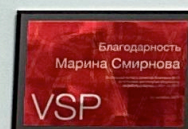
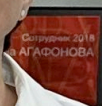
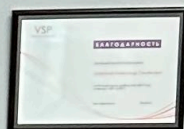


ANNUAL  
REPORT FOR 2022

VSP







# Director's Address.

The year 2022 does not imply the need for it to be presented and does not need any special description—business experienced a shock in a number of regions around the world. 2022, of course, will be thoroughly researched and investigated in business schools as one of the most dramatic and complicated over the past 50 years. Having somewhat regained the production pace after a difficult period of restrictions associated with the coronavirus pandemic, in 2021 companies in different sectors of the economy started step by step to get back into operational mode. Ambitious plans for business development, for participation in large and significant industry projects in Russia were detailed, updated conditions for the team operation were formed further stimulating the company performance indicators. The beginning of 2022 quickly reformatted the entire situation with relationships and business chains that had developed over the past decades. In a moment of crisis, someone having prepared for it sagaciously and in a timely manner, wins. Other members of the community who are not ready to adapt and do not have sufficient experience, resources and resilience, leave the market, giving way to new and stronger players.

At the beginning of 2022, relationships with VSP suppliers and customers, generating over 90% of cash flow in various business lines of the company, were put on hold.

The company's business structure at the beginning of 2022 was as follows:

- Intrinsically safe solutions: the main partner and supplier—Eaton Electric, former MTL;
- Instrumentation products: the main partner and supplier—Parker Hannifin;
- HMI solutions, cooperation with partners and suppliers: Gecma, part of Eaton; Systec & Solutions;
- Electromechanics: the main partner and supplier—Parker Hannifin;
- Project approach, cooperation with partners and suppliers: Eurotherm, Emerson, WIKA.

Soon, after a few months, there was no longer a question about the need to move quickly and efficiently in restructuring VSP. The company had to gradually, but quickly reformat its activities, which was followed by the budget as well. The decision was taken to focus all further efforts of the team on the only line—Instrumentation products.

The prerequisites for such changes were laid down by us in 2019, when VSP launched a new program for the development and diversification of Instrumentation products business line, and initiated a dialogue with new suppliers and manufacturers in the Asian region, in India, in the first place.

*By the autumn of 2022, the main tasks of the restructuring were completed — VSP having rebuilt the company's operation, accumulated all the efforts and competence of employees to further develop the only business line—Instrumentation products.*

The qualitative level of performance indicators is not just a statement for VSP. What is important for us is actually how and at which quality level the work is done. The team always strives to achieve high professional standards. Keeping focus on one goal in this sense provides us with an obvious advantage: there is no need to *keep up everywhere*, in the new reality we must ensure that the set indicators are met in a much smaller range of business areas. The measures taken timely, the professional work of employees, the loyalty of customers to the company have yielded results.

*The year 2022 resulted not only in stabilizing the operation in full—VSP had provided a portfolio of orders for at least 12 months period ahead, including the projected positive cash flow for the beginning of 2024.*

At the same time, and despite any market circumstances, the company remained faithful to the values important for business. High standards, competence, effective and responsible approach are all important elements of the VSP culture, which we strive to develop year by year.

*The strategy could be reviewed and changed. Principles could not.*

VSP as part of the business community, as part of the large ecosystem of the Russian economy, i.e. a resources consumer and provider due to a certain business model of the company, realizes its responsibility to society, to future generations for the environment that we all generate in one way or another, which we affect by our activities in everyday practice. The VSP company, each employee strives to take care of the operational resources available at all working stages.

In its daily working practice the company aligns with the following principles aimed at minimizing the impact on the environment, on compliance with the principles and spirit of the rules of lean operations.

