

VSP CONSOLIDATED
ANNUAL REPORT

2018



Directors' Address

"We think that VSP is not just a company. VSP is the platform for every employee to realize his or her potential and be successful."

The Educational Programme has been underway at VSP from the very start of the company operation, since 1996. The main asset of VSP is knowledge and expertise accumulated by the specialists.

What matters to the customer in the end, is a solution to his technical task in terms of a project realization, be it an IS circuit protection, a reliable flow commutation or an accurate process parameter measurement. An incompetent team cannot expect to hold a successful place in the eco system.

Keeping in mind the importance of a further company services development in terms of quality, the approach to the Educational Programme has been fundamentally revised since 2015. With a clear vision that only a certain level of the specialists' expertise can provide for a growth strategy, VSP undertook to speed up the process of education as well as revised the quality level of practices. In other words, the company has explicitly committed to development of the company expertise.

At the end of 2017 there was a number of internal interviews in the company; every employee was interviewed aiming at generating an optimum individual programme of development for each and every member of the team.

December 2017 can be considered a milestone of the Programme of Advancement, the next evolutionary level of the earlier Educational Programme. The Programme of Advancement takes into account not only the educational plan, but serves a «road map» for a specialist, for professional and career advancement, following which one may in the end expand his or her personal potential. We claim for a lot, but the work being done is considerable.

The programme developed, its tools, practices which the employees were keeping in line with, gradually extended – new modules were added, and each was dedicated to work for development of skills and knowledge.

1) 5% of the working time a week for reading professional literature; (2) Free English language courses at the company office; (3) InPO – Individual Educational Programme; (4) Laboratory practice – hands-on; (5) McKinsey Practicum; (6) SPIN-Selling; (7) Marketing seminars; (8) 3I: Learn and Research; (9) Specialised courses and seminars; (10) Webinars by partners-manufacturers; (11) Training at the partners-manufacturers' sites.

Quality, competence, efficiency, educational programme,... – of course, the theses are not new.

As is common knowledge, actions speak louder than words. VSP pays a lot of attention, invests effort and money into the Programme of personnel advancement with a clear understanding that the level and comprehensive knowledge of the company employees will provide in the end for its position in the future business infrastructure. Declarations on their own will not be enough to generate a consistent growth strategy.

In a short overview of the results of the Educational Programme implementation (http://vsp-co.org/en-01-2019-01_n.html) there was some statics presented for 2018. The main point reads – «In 2018 there were not less than 400 working hours dedicated to the Educational Programme for the company employees». Alongside mere statistics are concrete achievements of individuals. In 2018 two specialists were nominated to new positions – Assistant to Marketing and Sales director, Anna Agafonova was moved to a new position of Marketing

Specialist; and Leading Specialist, Roman Kanshin was moved to the position Manager, Intrinsically Safe interfaces and systems business line. The relevant opportunities and conditions for fulfilment of such plans were discussed just at the time of the interviews a year ago.

To advance professionally is not an easy task at all, it certainly demands effort and discipline. We count that results of implementation of the Programme of Advancement in 2019 will be noticeable not only to specialists and their colleagues, but to VSP customers as well. In the end, all the efforts and steps undertaken by the company in terms of its practices are aimed at improvement of the quality level of operation.

Thanks to the active implementation of the Programme of Advancement, the company showed a positive trend in key financial indicators based on the results of work in 2018.

Over 35% growth of revenue as compared with the results of 2017; about 3% growth of the Company gross profit as compared with the results of 2017 – the facts which objectively evaluate the work of VSP.

Fulfilling the strategic plan for the development of VSP, the team continues to implement the following key priority tasks in 2019 – the consistent development of the Instrumentation Products direction, the efforts of the team on which received additional fundamental acceleration in 2018; progressive development of Electromechanics direction; further strengthening VSP market position for intrinsically safe solutions. The company continues to invest resources in establishing a base in the Ufa region. For 2019, VSP participation in a key industry oil and gas exhibition, holding specialized seminars, and, of course, regular meetings with customers are planned. VSP marketing and sales team is focused on a 20% increase in performance in 2019.

During 2019, the company plans to open a number of new vacancies to further strengthen directions, the development of which is in special focus and requires additional resources to ensure the previous dynamics of business development. We are entering a new period with clear plans and an understanding of the possibilities for their implementation. We look forward to new successes and achievements of VSP in 2019.

Ivan S. Perepelyatnik
Director on Sales and Marketing

Oxana S. Klochenko
General Director

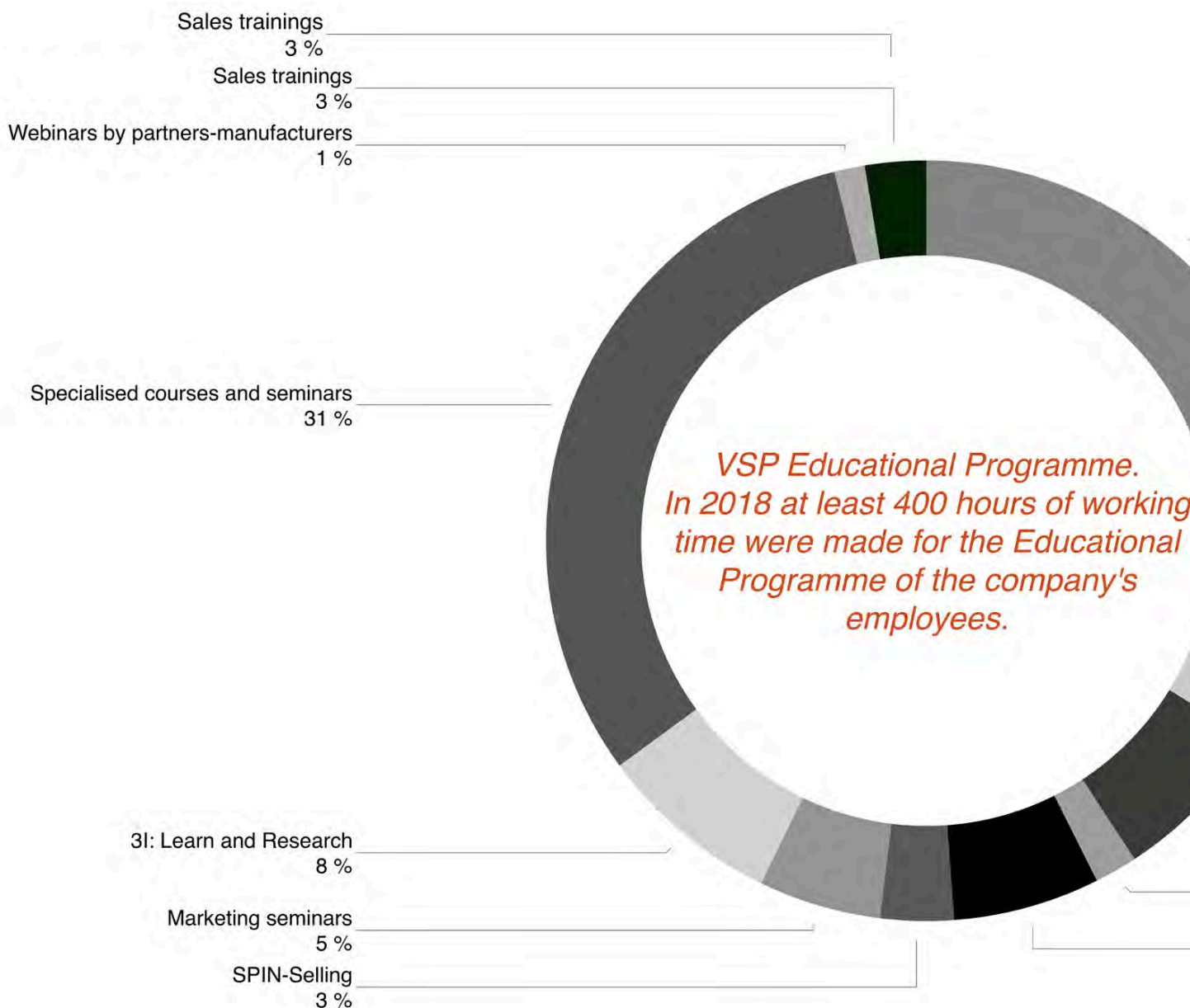
VSP: Advancement Programme

Professional knowledge is the key dedicated to make the transfer to a new level of the Company operation possible.

Accelerating the pace of changes in the economy and in business requires from market participants not only greater mobility and flexibility, but also completely new competencies. Many companies today plan to increase the cost of training and staff development. According to a McKinsey study, a significant proportion of the study participants, 66% of companies, want to increase the number of hours devoted to training each employee in corporate programmes.

At VSP, the Educational Programme has been operating for more than 20 years, from the first days of the Company.

The programme developed, its tools, practices which the employees were keeping in line with, gradually extended – new modules were added, and each was dedicated to work for development of skills and knowledge.



Early 2018, a little over a year ago, the Company held a series of interviews with all VSP employees as part of the formation and refinement of individual advancement profiles of each specialist. As a result, tasks and conditions for realisation of the educational plan were finalised and fixed.

Elements forming the basis of the Programme:

(1) 5% of the working time a week for reading professional literature.

During a working week every employee of the company may use part of the working time to read professional literature – books, magazines, articles on a dedicated internet site etc. According to the Russian Employment Code a working week constitutes 40 hours; 5% off the total working time is 2 hours. So, 2 hours per week every employee is entitled to use for a professional advancement.

(2) Free English language courses at the company office.

Starting with 2018, based at the VSP office, a permanent English language course has been launched. Every Tuesday, after the working day any company employee is free to take part in a lecture and training session on a foreign language. A professional lecturer helps every student to develop language skills irrelevant of a current level.

(3) InPO.

InPO – Individual Educational Programme. In terms of the practice, VSP specialists directly engaged in the work with customers, study in detail various aspects of both partners-manufacturers’ solutions, and competitive products.

As a rule, once per week the specialists make reports for all the marketing and sales team, presenting results of their research to the colleagues.

(4) Laboratory practice – hands-on.

