



Financial Report

1.8.2018–31.12.2019
Unofficial Summary

Viafin Service Plc

Trusted partner in maintenance



Viafin Service Plc continued its profitable growth

Viafin Service Plc

Company release 10.2.2020 8.00 AM

Numbers for the reporting period (1.8.2018—31.12.2019) are unaudited.

August 2019 — December 2019 in brief

At the extraordinary general meeting of the company on May 7, 2019, as proposed by the board of directors, it was resolved to convert the financial year into a calendar year, extending the current financial year to 31 December 2019. The comparative figures used are the actual figures of the Viafin Service Group for the corresponding period of the previous year.

- Operating revenue was 26,7 MEUR (9,9).
- Earnings before interest, taxes, depreciation, and amortization (EBITDA) was 1 854 TEUR (597).
- Operating profit excluding depreciation on goodwill (EBITA) increased to 1 631 TEUR (458) thus being 6,1 percent (4,7 percent) from operating revenue.
- Net profit excluding depreciation in goodwill was 1 241 TEUR (-588).
- The Average number of employees during the period was 305 (168).

August 2018 — December 2019 in brief

There are no comparable figures for the current form of Viafin Service Group as the Viafin Service Group did not have any actual business during the financial period July 14, 2017, to July 31, 2018. As a result, the comparative figures used are the actual figures for Viafin Process Piping Group as in the listing particulars dated 26.10.2018.

- Operating revenue was 59,5 MEUR (36,5).
- Earnings before interest, taxes, depreciation, and amortization (EBITDA) was 4 242 TEUR (2 222).
- Operating profit excluding depreciation on goodwill (EBITA) increased to 3 633 TEUR (1 786) thus being 6,1 percent (4,9 percent) from operating revenue.
- Net profit excluding depreciation in goodwill was 1 914 TEUR (1 384).



- Acquisition of Gasum Tekniikka Ltd (currently Viafin GAS Ltd) came into effect on 28.2.2019
- The Average number of employees during the period was 289 (162).
- The number of outstanding shares at the end of the period (31.12.2019) was 3 628 795.

January 2019 — December 2019 in brief

There are no comparable figures for the current form of Viafin Service Group as the Viafin Service Group did not have any actual business during the financial period July 14, 2017, to July 31, 2018.

- The operating revenue was 49,7 MEUR.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA) was 3 645 TEUR
- Operating profit excluding depreciation on goodwill (EBITA) was 3 174 TEUR thus being 6,4 percent from operating revenue.
- Net profit excluding depreciation in goodwill was 2 502 TEUR.
- The Average number of employees during the period was 292 (171).

Key figures

(1 000 euro)	Viafin Service 8—12/2019 5 mth	Viafin Service 8—12/2018 5 mth	Viafin Service 8/2018—12/2019 17 mth	Viafin Process Piping 8/2017—12/2018 ¹⁾ 17 mth	Viafin Service 1— 12/2019 12 mth
Revenue	26 740	9 839	59 500	36 509	49 662
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1 854	597	4 242	2 222	3 645
% from revenue	6,9 %	6,1 %	7,1 %	6,1 %	7,3 %
Adjusted EBITDA	1 854	621	4 266	2 222	3 645
% from revenue	6,9 %	6,3 %	7,2 %	6,1 %	7,3 %
Operating profit (EBITA) excluding depreciation in goodwill	1 631	458	3 633	1 786	3 174
% from revenue	6,1 %	4,7 %	6,1 %	4,9 %	6,4 %
Adjusted operating profit (adjusted EBITA) excluding depreciation in goodwill	1 631	483	3 657	1 786	3 174
% from revenue	6,1 %	4,9 %	6,1 %	4,9 %	6,4 %
Operating profit (EBIT)	1 312	186	2 617	1 779	2 431
% from revenue	4,9 %	1,9 %	4,4 %	4,9 %	4,9 %
Adjusted operating profit (adjusted EBIT)	1 312	210	2 642	1 779	2 431
% from revenue	4,9 %	2,1 %	4,4 %	4,9 %	4,9 %
Net profit	922	-860	899	1 377	1 759
Net profit excluding depreciation in goodwill	1 241	-588	1 914	1 384	2 502
Adjusted net profit excluding depreciation in goodwill	1 241	454	2 957	1 384	2 502
Equity ratio %	61,4 %	77,8 %	61,4 %	29,4 %	61,4 %
Earnings per share (EPS), euro	0,25	-0,24	0,25		0,48
Adjusted earnings per share (EPS), euro	0,25	0,05	0,53		0,48
Adjusted earnings per share excluding depreciation in goodwill	0,34	0,13	0,81		0,69
Total assets	32 553	22 172	32 553	6 599	32 553

Viafin Service Group didn't have actual business activity in the financial year 14.7.2017-31.7.2018. Therefore, Viafin Process Piping Group's numbers are used as comparative numbers, in a similar manner to the company's IPO prospectus dated 26.10.2018.