- (1) In its production processes the Company gives preference to equipment and working tools designed for the longest possible service life.
- (2) Upon the failure of equipment and/or devices, the company will make efforts to repair such an equipment/device, but not to purchase a new one to replace the failed.
- (3) Equipment and/or working tools and devices which service life has expired will either be disposed of by the company through the appropriate specialized services, or will be passed over on a free or reimbursable basis to organizations and enterprises providing for further operation of such devices, partially or in-full.
- (4) When using equipment and /or working tools and devices, consuming electricity from energy sources, embedded or replaceable, the company will give preference and intend to use the devices, relying on reusable energy sources.
- (5) The Company will strive to consume a minimum amount of energy in its operations.
- (6) The Company will give preference to such an equipment, which is based on energy-efficient technology and energy-saving functions.
- (7) In its working practice, the company will give preference to those suppliers of services, products and goods offered for the company's operations, which share and act in the spirit of the company's lean operations approach.
- (8) When choosing suppliers of equipment and products used in the company's projects, the company will give preference to such suppliers whose production processes comply with international ESG standards and regulations, the spirit of the company's lean operations approach.
- (9) The company will make monetary contributions on an annual basis to organizations whose activities are aimed at restoring the natural ecological balance in Russia or around the world.
- (10) On an annual basis, the company will prepare a report on the main activities and efforts carried out aiming at implementation of the Lean Operations Rules.

Sustainable growth is not only limited to the stability of the company, it means growth with a minimum negative impact on the environment. Today, this approach does not just imply desirable aspects of operation, it becomes critical. Ultimately, everything comes down to the needs of our customers, for whom the reliability of technical solutions, a longer service life of equipment, a smaller carbon footprint contribute to a faster return on investment.

Ivan S. Perepelyatnik  
Marketing and Sales Director

Oxana S. Klochenko  
General Director

Consolidated

financial

statements

for the year ended 31 March 2019

# 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 2022, JSC VSP Rus is not subject to mandatory audit, as it does not fall under the criteria established by the Federal Law of December 30, 2008 No 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 Meeting of Shareholders No 1 dated 29.08.2007	For an indefinite time

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

Position	Full name	Authority	Validity of Authority
Chief accountant JSC «VSP Rus»	Klochenko Oxana Sergeevna	Order n/n dated 29.05.2020	For an indefinite time

**03.2009**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2010**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2011**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2012**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2013**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2014**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2015**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2015**  
**CJSC VSP Rus**  
*Auditor's positive opinion*

**03.2016**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2016**  
**CJSC VSP Rus**  
*Auditor's positive opinion*

**03.2017**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2017**  
**CJSC VSP Rus**  
*Auditor's positive opinion*

**03.2018**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2018**  
**CJSC VSP Rus**  
*Auditor's positive opinion*

**03.2019**  
**CJSC VSP Ltd**  
*Auditor's positive opinion*

**03.2019**  
**CJSC VSP Rus**  
*Auditor's positive opinion*

**03.2020**  
**CJSC VSP Rus**  
*Auditor's positive opinion*

**03.2021**  
**CJSC VSP Rus**  
*Auditor's positive opinion*

# JSC «VSP Rus»

## consolidated balance sheet as of 31 December 2022

OKPO 82536925  
 INN (Taxpayer identification number) 7701742677  
 OKVED 46.90  
 OKOPF/OKFS 12267/16  
 OKEI 384

in thousands Roubles

Indicator	as of 31 December 2022	as of 31 December 2021	as of 31 December 2020
	<b>ASSETS</b>	<b>I. NON-CURRENT ASSETS</b>	
Intangible assets	-	-	-
Results of research and development	-	-	-
Intangible assets (research and development)	-	-	-
Tangible assets (research and development)	-	-	-
Fixed assets	54	235	213
Income yielding investments into tangible assets	-	-	-
Financial investments	-	-	-
Deferred tax assets	314	306	221
Other non-current assets	-	-	-
TOTAL OF SECTION I	368	541	434
	<b>II. CURRENT ASSETS</b>		
Inventories	18 338	29 386	20 867
VAT on purchased items	850	1 844	912
Accounts receivable	11 479	28 020	20 003
Financial investments (other than cash and cash equivalents)	-	-	-
Cash and cash equivalents	6 735	7 494	5 803
Other current assets	1 425	2 060	809
incl. VAT on Accounts receivable	-	-	-
TOTAL OF SECTION II	38 827	68 804	48 394
<b>TOTAL ASSETS</b>	<b>39 194</b>	<b>69 345</b>	<b>48 829</b>
	<b>LIABILITIES III. EQUITY &amp; LIABILITIES</b>		
Share capital	300	300	300
Shares repurchased	-	-	-
Revaluation of fixed assets	-	-	-
Additional capital	-	-	-
Reserve capital	15	15	15
Retained earnings	11 074	16 913	11 431
TOTAL OF SECTION III	11 389	17 228	11 746
	<b>IV. LONG-TERM LIABILITIES</b>		
Borrowings	-	-	9 000
including loans received	-	-	9 000
Deferred tax liabilities	143	28	24
Estimated liabilities	-	-	-
Other liabilities	-	-	-
TOTAL OF SECTION IV	143	28	9 024
	<b>V. LONG-TERM LIABILITIES</b>		
Borrowings	17 967	17 737	4 965
incl. overdraft	-	-	-
Accounts payable	8 983	32 945	22 010
Deferred revenues	-	-	-
Estimated revenues	713	1 507	1 084
Other revenues	-	-	-
TOTAL OF SECTION V	27 662	52 089	28 058
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39 194</b>	<b>69 345</b>	<b>48 829</b>