It is not enough to have just a theoretical knowledge of all the peculiarities of the equipment you are working with daily. Equally important is to know the hardware – to have a real operational experience: to know how to assemble a fitting and a tube, to configure an IS temperature converter, to read a viscometer etc.

In line with the plan of laboratory practices, throughout the year we carry out hands-on sessions either at the office, or at our storage facility, as for example working with fittings is not appropriate at the office. Taking into the account that such skills are required by all the specialists engaging with customers, those who work remotely, as Sergey Kosik, our Regional Representative in Ukraine, come to Moscow especially to take part in such sessions.

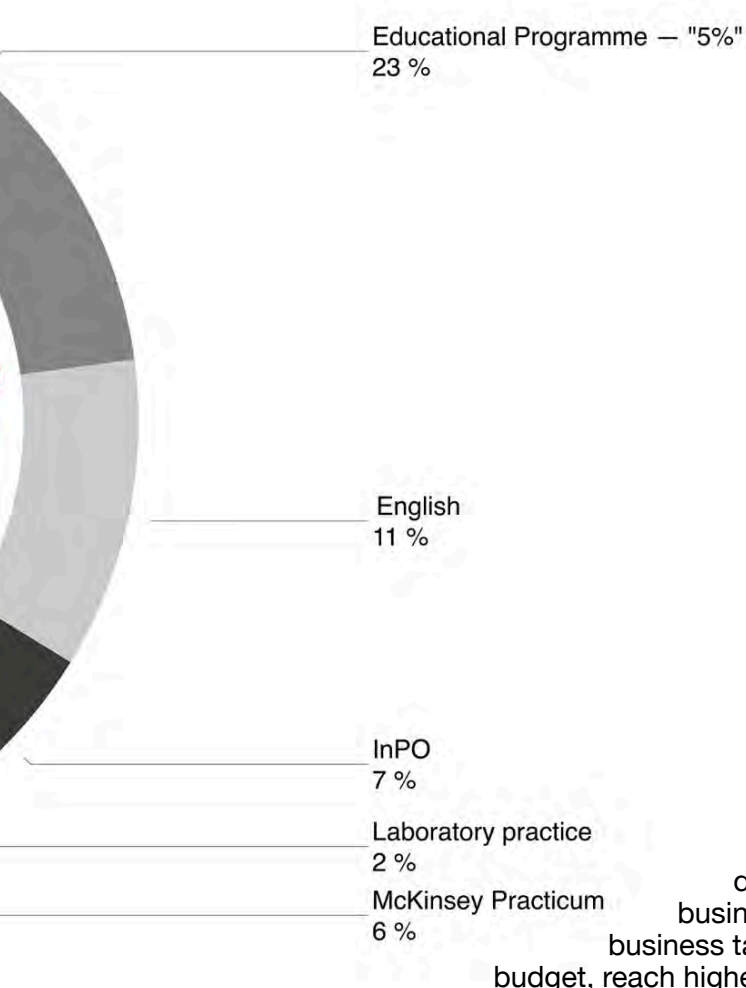
(5) McKinsey Practicum.

McKinsey is one of the most professional business consultants in the world.

Their advice is listened to by big business managers, and state governments.

Every Thursday some members of the VSP team discuss a new subject – a selected article published by McKinsey on their internet resource regularly. Subjects and depth of articles are variable: from general market overviews to deep analytical research essays.

Apart from additional language practice (all the articles are published in English), the sessions present a useful and interesting opportunity to discuss McKinsey ideas directed on optimization of business, development of the company culture, practical business task solutions, such as ways to optimize the company budget, reach higher marketing efficiency and many other issues.



(6) SPIN-Selling.

Skills of the so-called SPIN-Selling practice are some of the most highly estimated world business practices in the area of building long-term customer relationships. A relevant methodology is used by such leaders of industrial solutions for process control as for example, Honeywell. In view of the overall business of the company, we could not but included an appropriate module into the overall Programme of Advancement for VSP specialists. At regular intervals, usually on Fridays at the company office we run seminars on SPIN-Selling. Working on concrete elements of the method, the company employees acquire new skills to work with customers.

(7) Marketing seminars.

«Marketing for VSP is a complete working process. From A to Z» – often quoting this from the VSP site we wish to explain what our team understands under such a holistic notion as marketing. No doubt, we are striving to expand a multifacet meaning of this notion. We resort to available opportunities to raise the level of competence not only of our marketing specialists, but in the first place, of a VSP sales force. We consider sales to be the result of the work that all the team carries out for a customer, starting with a presentation of a solution and working through the original enquiry received in our e-mail box. In our terminology marketing is a complete working process, so marketing seminars have to aim at improvement of the quality of all the business processes. Under the frame of regular marketing seminars, keeping in line with a certain McKinsey methodology, we attentively study recommendations of a renowned company and look for parallels in our operations, providing for development of VSP services.

(8) 3I: Learn and Research.

«...routing out from the internal research and held interviews was the idea of a study in depth of a company, which expertise and practices could be used by our team contributing to the competence level. Later on the practice was named «3I: Learn and Research».

At the start of the year, having considered a number of ideas covering the 3I theme – the first target of research – Dentsu became the final choice.»

(9) Specialised courses and seminars.

The company specialists participate regularly in various specialised courses and seminars, conducted by partners-manufacturers and suppliers of different services, such as Consultant plus and 1C. Besides, VSP specialists participate in professional conferences on finance and legal subjects, on digital marketing.

(10) Webinars by partners-manufacturers.

With the possibilities opened by a digital age it is not always necessary to meet personally to share knowledge or to discuss capabilities of a new product. Some of the partners-manufacturers and the company suppliers run specialised webinars regularly, and VSP specialists participate in them with great interest.

(11) Training at the partners-manufacturers' sites.

Visiting a manufacturer's site is an important constituent to create a holistic understanding of a partner. To our mind there is nothing to substitute a personal perception by a specialist of a manufacturer's capabilities – to see the process for oneself, to have «a feel» for manufacturing, to personally get in touch with colleagues and discuss some particular technical questions – such an experience is critical. We follow the practice of the company specialists business trips to the partners' manufacturing sites worldwide.

In 2017 we started a new nomination under the frames of summing up the company results for the year. With an accent on the Educational Programme, we have decided to especially recognize those employees who are standing out in realization of the programme throughout the year. «The Brightest Employee» – a slightly ironic title for the nomination. In 2017 Victoria Perepelyatnik was nominated with the title «The Brightest Employee».

In the end, the company culture, in the widest meaning, defines the company future potential. One of the key tasks of the Programme of Advancement is to help every VSP specialist to take another step, to get to a new qualitative level of work. Relevant professional knowledge is the key dedicated to make the transfer possible.





2018

VSP RUS

RESULTS

ANALYSIS

JSC «VSP RUS»

Full name:	Joint Stock Company «VSP Rus» (further on «The Company»)
Abbreviated name:	JSC «VSP Rus»
Place of location:	Office 10, premises XXVII, 1A Semenovskaya Sq., Moscow 105318
De facto address:	Office 10, premises XXVII, 1A Semenovskaya Sq., Moscow 105318
State Registration Certificate	Series 77 No 009326813 dated 03 September 2007 issued by Interdistrict Inspectorate of the Federal Tax Service No 46, Moscow
Uniform State Register of Legal Entities	Series 77 No 009537336 dated 03 September 2007
State Registration Number (OGRN)	1077759678589
Charter capital	300 000 RUB

The register of shareholders is maintained by CJSC "Specialized Registrar-Holder of the register of shareholders of the gas industry", 117420, Moscow, Novocheremushkinskaya str., d. 71/32, License No. 10-000-1-00291 of 26.12.2003 (without limitation of validity), Contract no.e-682-2014 of 09.10.2014.

JSC «VSP Rus» is a small enterprise. In 2017, VSP Rus JSC is subject to mandatory audit, as it falls under the criteria established by the Federal Law of December 30, 2008 № 307-FZ "on auditing".

The shareholders of the Company with a share exceeding 10% are:

Shareholder	Resident of the RF/ non-resident of the RF
Perepelyatnik Victoria Ivanovna — 20%	Resident
Perepelyatnik Marina Vitalievna — 25%	Resident
Perepelyatnik Ivan Sergeevich — 30%	Resident
Klochenko Oxana Sergeevna — 25%	Resident

Responsibility for the organization of accounting in the Company, compliance with the law in the performance of business operations, preparation of accounting (financial) statements:

Position	Full name	Authority	Validity of Authority
General Director JSC «VSP Rus»	Klochenko Oxana Sergeevna	Minutes of the General Shareholders Meeting No 1 dated 29.08.2007	For an indefinite time

The responsibility for generating accounting policy, accounting, timely submission of full and true accounting (financial) statements is held by:

Position	Position	Position	Validity of Authority
Chief accountant JSC «VSP Rus»	Leonova Olga Yurievna	Order n/n dated 14.05.2018	For an indefinite time

Мнение

Мы провели аудит прилагаемой годовой бухгалтерской (финансовой) отчётности Акционерного общества «ВСП Рус» (ОГРН 1077759678589, 105318, г. Москва, Семеновская площадь, д.1А, помещение XXVII, оф.10), состоящей из бухгалтерского баланса по состоянию на 31 декабря 2018 года, отчёта о финансовых результатах за 2018 год, приложений к бухгалтерскому балансу и отчёту о финансовых результатах, в том числе отчёта об изменениях капитала за 2018 год и отчёта о движении денежных средств за 2018 год, пояснений к бухгалтерскому балансу и отчёту о финансовых результатах за 2018 год.

По нашему мнению, прилагаемая годовая бухгалтерская (финансовая) отчётность отражает достоверно во всех существенных аспектах финансовое положение Акционерного общества «ВСП Рус» по состоянию на 31 декабря 2018 года, финансовые результаты его деятельности и движение денежных средств за 2018 год в соответствии с правилами составления бухгалтерской (финансовой) отчётности, установленными в Российской Федерации.

