



# Viria Plc Financial Statements Release

1.1.-31.12.2019

February 28, 2020

**VIRIA**

## Viria Plc's financial statements release 1 January–31 December 2019

The profit for 2019 was as expected, profitability improved towards the end of the year

### JANUARY–DECEMBER 2019 IN BRIEF

- The Viria Group's revenue was EUR 103.1 million (2018: EUR 104.9 million), change -1.7%
- Adjusted EBITDA was EUR 5.5 million (EUR 6.3 million), or 5.3% of revenue
- Adjusted EBITA was EUR 3.3 million (EUR 3.8 million), or 3.2% of revenue
- The adjusted profit for the period was EUR 12.5 million (EUR 18.1 million)
- Earnings per share were EUR 2.04 (EUR 6.02)
- The data analytics service company Aureolis Oy became the Group's subsidiary as of 2 January 2019 after Viria increased its holding in the company to 70 per cent
- The cyber security company Spellpoint Ltd was acquired by Viria on 1 February 2019
- The figures in the income statement and the cash flow statement are not comparable due to changes in the group structure
- The share-based incentive scheme for the personnel was again highly popular and approximately half of Viria's employees subscribed to the company's shares
- Viria updated its strategy and, in this new strategy period, Viria especially emphasises growth, both within each business area and through shared solutions
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.90 per share be paid from distributable funds

### MEDIUM-TERM FINANCIAL TARGETS

In the next few years, Viria seeks growth. The company's view is that this growth will be driven especially by the strong digitalisation development in society and the increasing need for cyber security services. In its strategy, Viria emphasises the growth of revenue and also expects revenue growth to contribute to the increase of the adjusted EBITDA in the medium term.

### OUTLOOK FOR 2020

Viria estimates that demand for digital development and security solutions will remain strong. To boost growth and competitiveness, the company will make significant investments in business development in 2020.

Viria expects revenue to grow in the financial period 2020 and the adjusted EBITDA to remain at the same level as in 2019.

## KEY FIGURES

	<b>1–12/2019</b>	<b>1–12/2018</b>
Revenue, EUR 1,000	103,104	104,924
Revenue, change, %	-1.7	19.4
EBITDA	5,598	21,218
Adjusted EBITDA, EUR 1,000 <sup>1</sup>	5,492	6,309
EBITA, EUR 1,000	1,723	18,736
EBITA, %	1.7	17.9
Adjusted EBITA, EUR 1,000 <sup>1</sup>	3,315	3,827
Adjusted EBITA, % <sup>1</sup>	3.2	3.6
Operating profit (EBIT), EUR 1,000	-5,201	13,060
Adjusted operating profit (EBIT), EUR 1,000 <sup>1</sup>	-3,609	-1,849
Profit for the period, EUR 1,000	10,859	32,072
Adjusted profit for the period, EUR 1,000 <sup>1</sup>	12,459	18,102
Balance sheet, EUR 1,000	152,512	160,993
Equity-to-assets ratio, %	78.7	72.1
Earnings per share (EPS), EUR <sup>2</sup>	2.04	6.02
Book value of parent company's equity per	23	22
Average number of employees (FTE)	693	516

<sup>1</sup> The adjusted EBITDA, the adjusted EBITA, the adjusted operating profit (EBIT) and the adjusted profit for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustments from the respective reported figure.

<sup>2</sup> The own shares owned by the Group are excluded from the total number of shares

### CEO MIKA VIHERVUORI:

In 2019, Viria's business performance met expectations. Our revenue was EUR 103.1 million (EUR 104.9 million). The slight year-on-year decrease in revenue could be expected and was mainly due to the divestment of our Swedish subsidiary AB Sappa in autumn 2018.

Revenue and profitability developed favourably towards the end of the year when the early-year performance impairment caused by some major customers cutting their digital development purchases could be compensated with new customers. In the security business, organic growth remained good throughout the year and even accelerated during the last months of the year. We can also be satisfied with the profitability development in the security business during the financial period.

Our operating profit (EBIT) was decreased by amortisation of goodwill, resulting from corporate acquisitions, as well as by impairment in certain properties. However, the capital gains arising from the DNA shares sold to Telenor in October increased the profit for the period to EUR 10.9 million.