# JSC «VSP Rus»

## consolidated balance sheet as of 31 December 2022

OKPO 82536925  
 INN (Taxpayer identification number) 7701742677  
 OKVED 46.90  
 OKOPF/OKFS 12267/16  
 OKEI 384

in thousands Roubles

Indicator	January - December 2022	January - December 2021
Revenues	55 907	175 536
Cost of goods sold	(35 904)	(129 023)
Gross profit	20 003	46 513
Selling and marketing costs	(18 799)	(34 190)
Administrative expenses	-	-
Operating profit (loss)	1 204	12 323
Share of profit of associates	-	-
Interests receivable	10	1
Interests payable	(931)	(935)
Other gains	8 186	4 609
Other expense	(10 972)	(5 152)
Profit before income tax	(2 503)	10 846
Income tax expense	(111)	(2 264)
incl. Current Tax Liabilities	(5)	(2 344)
incl. Deferred Tax Liabilities	-106	80
Other	-	-
incl. additional income tax for previous periods	-	-
<b>Net profit</b>	<b>(2 614)</b>	<b>8 582</b>
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	(2 614)	8 582
FOR REFERENCE		
Basic earnings per share	-	-
Diluted earnings per share	-	-

Director

Oxana S. Klochenko

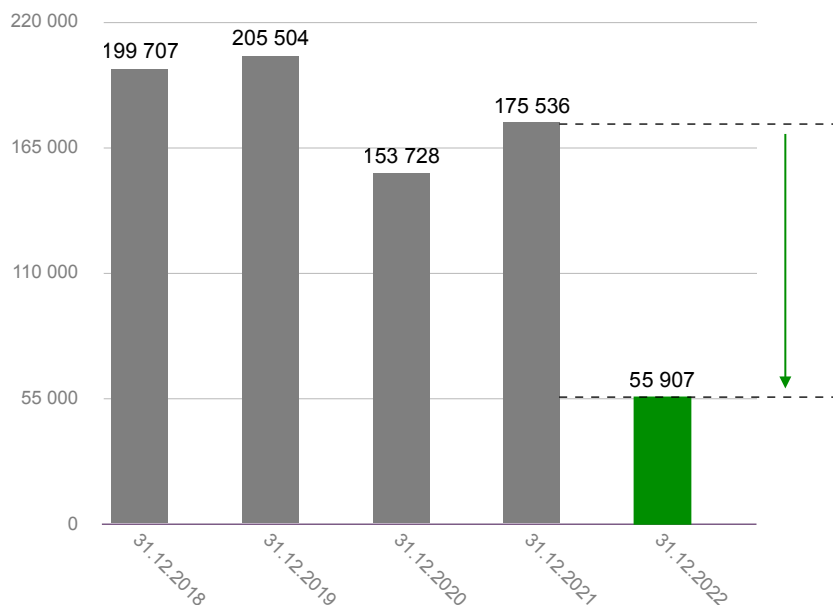
14 March 2022

# JSC «VSP Rus»

## Financial indicators, 2018 - 2022

The year 2022 does not imply the need for it to be presented and does not need any special description—business experienced a shock in a number of regions around the world. 2022, of course, will be thoroughly researched and investigated in business schools as one of the most dramatic and complicated over the past 50 years.

The main performance indicators of VSP went down significantly by the end of 2022.