Основание для выражения мнения

Мы провели аудит в соответствии с Международными стандартами аудита (МСА). Наша ответственность в соответствии с этими стандартами описана в разделе «Ответственность аудитора за аудит годовой бухгалтерской (финансовой) отчётности» настоящего заключения. Мы являемся независимыми по отношению к аудируемому лицу в соответствии с Правилами независимости аудиторов и аудиторских организаций и Кодексом профессиональной этики аудиторов, соответствующими Кодексу этики профессиональных бухгалтеров, разработанному Советом по международным стандартам этики для профессиональных бухгалтеров, и нами выполнены прочие иные обязанности в соответствии с этими требованиями профессиональной этики. Мы полагаем, что полученные нами аудиторские доказательства являются достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения.

Ответственность руководства аудируемого лица за годовую бухгалтерскую (финансовую) отчётность

Руководство несёт ответственность за подготовку и достоверное представление указанной годовой бухгалтерской (финансовой) отчётности в соответствии с правилами составления бухгалтерской (финансовой) отчётности, установленными в Российской Федерации, и за систему внутреннего контроля, которую руководство считает необходимой для подготовки годовой бухгалтерской (финансовой) отчётности, не содержащей существенных искажений вследствие недобросовестных действий или ошибок.

При подготовке годовой бухгалтерской (финансовой) отчётности руководство несёт ответственность за оценку способности аудируемого лица продолжать непрерывно свою деятельность, за раскрытие в соответствующих случаях сведений, относящихся к непрерывности деятельности, и за составление отчётности на основе допущения о непрерывности деятельности, за исключением случаев, когда руководство намеревается ликвидировать аудируемое лицо, прекратить его деятельность или когда у него отсутствует какая-либо иная реальная альтернатива, кроме ликвидации или прекращения деятельности.

Ответственность аудитора за аудит годовой бухгалтерской (финансовой) отчётности

Наша цель состоит в получении разумной уверенности в том, что годовая бухгалтерская (финансовая) отчётность не содержит существенных искажений вследствие недобросовестных действий или ошибок, и в составлении аудиторского заключения, содержащего наше мнение. Разумная уверенность представляет собой высокую степень уверенности, но не является гарантией того, что аудит, проведённый в соответствии с МСА, всегда выявляет существенные искажения при их наличии. Искажения могут быть результатом недобросовестных действий или ошибок и считаются существенными, если можно обоснованно предположить, что в отдельности или в совокупности они могут повлиять на экономические решения пользователей, принимаемые на основе этой годовой бухгалтерской (финансовой) отчётности.

В рамках аудита, проводимого в соответствии с МСА, мы применяем профессиональное суждение и сохраняем профессиональный скептицизм на протяжении всего аудита. Кроме того, мы:

- а) выявляем и оцениваем риски существенного искажения годовой бухгалтерской (финансовой) отчётности вследствие недобросовестных действий или ошибок; разрабатываем и проводим аудиторские процедуры в ответ на эти риски; получаем аудиторские доказательства, являющиеся достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения. Риск необнаружения существенного искажения в результате недобросовестных действий выше, чем риск необнаружения существенного искажения в результате ошибки, так как недобросовестные действия могут включать сговор, подлог, умышленный пропуск, искаженное представление информации или действия в обход системы внутреннего контроля;
- б) получаем понимание системы внутреннего контроля, имеющей значение для аудита, с целью разработки аудиторских процедур, соответствующих обстоятельствам, но не с целью выражения мнения об эффективности системы внутреннего контроля аудируемого лица;
- в) оцениваем надлежащий характер применяемой учётной политики, обоснованность бухгалтерских оценок и соответствующего раскрытия информации, подготовленного руководством аудируемого лица;
- г) делаем вывод о правомерности применения руководством аудируемого лица допущения о непрерывности деятельности, а на основании полученных аудиторских доказательств – вывод о том, имеется ли существенная неопределенность в связи с событиями или условиями, в результате которых могут возникнуть значительные сомнения в способности аудируемого лица продолжать непрерывно свою деятельность. Если мы приходим к выводу о наличии существенной неопределенности, мы должны привлечь внимание в нашем аудиторском заключении к соответствующему раскрытию информации в годовой бухгалтерской (финансовой) отчётности или, если такое раскрытие информации является ненадлежащим, модифицировать наше мнение. Наши выводы основаны на аудиторских доказательствах, полученных до даты нашего аудиторского заключения. Однако будущие события или условия могут привести к тому, что аудируемое лицо утратит способность продолжать непрерывно свою деятельность;
- д) проводим оценку представления годовой бухгалтерской (финансовой) отчётности в целом, её структуры и содержания, включая раскрытие информации, а также того, представляет ли годовая бухгалтерская (финансовая) отчётность лежащие в её основе операции и события так, чтобы было обеспечено их достоверное представление.

Мы осуществляем информационное взаимодействие с руководством аудируемого лица, доводя до их сведения, помимо прочего, информацию о запланированном объёме и сроках аудита, а также о существенных замечаниях по результатам аудита, в том числе о значительных недостатках системы внутреннего контроля, которые мы выявляем в процессе аудита.

Генеральный директор

(квалификационный аттестат аудитора № К 020385
от 29.11.2004 без ограничения срока действия)



Слепынина Н.М.

Аудиторская организация:

ЗАО «ФинСовет Аудит»

ОГРН 1097746571790

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Член Саморегулируемой организации аудиторов

«Российский Союз аудиторов» (Ассоциация)

ОРНЗ 11603041413

27 марта 2019 года

Addressed to

JSC «VSP Rus» shareholders

Opinion.

We have audited annual consolidated financial statements of JSC «VSP Rus» (State Registration Number (OGRN) 1077759678589, Office 10, premises XXVII, 1A Semenovskaya Sq., Moscow 105318), comprising Consolidated Balance Sheet as of 31.12.2018; Consolidated Financial Results for 2018; annexes to Consolidated Balance Sheet and to Consolidated Financial Results inclusive of Changes in shareholders' equity for the year 2018; and Cash flow for the year 2018; Explanatory Note to Balance Sheet and Consolidated Financial Results for 2018.

In our opinion, the financial statements enclosed present fairly in all material respects the financial position of JSC «VSP Rus» as of December 31, 2018, as well as the financial results and cash flows for the year 2018 in accordance with the Russian Financial Reporting Standards.

Basis for Auditor's Opinion.

We have carried out auditing in accordance with International Standard on Auditing. Our responsibility in line with the standards is described in the section Auditor's Responsibility for Consolidated Balance Sheet (Financial Results) of the report. We are independent in relation to the audited entity as per Rules of Independent Auditors and Auditors Organisation and Code of Ethics for Professional Accountants developed by the International Ethics Standards Board for Accountants, and we have carried out other obligations in line with requirements of professional ethics. We believe that audit evidence obtained by us is sufficient and proper as the basis to express our opinion.

Audited Entity Responsibility for annual financial statements.

Preparation and accurate presentation of these consolidated financial statements under the Russian standards are the responsibility of the Audited Company management. Such a responsibility covers generating documentation and implementation of the internal control system, required for these consolidated financial statements free of material distortions resulting from malicious acts or mistakes.

When preparing Accounting statements the management of the Company is responsible for evaluation of the audited entity's ability to continue its activity, for disclosure where applicable of information related to continuity of activities, and for assumption that the Company will continue its activity with the exception of cases when the management is intending to liquidate the audited entity or in case it faces no real alternative apart from liquidation or termination of operations.

Auditors' Responsibility for annual financial statements.

The Auditor carries out appropriate audit procedures in terms of a concrete task aiming at obtaining sufficient and due audit evidence, providing for reasonable assurance that the accounting (financial) statements are free from material misstatements. Reasonable assurance represents high level of assurance, but will not guarantee that auditing carried out as per ISA detects substantial distortions. Distortions may be intentional or unintentional, and are considered material, if it is possible to assume that taken separately or in total they can effect customer economic decisions based on the annual accounting (financial) statements.

Translation from Russian

*Auditor's opinion on consolidated financial statements of
Joint Stock Company «VSP Rus» for the year 2018*

In line with ISA, the Auditor applies professional judgment and professional skepticism while auditing. Apart from this, we:

- a) identify and assess risks of substantial distortion of annual accounting (financial) statements resulting from malicious acts or mistakes; develop and carry out auditing in response to risks; obtain audit evidences providing a reasonable basis for our opinion. The risk of identifying substantial distortion resulting from malicious acts is higher than the risk resulting from failing to identify a substantial distortion resulting from a mistake, as malicious acts may imply collusion, forgery, intentional omission, distortion of submitted information or overriding internal control system;
- b) we analyse internal control system, providing for preparation and validity of financial statements in order to select relevant auditing procedures, but not for expressing an opinion on efficiency of internal control system of the audited entity;
- c) we assess correct usage of accounting policy and of validity of indicators estimated by the management of the audited entity, as well as evaluate the overall presentation of the financial statements;
- d) conclude on the correctness of an assumption of the audited entity management that the Company will continue its activity; and based on audit evidence conclude if there is a substantial uncertainty in terms of events or conditions which might result in substantial doubts related to the ability of the audited entity to continue its activity. If we arrive at the conclusion on substantial uncertainty, we must attract attention in our auditor's report to the relevant disclosure of information contained in the annual accounting (financial) statements, and if such a disclosure of information is improper, we must modify our opinion. Our opinion is based on audit evidence available by the date of the our auditor's report. However, further events or conditions can lead to the situation when an audited entity will not be able to continue its activity;
- e) evaluate submitted annual accounting (financial) statements on the whole, its structure and contents, including information disclosure, and whether the annual accounting (financial) statements represent operations and events in the way providing for their true representation.

In terms of information we interact with the audited entity management, bringing to their knowledge apart from anything else information on the planned audit scope and the time scale, as well as on substantial remarks resulting from the audit, including considerable malfunctions of the internal control system which come to light during auditing.

General Director ZAO «FinSovet Audit»

N.M. Slepynina

(auditor qualification certificate No K 020385
dated 29.11.2004, not limited validity)

Information on the Auditor:

Closed Stock Company «FinSovet Audit»

OGRN 1097746571790

5/47, Gilyarovskogo Str., Moscow, 129110

Member of a self-regulatory organisation of auditors

«Russian Collegium of Auditors» (NP «RKA»).