1) The unaudited Viafin Process Piping Group's numbers for the period of 1.8.2017—31.12.2018 are not directly comparable to the unaudited numbers of Viafin Service Group for the period of 1.8.2018—31.12.2019.

CEO Mika Riekkola comments on the development during the financial year:

The company's seventeen-month fiscal year began with preparation for the IPO. In November 2018, Viafin Service Plc was listed on First North Finland. In the first half of the financial year, the market was mainly weak, partly due to industrial action and the outages and maintenance timing, that focused mainly on the end of the calendar year. In addition, the company was very selective in its sales projects, and we did not start looking for sales outside of the company's strategy.

In February 2019, Viafin Service Plc acquired a majority holding in Viafin GAS Ltd (formerly known as Gasum Tekniikka Ltd). The integration of the new company into Viafin Service was completed at the end of 2019. The integration was implemented according to the original schedule while maintaining staff satisfaction and commitment, as evidenced by the Great Place to Work certification at the end of the integration. We are therefore continuing our strategic development work with the committed and professional staff at Viafin GAS Ltd. We are particularly pleased that the commitment of the personnel was reflected in the participation of a large number of existing employees in Viafin GAS Ltd ownership structure through the personnel ownership company.

The market situation picked up during the last five months of the financial year. In addition, the company processed in line with its growth strategy by expanding into new geographical areas and new maintenance services. During, the reporting period, the company established an office in Oulu and launched a business focusing on the maintenance and installation of industrial production equipment in Southern Finland. Through these efforts, we will be able to serve our existing customer base more extensively and, on the other hand, to expand our customer base into new industry segments. With our new maintenance services, we are able to offer significantly better cover of maintenance service and upkeep of our customers' production equipment and machinery. At the same time, this will open up a much wider market and growth potential for us.

The exceptionally strong revenue from contracts concluded earlier in the financial year focused on the rest of the year and the focus on industrial downtime towards the end of the year significantly improved market demand throughout the five-month period. We can, therefore, be very pleased with the level of net sales for the period, which increased significantly compared to the comparison period. This growth was due to both the acquisition of the Viafin GAS Ltd and the good order backlog in the project and maintenance business. At the end of the review period, the project business share returned to normal levels (approximately 25 percent of the net sales) for a twelve-month period.

We are very pleased that the company's earnings increased with net sales and remained at a good level. The Company's operating profit excluding depreciation on goodwill (EBITA) remained at a good level for the entire seventeen months despite relatively low net sales in the first half of the financial year. For the full financial year, operating profit excluding depreciation on goodwill (EBITA) was 3 663 TEUR, thus being 6,1 percent from operating revenue. For the five-month period from August-December of 2019 result excluding depreciation on goodwill (EBITA) was 1 631 TEUR. The result for the period clearly demonstrates the efficiency and agility of our operating model, both in the very challenging market situation during the first the first 12 months of the financial year and in the strong market demand over the last five months. The cash flow operating activities was very strong during the review period. The



company's cash and cash equivalents were 13,1 MEUR on December 31, 2019. That gives us a very good starting point for taking strategic next steps.

The events of the financial year strongly demonstrate that we are well on our way to achieving our strategic goals. Of course, the turnover target requires still more effort but the systematic work towards the target continues with our committed staff and partners. We expect demand for services to remain at a reasonable level during the fiscal year beginning on January 1, 2020. Our order book has developed favourably compared to the reference period and the market has been active, although the execution dates for the regional and maintenance business tenders to focus to the end of spring and the summer outages.

Also, in the project business, the market is active, and competition is active. Demand is supported by a few major investment projects in Finland and major outages in the industry, which also occurs mainly during the summer. The consolidation of the maintenance market has sparked interest in the services of new entrants, and especially in maintenance outsourcing, customers are looking for alternatives and tendering for contracts. We see opportunities to grow our own maintenance business, and during 2019, we have taken steps to strengthen our ability to compete for these contracts. However, the ongoing development of 2020 is still overshadowed by ongoing industrial actions in various customer industries.