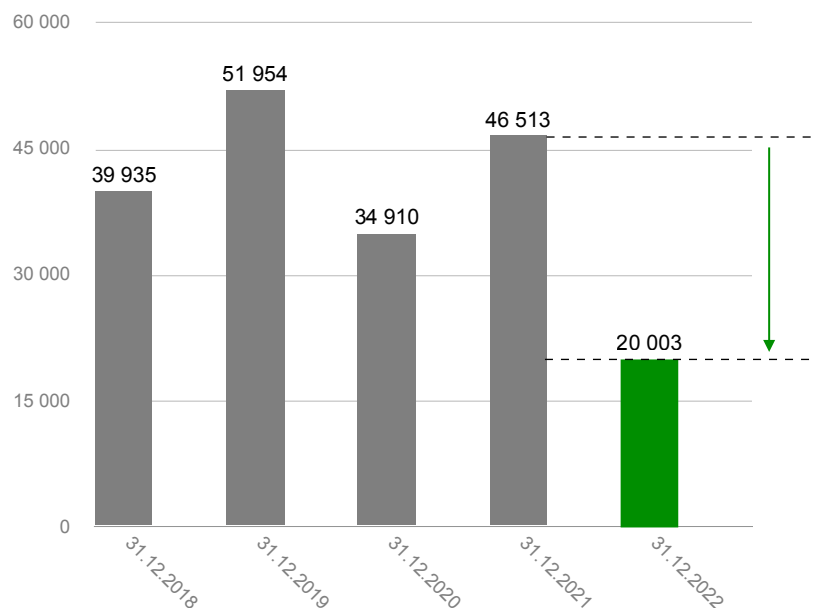


-68%

In the period from January 01, 2022 to December 31, 2022, the company revenue was down significantly, and amounted to 55,907 thousand Roubles.

The decline in revenue in comparison with 2021 amounted to more than 68%.

Revenue, dynamics 2018-2022  
(thousand Roubles)



-57%

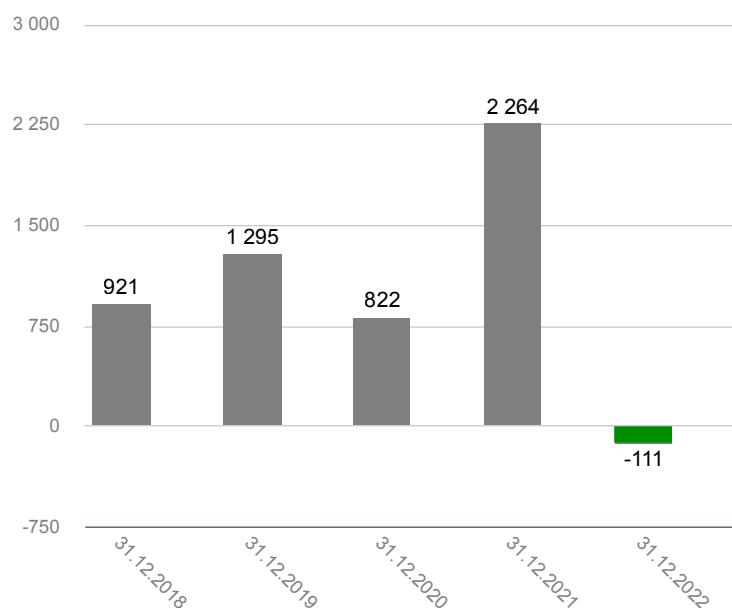
In the reporting period the gross profit of JSC VSP Rus was down by 26,5 mln Roubles, which is more than 57% lower than the result of the previous period.

Gross profit, dynamics 2018-2022  
(thousand Roubles)