It is inlisted in the register of auditors, Registration number 1160341413

Moscow, March 27, 2019

JSC «VSP Rus»

consolidated balance sheet as of 31 December 2018

OKPO 82536925
 INN (Taxpayer identification number) 7701742677
 OKVED 46.90
 OKOPF/OKFS 67/16
 OKEI 384

in thousands Roubles

Indicator	as of 31 December 2018	as of 31 December 2017	as of 31 December 2016
	ASSETS	I. NON-CURRENT ASSETS	
Intangible assets	-	-	-
Results of research and development	-	-	-
Intangible assets (research and sdevelopment)	-	-	-
Tangible assets (research and sdevelopment)	-	-	-
Fixed assets	129	309	477
Income yielding investments into tangible assets	-	-	-
Financial investments	-	-	-
Deferred tax assets	232	109	73
Other non-current assets	-	1	-
TOTAL OF SECTION I	361	418	550
	II. CURRENT ASSETS		
Inventories	11366	10794	6601
VAT on purchased items	871	290	190
Accounts receivable	25680	8596	5012
Financial investments (other than cash and cash equivalents)	-	250	-
Cash and cash equivalents	7121	6299	7997
Other current assets	758	59	151
incl. VAT on Accounts receivable	41	16	119
TOTAL OF SECTION II	45796	26288	19951
TOTAL ASSETS	46157	26706	20501
	LIABILITIES	III. EQUITY & LIABILITIES	
Share capital	300	300	25
Shares repurchased	-	-	-
Revaluation of fixed assets	-	-	-
Additional capital	-	-	-
Reserve capital	15	15	1
Retained earnings	8059	7203	6621
TOTAL OF SECTION III	8374	5416	6647
	IV. LONG-TERM LIABILITIES		
Borrowings	-	-	-
Deferred tax liabilities	17	28	47
Estimated liabilities	-	-	-
Other liabilities	-	-	-
TOTAL OF SECTION IV	17	28	47
	V. SHORT-TERM LIABILITIES		
Borrowings	14345	-	-
Accounts payable	22260	18616	13450
Deferred revenues	-	-	-
Estimated revenues	1162	544	357-
Other revenues	-	-	-
TOTAL OF SECTION V	37766	19160	13807
TOTAL EQUITY AND LIABILITIES	46157	26706	20501

JSC «VSP Rus»

report on financial results for 2018

OKPO 82536925
 INN (Taxpayer identification number) 7701742677
 OKVED 46.90
 OKOPF/OKFS 67/16
 OKEI 384

in thousands Roubles

Indicator	January - December 2018	January - December 2017
Revenues	118 280	138 437
Cost of goods sold	(93 589)	(106 850)
Gross profit	24 691	31 587
Selling and marketing costs	(33 192)	(26 627)
Administrative expenses	-	-
Operating profit	6 743	4 960
Share of profit of associates	-	-
Interests receivable	49	-
Interests payable	(120)	(252)
Other gains	5 091	1 672
Other expense	(8 911)	(3 697)
Profit before income tax	2 852	2 683
Income tax expense	(921)	(666)
incl. Constant Tax Liabilities (Assets)	(217)	(74)
Changes in the deferred tax liabilities	10	19
Changes in the deferred tax assets	123	35
Other	(8)	-
incl. additional income tax for 2017	(8)	-
Net profit	2 056	2 071
Revaluation of non-current assets not included in the net profit of the period	-	-
Result from other operations not included in the net profit of the period	-	-
Total financial result of the period	2 056	2 071

FOR REFERENCE

Basic earnings per share	-	-
Diluted earnings per share	-	-

Director

Oxana Klochenko

19 March, 2019

JSC «VSP Rus»

financial indicators, 2014 - 2018

JSC «VSP Rus» entered the active phase of work in the structure of the company in 2013.

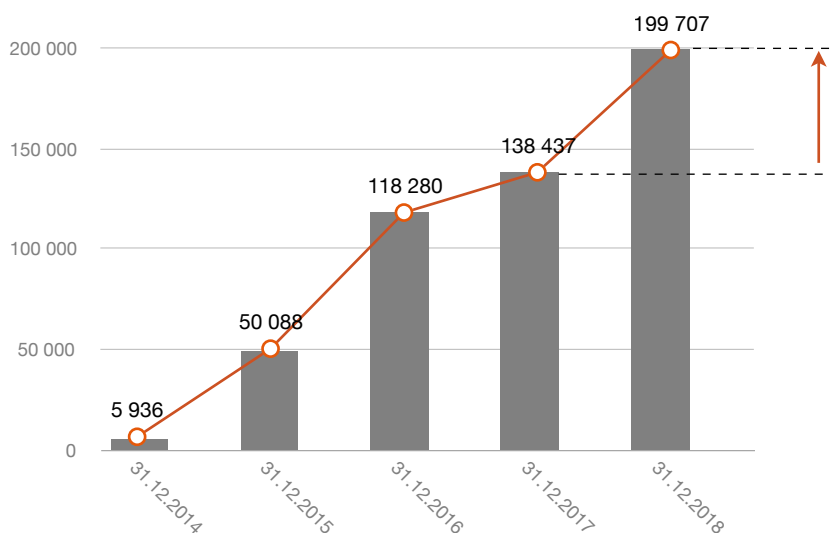
JSC «VSP Rus» uses the Chart of Accounts, approved by Order of the Ministry of Finance of the Russian Federation of October 31, 2000 No. 94n "On Approving the Chart of Accounts for Accounting of the Financial and Economic Activities of Organizations and Instructions for its Application". The accounting policy adopted by the Company is applied sequentially from one reporting year to another. The accounting statements of the Company for 2018 are prepared on the basis of the current accounting rules and statements.

State aid was not provided, respectively PBU 13/200 "Accounting for state aid" is not applied.

Joint operations were not carried out.

No changes were made to the accounting policy that affected the assessment of accounting (financial) statements in the audited and previous period.

Dynamics of changes in the main financial indicators of the work of JSC «VSP Rus» for the period 2014-2018.

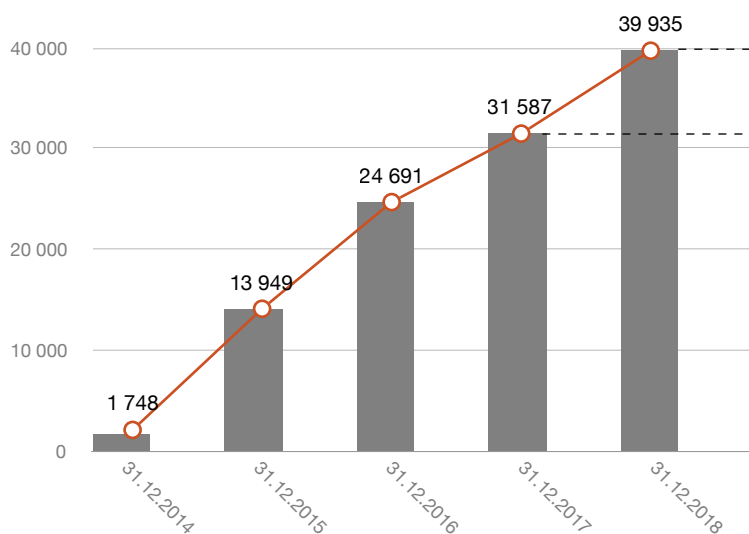


+44%

Between January 1, 2018 and December 31, 2018, the Company's revenue grew by ₹ 61,270 thousand and amounted to ₹ 199,707 thousand.

Revenue growth of 44%.

Revenue, dynamics 2014-2018
(thousand Roubles)



+26,4%

In the reporting period, the increase in gross profit of JSC «VSP Rus» exceeded ₹ 8.3 million, which is higher than the result of the previous period by more than 26%.

Gross profit, dynamics 2014-2018
(thousand Roubles)

JSC «VSP Rus»

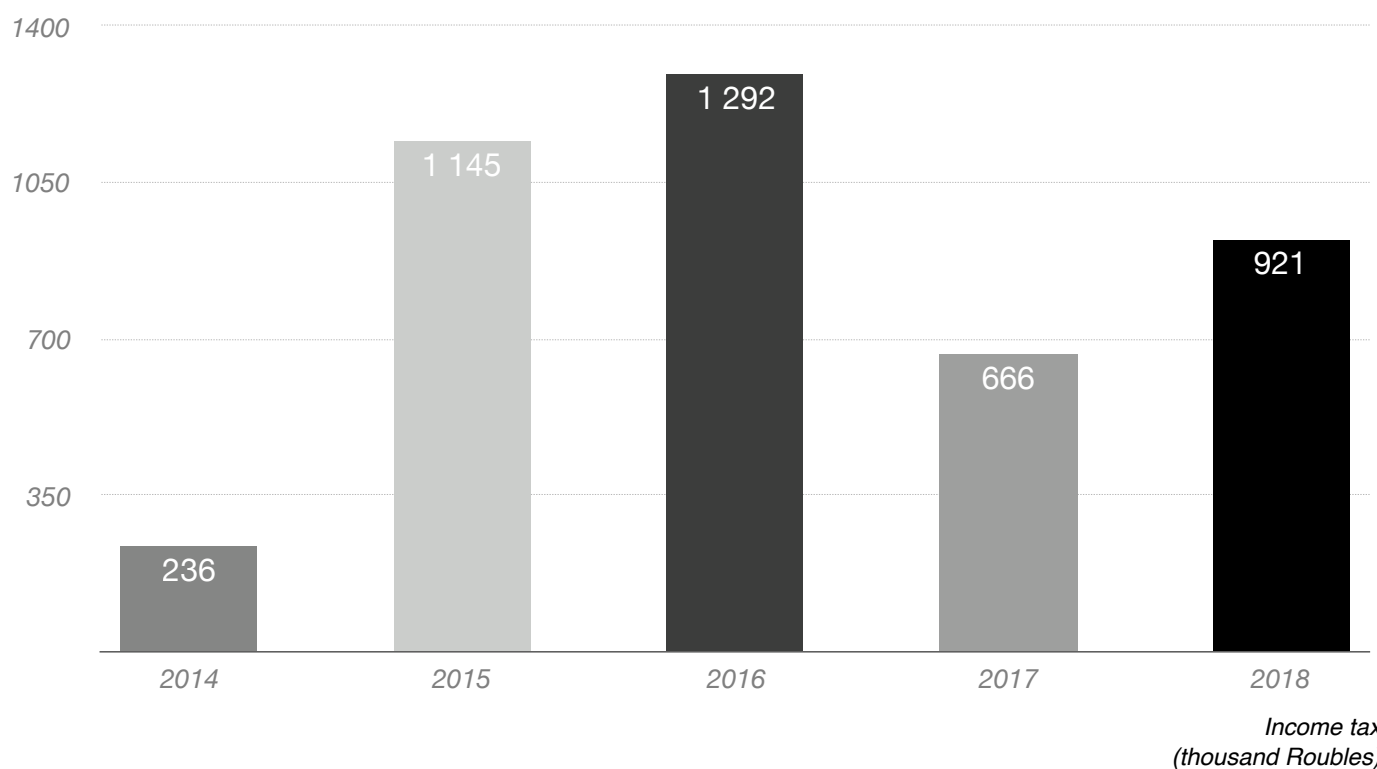
financial indicators, 2014 - 2018

First of all, focusing on long-term strategic development plans, VSP adheres to a conservative financial policy, ensuring a balance between stability and sustainable growth.