During the year, we carried out an extensive strategy project, led by the Board of Directors, in which Viria's mission and future were defined on the basis of various scenarios. Viria's main mission is to build a better and safer tomorrow with the aid of data and smart technology. Our goal is strong growth that is based on the development of our offering and competence, driven by

customer needs, and the cooperation among our business operations in sales and customer solution creation.

Viria strengthened its business through corporate acquisitions last year, too. The data analytics company Aureolis Oy, which had been Viria's associated company since 2017, became Viria's subsidiary at the beginning of the year after Viria increased its holding in the company to 70 per cent. In February, Viria acquired all the shares of the cyber security company Spellpoint Group Ltd. Spellpoint supplements Viria's cyber security services with identity and access management services that are a key element in the implementation of information security and data protection in organisations.

Demand for both digitalisation and security services has continued to be strong and Viria's companies have solidified their market position by gaining several new customers among major companies and significant public administration organisations. Digitalisation keeps on spreading to new sectors and creates inspiring opportunities for Viria. The main factor restricting growth in the development of digital services is the lack of skilled professionals.

The increasingly important role of information networks is also transforming our security environment. Viria's unique One Security concept that combines information security and security technology is an excellent way to respond to the challenges brought along by this transformation. During the year, the security business invested especially in the real-time monitoring of customers' information security status by expanding the operations of the Cyber Security Operations Centre. The provision of security solutions, such as camera surveillance or access control, as a service is an increasingly prominent aspect of service development.

Security solutions can also be used in refining the accumulated data for use in business operations. Viria Security and Aureolis have developed smart IoT solutions for monitoring the occupancy rate and user comfort in properties. In August, Tansec introduced a cloud-based property management service, which can be used for alarm transfer, remote monitoring and predictive maintenance, among other things.

Viria's success is based, first and foremost, on skilled and committed personnel. The second share-based incentive scheme for the personnel was again highly popular, which is an indication of the personnel's commitment and trust in Viria's future. Approximately half of Viria's employees participated in the associated share issue, which was oversubscribed for the second year in a row.

## REVENUE AND PROFIT PERFORMANCE IN JANUARY–DECEMBER 2019

Viria's revenue was EUR 103.1 million (EUR 104.9 million). The decrease in the revenue was mainly due to the selling of the AB Sappa shares in autumn 2018 and some major information business customers' cuts in their digital development purchases.

EBITDA was EUR 5.6 million (EUR 21.2 million), or 5.4% of revenue, and the adjusted EBITDA was EUR 5.5 million (EUR 6.3 million), or 5.3% of revenue.

EBITA totalled EUR 1.7 million (EUR 18.7 million), or 1.7% of revenue. The adjusted EBITA amounted to EUR 3.3 million (EUR 3.8 million), or 3.2% of revenue.

The operating profit (EBIT) was EUR -5.2 million (EUR 13.1 million) and the adjusted operating profit (EBIT) EUR -3.6 million (EUR -1.8 million).

Personnel expenses in January–December amounted to EUR 51.5 million (EUR 36.7 million), or 50.0% of revenue. The increase in personnel expenses was caused by Aureolis Oy's new subsidiary status and the acquisition of Spellpoint Ltd.

Other operating expenses were nearly at the same level as in the previous year, EUR 14.4 million (EUR 14.9 million).

The Group's planned depreciation totalled EUR 2.2 million and amortisation of goodwill EUR 6.9 million. The operating profit (EBIT) and the profit for the period were impaired by write-downs made to the balance sheet values of certain properties, amounting to EUR 1.7 million.

The profit for the period was EUR 10.9 million (EUR 32.1 million) and earnings per share were EUR 2.04 (6.02). The profit was improved by the EUR 18 million capital gains arising from the selling of DNA shares. The exceptionally high profit for 2018 is explained by the EUR 42 million capital gains arising from DNA shares and the AB Sappa transaction. The capital gains from the AB Sappa transaction, recorded under other operating income, also strengthen EBITDA and operating profit (EBIT) for the comparison period.