As I started as CEO 1.10.2019 I have met extensively with both our customer base and our own staff. It has been a pleasure to see that our company has a wealth of expertise that we can use to implement our growth strategy. During the financial year, we have launched growth projects, such as Viafin Industrial Service, which focuses on the maintenance of production equipment and machinery. Key players in this business are those with long experience in the maintenance business, enabling us to grow towards new services. With the consolidation of the maintenance business, we are in a competitive position. Our business structure and operating model help us to expand our operations agile into new geographic areas as well as into new customer relationships and other maintenance services. In addition, we are also able to profit from the challenging market situation, which demonstrates the cost-effectiveness of our operating model. We will continue to operate close to the customer and rely on strong regional expertise.

Group income statement

(1 000 euro)	Viafin Service 8—12/2019 5 mth	Viafin Service 8—12/2018 5 mth	Viafin Service 8/2018—12/2019 17 mth	Viafin Process Piping 8/2017—12/2018 ¹⁾ 17 mth	Viafin Service 1—12/2019 12 mth
Revenue	26 740	9 839	59 500	36 509	49 662
Other operating income	20	3	31	26	27
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year	-4 505	-1 330	-9 754	-7 509	-8 424
Variation in stocks	754	120	835	-531	715
External services	-8 345	-1 873	-14 889	-6 613	-13 016
Staff expenses					
Wages and salaries	-6 705	-3 696	-17 577	-11 298	-13 881
Social security expenses					
Pension expenses	-1 225	-656	-3 109	-2 083	-2 453
Other social security expenses	-401	-171	-792	-476	-621
Depreciation, amortization and reduction in value					
Depreciation and amortization according to plan	-223	-138	-609	-436	-471
Reduction in value of non-current assets	-319	-272	-1 016	-7	-743
Other operating charges	-4 479	-1 639	-10 003	-5 803	-8 365
Operating profit (loss)	1 312	186	2 617	1 779	2 431
Financial income and expenses					
Other interest and financial income	4	6	13	9	7
Interest and other financial expenses	-11	-1 020	-1 062	-55	-42
Profit (loss) before appropriations and taxes	1 305	828	1 569	1 733	2 396
Income taxes	-313	-41	-502	-358	-461
Minority shares	-70	9	-168	3	-177
Profit (loss) for the fiscal year	922	-860	899	1 377	1 759

Assets

(1 000 euro)	Viafin Service 31.12.2019	Viafin Service 31.12.2018
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	6 254	5 927
Other capitalised long-term expenses	181	100
Tangible assets		
Machinery and equipment	1 358	650
Investments		
Other shares and similar rights of ownership	12	-
Non-current assets in total	7 806	6 676
Current assets		
Stocks	1 450	608
Short-term receivables (debtors)		
Account receivable	8 778	3 566
Amounts owed by group member companies	-	2
Other receivables	186	35
Prepayments and accrued income	1 209	671
Short-term debtors in total	10 173	4 274
Cash and cash equivalents	13 124	10 614
Current assets in total	24 748	15 496
ASSETS IN TOTAL	32 553	22 172

Liabilities

(1 000 euro)	Viafin Service 31.12.2019	Viafin Service 31.12.2018
LIABILITIES		
Capital and reserves		
Subscribed capital	83	83
Reserve for invested unrestricted capital	17 591	17 591
Retained earnings gain or loss	-15	-15
Profit (loss) for the fiscal year	899	-860
Capital and reserves in total	18 557	16 798
Minority share	795	8
Creditors		
Long-term liabilities		
Deferred tax liabilities	14	-
Total long-term liabilities	14	-
Short-term creditors		
Advances received	1 014	577
Accounts payables (trade creditors)	4 281	1 238
Accounts payables (trade creditors) group	-	23
Other creditors	2 038	664
Other creditors group	-	15
Accruals and deferred income	5 854	2 850
Creditors, Short term in total	13 188	5 366
Creditors in total	13 202	5 366
LIABILITIES IN TOTAL	32 553	22 172



More information:

CEO

Mika Riekkola

Tel: +358 40 739 6607

E-Mail: mika.riekkola@viafin.fi

Certified Advisor

Alexander Corporate Finance

Tel: +358 50 520 4098

Viafin Service Plc in brief:

Viafin Service Plc is a company specialized in industrial maintenance services that install, services, repairs and maintains industrial piping and equipment. Viafin Service's wide range of services includes LNG and biogas systems, maintenance services and system supply for gas networks and gas filling stations. Viafin Service does business mainly in Finland and its costumers consist of several major companies in the pulp, energy, chemical, and metal industries. The company has seventeen regional service units in twelve places around Finland. The company has about 300 people in its service. The shares of Viafin Service Plc are listed on the Nasdaq First North Growth Market Finland maintained by Nasdaq Helsinki Oy, with the trading code VIAFIN.

www.viafinservice.fi