Indicator	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2014
Cost of sales	159 772	106 850	93 589	36 139	4 188
Selling costs	33 192	26 627	17 205	8 821	530
Current income tax	921	666	1 292	1 145	236
Net profit	2 056	2 071	4 631	4 461	924

(thousand Roubles)

The profit from sales of JSC «VSP Rus» increased by almost 36%, amounting to ₺ 6.74 million at the end of 2018. The net profit of JSC «VSP Rus» in accordance with RAS in 2018 amounted to ₺ 2.06 million, which is 0.7% lower than in 2017, according to accounting reports.



Selling expenses of the company grew by 24%, by more than ₺ 6.5 million. The increase in selling expenses is primarily associated with the expanded marketing program adopted for execution in 2018.

2018

VSP LTD

RESULTS

ANALYSIS

CJSC «VSP Ltd»

Full name:	Closed Joint Stock Company «VSP Limited» (further on «The Company»)
Abbreviated name:	CJSC «VSP Ltd»
Place of location:	Office 10, premises XXVII, 1A Semenovskaya Sq., Moscow 105318
De facto address:	Office 10, premises XXVII, 1A Semenovskaya Sq., Moscow 105318
State Registration Certificate	No 001.056.225 Moscow Registration Chamber, 19 September 1996
Uniform State Register of Legal Entities	Series 77 No 006979486, issued by Ministry of Tax and Excise of Russia for Moscow, 03 December 2002
State Registration Number (OGRN)	1027700488100
Charter capital	8 000 RUB

The register of shareholders is maintained by CJSC «Specialized Registrar-Holder of the register of shareholders of the gas industry», 117420, Moscow, Novocheremushkinskaya str., d. 71/32, License No. 10-000-1-00291 of 26.12.2003 (without limitation of validity), Contract no.e-680-2014 of 08.10.2014.

CJSC "VSP Ltd» is a small enterprise.

In 2017, CJSC «VSP Ltd» is subject to mandatory audit, as it falls under the criteria established by the Federal Law of December 30, 2008 № 307-FZ «on auditing».

Responsibility for the organisation of accounting in the Company, compliance with the law in the performance of business operations, preparation of accounting (financial) statements:

Position	Full name	Authority	Validity of Authority
General Director CJSC «VSP Ltd»	Klochenko Oxana Sergeevna	Minutes of the General Shareholders Meeting No 1 dated 02.09.2013. Order No 15 dated 02.09.2013.	For an indefinite time

The responsibility for generating accounting policy, accounting, timely submission of full and true accounting (financial) statements is held by:

Position	Position	Position	Validity of Authority
Chief accountant CJSC «VSP Ltd»	Petukhova Svetlana Viktorovna	Order 8 dated 07.05.2010	For an indefinite time
General Director CJSC «VSP Ltd»	Klochenko Oxana Sergeevna	Order 1 dated 30.03.2018	Since 01.03,2018 till present

There are no facts of emergency character or their consequences in economic and financial activity.

In 2018 significant errors, capable of influencing reliability of accounting statements for the previous periods were not detected.

To present statements to external users reporting forms approved by the order of the Ministry of Finance of the RF «On Forms of reporting statements for organisations», No 66n dated 02.07.2010 are used.

Мнение

Мы провели аудит прилагаемой годовой бухгалтерской (финансовой) отчётности Закрытого акционерного общества «ВСП Лимитед» (ОГРН 1027700488100, 105318, г. Москва, Семёновская пл., д. 1А, пом. XXVII оф. 10), состоящей из бухгалтерского баланса по состоянию на 31 декабря 2018 года, отчёта о финансовых результатах за 2018 год, приложений к бухгалтерскому балансу и отчёту о финансовых результатах, в том числе отчёта об изменениях капитала за 2018 год и отчёта о движении денежных средств за 2018 год, пояснений к бухгалтерскому балансу и отчёту о финансовых результатах за 2018 год.

По нашему мнению, прилагаемая годовая бухгалтерская (финансовая) отчётность отражает достоверно во всех существенных аспектах финансовое положение Закрытого акционерного общества «ВСП Лимитед» по состоянию на 31 декабря 2018 года, финансовые результаты деятельности и движение денежных средств за 2018 год в соответствии с правилами составления бухгалтерской (финансовой) отчётности, установленными в Российской Федерации.

Основание для выражения мнения

Мы провели аудит в соответствии с Международными стандартами аудита (МСА). Наша ответственность в соответствии с этими стандартами описана в разделе «Ответственность аудитора за аудит годовой бухгалтерской (финансовой) отчётности» настоящего заключения. Мы являемся независимыми по отношению к аудируемому лицу в соответствии с Правилами независимости аудиторов и аудиторских организаций и Кодексом профессиональной этики аудиторов, соответствующими Кодексу этики профессиональных бухгалтеров, разработанному Советом по международным стандартам этики для профессиональных бухгалтеров, и нами выполнены прочие иные обязанности в соответствии с этими требованиями профессиональной этики. Мы полагаем, что полученные нами аудиторские доказательства являются достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения.

Ответственность руководства аудируемого лица за годовую бухгалтерскую (финансовую) отчётность

Руководство несёт ответственность за подготовку и достоверное представление указанной годовой бухгалтерской (финансовой) отчётности в соответствии с правилами составления бухгалтерской (финансовой) отчётности, установленными в Российской Федерации, и за систему внутреннего контроля, которую руководство считает необходимой для подготовки годовой бухгалтерской (финансовой) отчётности, не содержащей существенных искажений вследствие недобросовестных действий или ошибок.

При подготовке годовой бухгалтерской (финансовой) отчётности руководство несёт ответственность за оценку способности аудируемого лица продолжать непрерывно свою деятельность, за раскрытие в соответствующих случаях сведений, относящихся к непрерывности деятельности, и за составление отчётности на основе допущения о непрерывности деятельности, за исключением случаев, когда руководство намеревается ликвидировать аудируемое лицо, прекратить его деятельность или когда у него отсутствует какая-либо иная реальная альтернатива, кроме ликвидации или прекращения деятельности.

Ответственность аудитора за аудит годовой бухгалтерской (финансовой) отчётности

Наша цель состоит в получении разумной уверенности в том, что годовая бухгалтерская (финансовая) отчётность не содержит существенных искажений вследствие недобросовестных действий или ошибок, и в составлении аудиторского заключения, содержащего наше мнение. Разумная уверенность представляет собой высокую степень уверенности, но не является гарантией того, что аудит, проведённый в соответствии с МСА, всегда выявляет существенные искажения при их наличии. Искажения могут быть результатом недобросовестных действий или ошибок и считаются существенными, если можно обоснованно предположить, что в отдельности или в совокупности они могут повлиять на экономические решения пользователей, принимаемые на основе этой годовой бухгалтерской (финансовой) отчётности.

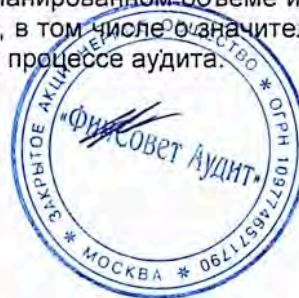
В рамках аудита, проводимого в соответствии с МСА, мы применяем профессиональное суждение и сохраняем профессиональный скептицизм на протяжении всего аудита. Кроме того, мы:

- а) выявляем и оцениваем риски существенного искажения годовой бухгалтерской (финансовой) отчётности вследствие недобросовестных действий или ошибок; разрабатываем и проводим аудиторские процедуры в ответ на эти риски; получаем аудиторские доказательства, являющиеся достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения. Риск необнаружения существенного искажения в результате недобросовестных действий выше, чем риск необнаружения существенного искажения в результате ошибки, так как недобросовестные действия могут включать сговор, подлог, умышленный пропуск, искаженное представление информации или действия в обход системы внутреннего контроля;
- б) получаем понимание системы внутреннего контроля, имеющей значение для аудита, с целью разработки аудиторских процедур, соответствующих обстоятельствам, но не с целью выражения мнения об эффективности системы внутреннего контроля аудируемого лица;
- в) оцениваем надлежащий характер применяемой учётной политики, обоснованность бухгалтерских оценок и соответствующего раскрытия информации, подготовленного руководством аудируемого лица;
- г) делаем вывод о правомерности применения руководством аудируемого лица допущения о непрерывности деятельности, а на основании полученных аудиторских доказательств – вывод о том, имеется ли существенная неопределенность в связи с событиями или условиями, в результате которых могут возникнуть значительные сомнения в способности аудируемого лица продолжать непрерывно свою деятельность. Если мы приходим к выводу о наличии существенной неопределенности, мы должны привлечь внимание в нашем аудиторском заключении к соответствующему раскрытию информации в годовой бухгалтерской (финансовой) отчётности или, если такое раскрытие информации является ненадлежащим, модифицировать наше мнение. Наши выводы основаны на аудиторских доказательствах, полученных до даты нашего аудиторского заключения. Однако будущие события или условия могут привести к тому, что аудируемое лицо утратит способность продолжать непрерывно свою деятельность;
- д) проводим оценку представления годовой бухгалтерской (финансовой) отчётности в целом, её структуры и содержания, включая раскрытие информации, а также того, представляет ли годовая бухгалтерская (финансовая) отчётность лежащие в её основе операции и события так, чтобы было обеспечено их достоверное представление.