# JSC «VSP Rus»

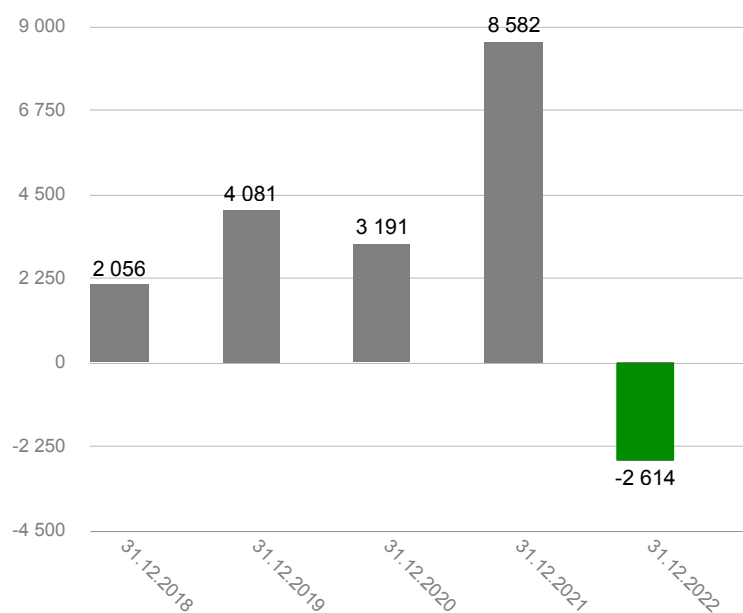
## Financial indicators, 2018 - 2022

The year 2022 resulted not only in stabilizing the operation in full—VSP had provided a portfolio of orders for at least 12 months period ahead, including the projected positive cash flow for the beginning of 2024.



The income tax of JSC "VSP Rus" for the analyzed period amounted to -111 thousand Roubles.

Income tax, dynamics 2018-2022  
(thousand Roubles)



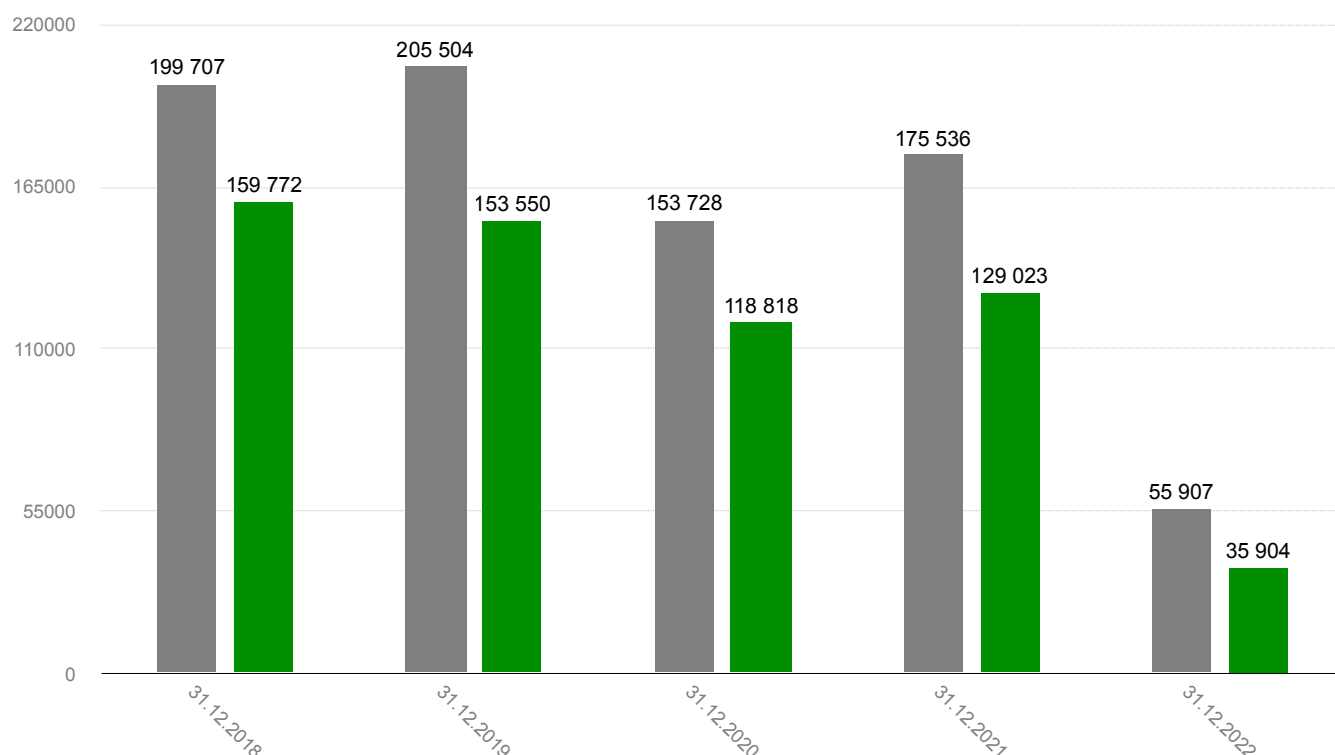
The loss from sales for 2022 amounted to -2,614 thousand Roubles.

