

## QUARTERLY REPORT 1.1. – 30.9.2014: Verkkokauppa.com's growth continued in Q3: Revenue grew 19%, Verkkokauppa.com invests in growth

Verkkokauppa.com Oyj – Quarterly report (unaudited) 24 October 2014, 8:00 a.m.

Figures in parentheses relate to comparison period unless otherwise stated.

### 1 July – 30 September 2014 in brief

- Revenue was 68.0 million euros (57.0), growth of 19.3%
- Gross profit 9.9 million euros (8.8), growth of 12.5%
- Gross margin was 14.6% of revenue (15.5%)
- Operating profit was 1.6 million euros (1.7), a decrease of 5.1%
- Operating margin was 2.4% of revenue (3.0%)
- Net profit was 1.4 million euros (1.1)
- Earnings per share were 0.18 euros (0.20)

Key ratios	7-9/2014	7-9/2013	Change%	1-9/2014	1-9/2013	Change%
Revenue, € thousands	67,984	57,008	19%	189,163	162,868	16%
Gross profit, € thousands	9,914	8,812	13%	29,425	25,430	16%
Gross margin, % of revenue	14.6%	15.5%		15.6%	15.6%	
EBITDA, € thousands	1,888	1,946	-3%	5,443	4,005	36%
EBITDA, %	2.8%	3.4%		2.9%	2.5%	
Operating profit, € thousands	1,642	1,729	-5%	4,734	3,344	42%
Operating margin, % of revenue	2.4%	3.0%		2.5%	2.1%	
Net profit, € thousands	1,360	1,064	28%	2,354	2,187	8%

### 1 January – 30 September 2014 in brief

- Revenue was 189.2 million euros (162.9), growth of 16.1%
- Gross profit 29.4 million euros (25.4), growth of 15.7%
- Gross margin was 15.6% of revenue (15.6%)
- Operating profit was 4.7 million euros (3.3), growth of 41.6%
- Operating margin was 2.5% of revenue (2.1%)
- Net profit was 2.4 million euros (2.2)
- Earnings per share were 0.34 euros (0.42)
- Non-recurring items relating to the initial public offering and booked to financing expenses decreased net profit by 1.9 million euros.

## BUSINESS OUTLOOK

Verkkokauppa.com Oyj's business operations are estimated to develop positively within a medium-term time frame. The management believes that the Company will further grow its market share in its operating markets. Proceeds received from the share issue have improved the Company's equity ratio and enable it to continue growth projects according to the Company's strategy. Nevertheless, the business prospects include uncertainties, especially due to macroeconomic development. The Finnish Ministry of Finance estimated on 15 September 2014 that Finnish GDP will grow 0.0% during 2014. According to the market research company GfK, the home electronics market has shrunk by 2.9% in the first eight months of 2014 in Finland.

## CEO SAMULI SEPPÄLÄ'S REVIEW

Retail business is going online, which is reflected in the strong growth in Verkkokauppa.com in the third quarter. Revenue grew by 19% and gross profit by 13% in the third quarter. Sales increased particularly well in mobile phones, computers and gaming consoles. Relatively sales increased the most in the main categories of grilling and cooking, major and small domestic appliances, gaming and entertainment, and food and drink. The gross margin decreased due to the growth in sales of products with low gross margin, such as mobile phones. In the current market situation a slightly more bolder, growth-orientated pricing has been implemented as a measure to grow market share.

In July–September, operating profit decreased by 5%, but net profit increased by 28%. Fixed costs increased by 17%, being 11.8% (12.1%) of revenue. On the other hand, the maximum usage of cash discounts improved the gross margin. Fixed costs increased, for example due to recruiting, brand marketing and ERP development. The financial standing of the Company is good and the balance sheet is strong.

The current developments in the retail business have not significantly affected Verkkokauppa.com, and sales have increased. There is however still reason to be concerned about the challenges of the retail business and the recession, which also affect retail business online.