Мы осуществляем информационное взаимодействие с руководством аудируемого лица, доводя до их сведения, помимо прочего, информацию о запланированном объёме и сроках аудита, а также о существенных замечаниях по результатам аудита, в том числе о значительных недостатках системы внутреннего контроля, которые мы выявляем в процессе аудита.

Генеральный директор

(квалификационный аттестат аудитора № К 020385
от 29.11.2004 без ограничения срока действия)



Слепынина Н.М.

Аудиторская организация:

ЗАО «ФинСовет Аудит»

ОГРН 1097746571790

129110, г. Москва, ул. Гиляровского, д. 47, стр. 5, этаж 4 пом. II ком. 5

Член Саморегулируемой организации аудиторов

«Российский Союз аудиторов» (Ассоциация)

ОРНЗ 11603041413

«13» марта 2019 года

Opinion.

We have audited annual consolidated financial statements of CJSC «VSP Ltd» (State Registration Number (OGRN) 1027700488100, Office 10, premises XXVII, 1A Semenovskaya Sq., Moscow 105318), comprising Consolidated Balance Sheet as of 31.12.2018; Consolidated Financial Results for 2018; annexes to Consolidated Balance Sheet and to Consolidated Financial Results inclusive of Changes in shareholders' equity for the year 2018; and Cash flow for the year 2018; Explanatory Note to Balance Sheet and Consolidated Financial Results for 2018.

In our opinion, the financial statements enclosed present fairly in all material respects the financial position of CJSC «VSP Ltd» as of December 31, 2018, as well as the financial results and cash flows for the year 2018 in accordance with the Russian Financial Reporting Standards.

Basis for Auditor's Opinion.

We have carried out auditing in accordance with International Standard on Auditing. Our responsibility in line with the standards is described in the section Auditor's Responsibility for Consolidated Balance Sheet (Financial Results) of the report. We are independent in relation to the audited entity as per Rules of Independent Auditors and Auditors Organisation and Code of Ethics for Professional Accountants developed by the International Ethics Standards Board for Accountants, and we have carried out other obligations in line with requirements of professional ethics. We believe that audit evidence obtained by us is sufficient and proper as the basis to express our opinion.

Audited Entity Responsibility for annual financial statements.

Preparation and accurate presentation of these consolidated financial statements under the Russian standards are the responsibility of the Audited Company management. Such a responsibility covers generating documentation and implementation of the internal control system, required for these consolidated financial statements free of material distortions resulting from malicious acts or mistakes.

When preparing Accounting statements the management of the Company is responsible for evaluation of the audited entity's ability to continue its activity, for disclosure where applicable of information related to continuity of activities, and for assumption that the Company will continue its activity with the exception of cases when the management is intending to liquidate the audited entity or in case it faces no real alternative apart from liquidation or termination of operations.

Auditors' Responsibility for annual financial statements.

The Auditor carries out appropriate audit procedures in terms of a concrete task aiming at obtaining sufficient and due audit evidence, providing for reasonable assurance that the accounting (financial) statements are free from material misstatements. Reasonable assurance represents high level of assurance, but will not guarantee that auditing carried out as per ISA detects substantial distortions. Distortions may be intentional or unintentional, and are considered material, if it is possible to assume that taken separately or in total they can effect customer economic decisions based on the annual accounting (financial) statements.

Translation from Russian

*Auditor's opinion on consolidated financial statements of
Closed Joint Stock Company «VSP Ltd» for the year 2018*

In line with ISA, the Auditor applies professional judgment and professional skepticism while auditing. Apart from this, we:

- a) identify and assess risks of substantial distortion of annual accounting (financial) statements resulting from malicious acts or mistakes; develop and carry out auditing in response to risks; obtain audit evidences providing a reasonable basis for our opinion. The risk of identifying substantial distortion resulting from malicious acts is higher than the risk resulting from failing to identify a substantial distortion resulting from a mistake, as malicious acts may imply collusion, forgery, intentional omission, distortion of submitted information or overriding internal control system;
- b) we analyse internal control system, providing for preparation and validity of financial statements in order to select relevant auditing procedures, but not for expressing an opinion on efficiency of internal control system of the audited entity;
- c) we assess correct usage of accounting policy and of validity of indicators estimated by the management of the audited entity, as well as evaluate the overall presentation of the financial statements;
- d) conclude on the correctness of an assumption of the audited entity management that the Company will continue its activity; and based on audit evidence conclude if there is a substantial uncertainty in terms of events or conditions which might result in substantial doubts related to the ability of the audited entity to continue its activity. If we arrive at the conclusion on substantial uncertainty, we must attract attention in our auditor's report to the relevant disclosure of information contained in the annual accounting (financial) statements, and if such a disclosure of information is improper, we must modify our opinion. Our opinion is based on audit evidence available by the date of the our auditor's report. However, further events or conditions can lead to the situation when an audited entity will not be able to continue its activity;
- e) evaluate submitted annual accounting (financial) statements on the whole, its structure and contents, including information disclosure, and whether the annual accounting (financial) statements represent operations and events in the way providing for their true representation.

In terms of information we interact with the audited entity management, bringing to their knowledge apart from anything else information on the planned audit scope and the time scale, as well as on substantial remarks resulting from the audit, including considerable malfunctions of the internal control system which come to light during auditing.

General Director ZAO «FinSovet Audit»

N.M. Slepynina

(auditor qualification certificate No K 020385
dated 29.11.2004, not limited validity)

Information on the Auditor:

Closed Stock Company «FinSovet Audit»

OGRN 1097746571790

5/47, Gilyarovskogo Str., Moscow, 129110

Member of a self-regulatory organisation of auditors

«Russian Collegium of Auditors» (NP «RKA»).

It is inlisted in the register of auditors, Registration number 1160341413

Moscow, March 13, 2019

CJSC «VSP Ltd»

consolidated balance sheet as of 31 December 2018

OKPO 45020035
 INN (Taxpayer identification number) 7704151418
 OKVED 46.90
 OKOPF/OKFS 12267/16
 OKEI 384

in thousands Roubles

Indicator	as of 31 December 2017	as of 31 December 2016	as of 31 December 2015
	ASSETS	I. NON-CURRENT ASSETS	
Intangible assets	-	-	-
Results of research and development	-	-	-
Intangible assets (research and development)	-	-	-
Tangible assets	-	-	-
Fixed assets	-	25	51
Income yielding investments into tangible assets	-	-	-
Financial investments	-	-	-
Deferred tax assets	39	65	190
Other non-current assets	86	184	284
TOTAL OF SECTION I	124	274	525
	II. CURRENT ASSETS		
Inventories	13 801	15 505	17 533
VAT on purchased items	137	-	5
Accounts receivable	6 562	3 499	4 219
Financial investments (other than cash and cash equivalents)	9 000	-	-
Cash and cash equivalents	154	10 661	38 283
Other current assets	3	8	23
incl. VAT on Accounts receivable	3	8	23
TOTAL OF SECTION II	29 657	29 673	60 063
TOTAL ASSETS	29 782	29 947	60 588
	LIABILITIES	III. EQUITY & LIABILITIES	
Share capital	8	8	8
Shares repurchased	-	-	-
Revaluation of fixed assets	-	-	-
Additional capital	10	10	10
Reserve capital	1	1	1
Retained earnings	29 424	29 411	36 549
TOTAL OF SECTION III	29 443	29 430	36 568
	IV. LONG-TERM LIABILITIES		
Borrowings	-	-	-
Deferred tax liabilities	-	-	-
Estimated liabilities	-	-	-
Other liabilities	-	-	-
TOTAL OF SECTION IV	-	-	-
	V. SHORT-TERM LIABILITIES		
Borrowings	-	-	-
Accounts payable	145	191	23 103
Deferred revenues	-	-	-
Estimated revenues	193	326	917
Other revenues	-	-	-
TOTAL OF SECTION V	339	517	24 020
TOTAL EQUITY AND LIABILITIES	29 782	29 947	60 588

CJSC «VSP Ltd»

consolidated balance sheet as of 31 December 2018

OKPO 45020035
 INN (Taxpayer identification number) 7704151418
 OKVED 46.90
 OKOPF/OKFS 12267/16
 OKEI 384

in thousands Roubles

Indicator	January - December 2018	January - December 2017
Revenues	44 157	39 357
Cost of goods sold	(41 315)	(29 552)
Gross profit	2 842	9 805
Selling and marketing costs	(3 822)	(15 466)
Administrative expenses	-	-
Operating profit	(980)	(5 661)
Share of profit of associates	-	-
Interests receivable	120	252
Interests payable	-	-
Other gains	2 630	3 649
Other expense	(1 673)	(5 443)
Profit before income tax	97	(7 203)
Income tax expense	(57)	(10)
incl. Constant Tax Liabilities (Assets)	(64)	(1 576)
Changes in the deferred tax liabilities	-	-
Changes in the deferred tax assets	(27)	(125)
Other	-	-
Net profit	13	(7 338)
Revaluation of non-current assets not included in the net profit of the period	-	-
Result from other operations not included in the net profit of the period	-	-
Total financial result of the period	13	(7 338)
СПРАВОЧНО		
Basic earnings per share	-	-
Diluted earnings per share	-	-

Director

Oxana Klochenko

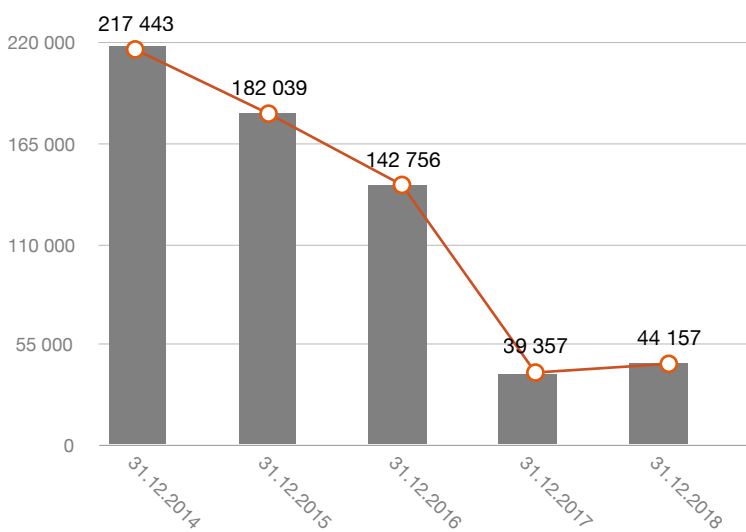
27 February, 2019

CJSC «VSP Ltd»

financial indicators, 2014 - 2018

CJSC «VSP Ltd» is using Chart of Accounts, approved by the Order of the Ministry of Finance dated 31 October 2000, No 94n «On Approval of chart of accounts for financial and economic operation of organisations and user guides». Accounting in the Company is maintained according with the Federal Law No 402-FZ dated 06 2011 «On Accounting» and the Regulations on Accounting and Reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation dated 29 July 1998 No.34n, (in its current version), and the valid accounting rules and policy of the Company. The accounting policy approved by the Company is applied consistently from one accounting year to another.