## FINANCIAL POSITION, FINANCING AND INVESTMENTS

The Group's balance sheet total at the end of the review period was EUR 152.5 million (EUR 161.0 million). Consolidated goodwill on the balance sheet amounted to EUR 46.3 million (EUR 35.9 million).

The equity-to-assets ratio at the end of the review period was 78.7% (72.1%).

Cash flow from operating activities before financial items and taxes was EUR 7.8 million (EUR 4.9 million).

Investments totalled EUR 10.5 million (EUR 28.0 million). Both in 2018 and 2019, the most significant investments were associated with corporate acquisitions.

Dividends paid during the period totalled EUR 9.7 million (EUR 7.7 million).

## SHARES, SHAREHOLDERS AND THE SHARE-BASED INCENTIVE SCHEME

The number of Viria Plc's shares was 5,467,389 at the end of the review period and 5,400,358 on average (2018: at the end of year and on average: 5,383,600). At the end of the financial period, the parent company had 80,130 own shares and the subsidiaries had 400 own shares, accounting for 1.47% of the total number of shares.

As part of the share-based incentive scheme for the personnel, the company issued 83,789 new shares on 7 October 2019. Altogether 330 members of Viria's personnel took part in the issue. The subscription price was EUR 14.80. The subscription price was based on Viria's share's average price in Privanet in the period of December 2018–June 2019, with 10 per cent deducted from that price.

At the end of the period, the company had 26,424 shareholders (this figure does not include shares that have not been registered in the book-entry system; there are 405,400 such shares). The company does not have nominee-registered shares. The list of major shareholders can be found on the company's website at [viria.fi/en](http://viria.fi/en).

## GROUP'S BUSINESS AREAS AND STRUCTURE

Viria is an information and security technology solution provider. The Group has two business areas: the information business and the security business. Viria's information business provides customers with business intelligence, data analytics and data refinement services as well as digitalisation solutions that range from service and user interface design to software development.

Viria's security business is based on the One Security principle that combines cyber security services with security technology and locking solutions.

The Group's parent company is Viria Plc. It has the following subsidiaries: Viria Security Ltd, Aureolis Oy, Bellurum-BI-palvelut Oy, Bitfactor Oy, Hibox Systems Oy, Tansec Oy, Spellpoint Group Ltd and Viria Kiinteistöt Oy.

## CHANGES IN THE GROUP STRUCTURE

Aureolis Oy, which had been the Viria Group's associated company since 2017, became the Group's subsidiary as of 2 January 2019 after Viria increased its holding in the company to 70 per cent.

On 1 February 2019, Viria acquired all the shares of the cyber security company Spellpoint Group Ltd.

## PERSONNEL, MANAGEMENT AND CORPORATE GOVERNANCE

In 2019, the Group had on average 693 (516) employees. In the calculation of the average number of employees, potential part-time employment has also been taken into account. The year-on-year 34% increase in the number of employees is mainly due to the inclusion of Aureolis and Spellpoint in the Group.

As skilled and committed personnel is one of the key factors enabling Viria's success, the company focuses on fostering positive corporate culture and personnel satisfaction and developing competence continuously.

Viria continued the long-term share-based incentive scheme for the personnel, which was originally launched in 2018. Its aim is to align the interests of Viria's employees and shareholders by encouraging Viria's employees to invest in the company's shares and to commit to working for the company's goals. The scheme was again highly popular and the share issue was oversubscribed. All in all, there were 330 participants, who subscribed to a total of 83,789 shares.

The members of the Group's Management Team were CEO Mika Vihervuori, Viria Security Ltd's Managing Director Marko Järvinen, Aureolis Oy's Managing Director Katja Ahola, Bitfactor Oy's Managing Director Antti Pelkonen, CFO Pirjo Suhonen, Director of Communications Tiina Nieminen and SVP, Marketing & Sales Kimmo Heikkilä (until 31 July 2019) and Viria Security Ltd's Deputy Managing Director Pertti Pikkarainen (until 31 August 2019).

The members of Viria Plc's Board of Directors were Kai Dahl (Chairperson), Jussi Hattula, Samu Konttinen, Timo Kotilainen, Elina Piispanen, Vesa Routamaa (until 4 April 2019) and Katriina Valli (as of 4 April 2019).

