				
Non-current liabilities to group companies				
Loan	0.00	1,251,140.60	0.00	1,251,140.60
Accruals and deferred income	0.00	17,001.80	0.00	17,001.80
Total liabilities to group companies	0.00	1,268,142.40	0.00	1,268,142.40

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
COLLATERALS AND COMMITMENTS				
<u>Liabilities, mortgage and shares as collaterals</u>				
Liabilities to credit institutions, other mortgage as collateral	10,832,999.00	0.00	20,264,563.74	26,500,000.00
Liabilities to credit institutions	10,832,999.00	0.00	20,264,563.74	26,500,000.00
 Liabilities, mortgages and shares as collaterals	 10,832,999.00	 0.00	 20,264,563.74	 26,500,000.00
Company mortgage given to collateral for liabilities to credit institutions	40,300,000.00	0.00	80,700,000.00	80,600,000.00
Book value of fixed assets, collateral for liabilities to credit institutions	0.00	0.00	254,868.08	0.00
Other mortgage, collateral for liabilities to credit institutions	40,300,000.00	0.00	80,954,868.08	80,600,000.00
Book value of pledged shares, collateral for liabilities to credit institutions	56,350,175.51	0.00	56,350,175.51	64,881,676.67
Amount of the pledged shareholder loans, collateral for liabilities to credit institutions	0.00	0.00	0.00	17,972,000.00
Pledged shares	56,350,175.51	0.00	56,350,175.51	82,853,676.67
 Mortgage and shares, collateral for liabilities to credit institutions	 96,650,175.51	 0.00	 137,304,861.59	 163,453,676.67
<u>Collaterals for own liabilities</u>				
Deposits	0.00	0.00	42,500.00	0.00
Guarantees	0.00	0.00	243,788.27	253,966.96
Othes	0.00	0.00	700.73	0.00
Collaterals for own liabilities	0.00	0.00	286,989.00	253,966.96
<u>Collaterals given on behalf of group companies</u>				
Guarantees	3,000,000.00	0.00	10,000,000.00	28,000,000.00
Collaterals given on behalf of group companies	3,000,000.00	0.00	10,000,000.00	28,000,000.00
 Collaterals	 99,650,175.51	 0.00	 147,591,850.59	 191,707,643.63
 <u>Group bank account with overdraft facility</u>				
Total amount of credit limit	0.00	0.00	3,000,000.00	3,000,000.00
of which utilized	0.00	0.00	0.00	0.00
Group bank account with overdraft facility	0.00	0.00	3,000,000.00	3,000,000.00
<u>Commitments</u>				
Total lease obligations for the term of notice	0.00	0.00	2,084,292.90	1,296,725.93
Lease obligations, payable year 2019	0.00	0.00	287,508.58	239,756.57
Lease obligations, payable later	0.00	0.00	267,352.67	142,956.46
Lease obligations	0.00	0.00	554,861.25	382,713.03
 Total commitments	 0.00	 0.00	 2,639,154.15	 1,679,438.96

COLLATERALS AND COMMITMENTS

31 Dec 2018

Notes to hedging derivatives

Hedged instrument:

Loan, EUR 9.167 million, from 31 October 2017 to 31 October 2023

Hedging derivative:

An interest rate swap with the nominal amount of EUR 4.167 million, from 10 November 2017 to 30 September 2020.

Fair value of the agreement at the balance sheet date EUR -17,585.

Hedging type: cash flow hedge

Future cash flows from the interest rate swaop are recognised in the income statement in the same periods as the future interest payments from the hedged loan, from the balance sheet date until 30 September 2020.

Hedged instrument:

Loan, EUR 3.5 million, from 17 November 2017 to 31 October 2023

Hedging derivative:

An interest rate swap with the nominal amount of EUR 1.75 million, from 31 January 2018 to 29 January 2021.

Fair value of the agreement at the balance sheet date EUR -15,904.

Hedging type: cash flow hedge

Future cash flows from the interest rate swaop are recognised in the income statement in the same periods as the future interest payments from the hedged loan, from the balance sheet date until 29 January 2021.

Hedged instrument:

Loan, EUR 10.8 million, from 29 May 2018 to 31 October 2023

Hedging derivative:

An interest rate swap with the nominal amount of EUR 6.5 million, from 31 October 2018 to 30 October 2020.

Fair value of the agreement at the balance sheet date EUR -41,969.

Hedging type: cash flow hedge

Future cash flows from the interest rate swaop are recognised in the income statement in the same periods as the future interest payments from the hedged loan, from the balance sheet date until 30 October 2020.

List of accounts and ledgers

Company's general ledger is in Microsoft Dynamics AX -book keeping system and consolidated accounting in Clauson FPM-system. Payroll ledger is in the Mepco HRM, circulation of purchase invoices in Basware Invoice Ready and treasury ledger in Analyste Banking.

Accounting books used

Financial statements	As a bound book
Balance sheet specifications	As a bound book
Journal ledger	PDF files stored in electronic format
General ledger	PDF files stored in electronic format
Purchase invoices	PDF files stored in electronic format
Sale invoices	PDF files stored in electronic format
Note vouchers	Paper format

Voucher types used

	TL AX		
Nordea bank account vouchers	700000000	-	799999999
Danske Bank bank account vouchers	800000000	-	899999999
Purchase invoices from the interface	20000000	-	20999999
Payments to supplier	21000000	-	21999999
Sale invoices (free text)	310000	-	319999
Received payments from customers	300000000	-	309999999
Payroll vouchers	130000000	-	139999999
Accruals	160000000	-	169999999
Memo vouchers	10000000	-	10999999
Vouchers for the financial statements	19000000	-	19999999
Voucher number for payment execution of Value Added Tax	ALV_000000	-	ALV_999999
Vouchers for opening entries	AS0000	-	AS9999
Note vouchers, paper format	LT		

The accounting material to be stored in electronic format in accordance with the Decision by the Ministry of Trade and Industry 47/1998, has been saved in the server of VMP, responsible for keeping accounting records for the company, in Turku, as well as in the server of a partner in Helsinki.
Other accounting material is stored in the Turku office.

Signatures to the Financial Statements and the Report of Board of Directors

Helsinki, February 27, 2019

Liisa Harjula
Chairwoman of the Board

Joni Aaltonen
Member of the Board

Heimo Hakkarainen
Member of the Board

Tapio Pajuharju
Member of the Board

Paul-Petteri Savolainen
Member of the Board

Mika Uotila
Member of the Board

Virva Vesanen
Member of the Board

Juha Pesola
CEO

Auditor's note

Our auditor's report has been issued today.

Helsinki, February 27, 2019

KPMG Oy Ab

Esa Kailiala
Authorised Public Accountant, KHT



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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of VMP Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VMP Oyj (business identity code 2854570-7) for the year ended 31 December, 2018. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, 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.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is 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 good auditing practice 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 the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group'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 the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 27th of February

KPMG OY AB

Esa Kailiala

Authorised Public Accountant, KHT