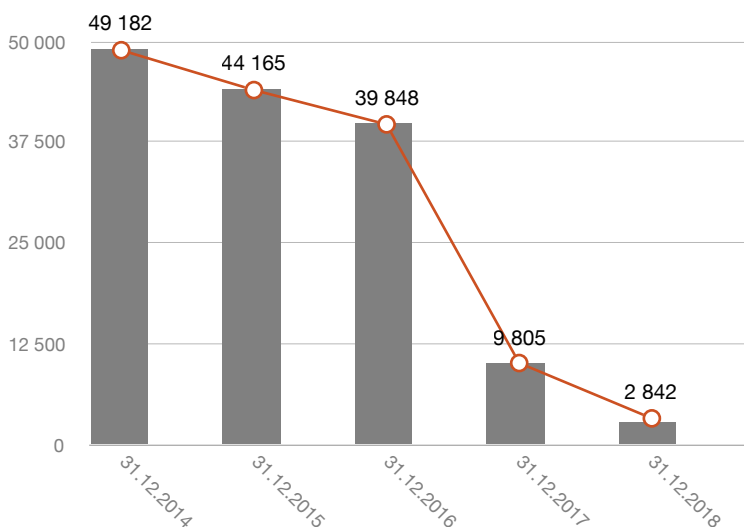
Starting with the year 2013, CJSC «VSP Ltd» entered an active phase of operation in the Company infrastructure.



+12%

Between January 1, 2018 and December 31, 2018, the company's revenue grew by ₹ 4,800 thousand and amounted to ₹ 44,157 thousand.

Revenue, 2014-2018 dynamics
(thousand Roubles)



-71%

In the reporting period, the gross profit of CJSC «VSP Ltd» decreased by ₹ 6.9 million, which is lower than the result of the previous period by 71%.

Gross profit, 2014-2018 dynamics
(thousand Roubles)

The charts show dynamics of change of the CJSC «VSP Ltd» main financial operational indicators for the period 2014-2018.

CJSC «VSP Ltd»

financial indicators, 2014 - 2018

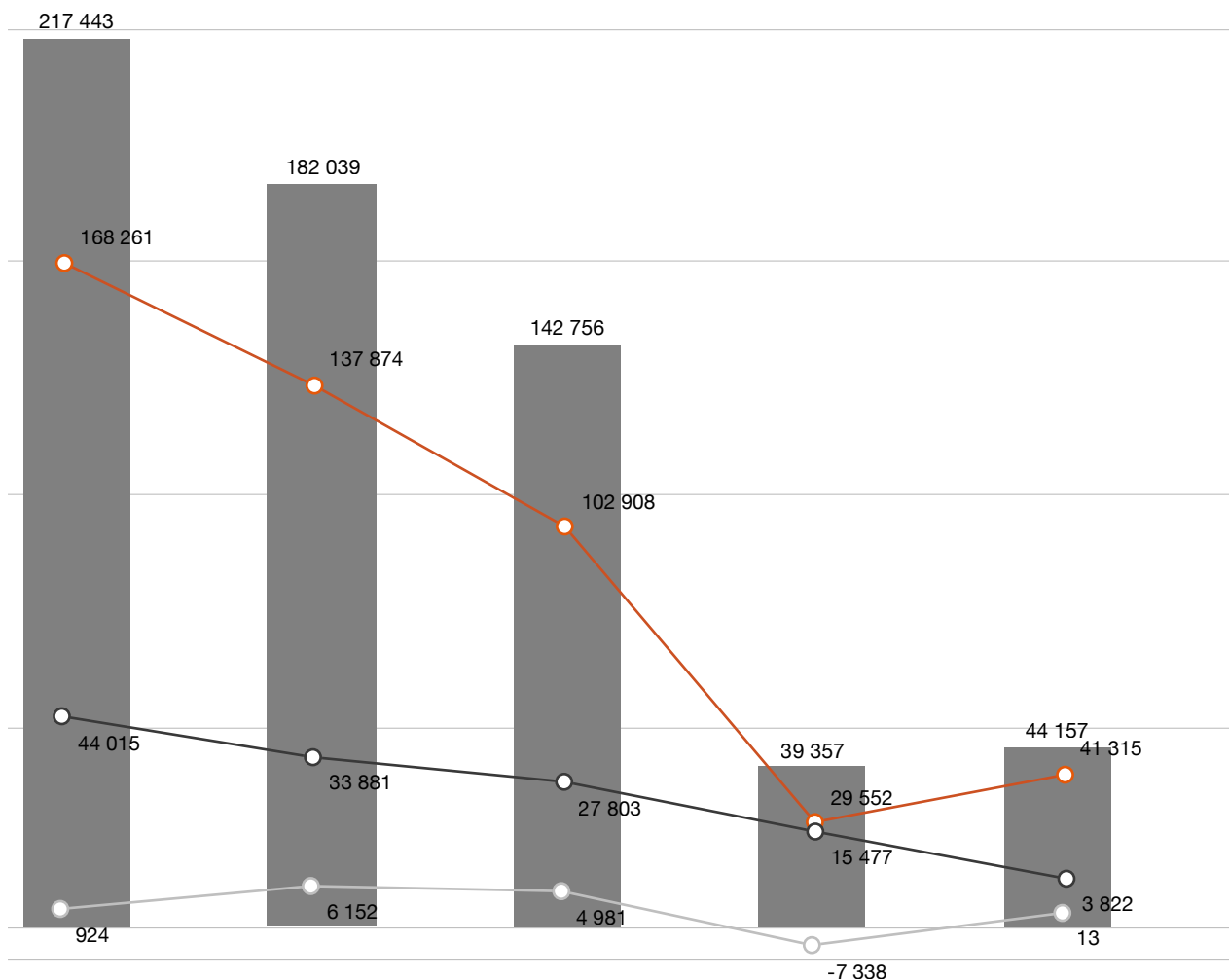
In the reporting period, the Company continued its course on the transfer of business activities to JSC «VSP Rus».

Careful load distribution within the Company, a significant reduction in business expenses allowed to avoided losses in 2018.

Indicator	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2014
Cost of sales	41 315	29 552	102 908	137 874	168 261
Selling costs	3 822	15466	27 803	33 881	44 015
Current income tax	57	10	1 842	2 115	1 133
Net profit	13	(7 338)	4 981	6 152	924

in thousand Roubles

CJSC «VSP Ltd» net profit under RAS in 2018 amounted to less than ₹ 13 thousand, compared with a loss exceeding ₹ 7 million in the previous period.

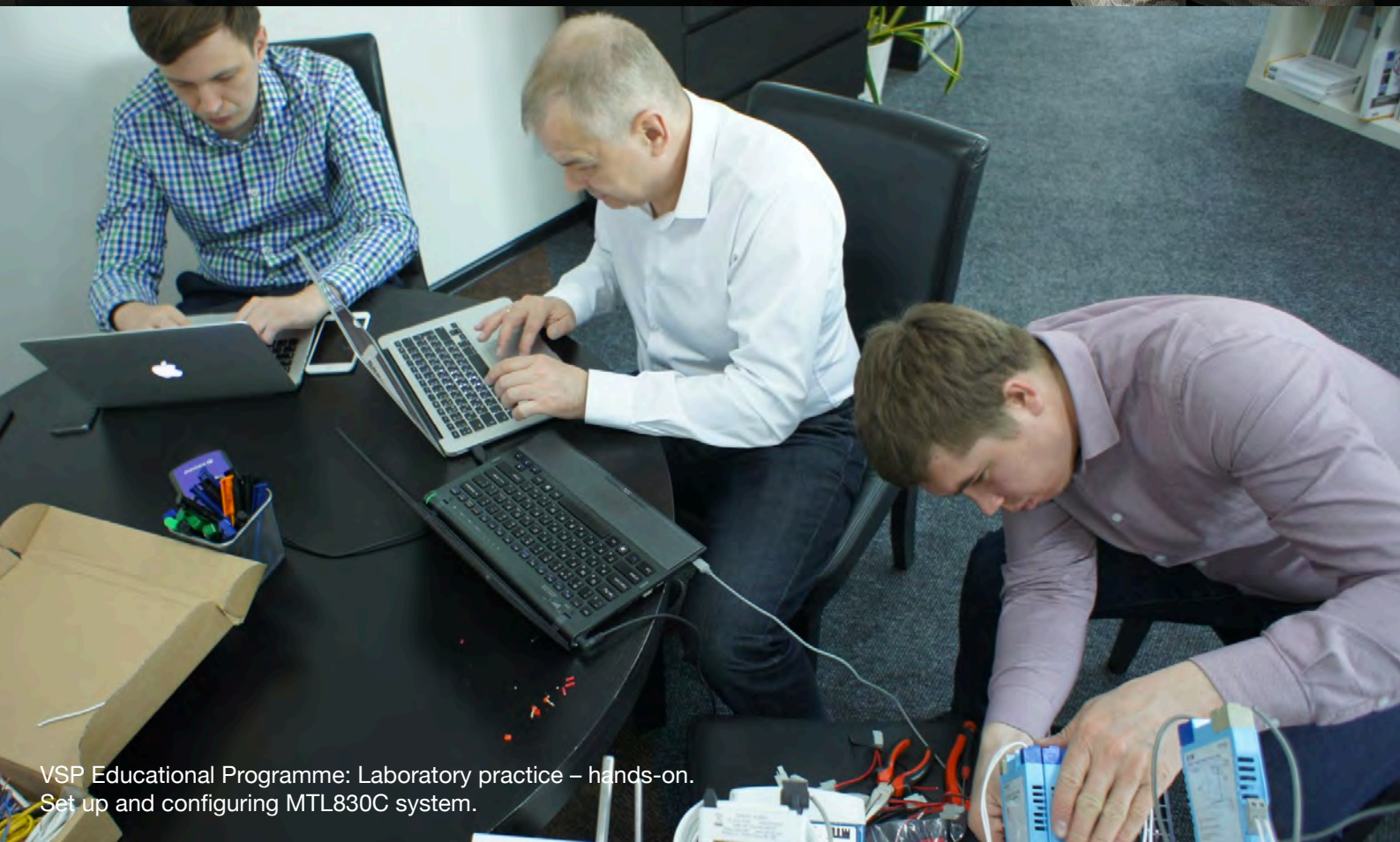




VSP Educational Programme: First English lesson in the Company office.