Net profit, dynamics 2018-2022  
(thousand Roubles)



# JSC «VSP Rus»

Financial indicators, 2018 - 2022



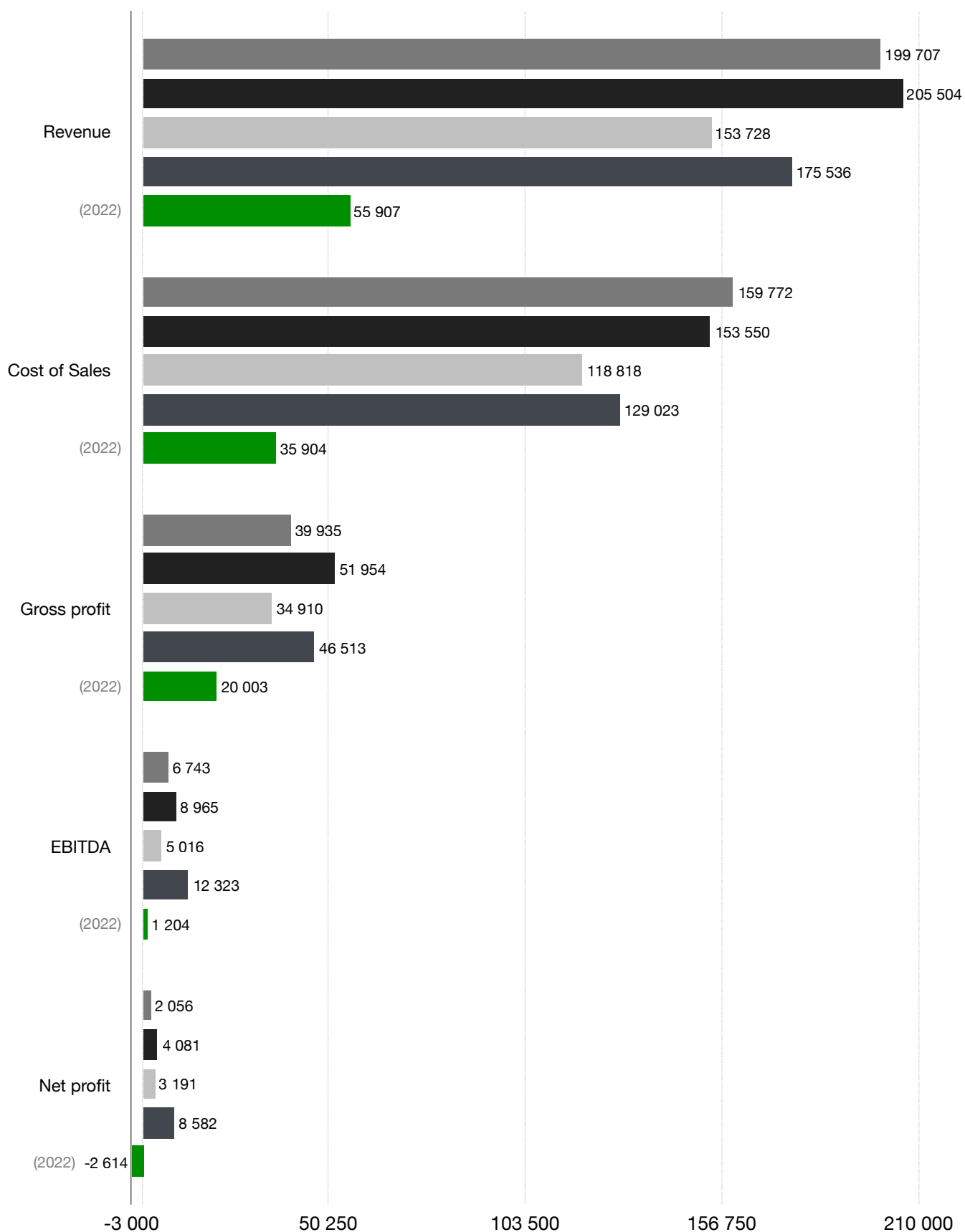
*By the autumn of 2022, the main tasks of the restructuring were completed — VSP having rebuilt the company's operation, accumulated all the efforts and competence of employees to further develop the only business line— Instrumentation products.*

*According to the results of VSP operation in 2022, the loss from sales amounted to 2,614 thousand Rubles.*