## ANNUAL GENERAL MEETING

Viria Plc's Annual General Meeting was held in Seinäjoki on Thursday, 9 May 2019. The Annual General Meeting confirmed the company's financial statements for the financial period 2018 and discharged persons responsible for accounts and operations from liability.

It was decided that a dividend of EUR 1.83 per share be paid for Viria Plc's shares. The dividend record date was 13 May 2019 and the payment date was 21 May 2019.

The following members of the Supervisory Board due to retire by rotation were re-elected for the next three-year period: Carita Ehnström, Jorma Kuoppamäki, Kuisma Laukkola and Ossi Viljanen. Ari Närvä, Janne Tuomikoski and Matti Kulmakorpi were elected as new members.

KPMG Oy Ab was elected as the company's auditor, with Esa Kailiala, APA, as the principal auditor.

The Annual General Meeting authorised the Board of Directors to decide on issuing a maximum of 820,000 shares. This authorisation applies to issuing of new shares as well as the company's own shares possessed by it. The amount equals 15.2% of all the shares of the company. The shares can be issued as consideration in business arrangements (at the maximum 600,000 shares) or as part of the personnel's incentive scheme (at the maximum 220,000 shares) or in other arrangements in the manner and extent decided by the Board of Directors. The share issue authorisation is valid for one year from the date of the Board's decision with regard to shares used in business arrangements and for four years from the date of the Board's decision with regard to shares associated with the personnel's incentive scheme.

The Annual General Meeting authorised the Board of Directors to decide on a maximum EUR 100,000 donation to non-profit or comparable causes.

## RISKS AND UNCERTAINTIES

Risk management is part of Viria's normal business operations. The risks identified by Viria's risk management are described below. If realised, they might have a significant impact on the company's profit or financial position.

A decline in the general economic situation and changes in the customers' operating environment may have negative effects on the company's business operations if decisions are made more slowly, postponed or cancelled entirely. Changes in the competitive situation can also influence the company's revenue and profitability.

A significant portion of Viria's business consists of projects executed for customers. Mismatch problems in project resource allocation, failures in project pricing or execution or project delays may impair the company's profitability. Unfavourable terms and conditions of customer or supplier agreements or disputes arising with regard to their content may have negative impacts on the company's profit or may generate unexpected additional costs. Other customer-related risks include the loss of one or more key customers, a considerable decrease of purchases or customers' financial problems.

Viria is a service and expert company with business relying highly on skilled personnel. The company's profit and the implementation of the company's strategy may be impaired significantly if the company cannot recruit and retain skilled experts and continuously develop their competence according to the customer needs at each particular moment.

As a security sector company, Viria is subject to high expectations regarding the security and continuity of its services. A data breach, a data protection violation or the realisation of another security risk in the company's or a customer's environment may have significant direct and indirect negative effects.

Viria consists of several companies and corporate acquisitions may also be possible in the future. Failure in integrating companies and building synergy may complicate the attainment of Viria's strategic targets and decrease the commitment of the management and personnel of Group companies. Potential corporate acquisitions may also lead to unforeseen risks and hidden responsibilities, for which it has been impossible to make preparations.

## MARKET REVIEW

The strong digitalisation development of companies and society in general is one of the most important growth drivers for Viria. It has direct or indirect impacts on nearly all of Viria's service areas, most typically on software development and data analytics utilisation. In addition, it increases the need for cyber security services significantly. In recent years, the growth of the entire IT service market has outpaced other economic growth. This trend is expected to continue.

Digitalisation is not solely about technological development. Services and systems are developed using a business-oriented approach, with emphasis on the user experience, and in addition to the software solution itself, developments are often made in the process and sometimes also in the entire business model. The aspects highlighted in development projects include not only technological expertise but also the significance of customer and business insight and service design.

Use of data and business intelligence are key trends in business development. The amount of data is growing exponentially and organisations have a strong motivation to make their operations data-driven and to grab the opportunities offered by artificial intelligence. Data refinement, analytics and business intelligence consulting are Viria's key competences. By combining them with the Group's other service areas, solutions can be created for the needs of the Industrial Internet, for example.