VSP Educational Programme: SPIN-selling training for the employees of the Company.



VSP Educational Programme: Laboratory practice – hands-on. Set up and configuring MTL830C system.

Consolidated information

JSC «VSP Rus» and CJSC «VSP Ltd», 2014-2018

A consolidated report of the VSP Company consists of the reports on financial results of CSC «VSP Ltd» and JSC «VSP Rus». The consolidated financial report is not a mandatory document and is intended for information.

General information

Full name:	Closed Joint Stock Company «VSP Limited»
Abbreviated name:	CJSC «VSP Ltd»
INN (Taxpayer identification number)	7701742677
KPP	771901001
State Registration Number (OGRN)	1027700488100
OKVED	46.90

Full name:	Joint Stock Company «VSP Rus»
Abbreviated name:	JSC «VSP Rus»
INN (Taxpayer identification number)	7701742677
KPP	771901001
State Registration Number (OGRN)	1077759678589
OKVED	46.90

The following indices of the VSP Company operation have been analysed:

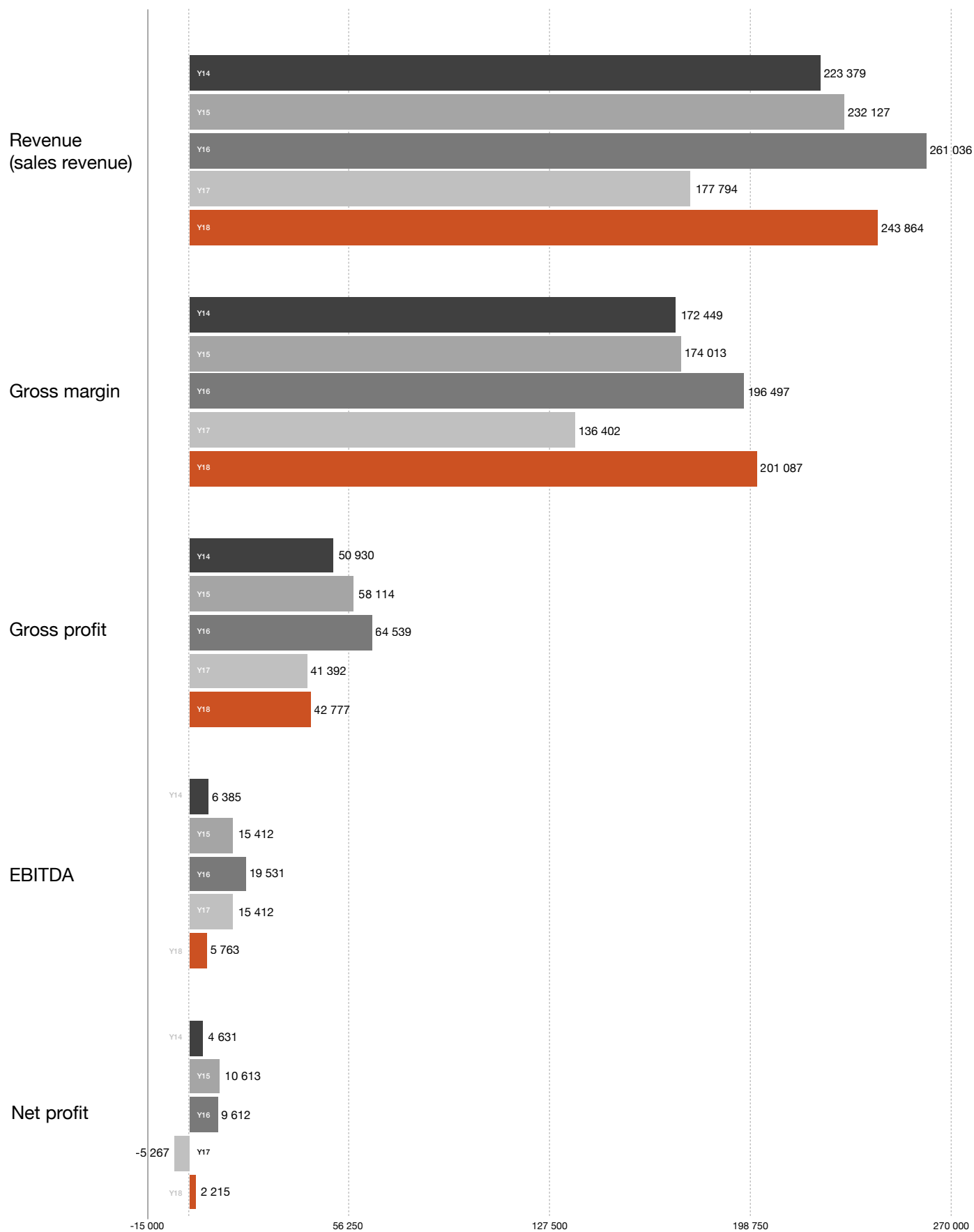
- Cash Flow Statements;
- Vertical balance sheet analysis;
- Horizontal balance sheet analysis;
- Vertical analysis of financial statements;
- Horizontal analysis of financial statements;
- Financial indicators.

In 2017, the Company showed a decrease in financial indicators. Corrective actions taken on time made it possible to minimize the negative impact of the situation on the Company's operation.

Indicator	2018	2017	2016	2015	2014
Sales revenue	243 864	177 794	261 036	232 127	223 379
Gross margin	201 087	136 402	196 497	174 013	172 449
Gross profit	42 777	41 392	64 539	58 114	50 930
EBITDA	5 763	-701	19 531	15 412	6 385
Net profit	2 069	-5 267	9 612	10 613	4 631

Consolidated information

JSC «VSP Rus» and CJSC «VSP Ltd», 2014-2018



(thousand Roubles)

VSP: 2019

According to summing up the Company operation in 2018, VSP main financial indices demonstrate growth.

Over 35% growth of revenue as compared with the results of 2017; about 3% growth of the Company gross profit as compared with the results of 2017 – the facts which objectively evaluate the work of VSP.

The VSP team has put a lot of effort into generating a verified plan of works and the Company budget for 2019. The first drafts of the plan and budget were formulated in September. We expect VSP to be capable to demonstrate confident work in the market, positive dynamics of the key indices in the new year.

The Company is focused at the goals adopted for realisation earlier.

- (1) VSP in the Ufa region.
- (2) Electromechanics.
- (3) VSP Special Customers.
- (4) Loyalty Programme.
- (5) Instrumentation products.
- (6) An extended VSP marketing programme.
- (7) Programme Practice.

Alongside with this, we continue to detail and develop the operational strategy providing VSP with a clear focus in the business prospective.

(1) Development of the VSP brand.

We single out 5 company practices, along which the operation is being developed:

- Intrinsically safe interfaces and systems, including HMI:
- Instrumentation products;
- Electromechanics;
- Project approach;
- Marketing.

5 business lines, 5 competences, current, as well as those which are yet to be developed, – altogether forming VSP capabilities and value of the Company for the market.

(2) Continuous improvement of the operational efficiency.

(a) Organisational structure, (b) digital data processing, (c) company site.

(3) Diversification.

Oil&gas, chemistry, metallurgy, pharmaceuticals, machine building

It so happened, that VSP business has been focused at the oil&gas sector. And we are glad to cooperate with the first league companies, with advanced major enterprises in Russia.

At the same time, not for the first year, we have been working on developing a VSP position in some sectors of industry new for us – metallurgy, pharmaceuticals, machine building. No doubt, in 2019 we will build on this activity.

Joint Stock Company «VSP Rus»

Registration date: 03 September 2007

1a, 18th Floor, Semenovskaya sq., Moscow, Russia, 107023
+7 499 4040080

VSP specializes on the three main business lines — Intrinsically safe interfaces and systems, Instrumentation products and Electromechanics. In terms of a product approach the company cooperates with a number of manufacturers and suppliers.

Closed Joint Stock Company «VSP Ltd»

Registration date: 19 September 1996

1a, 18th Floor, Semenovskaya sq., Moscow, Russia, 107023
+7 499 4040080

Limited Liability Company «TH VSP»

Registration date: 18 June 2015

1a, 18th Floor, Semenovskaya sq., Moscow, Russia, 107023
+7 499 4040080

VSP Representative Office in Ufa

Start of operation: October 2016

Russia, Ufa
+7 347 2242475

Core activity: Marketing support for VSP projects.

VSP Representative Office in Kiev

Start of operation: March 2015

Ukraine, Kiev
+38 050 4147733

Core activity: Marketing support for VSP projects.

VSP Marketing Tech Ltd.

Registration date: 16 July 2001

36a, Goring Road, Goring-by-Sea, Worthing, West Sussex, BN12 4AD, UK

Core activity: Logistics and financial support for VSP projects.

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