According to recent ASML statistics, retail business strongly continued to move online in Finland during the first half of the year. Ecommerce Europe estimates that online trading will grow throughout Europe, and the growth rate for this year in Northern Europe will be approximately 10.7% compared to the year 2013.

Retail business going online creates a good basis for Verkkokauppa.com's growth within medium-term time frame, but will also create challenges for the Company. Special focus is directed towards growth-generated logistical development needs. The Company started picking goods from store shelves to be delivered also to mail order customers. In addition, direct deliveries to customers from factories, importers, farms and producers are planned. The Company will participate in the planning contest adjacent logistics building called Bunkkeri in Helsinki to support future growth.

Verkkokauppa.com will explore business opportunities in the new categories and segments. The company has identified Food and Drink, DIY/Hardware and Financial Services as interesting growth opportunities for the future. The first new main product category is planned to be a baby and family. Verkkokauppa.com will roll out tests of these initiatives in the midterm and expect that they will have initially limited effect on sales. These investments in future growth will add to the operational cost structure, but will not have a major impact on our profitability. Within the current economic situation it has been easy to recruit new competence.

Investments will continue in the Private –ERP and online store system developed by the Company's own IT department, and in mobile web pages, which will be launched next week. The Company will also continue to develop other services, especially targeting an increase in the number of web visitors. The internet plays an important role also among consumers who do not yet shop online. The web is also used for searching product information, comparing prices and shopping second-hand products. The number of visits to Verkkokauppa.com, both online and in bricks and mortar stores, has increased over the past year.

## FINANCIAL TARGETS

The Company strives to grow faster than its operating market and targets an annual revenue growth of over 10 per cent in the medium-term. The Company's objective is to improve its EBITDA margin in the medium-term compared to the level in 2013. The Company strives to secure a sufficient equity ratio to finance the growth of its business and aims to maintain an equity ratio of over 25 per cent taking into consideration the nature and seasonality of the Company's business.

Key ratios	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
Revenue, € thousands	67,984	57,008	189,163	162,868	238,013
Gross profit, € thousands	9,914	8,812	29,425	25,430	37,360
Gross margin, % of revenue	14.6%	15.5%	15.6%	15.6%	15.7%
Fixed costs, € thousand	8,046	6,884	24,081	21,499	29,940
Fixed costs, % of revenue	11.8%	12.1%	12.7%	13.2%	12.6%
EBITDA, € thousands	1,888	1,946	5,443	4,005	7,526
EBITDA, %	2.8%	3.4%	2.9%	2.5%	3.2%
Operating profit, € thousands	1,642	1,729	4,734	3,344	6,640
Operating margin, % of revenue	2.4%	3.0%	2.5%	2.1%	2.8%
Net profit, € thousands	1,360	1,064	2,354	2,187	4,204
Equity ratio, %	48.4%	12.7%	48.4%	12.7%	14.6%
Equity ratio, % (including subordinate debt)	48.4%	22.0%	48.4%	22.0%	22.5%
Return on investment, % rolling 12 months	33.1%	40.3%	33.1%	40.3%	48.3%
Net gearing, %	-76.3%	-58.8%	-76.3%	-58.8%	-196.9%
Earnings per share (EPS) revised by share split, €	0.18	0.20	0.34	0.42	0.80
Earnings per share (EPS) revised by share split (diluted), €	0.18	0.17	0.33	0.34	0.65
Number of shares at end of period	7 510 855	5 255 490	7 510 855	5 255 490	5 255 490
Average number of shares at end of period revised by share split	7 510 855	5 255 490	6 918 552	5 249 478	5 250 981
Number of shares at end of period revised by share split	7 510 855	5 255 490	7 510 855	5 255 490	5 255 490
Number of personnel* at end of period	490	421	490	421	446

\*The number of personnel includes both full- and part-time employees

## REVENUE AND PROFITABILITY DEVELOPMENT

### July–September 2014

Verkkokauppa.com Oyj's revenue grew in July–September by 19.3% compared to the same period last year. Revenue grew by 11.0 million euros, totalling 68.0 million euros (57.0). Revenue particularly increased in mobile phones, computers, and gaming (consoles in particular), which showed as positive development in operating profit.