The change of the corporate IT environment, such as cloud services, the increase in the number of systems, system integrations and inter-company ecosystems, increase the need for cyber security services and pose new kinds of challenges. Digitalisation and the Industrial Internet are strongly increasing companies' connectedness to the Internet and, as a result, cyber security has expanded from the protection of companies' local area networks and the significance of identity and access management, for example, has grown. Cyber security is also more closely linked with the protection of the physical environment, including camera surveillance, access control and locking solutions.

Digitalisation development is at different stages in different sectors. One of the pioneers in service digitalisation is the banking and finance sector, which is also among Viria's main customer sectors. From this perspective, the sectors that Viria finds interesting and growing include social welfare, healthcare, commerce and industry, in which digitalisation offers considerable opportunities to develop processes and the customer experience.

Slower growth in the world economy and the euro area is reflected on Finland's economic growth, which is predicted to slow down in 2020. Digital development and demand for security solutions are anticipated to grow despite the declining economic situation. In Viria's business operations, the cyclical fluctuations of economy mainly affect the physical security services, with locking solutions being closely tied with the volume of new construction and renovation.

The increasing demand for IT and information security services has created a fierce competition for skilled employees, which has slowed down the growth of the entire IT sector to some extent. The sufficiency of competent labour force is a challenge for the growth of physical security business, too.

## STRATEGY

Viria's mission is to build a better and safer tomorrow with the aid of data and smart technology. We contribute to our customers' success in two manners:

- We help them utilise data and digitalisation in creating a better customer experience and a competitive advantage.



- We provide peace of mind by protecting people, information and assets with solutions that ensure safe, secure and smoothly running everyday life.

We build innovative and sustainable digital services that are based on a solid understanding of customers and their needs, gained through service design and data utilisation. We are a forerunner in the development of data-driven organisations.

We are the only company in Finland that offers total security, which covers both digital and physical protection and consequently improves the efficiency of the customer's security management. We want to make security effortless and enable safe and smooth use of data, systems and passageways for authorised persons.

Strong growth is one of the key targets of our strategy. The strong digitalisation development of companies and society in general and the intertwining of the digital and physical worlds provide a fruitful ground for the growth of Viria and its services. Our goal is to grow faster than the market.

In our view, growth is boosted by the strong demand for our services and our strategic focus on growing service areas, such as data analytics, business digitalisation and cyber security. Our extensive customer base provides us with opportunities to find significant synergies in service sales and the mutually complementary competences in our business operations serve as a foundation for new innovative customer solutions. Our strong balance sheet also enables us to make corporate acquisitions that support our strategy.

The cornerstone of our success is people and their skills. Our high customer satisfaction ratings are based on our skilled and committed personnel and our ability to provide services throughout Finland. We want to be a workplace that offers well-being, professional development and experiences of doing meaningful work each and every day.

## **BOARD'S PROPOSAL ON THE USE OF THE PROFIT FOR THE PERIOD**

The parent company's distributable funds are EUR 74,697,281.57 and the parent company's profit for the period is EUR 15,774,615.06. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.90 per share be paid from distributable funds.

No material changes have taken place in the company's financial position after the end of the financial period.

## **EVENTS AFTER THE REVIEW PERIOD**

At Viria Plc, there have been no significant events after the end of the financial period.

## **FINANCIAL CALENDAR**

In addition to the half-year-report and the financial statements bulletin, Viria publishes a more concise business report for the first and third quarters of the year.

- The business report for January–March will be published on Wednesday, 29 April 2020.
- The half-year report for January–June will be published on Friday, 28 August 2020.
- The business report for July–September will be published on Thursday, 29 October 2020

The annual report, including the financial statements and the report of the Board of Directors for 2019, will be published in week 16/2020. The Annual General Meeting is planned to be held on 7 May 2020. Viria's Supervisory Board publish a separate invitation to the Annual General Meeting later.

28 February 2020

Viria Plc

Board of Directors

**Further information**

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## Tables

### ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with good accounting practice and the Finnish legislation. Viria Plc prepares its financial statements according to the Finnish accounting legislation (FAS). The figures presented have been rounded from the exact figures. The figures in the financial statements bulletin are unaudited. The figures in the income statement and the cash flow statement are not comparable due to changes in the group structure.