Index	2018	2019	2020	2021	2022
Revenue	199 707	205 504	153 728	175 536	55 907
Cost of sales	159 772	153 550	118 818	129 023	35 904
Gross profit	39 935	51 954	34 910	46 513	20 003
EBITDA	6 743	8 965	5 016	12 323	1 204
Net profit	2 056	4 081	3 191	8 582	-2 614

# JSC «VSP Rus»

Financial indicators, 2018 - 2022



thousand Roubles

# VSP: Lean Operations Practice and responsible approach.

At the beginning of 2022 VSP has started to implement new company rules bringing under the company regulations work in terms of lean operations and responsible approach, not only as being part of the business community, but as an integral component of the natural ecosystem, where we all belong.

We have mentioned earlier that at the end of the year we will prepare a report on how we are keeping with our promise—time has come to ‘compare notes’: declarations and real facts.

(1) Early this year VSP carried out an upgrade of all the working tools and devices—all the employees’ computers and mobile phones were replaced for the new ones. This time the obsolete devices were handed over to a specialised computer repair company on the minimum money compensation basis.

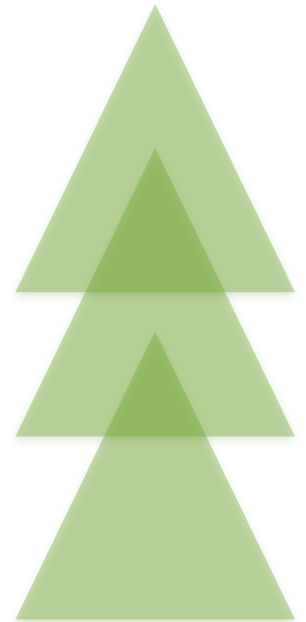
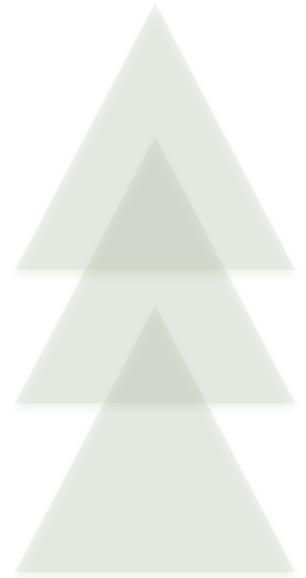
(2) All the disposable batteries used by the employees during the year were disposed of in specialised collection points for further processing. And in cases where it were possible to replace the instruments for the ones with integrated reusable power sources, such a replacement has been done.

(3) The moneys raised by VSP and transferred to a specialised organisation will be spent in the middle of 2023 on planting 115 trees ‘in various regions of Russia for restoration of the affected forests’.

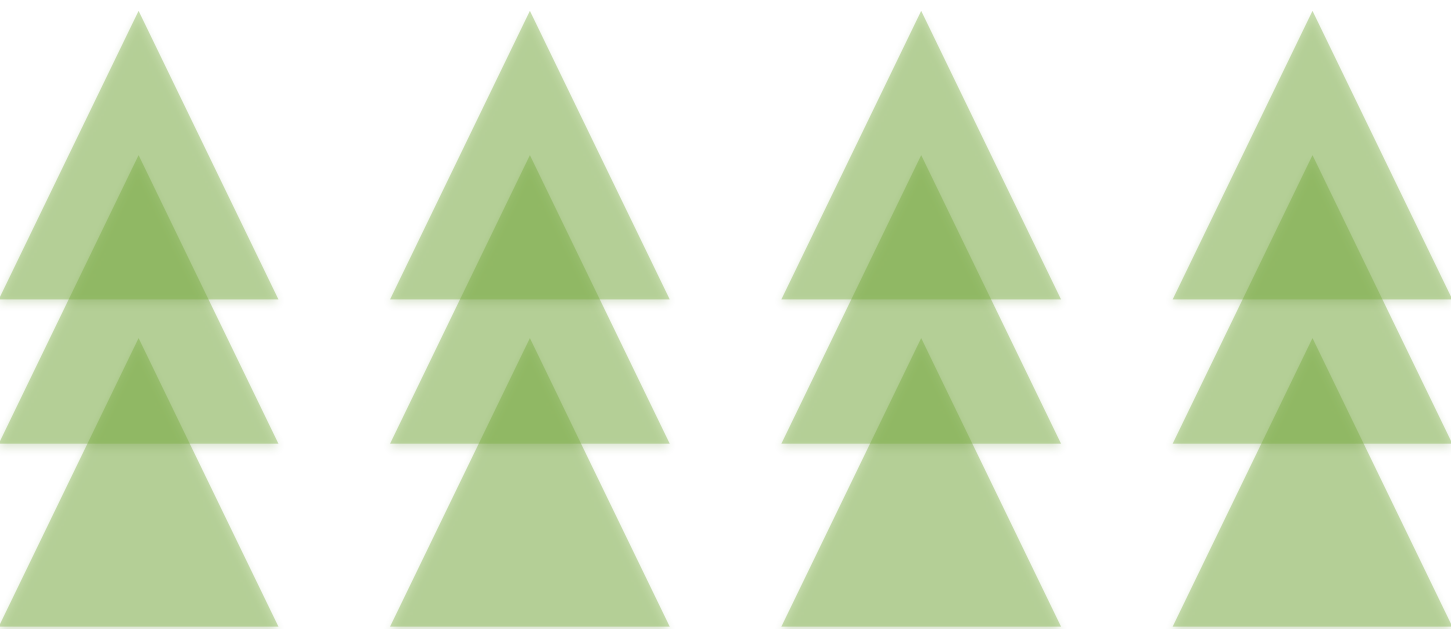
(4) VSP has changed its approach to purchasing consumable materials for the current office operations giving preference to those which could be easily disposed of or processed further.