Personnel costs increased by 16.5%, being 4.3 million euros (3.7). The number of personnel in logistics grew in relation to the volume increase. In addition to that the company hired new personnel to purchasing, consumer finance and IT department. Other expenses grew by 17.3% and were 3.8 million euros (3.2).

The operating profit was 1.6 million euros (1.7) in July–September 2014 and net profit was 1.4 million euros (1.1).

Earnings per share were 0.18 (0.20) euros. Earnings per share in the comparison year have been adjusted to make them comparable to the share issue in May 2013 (i.e. share split).

There were non-recurring items related to preparations for listing. Financing expenses included 0.0 (0.1) million euros non-recurring items related to preparations for listing. Earnings per share excluding non-recurring items were 0.18 (0.22) euros.

January–September 2014

Verkkokauppa.com Oyj's revenue grew by 16.1% in January–September 2014 compared to the same period last year. Revenue growth was 26.3 million euros, being cumulatively 189.2 million euros (162.9) in January–September. Relative profitability decreased because the Company grew its market share in low margin product categories such as mobile phones and gaming consoles. Operating profit in euros developed positively due to revenue increases in mobile phones, computers, TV, gaming (consoles in particular) and major (MDA) and small domestic appliances (SDA).

The demand for home electronic devices has been satisfactory despite the current market situation. According to research by GfK, the market decreased by 2.9% in 1–8/2014.

Personnel costs grew by 11.2%, being 13.1 million euros (11.8). The company reinforced its growth opportunities by recruiting new employees, especially in the purchasing, finance and IT departments. The number of logistics personnel grew also along with the volume growth. Other expenses increased by 13.0%, which was slower than revenue growth and totalled 11.0 million euros (9.7).

The operating profit was 4.7 million euros (3.3) in January–September 2014 and net profit for the period was 2.4 million euros (2.2). Earnings per share were 0.34 (0.42) euros. Earnings per share in the comparison year have been adjusted to make them comparable to the share issue in May 2013 (i.e. share split). Earnings per share decreased due to the increase in the number of shares that resulted from share issues in spring 2014. Earnings per share excluding non-recurring items were 0.56 (0.47) euros.

There were non-recurring items related to preparations for listing. Financing expenses included 1.9 million euros (0.4) non-recurring items related to preparations for listing.

## **FINANCE AND INVESTMENTS**

Operating cash flow was -13.0 million euros (-0.9) in 1–9/2014. The negative change in operating cash flow mainly resulted from a significant inventory increase, utilizing the maximum amount of cash discounts and non-recurring items related to the preparations for listing. Ordinary seasonal fluctuations are reflected in cash and cash equivalents, cash flow and accounts payable, which usually reaches the highest point at year-end and the lowest point at the end of the second quarter. Verkkokauppa.com has aimed to utilize the maximum amount of cash discounts.

The Company mainly invested in store and office equipment and furniture during the period. In addition, the Company activated 0.2 million euros of IT department's salary expenses and external technology consultant fees relating to new ERP features development. Net capital expenditures were 0.4 million euros (0.2) in January–September 2014.

Financing expenses included 1.9 million euros (0.4) in non-recurring items relating to the listing.

Rite Internet Ventures Holding AB exercised the option granted to it to subscribe for 1 435 365 new shares in the Company in March 2014. The proceeds amounted to 5.6 million euros, of which the Company used 3.0 million euros to repay capital loans to Rite Internet Ventures Holding AB. In addition, the Company repaid a 1.3-million-euro capital loan to Samuli Seppälä.