### CONSOLIDATED INCOME STATEMENT (FAS)

EUR 1,000	1 Jan.–31 Dec. 2019	1 Jan.–31 Dec. 2018
<b>REVENUE</b>	<b>103,104</b>	<b>104,924</b>
Production for own use	517	159
Other operating income	557	15,892
Share of associated companies' profit/loss	0	-48
Materials and services	32,617	48,083
Personnel expenses	51,543	36,694
Depreciation, amortisation and impairment	10,799	8,158
Other operating expenses	14,419	14,932
<b>OPERATING PROFIT (EBIT)</b>	<b>-5,201</b>	<b>13,060</b>
Finance income and costs	20,793	26,714
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>	<b>15,592</b>	<b>39,774</b>
Income taxes	-4,544	-7,595
Minority interest	-189	-107
<b>PROFIT FOR THE PERIOD</b>	<b>10,859</b>	<b>32,072</b>

### CONSOLIDATED BALANCE SHEET (FAS)

EUR 1,000	31 Dec. 2019	31 Dec. 2018
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	49,151	37,997
Tangible assets	8,712	11,003
Investments	237	10,104
<b>NON-CURRENT ASSETS, TOTAL</b>	<b>58,100</b>	<b>59,104</b>
<b>CURRENT ASSETS</b>		
Inventories	5,604	5,947
Non-current receivables	6,548	4,491
Current receivables	19,826	20,504
Financial securities	10,211	20,568
Cash in hand and at bank	52,225	50,379
<b>CURRENT ASSETS, TOTAL</b>	<b>94,413</b>	<b>101,890</b>
<b>ASSETS, TOTAL</b>	<b>152,512</b>	<b>160,993</b>

EUR 1,000	31 Dec. 2019	31 Dec. 2018
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,504	1,504
Reserve fund	8,132	8,132
Connection fee fund	41,786	41,786
Reserve for invested unrestricted equity	2,240	1,000
Retained earnings	53,896	31,185
Profit for the period	10,859	32,072
<b>EQUITY, TOTAL</b>	<b>118,419</b>	<b>115,680</b>
<b>MINORITY INTEREST</b>	<b>999</b>	<b>335</b>
<b>STATUTORY PROVISIONS</b>	<b>0</b>	<b>13</b>
<b>LIABILITIES</b>		
Non-current liabilities	121	5,588
Current liabilities	32,974	39,377
<b>LIABILITIES, TOTAL</b>	<b>33,095</b>	<b>44,965</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>152,512</b>	<b>160,993</b>

### CONSOLIDATED CASH FLOW STATEMENT (FAS)

EUR 1,000	1 Jan.–31 Dec. 2019	1 Jan.–31 Dec. 2018
<b>Cash flow from operating activities</b>		
Profit/loss for the period	10,859	32,072
Adjustments to the profit for the period	-5,643	-26,430
Cash flow from operating activities before the change in working capital	5,216	5,642
Change in working capital:		
Inventories	increase (-) )/decrease (+) 343	-324
Current receivables	increase (-) )/decrease (+) 463	-937
Current liabilities	decrease (-) )/increase (+) 1,801	549
Cash flow from operating activities before financial items and taxes	7,823	4,930
Dividends received	1,150	990
Interest and other finance income	19,500	26,089
Finance costs	-228	-238
Taxes	-3,667	-4,665
<b>Cash flow from operating activities</b>	<b>24,578</b>	<b>27,105</b>
<b>Cash flow from investing activities</b>		
Purchase of shares	-12,014	-19,170
Investments in tangible and intangible assets	-2,123	-2,375
Disposal of shares and repayment of capital	-28	16,541
Proceeds from sale of tangible and intangible assets	540	189

Loans granted	0	-2,098
Repayment of loan receivables	0	603
<b>Cash flow from investing activities</b>	<b>-13,626</b>	<b>-6,310</b>
<b>Cash flow from financing activities</b>		
Share issue	421	0
Change in long-term loans	-1,500	-6,612
Change in short-term loans	-11,983	-1,221
Purchase of own shares	-71	-4
Disposal of own shares	355	17,066
Dividends paid and other profit distribution	-9,084	-7,026
Repayment of loan receivables	2,397	5,000
<b>Cash flow from financing activities</b>	<b>-19,465</b>	<b>7,203</b>
<b>Change in cash and cash equivalents according to the statement</b>	<b>-8,512</b>	<b>27,999</b>
Cash and cash equivalents 1 Jan.	70,948	43,186
Share and deposit account transfers between balance sheet groups		
Impact of currency exchange rate changes	0	238
Cash and cash equivalents 31 Dec.*	62,436	70,948
<b>Change in cash and cash equivalents</b>	<b>-8,512</b>	<b>27,999</b>

\* In the cash flow statement, financial securities are treated as cash and cash equivalents.