(5) The company employees make their best to practice the so-called ‘paperless approach’, cutting down not only paper consumption, but cartridges as well, processing of which is a multistep operation.

*We would have thought that the start of an important practice—Lean operations and a responsible approach—has been set up! Everybody can do it!*







*19 September, 1996 — Closed Stock Company «VSP Ltd»  
was registered with the Moscow Registration Chamber.*

*Main sectors of industry: oil and gas, oil refining, chemical  
and petrochemical industry, production of minerals, power generation  
and pharmaceutical industry, metallurgy.*

*Main operational markets for the company — Russia, Belarus,  
Kazakhstan and other EAC countries..*

# VSP Company.

An engineering solution becomes really valuable when it features unique qualities, when its capabilities provide for a technical advantage for the user and considerably cut down expenses— optimize time and financial resources—allowing for stronger competitive position of the business.

The VSP job is to present technologies based on world-level engineering achievements to the customer—from a "simple" fitting to precision sampling systems—advanced solutions in instrumentation products in line with all the requirements for a successful realization of a project.

*VSP has been specializing on Instrumentation products solutions since 1996, cooperating with suppliers and manufacturers all over the world.*

*The task of VSP is to provide the customer with a verified solution that fully meets the project requirements in terms of (1) technical specification; (2) logistics, including minimum possible delivery time; (3) commercial terms and conditions with regard of a project budget.*

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 a reliable flow distribution or an accurate process parameter measurement.

An incompetent team cannot expect to hold a successful place in the ecosystem. Keeping in mind the importance of a further company services development in terms of quality,

VSP is actively pursuing the Educational Program and the Program of Advancement for personnel.

The current Program of Advancement takes into account not only the educational plan, but serves as 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 think that VSP is not just a company. VSP is a platform, on which basis every employee can accomplish his or her ambitions and be successful.*

Comprehensively investing every year in VSP development, in professional advancement of specialists, we strive to work at a new level, keeping in mind the basic principles— competence, professionalism, quality and long-term strategy. Creating special working conditions for the team, allowing to realize potential of its every member, we want to provide for a confident standing in life for every individual at VSP.

A modern market makes high level demands on all those involved in business. We believe that building an open and long-term relationship within the company, with customers and partners present possibilities for VSP to implement plans for the company development.

# VSP



## **The VSP Company**

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

[vsp@vsp-co.org](mailto:vsp@vsp-co.org)  
[www.vsp-co.org](http://www.vsp-co.org)

## **Joint Stock Company VSP Rus**

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

## **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

Up-to-date information on legal bodies of the VSP Company, including Auditor's Reports, starting 2007, and Credit Rating by an independent agencies: <https://www.vsp-co.org/disclosure/>

[Twitter.com/vspco](https://twitter.com/vspco)  
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