## SHARES AND SHARE TRADING

Trading in the shares of Verkkokauppa.com Oyj commenced on the NASDAQ OMX First North Finland marketplace on 4 April 2014. The final subscription and sale price was set at 23.00 euros per share in the institutional offering and the retail offering. Verkkokauppa.com received proceeds of approximately 18.9 million euros from issuing 820 000 new shares. The share issue improved the equity ratio and liquidity of the Company, and it enables the Company to continue with its growth projects according to the strategy.

The Company had 5 255 490 registered shares on 31 December 2013. The share amounts have changed as follows: Rite Internet Ventures Holding AB subscribed for 1 435 365 new shares on 21 March 2014, after which there were 6 690 855 shares. In the share issue, 820 000 new shares were subscribed. The amount of shares was 7 510 855 on 30 September 2014.

Over the reporting period 3 573 710 shares were exchanged, which was 47.6% of all shares in the Company. The highest share price was 31.70 euros, and the lowest 20.10 euros. The average price in share trading was 23.13 euros. The total of share trading was 82.6 million euros. The closing price was 30.50 euros, and the market value of all shares was 229.1 million euros at the end of the period.

The Company does not own any of its own shares.

## PERSONNEL, THE BOARD AND ADMINISTRATION

The number of personnel was 490 (421) at the end of September 2014. The personnel increase was 69 employees compared to the end of September 2013. The number of personnel includes both full- and part-time employees.

The Board members were Christoffer Häggblom, Peter Lindell, Kai Seikku, Henrik Weckström and Samuli Seppälä until the Annual General Meeting held on 13 March 2014. At the Annual General Meeting held on 13 March 2014 the Board was re-elected and Mikael Hagman and Antti Tiitola were elected as new members of the Board. Christoffer Häggblom was elected as the Chairman of the Board. Samuli Seppälä is the Company's Chief Executive Officer.

## RISKS AND UNCERTAINTIES

Verkkokauppa.com Oyj's risks and uncertainties reflect the market and general economic trends, demand for home electronics, the business environment, and competition. The Company's business operations are also influenced by risks and uncertainties relating to for example business strategy, investments, procurement and logistics, information technology, and other operative risks. The aforementioned risks and uncertainties may affect the Company's operations, financial position and performance both positively and negatively. Risks and uncertainties have been presented in more detail in the Offering document published on 21 March 2014.

Information on Verkkokauppa.com Oyj's legal dispute with Teosto ry is presented in the financial statements of 31 December 2013 and in the Offering document published on 21 March 2014: there had been no change in the issue by reporting date.

Verkkokauppa.com has received permission to appeal to the Supreme Court regarding the use of the domain name veneilijanverkkokauppa.com. More detailed information on the legal dispute is presented in the Offering document published on 21 March 2014.

Verkkokauppa.com has settled its dispute with Euroline AB. More detailed information on the legal dispute is presented in the Offering document published on 21 March 2014.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting was held in Helsinki on 13 March 2014. The financial statements for the year 2013 were approved and the Board Members and the CEO were discharged from liability. It was decided to pay a dividend of 0.04 euros per share, totalling 210,219.60 euros.

The Annual General Meeting authorized the Board to resolve on the share issues. According to the authorization, the Board may issue no more than 1 500 000 new shares in one or more instalments and the Board may resolve upon price-related matters and payment periods. The Board has authorization to decide upon all other share issue-related matters according to the Finnish Limited Liability Companies Act. The authorization is valid for one year, until 13 March 2015. The authorization does not revoke previous other authorizations. The Board exercised its authorization to issue 820 000 new shares in connection with the First North listing.

The Board election is explained above in the section on personnel, the Board and administration.

The Authorized Public Accountant firm KPMG Oy Ab was re-elected as the auditor, with Authorized Public Accountant Mauri Eskelinen acting as the Principal Auditor.

## **OTHER EVENTS DURING THE REPORTING PERIOD**

The Supreme Court granted permission to appeal the Court of Appeal's ruling regarding the dispute between Verkkokauppa.com and Teosto ry on 24 January 2014. Information on the legal case is presented in the financial statements of 31 December 2013 and in the Offering document published on 21 March 2014.