## CHANGES IN THE GROUP'S EQUITY (FAS)

<b>EUR 1,000</b>	<b>2019</b>	<b>2018</b>
<b>EQUITY</b>		
Share capital 1 Jan.	1,504	1,504
Share capital 31 Dec.	1,504	1,504
Reserve fund 1 Jan.	8,132	8,132
Reserve fund 31 Dec.	8,132	8,132
Connection fee fund 1 Jan.	41,786	41,786
Connection fee fund 31 Dec.	41,786	41,786
Reserve for invested unrestricted equity 1 Jan.	1,000	
Disposal of own shares	1,240	1,000
Reserve for invested unrestricted equity 31 Dec.	2,240	1,000
Retained earnings 1 Jan.	63,257	21,866
Profit distribution	-9,714	-7,698
Purchase of own shares	-62	-3
Disposal of own shares		16,800
Exchange rate difference		

Other changes in equity	415	219
Retained earnings 31 Dec.	53,896	31,185
Profit for the period	10,859	32,072
<b>Equity, total</b>	<b>118,419</b>	<b>115,680</b>

## THE GROUP'S COMMITMENTS AND COLLATERAL

EUR 1,000	2019	2018
<b>Collateral</b>		
<b>Debts with business mortgage given as collateral</b>		
Loans from financial institutions	0	2
Business mortgages		
Business mortgages given as collateral	84	485
Business mortgages available	7,250	5,000
<b>Debts with shares or book-entry accounts given as collateral</b>		
Loans from financial institutions	1,500	14,000
	1,500	14,000
Shares given as collateral/negative pledge	9,702	9,702
	9,702	9,702
<b>Debts with a guarantee as collateral</b>		
Loans from financial institutions	4,000	5,143
Overdraft facilities	139	195
Drawn loans and overdraft facilities	4,139	5,338
Available loans and overdraft facilities	4,900	6,043
Amount of the guarantee given as collateral	4,139	5,338
<b>Contingent liabilities</b>		
<b>Rental and leasing commitments</b>		
Payable in the next 12 months	4,104	3,739
Payable later	2,877	2,988
Total	6,980	6,727
<b>Other commitments and collateral</b>		
Total collateral amount granted	476	393
Drawn	475	393
<b>VAT return obligation for real estate investments</b>	<b>88</b>	<b>98</b>
<b>Collateral and contingent liabilities, total</b>	<b>21,468</b>	<b>22,743</b>

Viria Kiinteistöt Oy is under obligation to check the VAT deductions it has made for the following real estate investments: Silmukkatie 4 capitalised in 2014, Puskantie 16–18 and Torikatu 36 capitalised in 2013, Museokatu 11, Yrittäjätie and Puskantie 16–18 capitalised in 2014, Museokatu 11 capitalised in 2016 and Puskantie 16–18 and Yrittäjätie 15 capitalised in 2019. Viria Kiinteistöt Oy has given a negative pledge to Danske Bank Plc.

## CALCULATION FORMULAS

### **EBITDA:**

Operating profit + depreciation, amortisation and impairment

### **Adjustments:**

The adjusted EBITDA, the adjusted EBITA, the adjusted operating profit (EBIT) and the adjusted profit for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustments from the respective reported figure.

### **Equity-to-assets ratio:**

$$\frac{\text{Equity} + \text{minority interest}}{\text{Balance sheet total} - \text{advances received}} \times 100$$

Balance sheet total - advances received

The values of the balance sheet date are used in the divisor and the dividend.

### **Gross investments:**

Capital expenditure for the period; divestment of assets not excluded.