In April, the Company started new express door-to-door deliveries in the Helsinki capital area; items in stock are delivered within three hours after an order is placed online.

The Company joined an international customer programme in May. PINS is a joint loyalty program of 300 partners and 400 online stores, in which the customer can collect points when shopping.

In August Verkkokauppa.com agreed upon a distribution contract with Electrolux on selling major (MDA) and small domestic appliances (SDA).

## **SUBSEQUENT EVENTS**

There are no subsequent events after the reporting period.

## PRESS CONFERENCES

A press conference for analysts, investors and media will be held in Finnish at the Jätkäsaari commercial premises in Helsinki at Tyynenmerenkatu 11 on the 6<sup>th</sup> floor at 10:00 a.m. on Friday 24 October, in which Verkkokauppa.com Oyj's CEO Samuli Seppälä will present the developments in the reporting period.

A press conference in English will be held by phone and LiveStream webcast on Friday 24 October.2014 at 3:00 p.m. (CET +1). The English press conference can be attended by phone by calling +358 (0)206 99200 and entering the code 848574#. Questions can be presented beforehand or during the presentation via e-mail at [investors@verkkokauppa.com](mailto:investors@verkkokauppa.com).

Presentation materials for both occasions are available at [www.verkkokauppa.com](http://www.verkkokauppa.com) in the section Sijoittajat > Esitykset. For both press conferences, a Livestream is available ([www.verklive.com](http://www.verklive.com)).

## COMPANY RELEASES IN 2014

Verkkokauppa.com Oyj will publish its quarterly reports as follows:

- Financial year 2014 release on Friday 13 February 2015

Helsinki, Finland, 24 October 2014

**Verkkokauppa.com Oyj**

**Board of Directors**

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## FINANCIAL INFORMATION

This quarterly report has been prepared in accordance with Finnish Accounting Standards and local legislation in compliance with the accounting principles in the financial statements of 31 December 2013. This quarterly report has not been audited. The financial statements are audited at year-end.

Sales of mobile phone subscription services and other provision income have increased over time and hence the income is presented as part of revenues in the 2013 financial statements. The comparison information of 2013 has been adjusted accordingly.

Numbers presented in the quarterly report have been rounded and therefore columns or rows do not necessarily add up to the total amounts presented.



Income statement

€ thousands	7-9/2014	7-9/2013	Change%	1-9/2014	1-9/2013	Change%	2013
<b>REVENUE</b>	<b>67,984</b>	<b>57,008</b>	<b>19.3%</b>	<b>189,163</b>	<b>162,868</b>	<b>16.1%</b>	<b>238,013</b>
Other income	19	18	6.5%	98	74	32.5%	106
Cost of goods and services	-58,071	-48,196	20.5%	-159,737	-137,438	16.2%	-200,652
Personnel expenses	-4,279	-3,672	16.5%	-13,102	-11,785	11.2%	-16,397
Depreciation and amortization	-246	-217	13.5%	-709	-661	7.1%	-886
Other operating expenses	-3,767	-3,212	17.3%	-10,979	-9,714	13.0%	-13,543
<b>OPERATING PROFIT</b>	<b>1,642</b>	<b>1,729</b>	<b>-5.1%</b>	<b>4,734</b>	<b>3,344</b>	<b>41.6%</b>	<b>6,640</b>
Financial income and expenses	66	-294	-122.5%	-1,931	-692	178.9%	-1,162
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>	<b>1,708</b>	<b>1,435</b>	<b>19.0%</b>	<b>2,803</b>	<b>2,652</b>	<b>5.7%</b>	<b>5,478</b>
Appropriations	0	-13	-100.0%	187	222	-15.9%	127
Income taxes	-347	-357	-2.7%	-635	-687	-7.5%	-1,401
<b>NET PROFIT</b>	<b>1,360</b>	<b>1,064</b>	<b>27.8%</b>	<b>2,354</b>	<b>2,187</b>	<b>7.6%</b>	<b>4,204</b>

Balance Sheet

€ thousands	30.9.2014	30.9.2013	31.12.2013
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets total	753	570	670
Tangible assets total	2,314	2,861	2,715
Investments total	50	0	0
<b>NON-CURRENT ASSETS TOTAL</b>	<b>3,117</b>	<b>3,432</b>	<b>3,385</b>
<b>CURRENT ASSETS</b>			
Inventories	34,379	26,992	23,171
Receivables			
Non-current receivables	113	12	15
Current receivables	7,384	7,116	7,801
Trade receivables	4,261	4,787	4,813
Other receivables	704	598	299
Receivables carried forward	2,419	1,730	2,689
Cash and cash equivalents	28,527	10,839	22,677
<b>CURRENT ASSETS TOTAL</b>	<b>70,404</b>	<b>44,958</b>	<b>53,664</b>
<b>TOTAL ASSETS</b>	<b>73,521</b>	<b>48,390</b>	<b>57,049</b>
<b>LIABILITIES</b>			
<b>EQUITY</b>			
Shareholders' capital			
Share capital	100	100	100
Other funds			
Invested non-restricted equity fund	25,493	1,021	1,021
Retained earnings	6,541	2,547	2,547
Profit (loss) for the period	2,354	2,187	4,204
<b>EQUITY TOTAL</b>	<b>34,488</b>	<b>5,855</b>	<b>7,872</b>
Appropriations	<b>0</b>	<b>92</b>	<b>187</b>
Provisions	<b>625</b>	<b>210</b>	<b>395</b>
<b>LIABILITIES</b>			
Non-current liabilities	1,319	6,165	6,282
Capital loans	0	4,319	4,304
Interest-bearing debt	1,319	1,846	1,978
Current liabilities total	37,090	36,069	42,313
Capital loans	0	0	15
Interest-bearing debt	879	1,231	879
Advances received	2,213	1,784	2,255
Accounts payables	24,307	23,730	27,418
Other liabilities	3,939	3,906	5,365
Accrued expenses	5,751	5,417	6,380
<b>LIABILITIES TOTAL</b>	<b>38,408</b>	<b>42,234</b>	<b>48,595</b>
<b>TOTAL LIABILITIES</b>	<b>73,521</b>	<b>48,390</b>	<b>57,049</b>

Cash flow			
€ thousands	1-9/2014	1-9/2013	2013
Cash flow from operating activities			
Profit before appropriations and taxes	2,803	2,652	5,478
Depreciation and amortization	709	661	886
Change in provisions	230	210	395
Interest paid and received	1,931	692	1,162
Non-current receivables, increase (-), decrease (+)	-98	0	-3
Current receivables, increase (-), decrease (+)	417	732	46
Inventory increase (-), decrease (+)	-11,208	-5,270	-1,449
Non-interest-bearing debt, increase (+), decrease (-)	-5,257	153	6,898
<b>NET CASH FROM OPERATING ACTIVITIES BEFORE FINANCING AND TAXES</b>	<b>-10,474</b>	<b>-169</b>	<b>13,414</b>
Interest paid and other operational financial expenses	-2,057	-709	-1,187
Interest received from operations	126	16	24
Taxes paid	-587	0	-878
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-12,992</b>	<b>-862</b>	<b>11,373</b>
Investments			
Intangible and tangible investments	-442	-157	-334
<b>NET CASH FLOW FROM INVESTMENTS</b>	<b>-442</b>	<b>-157</b>	<b>-334</b>
Cash flows from financing activities			
Proceeds from share issue	24,472	270	270
Current interest-bearing debt, increase (+), decrease (-)	-15	-1,239	-1,575
Non-current interest-bearing debt, increase (+), decrease (-)	-4,963	-908	-791
Dividends paid	-210	-110	-110
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>19,283</b>	<b>-1,986</b>	<b>-2,206</b>
<b>NET INCREASE (+) / DECREASE (-) IN CASH AND CASH EQUIVALENTS</b>	<b>5,850</b>	<b>-3,005</b>	<b>8,833</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>22,677</b>	<b>13,844</b>	<b>13,844</b>
<b>CASH AND CASH EQUIVALENTS AT THE PERIOD END</b>	<b>28,527</b>	<b>10,839</b>	<b>22,677</b>

Statement of equity changes

€, thousand	Share capital	Share issue	Invested unrestricted equity fund	Retained earnings (loss)	Profit (loss) of the period	Total
<b>SHARE CAPITAL 1.1.2014</b>	<b>100</b>	<b>0</b>	<b>1,021</b>	<b>6,751</b>	<b>0</b>	<b>7,872</b>
Dividends	0	0	0	-210	0	-210
Share issue	0	0	24,472	0	0	24,472
Profit (loss) of the period	0	0	0	0	2,354	2,354
<b>SHARE CAPITAL 30.9.2014</b>	<b>100</b>	<b>0</b>	<b>25,493</b>	<b>6,541</b>	<b>2,354</b>	<b>34,488</b>
<b>SHARE CAPITAL 1.1.2013</b>	<b>100</b>	<b>99</b>	<b>651</b>	<b>2,657</b>	<b>0</b>	<b>3,507</b>
Dividends	0	0	0	-110	0	-110
Share issue	0	-99	369	0	0	270
Profit (loss) of the period	0	0	0	0	2,187	2,187
<b>SHARE CAPITAL 30.9.2013</b>	<b>100</b>	<b>0</b>	<b>1,021</b>	<b>2,547</b>	<b>2,187</b>	<b>5,855</b>
<b>SHARE CAPITAL 1.1.2013</b>	<b>100</b>	<b>99</b>	<b>651</b>	<b>2,657</b>	<b>0</b>	<b>3,507</b>
Dividends	0	0	0	-110	0	-110
Share issue	0	-99	369	0	0	270
Profit (loss) of the period	0	0	0	0	4,204	4,204
<b>SHARE CAPITAL 31.12.2013</b>	<b>100</b>	<b>0</b>	<b>1,021</b>	<b>2,547</b>	<b>4,204</b>	<b>7,872</b>

#### CALCULATION PRINCIPLES FOR THE COMPANY'S KEY RATIOS

- 1) Fixed costs = Personnel expenses + other operating expenses
- 2) Fixed costs per cent = (Personnel expenses + other operating expenses) / Net turnover x 100
- 3) Gross profit = Net turnover – Cost of goods and services
- 4) Gross margin per cent = (Net turnover – Cost of goods and services) / Net turnover x 100
- 5) EBITDA = Operating profit before depreciation
- 6) EBITDA, per cent = Operating profit before depreciation / Net turnover x 100
- 7) Operating margin, per cent = Operating result / Net turnover x 100
- 8) Equity ratio (no capital loans) = (capital and reserves + depreciation reserves x (1 – tax rate)) / (Total sum of the balance sheet – advances received) x 100
- 9) Equity ratio (including subordinate loans) = (capital and reserves + capital loans + depreciation reserves x (1 – tax rate)) / (Total sum of the balance sheet – advances received) x 100
- 10) Return on capital employed (ROCE), rolling 12 months, % = (Net profit + financial expenses + taxes) / (Average of equity + interest bearing debt) x 100
- 11) Net gearing, % = (Interest bearing debt – cash and cash equivalents – interest bearing receivables) / Equity x 100
- 12) Earnings per share = Profit for the financial period / Monthly average number of shares adjusted by share issues
- 13) Earnings per share (diluted) = Profit for the financial period / Monthly average number of shares adjusted by share issues + number of shares according to the subscription right
- 14) Average number of shares at end of period revised by share split = Monthly average number of shares at end of period revised by share split
- 15) Number of employees at end of period = Average amount of employees on the last week of the period